

**NC STATE  
UNIVERSITY**

College of Agriculture  
and Life Sciences

# Looking Forward for North Carolina

## Food Processing and Manufacturing Initiative



**NC STATE  
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**Feed 9.3 billion people by 2050**

**So we must double our food supply  
and enhance efficiency**

**A goal achieved through expanded  
processing capacity and technologies**





**We think food manufacturing  
can be as big as textiles  
and furniture once were.**

**The “New Economy”**





We already make some...





**We have the raw materials...**





the scientists...



A high-angle photograph of a food processing facility. Three workers, wearing white lab coats, hairnets, and blue gloves, are working on a conveyor belt system. The conveyor belt is filled with long, orange, ribbed food items, likely sweet potato fries, which are being processed in a large industrial fryer. The workers are carefully monitoring and guiding the items as they move through the machinery. The floor is made of dark wood, and the overall environment is clean and professional.

**and workforce to make much more!**



# **The legislature asked us to evaluate the potential for food manufacturing to impact North Carolina**





Download at [cals.ncsu.edu](http://cals.ncsu.edu)



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# **Recommendations from the Study**

**Food Product and Process Innovation Center**

**Value-Added Food Entrepreneurship Network**

**Regulatory Training and Outreach**

**Pro-Active Industrial Recruitment Campaign**





# Economic IMPACT by 2020

**38,000 jobs** created in North Carolina

**\$10.3 billion** in net economic growth



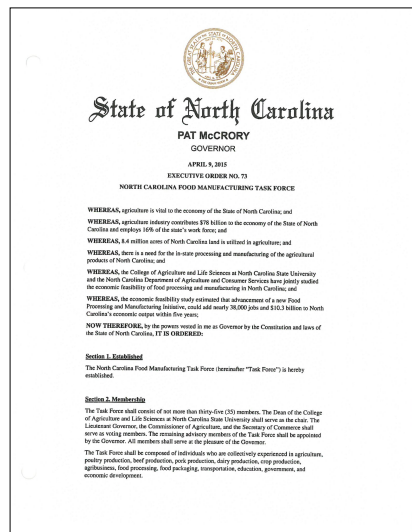
assets

ideas

research

partners

# Charge from our Governor for the N.C. Food Manufacturing Task Force



1. Develop a **strategic business plan** to leverage existing activities in food processing and manufacturing
2. Establish a statewide food processing and manufacturing **organization, directory, and database**
3. Create a plan to develop a proactive industrial **recruitment campaign** for new business development
4. Foster the growth of food manufacturing **entrepreneurial endeavors**, enhance development of **innovative food products and processes**, and provide sector specific **regulatory training and outreach**



## Task Force Core Leadership



Richard Linton  
Dean, NC State's  
College of Agriculture  
and Life Sciences  
(Chair)



Lt. Governor  
Dan Forest



Steve Troxler  
Commissioner  
NCDA&CS



John Skvarla  
Secretary  
N.C. Dept. of Commerce

## Task Force Subcommittees

### Infrastructure Needs

Hal Burns

David Clark

Vance Dalton

**Chris Daubert (Chair)** (Linton designee)

**Buddy Gaither (Co-chair)**

Bobby Ham

Bill Randle

Richard Reich (Troxler designee)

Nick Tennyson

**Steve Troxler (Reporting line)**

### Food Industry Needs Assessment

**Nick Ampe (Co-chair)**

Karl Deily

Jenny Fulton

**Tom Holt (Chair)**

**Rich Linton (Reporting line)**

Kevin Mulligan

Jeff Turner

Mark Williams

### Business Recruitment

**Chris Chung (Chair)**

Susan Fleetwood (Skvarla designee)

Dan Gerlach

**John Prestage (Co-chair)**

**John Skvarla (Reporting line)**

Renee Stewart

Mark Swaim

### Communications/Advocacy

Dennis Berwyn

**Don Butler (Chair)**

**Jim Cain (Co-chair)**

Peter Daniel

**Dan Forest (Reporting line)**

Jimmy Gentry

Martez Hill

Kevin Leonard

Paul Meyer

Hal Weatherman (Forest designee)



## Task Force Process Timeline



## CHARGE #1

### **Develop a strategic business plan to leverage existing activities in food processing and manufacturing**

Subcommittees considered the following three questions:

1. What assets currently exist?
2. Why have current food manufacturers chosen North Carolina as a place to do business?
3. What can North Carolina do better to take advantage of new economic growth opportunities?



## Recruitment is the key

Nearly every company surveyed was recruited to North Carolina.

Successful recruitment involved help with:

- Site selection
- Fostering community relations
- Identifying cost savings measures
- Assisting with workforce training
- Providing funding and incentives

## CHARGE #2

**Establish a statewide food processing and  
manufacturing organization, directory and database**

### OUTCOMES:

Food Manufacturing Industry Directory

Mapping System

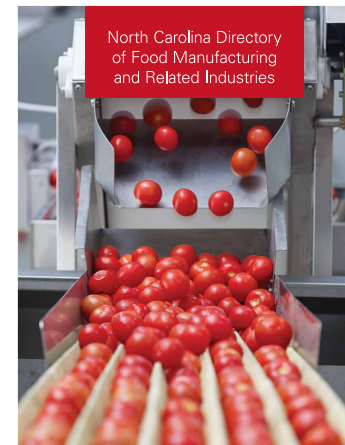


## Food Manufacturing Industry Directory

A comprehensive, statewide directory of food manufacturing and related industries. Currently includes over 2,000 businesses.

### Online Directory Sorted By:

- SIC codes
- Location – city/county/zip code
- Key personnel
- Products/services offered by category

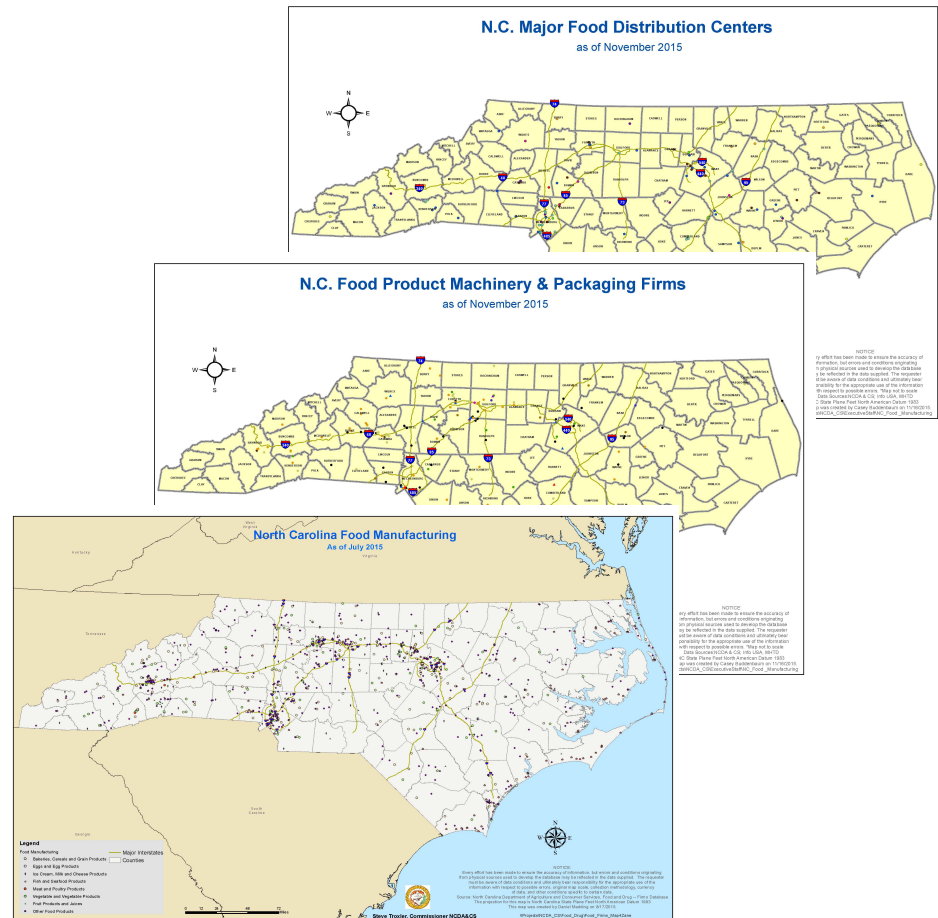


**Critical tool** in setting up a statewide food manufacturing network

**Serves as a foundational resource/database** to create a new professional organization and provide an effective vehicle to communicate with all facets of our food manufacturing sector

# Mapping System of Food Manufacturing Assets

- County tax rates
- NC breweries, wineries, distilleries
- NC building and sites information
- NC co-packers, incubator kitchens
- NC county tier designation
- NC food firms
- NC food machinery and packaging
- NC institutions of higher learning
- NC licensed produce dealers
- NC major food distributors
- NC meat processing firms
- NC municipal tax rates
- Transportation infrastructure





### CHARGE #3

**Create a plan to develop a proactive industrial  
recruitment campaign for new business development**

#### OUTCOMES:

Economic Development Plan

Communications Plan

## Economic Development Plan

- Employ a dedicated business developer
- Market our presence at targeted industry and agricultural events
- Advertise presence in targeted industry media
- Develop collateral to attract food processing and related industries



## Communications Plan

### **Focus communications on:**

- Food companies not currently located in North Carolina that are strategic recruitment prospects
- Food companies with a business presence in N.C. that may have an interest in expanding
- N.C. agricultural producers with interest in becoming involved in food manufacturing
- Venture Capital and seed/early-stage investment firms seeking opportunities to invest

## CHARGE #4

**Foster the growth of food manufacturing entrepreneurial endeavors, enhance development of innovative food products and processes, and provide sector-specific regulatory training and outreach**

This charge is detailed in the  
Final Task Force Report recommendations.



## Task Force Recommendations - #1

Establish a statewide interdisciplinary and interagency N.C. food manufacturing leadership team called the **N.C. Food Manufacturing Leadership Team** and create a **Food Manufacturer's Industry Advisory Group**

## Task Force Recommendations - #2

Invest in two (2) interagency statewide leadership positions

- Position 1: ***Science, Technology and Policy Director for the Food Manufacturing Industry***  
*(reports to NCDA&CS and NC State University)*

- Position 2: ***Business Development Manager for the Food Manufacturing Industry***  
*(reports to EDPNC)*

- Provide marketing support for the Science and Policy Director, Business Development Manager, Leadership Team and Industry Advisory Committee



## Success Stories

| Company Name              | Announce Date | Project Type                        | County    | Primary Activity           | Product/Service  | New Jobs    | Capital Investment      |
|---------------------------|---------------|-------------------------------------|-----------|----------------------------|--|-------------|-------------------------|
| Perdue Foods              | 2/8/2016      | Expansion of Existing N.C. Facility | Richmond  | Manufacturing              | Poultry  | 30          | \$10,900,000.00         |
| Hillshire Farms           | 1/20/2016     | Expansion of Bakery Facility        | Edgecombe | Manufacturing              | Baked goods  | 98          | \$28,400,000.00         |
| CS Meat International     | 12/9/2015     | Expansion of Existing NC Facility   | Robeson   | Manufacturing              | Poultry  | 30          | \$2,000,000.00          |
| Lidl Stiftung & Co        | 7/1/2015      | New                                 | Alamance  | Warehouse/<br>Distribution | Major German grocery retail chain.                     | 200         | \$125,000,000.00        |
| Kansas City Sausage Co    | 5/26/2015     | Expansion of Existing N.C. Facility | Sampson   | Manufacturing              | Pork production  | 177         | \$44,800,000.00         |
| Jimbo Jumbo's             | 3/29/2015     | Expansion of Existing N.C. Facility | Chowan    | Manufacturing              | Manufacturing and process of peanuts and peanut butter | 78          | \$30,000,000.00         |
| Sanderson Farms           | 3/17/2015     | Expansion of Existing N.C. Facility | Robeson   | Manufacturing              | Feed Mill  | 0           | \$5,000,000.00          |
| Sanderson Farms           | 3/12/2015     | New                                 | Robeson   | Manufacturing              | Poultry  | 1,100       | \$139,000,000.00        |
| Ann's House of Nuts, Inc. | 3/2/2015      | Expansion of Existing N.C. Facility | Martin    | Manufacturing              | Candied nuts and fruits                                | 50          | \$7,500,000.00          |
| Butterball Corp.          | 2/19/2015     | New                                 | Hoke      | Manufacturing              | Food Processing  | 367         | \$66,750,000.00         |
| White Labs, Inc.          | 1/9/2015      | New                                 | Buncombe  | Manufacturing              | Yeast  | 56          | \$8,100,000.00          |
| <b>TOTAL</b>              |               |                                     |           |                            |  | <b>2186</b> | <b>\$467,450,000.00</b> |

A photograph of a farmer standing in a field of green crops, looking out over a sunset sky. The farmer is wearing a blue and white striped shirt, dark pants, and a black cap. The sky is filled with soft, pinkish-orange clouds, and the sun is low on the horizon, casting a warm glow over the scene. The field is filled with lush green plants, and a line of trees is visible in the background.

**A commitment to our farmers**





**Help us bring business  
back to small communities**





## Task Force Members – Working Group

| Name                         | Title/Organization                                      | County                |
|------------------------------|---|-----------------------|
| <b>Mr. Nick Ampe</b>         | Environmental Health Specialist, New Belgium Brewing    | Ft. Collins, Colorado |
| <b>Mr. Dennis Berwyn</b>     | Research Analyst North Carolina State Legislature       | Wake                  |
| <b>Mr. Hal Burns</b>         | General Manager, Jimbo's Jumbos                         | Chowan                |
| <b>Mr. Donald Butler</b>     | Director of Corporate Affairs, Smithfield Foods, Inc.   | Sampson               |
| <b>Amb. James Cain</b>       | Founder, Cain Global Partners, LLC                      | Wake                  |
| <b>Mr. Christopher Chung</b> | CEO, Economic Development Partnership of North Carolina | Wake                  |
| <b>Mr. David Clark</b>       | President and CEO, Aseptia                              | Wake                  |
| <b>Mr. Vance Dalton</b>      | President and CEO, Carolina Farm Credit                 | Henderson             |
| <b>Mr. Peter Daniel</b>      | Asst. to the President, NC Farm Bureau                  | Wake                  |
| <b>Mr. Karl Deily</b>        | President - Food and Beverage Division, Sealed Air Co.  | Duncan, SC            |
| <b>Ms. Jenny Fulton</b>      | Chief Pickle, Miss Jenny's Pickles                      | Forsyth               |
| <b>Mr. "Buddy" Gaither</b>   | Retired – former President of Milkco, Inc.              | Henderson             |
| <b>Mr. Jimmy Gentry</b>      | President, North Carolina State Grange                  | Iredell               |

## Task Force Members – Working Group (con't)

| Name                         | Title/Organization                                     | County    |
|------------------------------|--|-----------|
| <b>Mr. Dan Gerlach</b>       | President, Golden LEAF Foundation                      | Wake      |
| <b>Mr. Bobby Ham</b>         | Owner and CEO, Ham Farms, Inc.                         | Greene    |
| <b>Mr. Martez Hill</b>       | Executive Director, NC State Board of Education        | Columbus  |
| <b>Mr. Thomas Holt</b>       | Retired - BASF   | Wake      |
| <b>Mr. Kevin Leonard</b>     | Executive Director, NC Association of County           | Durham    |
| <b>Mr. Paul Meyer</b>        | Executive Director., NC League of Municipalities       | Wake      |
| <b>Mr. Kevin Mulligan</b>    | East Coast Sourcing Manager, DOLE Fresh Vegetables     | Gaston    |
| <b>Mr. John Prestage</b>     | Senior Vice President, Prestage Farms, Inc.            | Sampson   |
| <b>Dr. William Randle</b>    | Former Dean, NC A&T University                         | Guilford  |
| <b>Mr. Mark Swaim</b>        | Partner/Sales Mange, ARS, LLC                          | Forsyth   |
| <b>Mr. Nicholas Tennyson</b> | Secretary, North Carolina Department of Transportation | Durham    |
| <b>Mr. Jeffery Turner</b>    | Executive VP and COO, Murphy Family Ventures           | Duplin    |
| <b>Mr. Mark Williams</b>     | Executive Director/Pres./CEO Agribusiness              | Henderson |