

# Food for thought...

**Don't mistake validation**  
for market demand



# Food for thought...

Modify your financial and cost model for  
every channel and every scale



# Food for thought...

Do not focus just on your value proposition to the consumer; you must have a separate value proposition for the buyer





# Dave Miller

Food Business Practice Lead, Clutch Performance Inc

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# clutch+

BUSINESS OVERVIEW



# Dave Miller

DIRECTOR, FOOD BUSINESS



Dave is a strategic consumer marketer with broad experience across the food industry, having led business strategy and marketing for both national and private brands. He draws on varied brand assignments to lead cross-functional teams in brand and portfolio management, marketing strategy, licensing partnerships, pricing and trade strategy, and cost savings initiatives. Dave is an analytically driven team leader with a track record of consistently delivering on marketing, sales and profit objectives.



# About Clutch

**Business-minded. Category-specific. Growth-focused.**

- We've "run and done"
- Food and Agriculture
- Business Acceleration - help businesses find and realize their peak potential.
- Clarity, Connections, Comprehension
- Consulting, Marketing, Learning & Development

# Packaging Guide for Scaling Food Businesses

## AURI Project

- Help entrepreneurs and small food businesses that are scaling.
- Illuminate common questions and considerations related to packaging



- What's Inside:
  - Food Protection and Safety
  - Shelf Life Fundamentals
  - Code Date Basics
  - Protection through Supply Chain
  - Differentiating at Shelf
  - Labelling Requirements
  - Getting a UPC
  - Controlling Costs
- Printed Guide and Video

Clutch+

The Packaging Guide was funded in part by the MN Dept. of Agriculture.





# Elena Byrne

Renewing the Countryside

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**renewing the countryside**

*just. sustainable. vibrant.*



SOUTHERN MINNESOTA  
INITIATIVE FOUNDATION

Collaborating for Regional Vitality

*Feast!*   
LOCAL FOODS  
MARKETPLACE

# FEAST! Smart Start program





5 years: 2014-'18, ~1300 attendees



# FEAST! tradeshow: Makers' Forum & Buyers' Expo

FEAST! 2018 Buyer panel



FEAST! 2017 Finance panel





## Print magazine launched Fall '18



## Monthly E-newsletter launched July '18



# FEAST! Tradeshows Awards

Innovative Local Sourcing



Inspiring Social Benefit





# Research-Guided Fact Sheets

BEYOND FRESH & DIRECT  
BENEFITS • CRITERIA • CONNECTIONS • STANDARDS • VALUE ADDED

## STANDARDS

What Standards Must You Meet to Supply Ingredients to Specialty Food Manufacturers?

WHILE QUALITY (E.G., TASTE AND FRESHNESS) IS A HIGH PRIORITY FOR FOOD MANUFACTURERS WHEN SOURCING INGREDIENTS, IT IS OFTEN NOT ENOUGH. MANY FOOD MANUFACTURERS SEEK OR REQUIRE THAT SPECIFIC STANDARDS ARE MET IN THE PRODUCTION OF THE INGREDIENTS THEY PURCHASE. CERTIFICATION PROGRAMS ARE MANAGED BY "THIRD-PARTY" ENTITIES THAT CERTIFY, THROUGH AN AUDIT, THAT A BUSINESS OR MEETING SPECIFIC STANDARDS. SOME COMPANIES ALSO CALL TO RECOGNITION OF THE MARKET THAT SEEK PARTICULAR VALUES-BASED STANDARDS RELATED TO SOCIAL, HEALTH, OR ENVIRONMENTAL CONCERNS.

### FOOD SAFETY

Food safety tops the list of assurance standards for specialty food manufacturers. Attention to food safety increased with passage of the Food Safety Modernization Act that was signed into law in 2011. While this law requires larger food manufacturers and farmers to have food safety plans, compliance auditing is not mandatory. However, some buyers and insurance companies are requiring some sort of certification to confirm compliance by food manufacturers and farms. Buyers also may include certification in their purchasing criteria even if they and the small farms that supply them are exempt from the law.

Following are two examples that shed some light on how these regulations are influencing business decisions:

1. A fermented food company in California needed capital to expand its operation. It found investors who were willing to invest, but only if the company participated in a program that would verify that it was following strict food safety protocols. The company agreed to this stipulation, but as a result could only source ingredients from farms that also took part in the program. This meant that it could no longer buy vegetables from a neighboring farm unless that farm agreed to participate in the program.



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## CONNECTIONS

How Can Farmers and Specialty Food Manufacturers Connect?

MANY SPECIALTY FOOD MANUFACTURERS ARE SOURCING INGREDIENTS FROM SMALL AND MID-SIZED FARMERS. BUT HOW DO MANUFACTURERS AND FARMS FIND EACH OTHER AND HOW ARE THE MATCHES MADE? WHAT CAN MANUFACTURERS AND FARMERS DO TO MAKE AND MAINTAIN A GOOD RELATIONSHIP? THIS FACT SHEET PROVIDES YOU WITH INSIGHTS AND RECOMMENDATIONS.

### GETTING CONNECTED

**Networking** The most common way for manufacturers and farmer-suppliers to meet is through their own networks. This might mean connecting with neighboring farmers, through business associates, or at events that target farmers and food makers. For example:

6. A fermented food business in Wisconsin mostly grew the cabbage used in its products but quickly realized it made more sense to source vegetables from other farms. The owners began by talking with their neighbors who grow vegetables. They asked them if they would be willing to grow more cabbage, carrots, and beans — crops they needed to make their products. The neighbors agreed, and both businesses have benefited from the relationships.
7. A California dairy manufacturer who makes fermented cheeses joined the California Artisan Cheese Guild. This provided an opportunity to make connections with farmers and eventually led to sourcing relationships.
8. An Oregon herb butter producer/processor wanted to expand the processing part of her business beyond a local site could supply from her own farm production. She chose to purchase additional herb butter from neighboring farmers who were growing varieties and using production practices that matched her needs.





# Emily Paul

Director of Programs, The Good Acre

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# Lolly Occhino

Scientist of Food & Nutrition, AURI

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Fostering long-term economic benefit for Minnesota through value-added agricultural products.



# AURI's Food Focus Area, Service Categories:

## Direct Support

- Food product development and troubleshooting
- Food safety assessment on product as designed
- Regulatory compliance and licensing guidance
- Commercialization/scale up guidance
- Shelf life guidance
- Nutrition facts labeling
- Analytical product testing
- Food business development (i.e. value proposition, consumer trends)
- Quantitative and qualitative consumer product guidance
- Product formulation statements (PFS) for K -12 school requirements

## Network Referrals

- Food safety assessments on product as manufactured
- Pre-audit services for GFSI/SQF certification
- Process authority (acidified, hot filled and low acid foods)
- Full service product and package development
- Ingredient sourcing/suppliers
- Funding opportunities (grants, loans, and venture capital)
- Business Plan development
- Commercial kitchens and co-packers
- Food business licensing



Jason Robinson



Lolly Occhino



Ben Swanson

# Resources: Food Safety (Online)



[AURI](#) + Referrals to certified professionals



[Univ of MN Extension](#)



[MN Department of Ag](#)



[MN Farmer's Market Association](#) (Cottage Foods)



[USDA Food Safety Education Series](#)

# Resources: Business Development

- Tools
  - [Co-packer Directory](#)
  - [Shared Commercial Kitchen Directory](#)
  - Coming Soon: Starting a Food Business Roadmap
- Programs
  - [Funding](#)
    - [AGRI Value Added Equipment](#) (Open NOW through March 8, 2019)
    - [AGRI Value Added Feasibility Study](#)
  - [Trade Show Support and Demo \(TSP\)](#)
  - [Minnesota Pavilions](#)





# Audience Q & A

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GLOBAL SOCIAL ENTERPRISE INITIATIVE  
GEORGETOWN UNIVERSITY McDonough  
SCHOOL of BUSINESS

**RURAL OPPORTUNITY INITIATIVE**  
*Private Investment Driving Rural Prosperity*



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