



Purpose, Process, Outcomes and Recommendations of the Governor's Task Force on Food Manufacturing

Richard Linton, Ph.D. (Task Force Chair)
Dean of the College of Agriculture and Life Sciences
NC State University, Raleigh, NC, USA

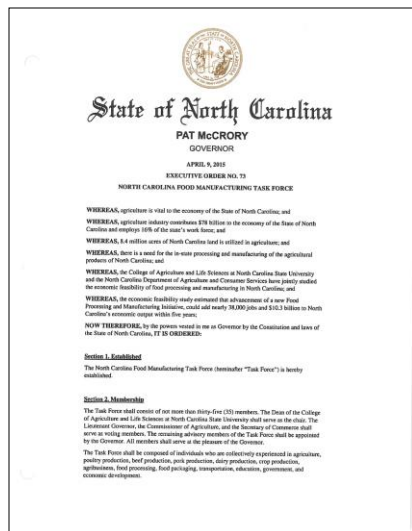
How did this all get started?



2014 NC Economic Feasibility Study estimates:

- 38,000 jobs created
- \$10.3 billion annually

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



1. Developing a **strategic business plan** to leverage existing activities in food processing and manufacturing
2. Establishing a statewide food processing and manufacturing **organization, directory, and database**
3. Creating a plan to develop a proactive industrial **recruitment campaign** for new business development
4. Planning to 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 Members – Working Group

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

Task Force Members – Working Group (con't)

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

Task Force Process Timeline



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

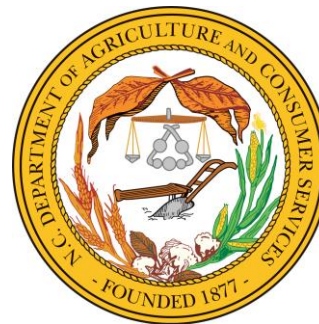
Business Recruitment

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)

A New Partnership with Opportunity to Grow!



CHARGE #1

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

Subcommittees considered the following three questions:

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

What assets currently exist?

- North Carolina ranks among the nation's leaders in, and diversity of, crop and food animal production
- Abundant in raw materials and ingredients for value-added product development
- Robust physical infrastructure - interstates, highways, railroads and seaports – all of which help manufacturers move raw materials and finished products domestically and internationally

Why have current food manufacturers chosen North Carolina as a place to do business?

The Task Force conducted a survey that included 49 survey respondents that represented a range of businesses sized from less than 10 to greater than 1000 employees.

Survey results summary – Why North Carolina?

- Proximity to local food ingredients and materials
- State's reputation as a great place to live and its strong local and state business incentives
- Access to:
 - Skilled labor and a strong labor market
 - Leading agricultural/food/life science companies and universities
 - Agricultural ingredient and product diversity
 - Ease of transportation

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

The subcommittees created

A New Directory

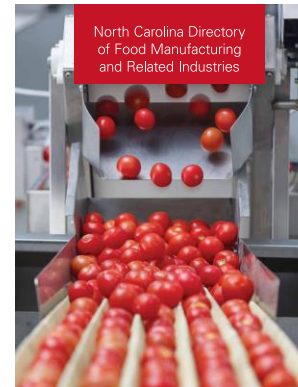
A New Mapping System

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



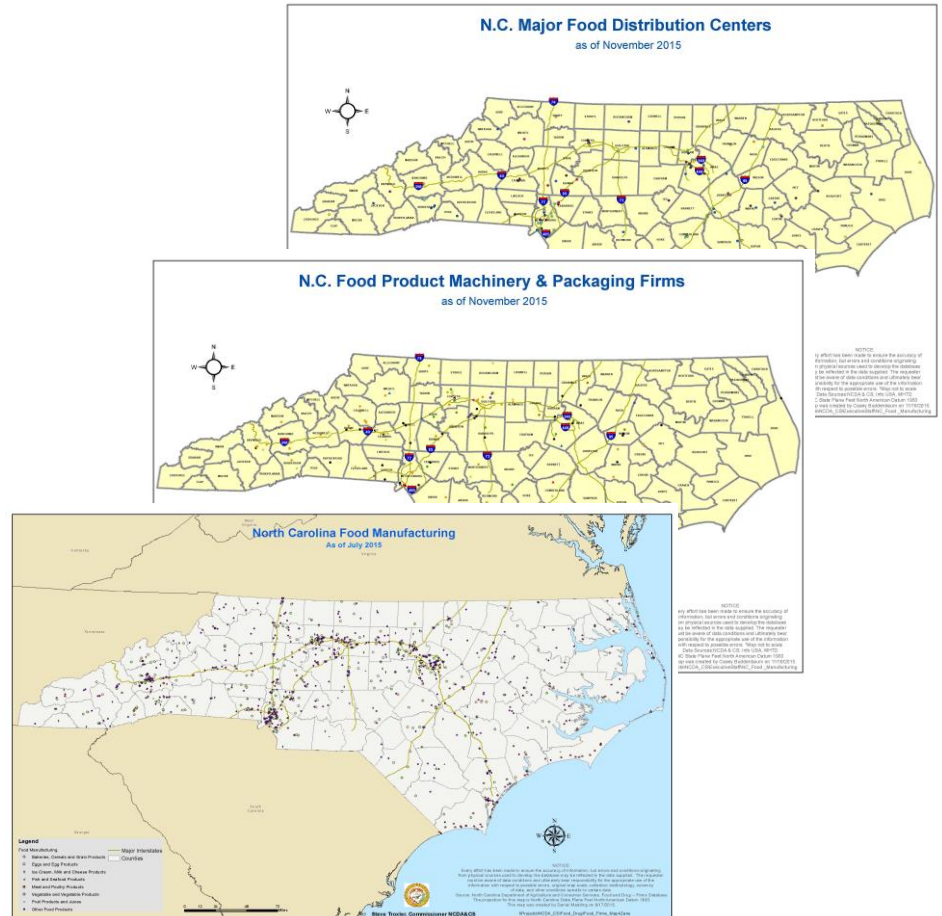
Critical tool in setting up a statewide food manufacturing network
Serves as a foundational resource/database to create a new professional organization and provide an effective vehicle to communicate with all facets of our food manufacturing sector

Maps and Transportation

- Fifteen (15) detailed maps were designed to show important assets including:
 - Food distribution centers (and their identified needs and strengths), water supply and wastewater facilities, and other key resources
 - Water supply and wastewater treatment database that includes all larger systems' contact information (in progress)
- Eight transportation recommendations to improve commerce for intra-state and inter-state movement of goods

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

The subcommittees created

An Economic Development Plan

A 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

Additional recommendations:

- Strategic infrastructure investments in key geographic sites to enhance North Carolina's business recruitment effort
- Site preparation support
- Policy tools to spur research and development activity
- Financing for early-stage or start-up food companies

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

Suggested immediate next steps

- Governor led press conference to announce the findings and recommendations from the Task Force
- Kickoff PSA billboard campaign, social media outreach to targeted audiences and media campaign with key trade
- Road Tour featuring the Governor and Task Force Core Leadership team
- Schedule reception or summit for seed capital/early-stage investors to share Task Force findings
- Schedule agribusiness event to communicate to business and agriculture stakeholders the value and opportunities for food manufacturing in N.C.

CHARGE #4

Plan to 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
under “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**
 - Governor-appointed industry advisory group to support the food manufacturing leadership team

Strong Potential Economic and Partnership Impact:

- 38,000 jobs and \$10.3 billion
(*2014 NC FP&M Industry: An Economic Feasibility Study*)
- Governor's N.C. Food Manufacturing Task Force concurs that there is a tremendous economic growth opportunity before us, but we must act now to take advantage, building on momentum
- Tremendous gains by the interactions of the Dept. of Commerce, NCDA&CS, and the UNC University System (business, regulatory, policy, applied research, outreach, etc.).

Create NC Food Manufacturing Leadership Team

- 15-member team, with a 3-year rotating term
- Core membership (Governor's office, N.C. Dept. of Commerce, NCDA&CS and NC State University) and additional membership from EDPNC, N.C. Dept. of Transportation, agribusiness and food industry leaders, N.C. Community College System, universities in the UNC System, and marketing communications professionals
- Meet twice annually (minimum) to discuss opportunities
- Task Force Core Leadership team should also be available and responsive to serve a critical point of contact for food manufacturers that are being recruited to N.C. and for those current food manufacturers interested in expansion.

Create a Food Manufacturer's Industry Industry Advisory Group

- 10-member committee, with 3-year rotating term representing different aspects of the food (i.e. plant products, animal products, entrepreneurs, packaging, distribution, large scale processing, small scale processing, equipment manufacturers, refrigerated foods frozen goods, shelf-stable foods)
- Serve as advisors to the N.C. Food Manufacturing Leadership Team and will meet when necessary, but at least annually.

Task Force Recommendations

2. Invest in two interagency statewide leadership positions
 - Position 1: ***Science, Technology and Policy Director for the Food Manufacturing Industry***
(reports to NC State University **and** NCDA&CS)
 - 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

Position 1

**Science, Technology and Policy Director
for the Food Manufacturing Industry**

Reports to NC State University, and NCDA&CS

Job Purpose: Provide technical, regulatory, policy, and training for current food companies, newly recruited food companies and food entrepreneurs.

Resource Needs:

Salary and Fringes	\$150K
Travel	\$20K
Office Support	\$20K
Annual Meeting Support	\$40K
Annual Total (NC State)	\$230K (5 years = \$1.15M)

Position 1

**Science, Technology and Policy Director
for the Food Manufacturing Industry**

Reports to NC State University, and NCDA&CS

- Maximize the impact of the coordinated effort of the ***Science, Technology and Policy Director*** and the ***Business Development Manager***
- Support the efforts of the **NC Food Manufacturing Leadership Team** and **Food Industry Advisory Committee**
- Help position N.C. as a leader in the food manufacturing agricultural economy

Marketing Support

Supported by NCDA&CS Marketing Team

Function: Lead communications and marketing efforts for an emerging food manufacturing sector.

Responsibilities: Build and maintain a communication program

- Website, media strategy, advertising campaign, trade journals, social media, etc.
- Reception and summit meetings to share findings and goals to potential investors and interested venture capital firms.

Marketing Budget: \$1M

(non-recurring, with the ability to carry forward funds)

Position 2

**Business Development Manager
for the Food Manufacturing Industry**

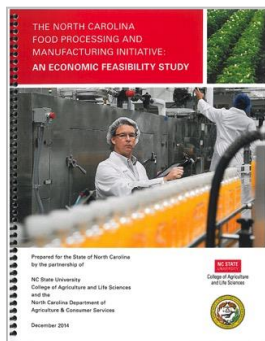
Reports to EDPNC

Job Purpose: Identify and cultivate corporate recruitment prospects involving U.S. and foreign food processing and food manufacturing companies considering new operations in the U.S. market.

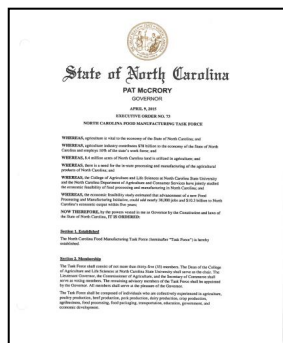
Resource Needs:

Salary and Fringes	\$150K
Travel	\$25K
Office Support	\$25K
Annual Total	\$230K <i>(5 years = \$1M)</i>

N.C. Food Journey and Vision



2014
FP&M Initiative
Economic Study



2015
Governor's
Task Force



2016
Task Force
Key Recommendations

38,000 jobs
\$10.3 billion
6 years

Job and
Economy
Boost



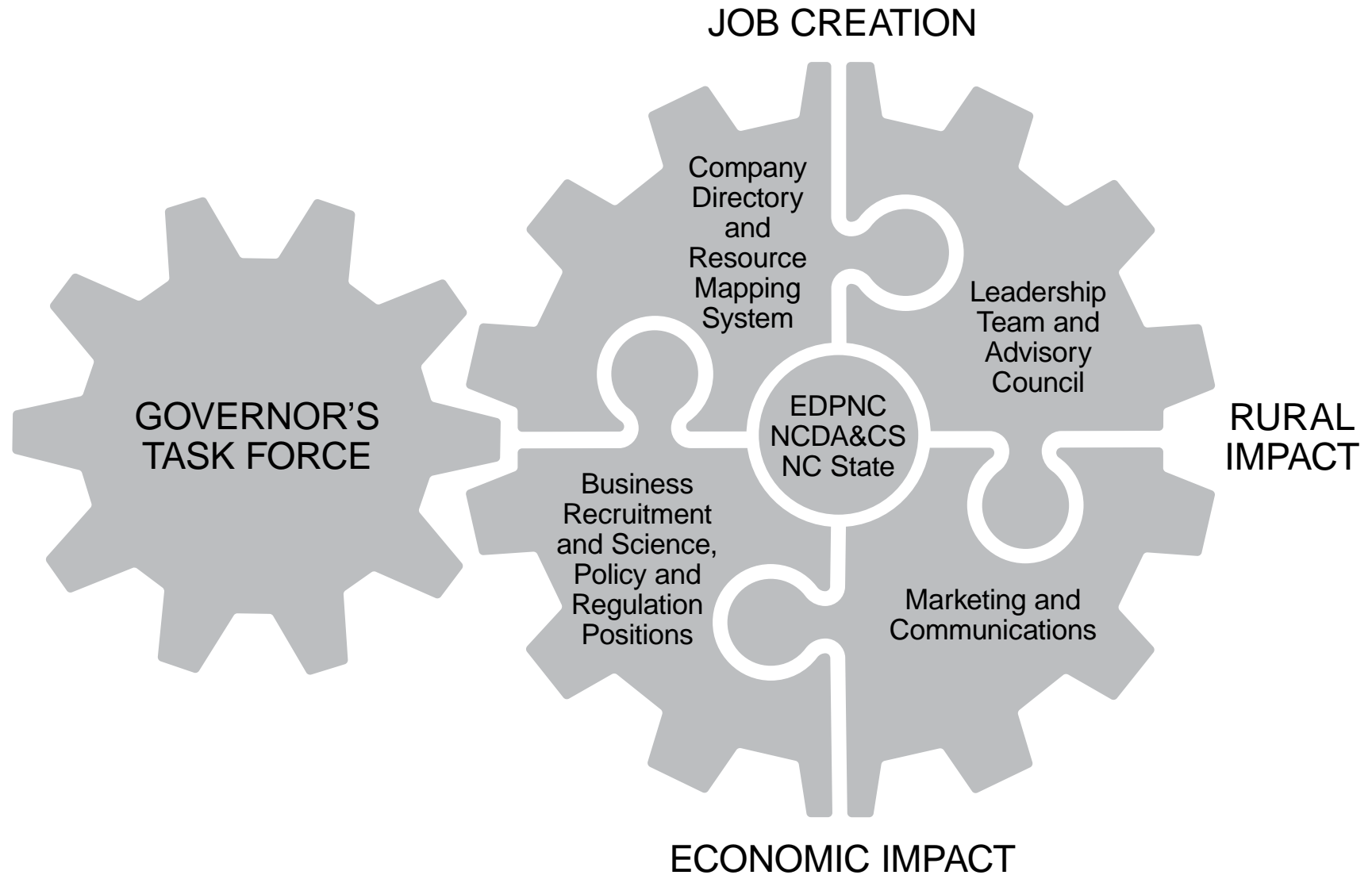
Strong N.C.
Business
Opportunity



Network,
Strategize
and Build
Capacity



Capitalize
and Grow a
“New NC
Economy”



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/ 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
TOTAL						2186	\$467,450,000.00



Thank you!

