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The Food Industry Center

2014 ANNUAL REPORT

ABOUT US

The Food Industry Center (TFIC) was founded in January 1995 at the University of Minnesota as one of several Alfred P. Sloan Foundation Industry Studies centers and the only one that studies the food industry.

OUR MISSION

The Food Industry Center develops leaders for tomorrow's food industry.

Through research, educational programs, and industry collaboration, it is a leading source of knowledge on how food reaches consumers efficiently and contributes to safe and healthy lives.



A NOTE FROM THE DIRECTOR

As I write this column, we have just finished our annual meeting of the Agricultural and Applied Economics Association (AAEA) which was held here in Minneapolis. More than 1,200 faculty, students, and others were in attendance. As a board member of the association, my days were pretty filled! Several of our graduate students presented their food marketing research and most of us had various responsibilities as moderators, presenters, and other functions during the program. Congratulations to former TFIC Director Rob King who was elected a Fellow of the AAEA. Less than 1/4 of one percent of our members receive this honor and Rob's family, friends, and colleagues are happy for him!

I also organized a panel of individuals from Cargill (Matt Stommes), General Mills (Aaron Rippa), and Land O'Lakes (William Mujica) to talk about careers to more than 40 faculty and students. A great deal of discussion centered around leadership which the panel agreed was something more than doing a leadership minor or being an officer of a club. The panelists talked about how today's employees work in groups or teams constantly and

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Michael Boland
Director, The Food Industry Center



Rob King

A NOTE FROM THE DIRECTOR *continued from page 1*

with people via distance. Students need to be able to work with diverse groups of people and need to be able to engage quickly in these groups and teams. While

it is difficult to predict precisely which students will thrive in such an environment, traits such as curiosity about different subject matters, ability to ask questions and demonstrate learning, finishing tasks completely, and operating in a safe, sustainable, and ethical manner were discussed. All-

in-all, we learned a lot from our panelists and appreciated their time.

At the end of the conference, I led a group of two dozen students and faculty on a tour of Seneca Foods' canning factory in Montgomery and the Green Giant campus in Le Sueur. We appreciated the hospitality of General Mills and Seneca Foods as we learned a lot about what it takes for corn and peas to become Green Giant products.

TEACHING OPPORTUNITIES

This fall, I started teaching food marketing which is a full class. Seven teams of students are working on various marketing plans with different topics and will present to an industry panel at the end of the semester. This course is a 'flipped course'

with a heavy writing emphasis. The plans include a caffeinated milk product, a refrigerated dessert bar made from Yoplait, a Cheerios product made especially for infants, and four other different products. And I am working with a team of students on the National Grocers Association competition. The topic is supermarket circulars. Finally, I completed my first year as director of our undergraduate degree in Agricultural and Food Business Management. We have more than doubled enrollment which suggests greater interest by students for possible careers in the food economy.

Next spring I teach a course on cooperatives and leading a student study tour to Ireland in March over Spring Break. Our College has passed a requirement that students must complete one experiential learning activity to graduate. Students in this study tour will work on a project for Arrabawn Creamery in Nenagh, Ireland and present it to the advisory board while in Ireland as part of the Study Tour which will include farm stays and educational visits to better understand the Irish dairy industry. Arrabawn is one of the major firms in the Irish dairy industry and will work with the students via distance in the spring semester.

In this annual report, you will learn more about our student activities and center events for the July 2013 to June 2014 time

period. We benefit from outstanding industry cooperation and have many activities already planned for our 2014-2015 year. The contributions we receive from our Sponsoring Members are leveraged to support our many activities like those listed throughout this report. They also allow us to leverage competitive grants to support graduate students, research, and outreach activities. During the past year, our doctoral students in agribusiness and food marketing have taken academic positions at Michigan State, University of Georgia, and University of Wisconsin, River Falls. And, we did a series of brown bag type meetings with General Mills focused on the dairy industry.

GOOD BYE

Finally, we said good bye to Tim Beatty who left us for a similar job at the University of California, Davis. Tim was associate director for research in TFIC and was a major part of our doctoral program in food marketing. This was a good opportunity for family and personal reasons but he will be sorely missed as a friend and colleague. We will begin a process of trying to reinvest in our food marketing area.

Feel free to contact me at boland@umn.edu or 612.625.3013 about any issue.



Employer Panel at AAEA Meetings

STUDENT PROFILES

Faculty working in TFIC have a number of doctoral students funded by government and industry projects at the present time. We have been very competitive in securing external funding for our students who average approximately \$40,000 a year for a 12-month stipend, insurance and benefits, and funding for travel to present their research at a conference.

Will Secor, a third-year student, worked

on an internship with Wells Fargo this summer. He is working on several essays related to food marketing with Michael Boland and Metin Çakır.

Erik Hanson is a second-year student working with Michael Boland on occupational health and safety issues.

Jeta Rudi is a third-year student working on the issues pertaining to healthy food consumption and food safety with Metin Çakır.

Bhagyashree Katareis is a second-year student working with Tim Beatty on food price variability issues.

Fanda Yang is a third-year student working with Marin Bozic on dairy risk management and issues in milk marketing.

Joel Cuffey is a third-year student working with Tim Beatty on nutrition education and obesity issues.

STUDENT ACTIVITIES

LEARNING FROM INDUSTRY COLLEAGUES AT NATIONAL GROCERS ASSOCIATION MEETING

The Food Industry Center's student delegation at the 2014 National Grocer's Association (NGA) Convention included four students from the business school and Department of Applied Economics. Kim Tam, Sammi Fleckner, Sam Schippel, and Austin Herman ran the 5k run on a rainy morning in Las Vegas to help raise funds for the NGA scholarships and participated in the Convention's breakout sessions and met with industry mentors. Their marketing plan on local foods took third place in the competition which was our highest showing ever.

Kim, who also participated last year and has taken a job with Heinz Foods in Pittsburgh as a Commercial Trainee, said,

"We worked evenings once a week all spring semester on this project. I felt that having participated the year before helped our team in its preparation."

Sammi, who interned with Cargill Ag Horizons this summer, added,

"It was really interesting to learn more about careers and meeting people from other programs."

How would you develop a strategy for sourcing, merchandising, and promoting an integrated "locally-produced" campaign for Fresh Encounters in Ohio?

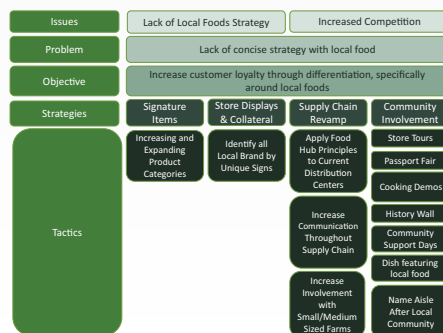
Kim, Sammi, Sam, and Austin worked on recommendations on this question as members of the University of Minnesota team participating in the Convention's annual case competition. The team competed against other schools from Louisiana State University, Sam Houston State University, St. Joseph's University, Arizona State University, Cornell University, Illinois State University, North Carolina State University, Fresno State



Sam Schippel, Austin Herman, Kim Tam, and Sami Fleckner (left to right)

University, Western Michigan University, Cal Poly San Luis Obispo, and Portland State University. Sam talked about his participation.

"I thought I knew something about food companies and the supermarket industry but I did not realize how many opportunities there are in this sector."



The students defined the problem as the lack of a local foods strategy combined with increasing competition is causing a decrease in customer loyalty at Fresh Encounters locations leading to a loss in revenue. The four broad strategies they defined included development of Signature items, increase store displays, revamp of the supply chain for local products, and increase community involvement. A number of tactics were identified to help these strategies.

EVENTS & OUTREACH

MINNESOTA FOOD PRODUCERS LUNCHEON

The Center held the Minnesota Food Producers Luncheon, sponsored by TFIC and Minnesota Agri-Growth Council, prior to the annual Siehl Prize awards ceremony on 22 May 2014. There was a full room with 87 participants at the luncheon. This year we spotlighted AMPI (New Ulm), Faribault Foods (Minneapolis), and SunOpta Foods (Edina).

Ed Welch, President and CEO of AMPI, and Steve Schlangen, Board Chairman and dairy farmer from Albany,



spoke about the upper Midwest

2014 Minnesota Food Producers Luncheon

dairy industry and the challenges and opportunities of being a dairy farmer and fluid milk processor. Kate Leavitt, Director of International Sales and Marketing for SunOpta, and Todd Stencel, a crop farmer from Hope spoke about marketing Minnesota-based grains grown under strict identity-preservation protocols to domestic and export buyers. Finally, Reid MacDonald, President and CEO of Faribault Foods, and Dan Hughes, a dry bean grower from Danvers, discussed the dry bean industry and how the popularity of Hispanic-foods has grown this industry.

A number of you have asked about whether we could make available the videos we create for the event which spotlight the participants. We have not done so yet because the College is undergoing a major restructuring of the College and department web site where our center activities are listed. Once that is completed, we will put those out there for you to view along with other items such as a recent 15 year history report we did on TFIC. The date for the 2015 luncheon is May 21 and Hormel's Jennie-O Turkey Store, Kemps, and MOM Brands are confirmed as participants.

EVENTS & OUTREACH continued from page 3

FOOD INDUSTRY LEADER IN THE CLASSROOM SERIES

The Food Industry Leader in the Classroom luncheon series invites food sector professionals into the classroom to meet with University students to share their knowledge about working in the sector. This past year, we had the following speakers:



Tom Forsythe of General Mills discusses Cheerios

Michael Boland spoke about geographic indications and how it was impacting trade deals with the European Union. In a nutshell, we talked about whether the word

“Feta” could only be used on cheese produced in Greece and similar types of foods whose name is linked with a particular geography. We had two last-

minute cancellations for the fall and were unable to reschedule them.

Tom Forsythe from General Mills spoke about the announcement of non-GMO Cheerios to a packed house on February 27.

On March 26, Megan Speas from Cargill talked about whole grains and how food buyers were looking at specific types of ingredients for grain-based foods.

More than 150 students attended these luncheons.

This past year, Michael Boland also started an education program with MNSCU schools whereby he teaches 1-2 lectures on food marketing to any instructor that seeks to participate. Ridgewater College (Willmar) was the inaugural school and this year two additional schools have been added.



Students at Ridgewater College listen to a discussion on food marketing

ACKNOWLEDGMENTS

The Food Industry Center would like to extend a special THANK YOU to our Sponsoring Member companies and organizations for their financial support during the year. We would also like to extend a special Thank You to our Board of Executives, for their leadership and support of the Center this past year.

Sponsoring Member Companies

General Mills, Inc.
Land O'Lakes, Inc.
Kelloggs
Midwest Dairy Association
National Grocers Association
Old Dutch Foods
SunOpta
SUPERVALU, Inc.

Board of Executives

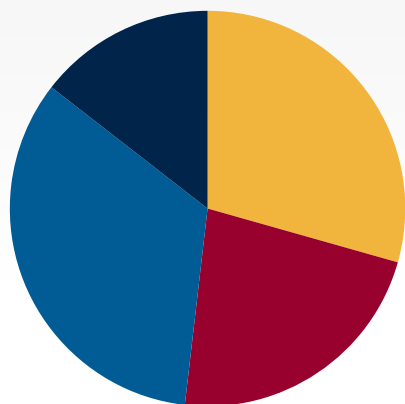
Steve Aanenson, President, Old Dutch Foods
Jerry Kaminski, Executive Vice President, Dairy Foods Businesses
Mike Kruger, Executive Director, Midwest Dairy Association
Allan Routh, President, SunOpta Grains and Milling
Mark Wilhite, Vice President of Industry Initiatives and National Retail, General Mills

The Food Industry Center Staff

Dr. Michael Boland, Director

FINANCIAL REPORT

EXPENSES FOR FISCAL YEAR 2014



- Staff
- Student Programs
- Education Programs
- Other

Revenues from sponsoring members for fiscal year 2014 totaled \$69,500 and expenses totaled \$72,475. The expense breakout can be seen in the figure.

Other expenses include industry magazine subscriptions, databases, and library support.



The Food Industry Center

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