

LOOKING BACK<< LOOKING FORWARD>>

ANNUAL REPORT 2020



WEST MICHIGAN
FOOD PROCESSING
ASSOCIATION

Holistic • Supportive • Catalyst for Growth

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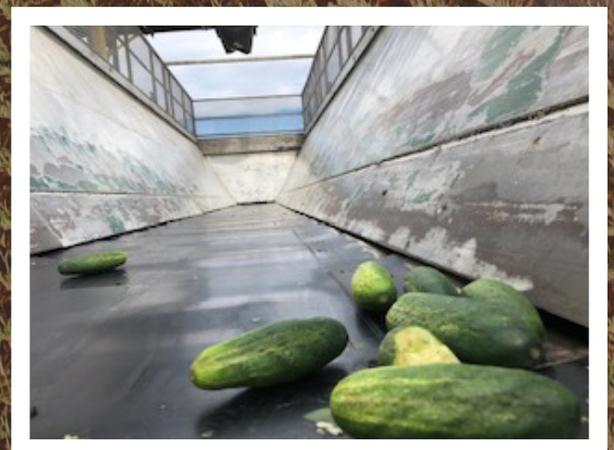
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A MESSAGE FROM THE EXECUTIVE DIRECTOR

The West Michigan Food Processing Association (WMFPA) is ending its first year of operation on a strong note. We achieved a great deal of success in the year of “COVID-19” that challenged all of us, with food businesses becoming an essential industry and dealing with significant issues stemming from the pandemic. Obviously, we owe a tremendous debt of gratitude to our health care workers and first responders, but also we want to thank all of our food processing related employees.

WMFPA officially launched in February 2020 with a new website and social media presence that has significantly increased throughout the year. WMFPA’s six pillar strategies; infrastructure/ economic development, education, incubation, logistics, healthy food and sustainable practices, were defined by the food processing industry and became our priorities as we engaged in activities to overcome barriers that will strengthen the food processing industry in West Michigan. Our expansion regionally included support to Muskegon, Newaygo, Ottawa, Oceana and Mason Counties.

WMFPA’s key activities during 2020 included multiple economic development projects in Muskegon, Newaygo and Ottawa Counties, and representing the food processing industry with a statewide rural housing coalition. We also developed partnerships with key educators in the Intermediate School Districts of Muskegon and Newaygo Counties to increase the food processing programs with middle and high school students. Another major activity included the construction of the FARM Incubator/Accelerator that commenced during June 2020, and completed on time in December and within budget. Our partners at the Community Foundation for Muskegon County, Greater Muskegon Economic Development, and Muskegon Community College were instrumental in guiding the WMFPA toward the successful construction. Throughout the year, healthy food and sustainable trends were frequently communicated to the WMFPA’s extensive email list and through social media.



MARTY GERENCER
EXECUTIVE DIRECTOR

We also recognized early on in the pandemic, WMFPA's role needed to be ensuring we aligned with all organizations providing information about how to deal with the crisis, particularly for small food businesses and organizations. We developed a relationship with The Acheson Group, a highly regarded food safety and COVID 19 consulting group, and offered a panel discussion featuring Dr David Acheson, M.D., and a group of local food processing executives from West Michigan. Panelists shared their company's status of the crisis and best practices for dealing with it at our fall briefing this past October which proved valuable for small food businesses along with others in the industry.

Looking back, we took the vision of the West Michigan Shoreline Food Processing Initiative which was launched in 2017, to form the WMFPA in early 2020 based on priorities determined by the food processing industry. We are extremely grateful to all those who helped us along the way, especially those funding partners and sponsors whose logos you will see listed in this annual report. As you read through the report, we hope you will be pleased to see all that we accomplished with the support of our partners and the food industry.

Looking forward, the WMFPA's priority areas will include playing a key role in the launch and successful implementation of the FARM Incubator/Accelerator, and supporting our educational partners who are conducting programming related to food processing. We will be also escalating our "voice" representing the food processing industry on key issues defined by industry leadership, at the regional and state level. We are moving ahead with our six-pillar focus to accomplish the vision of the WMFPA to be ***"holistic, supportive, and a Catalyst for Growth"***.

MARTY GERENCER
EXECUTIVE DIRECTOR



WEST MICHIGAN
FOOD PROCESSING
ASSOCIATION

Holistic · Supportive · Catalyst for Growth

OUR FOCUS

Fully implement an organization to expand the food processing sector in West Michigan that is holistic, supportive, and a catalyst for sustainable economic growth and job creation in the 21st Century.



VISION FOR GROWTH

There is a strong base of agricultural and food processing related activity throughout Michigan and West Michigan to include location and establishment of food processing operations, education training, and product development and incubation. What is missing according to many in the industry is a holistic view of the sector to include alignment and integration of synergistic strategies and opportunities. In an era of limited local, state, and federal government resources, the principal objective of the West Michigan Food Processing Association is to work with the food processing sector along with regional community leaders, educators, and economic developers to expand the food processing industry resulting in the creation of new jobs and sustainable economic growth in the West Michigan region in the 21st Century.

OUR SIX PILLARS OF FOCUS

INFRASTRUCTURE

- Identify potential developers to establish shovel ready food processing facilities and supporting infrastructure
- Identify industrial processing locations-existing or potential
- Identify and link supply chain with infrastructure needs
- Identify target industries with focus on those who now or plan to expand and export with focus to Asia

EDUCATION & TRAINING

- Link education partners including MSU, and others
- Identify labor pool needs
- Build food processing education curriculum with customization options as target industry sectors identified

INCUBATION & ACCELERATOR

- Support the FARM Incubator and Research Center
- Link existing “kitchens” in Muskegon and other locations in region for product development
- Support collaboration with Baker Culinary and others to locate chef restaurant incubator for graduating chefs (e.g. Pittsburgh Small Galley)

LOGISTICS & SUPPLY CHAIN

- Support launch of Cross Lake Shipping service for new market development
- Increase rail and shipping capacity for supply chain to regional food processing cluster
- Support expansion of food hub and distribution network in West Michigan

FUTURE FOOD & HEALTHY PROCESSING

- Align with medical and dietary practitioners to link healthy food need with processors
- Use social media strategies to promote awareness of topic
- Organize and host informational seminars about future food trends and impactsrestaurant incubator for graduating chefs (e.g. Pittsburgh Small Galley)

SUSTAINABILITY

- Align with key energy experts to create awareness within sector to generate energy savings and efficiency
- Complete due diligence about the impact of energy on food processing sector
- Organize and host informational seminars about energy topics
- Align with sustainability experts on waste reduction and packaging including MSU School of Packaging

WHY WEST MICHIGAN?

- » **Strategic access to prime fruit and vegetable growers for clean label and healthy food processing**
- » Access to underutilized waste water treatment capacity
- » **Michigan’s freshwater capacity**
- » Growing incubation and pilot manufacturing infrastructure
- » **Collaborative opportunities with leading agricultural and food processing experts including sustainable packaging and waste reduction**
- » Logistic and distribution attributes with access to global markets
- » **Michigan’s growing renewable energy sector and abundant natural gas supply**
- » West Michigan region in the 21st Century.

OUR PILLARS OF FOCUS » INFRASTRUCTURE

LOOKING BACK

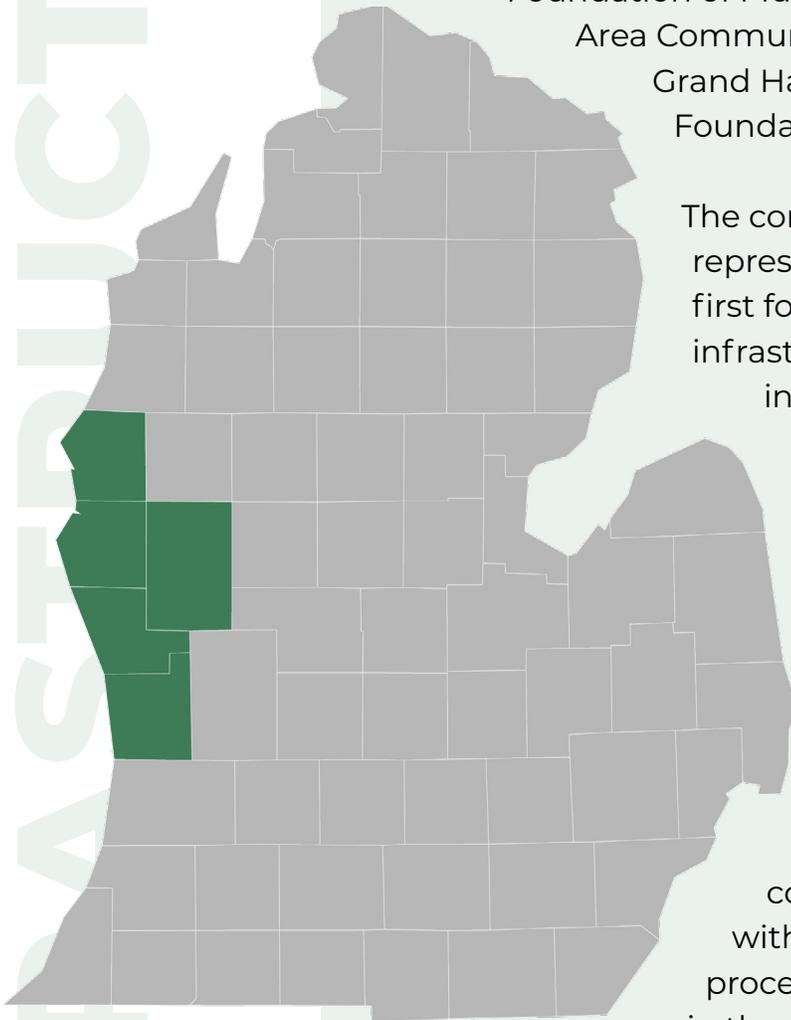
The infrastructure pillar is the cornerstone of the WMFPA because in the end, the only way to achieve economic growth and job creation is to have supportive infrastructure to include food processing shovel ready industrial parks. The region already has significant wastewater treatment capacity which is also a major requirement. In the past year, the WMFPA has solidified its relationship with local economic development officials like Greater Muskegon Economic Development and forged new ones with surrounding counties in Newaygo, Ottawa, Oceana, and Mason. More specifically, during the course of 2020 we supported seven active economic development projects in Muskegon, Newaygo, and Ottawa Counties.

A major focus this past year was representing the food processing industry on a state-wide rural housing coalition. This issue is an essential infrastructure need in rural areas, especially for the migratory workforce. The condition of the current housing situation became particularly apparent due to the COVID-19 pandemic with many families sharing the housing stock that exists today.

In addition, the WMFPA, which was instrumental in working with local community and state elected officials to secure infrastructure funding from the Michigan legislature moved forward with construction of the FARM Incubator/Accelerator facility on the campus of Muskegon Community College. Construction began in the late spring of 2020 on the premise it would be complete and ready to open in early 2021. The FARM is a tremendous addition to the region's food processing infrastructure assets for years to come.



In the months ahead, the WMFPA will continue working with local economic development organizations on the development of food processing related industrial parks along with supporting their efforts with expansion and attraction of growing the sector in West Michigan as appropriate. The association's work and vision has led to major investment or commitments from multiple community foundations including the Community Foundation of Muskegon County, Fremont Area Community Foundation, and the Grand Haven Area Community Foundation.



The completion of the FARM represents the association's first food processing related infrastructure project since its inception. Our partners at the Community Foundation for Muskegon County, Greater Muskegon Economic Development, and Muskegon Community College were instrumental in guiding the WMFPA toward the successful construction completion on-time and within budget. As a key food processing infrastructure asset in the region, FARM represents yet another strong reason why new food processing companies might be attracted to the region or for existing companies to expand as they potentially test process new products or try new technology applications in the facility which they may not be able to do on the floor of their current operations.

OUR PILLARS OF FOCUS » **EDUCATION**

LOOKING BACK

Education represents another key ingredient to growing the food processing sector in West Michigan. WMFPA and its predecessor organization, the West Michigan Shoreline Food Processing Initiative, recognized this from the beginning after hearing from many food processing company executives about the shortfall in having access to trained employees. Prior to the onset of the COVID-19 pandemic, local food processors indicated that having access to a qualified workforce has been one of, if not the most significant impediment to the success of their operation.

Michigan State University's (MSU) Institute of Agriculture Technology has led the way in developing training programs for the sector to include certificate and degree programs many of which are available at a number of community colleges in Michigan including Muskegon Community College (MCC). Specializations include fruit and vegetable processing, cereals processing, dairy foods processing, and muscle foods processing.

During the past year, the WMFPA developed partnerships with key educators in the Intermediate School Districts of Muskegon, Ottawa, and Newaygo counties to increase awareness of food processing programs with middle and high school students. This included discussions with MSU and MCC to offer college-level food processing classes in Newaygo and Ottawa Counties. WMFPA

has also worked closely with the Michigan Department of Agriculture and West Michigan Works to promote various job fairs and other programs they offer to high school and college age students.



In the year ahead, the WMFPA will continue with building on the educational partnerships that it formed with MSU and the regional intermediate school districts. The plan is to build a strong recruiting process to encourage students to look at food processing as a career opportunity followed up by enrolling in the various training, certificate, and degree programs that are available through MSU, MCC, and other ways.

A key focus is integrating FARM into the educational curriculum. FARM's construction plans included the provision to accommodate MSU's Mobile Food Processing Lab on site at its MCC location. The lab mirrors what students will see in the industry once they graduate, but at a smaller scale. The trailer lab was built to demonstrate the needs for food grade processing, as well as, meeting the demands of the curriculum for the certificate program. The lab will also be used to introduce high school students to food processing as a potential career.

In 2021, the WMFPA is will embark on FutureFood21 Strategies and programming (in-classroom at Muskegon Community College, and hands-on training at the FARM Incubator) to equip the 21st Century food processing labor force with skills needed to maintain food safety standards, COVID protocols, and new product innovations that are healthier and sustainable, along with livable wage livelihoods and career pathways.



OUR PILLARS OF FOCUS »

INCUBATION / ACCELERATOR

LOOKING BACK

To support the growth of the food processing sector, the WMFPA in conjunction with the Community Foundation for Muskegon County (CFMC) and Muskegon Community College put in motion plans to develop the FARM (Food, Agriculture, Research, Manufacturing Center) incubator/accelerator and business development center targeted at stage one or two entrepreneurial companies or existing mature ones that are looking for an offsite location for test manufacturing of new products. A State of Michigan infrastructure grant for over \$2million that was awarded in 2019 made it possible to take the vision from a plan to reality.

An incubator/accelerator is seen as integral for growing the food processing sector in the region as an entrepreneurial building block. FARM is a collective effort to bring venture capital funds to new entrepreneurs in the West Michigan region; link college students (both MSU and MCC) together with entrepreneurs, and a one-stop shop of resources for entrepreneurs to take new innovations and technologies to commercialization. West Michigan is already home to several early-stage kitchen incubators such as Kitchen 242 in Muskegon and the Starting Block in Hart. With the completion of FARM, this enables successful entrepreneurs to move from either of these early-stage locations or from anywhere else to take the next step in growing their business to full commercialization.

FARM's development and construction was able to begin in 2020 in the midst of a global pandemic. In fact, had the facility already been in operation, WMFPA technical experts believe it would be deemed essential infrastructure for COVID response. Our team was able to develop a plan to access pre-blend sanitizer in large volume and repackage into 16 oz. containers. We completed discussions with a food processing facility in another county to do this work, but it's a function we can assume if needed in 2021 with the FARM as an operational facility.

Actual construction began in June 2020 led by John Grace Construction Company. Using local subcontractors and sourced materials to the extent possible, the 8,000 sq feet facility was completed and ready for operation in early 2021. With three bays available, WMFPA began the search for a facility manager and entered into discussions with potential tenants. Funding was also secured for equipping the facility.



The focus in the months ahead is to make the FARM fully operational with a facilities manager in place and integrate it into both the entrepreneurial process, as well as, the MSU-MCC food processing curriculum. FARM will also be integral to recruitment of high school students who might be receptive to a food processing career beginning with a training program.

In time, WMFPA expects FARM to be considered a key asset within the State of Michigan joining Michigan State University’s Food Processing and Innovation Center (FPIC) in Okemos and Tamarack Holding’s Long Lake Culinary Campus located outside of Traverse City among others as vital to growing the state’s food processing sector. FARM truly reflects the WMFPA’s vision as a “catalyst for growth.”



OUR PILLARS OF FOCUS » **LOGISTICS / SUPPLY CHAIN**

LOOKING BACK

The Logistics/Supply Chain process is one of the original pillars under the framework of the West Michigan Shoreline Food Processing Initiative (Initiative) and was carried forward after the formation of the WMFPA. The food processing sector's need for a strong supply chain has two fronts. On the front end from the agriculture sector for fruits and vegetables, as well as, for ingredients from other suppliers. It is equally important on the back end of the production process to move final products to the customer including institutional and individual. The COVID-19 pandemic shined a spotlight on the overall food processing supply chain this past year in ways never seen before.

With many school districts and restaurants being forced to shut down, many processors faced the challenge of manufacturing and supplying in smaller quantities for the individual customers. In addition, with the unknowns of the pandemic, many individual customers started to “panic buy” putting a strain on both the production and supply chain unlike the modern processing sector has ever seen before.

In the beginning stages of the Initiative, there were considerable discussions within the region about the possibility of launching a cross-lake shipping service to support the food processing sector, especially for moving products to the Chicago market, as well as, internationally through a combination of rail



out of the Port of Milwaukee to West Coast ports in Canada. While this vision has yet to materialize, the region is well suited to launch this service due to the logistics net work that exists including commercial ports in Muskegon, Grand Haven, and Ludington, as well as a very strong highway and rail infrastructure.

During the past year, the WMFPA has maintained strong relationships and continued discussion about the potential for cross-lake shipping with both the interested shipping companies and the commercial dock operators. The feasibility and need has been determined, but shipper demand is still not to the point to implement the strategy.

Finally, throughout the past year, the WMFPA has provided support to Cherry Capital Foods, a major food distribution company based in Traverse City with satellite operations in other Michigan locations. In addition, we have engaged with officials from Hanson Logistics, a leading frozen food logistics company based in West Michigan to include one of their key executives as a member of the WMFPA Board of Directors.

In the coming months, we expect to enhance our relationships with both Cherry Capital and Hanson Logistics with focus on linking them and others in West Michigan with new fresh food storage technology that extends the shelf life of products for both storage and during transport. Supply Chain experts state that over a third of the food produced globally is wasted because perishable food is not stored or transported properly. The WMFPA has been in discussion with a Michigan based technology company that has developed a low-cost solution to mitigate this issue using a patented process to eliminate bacteria inside the storage environment while controlling the ripening of produce through ethylene scrubbing. The technology is slated to be tested at the FARM and at other West Michigan logistic storage locations.

OUR PILLARS OF FOCUS »

FUTURE FOOD

HEALTHY PROCESSING

LOOKING BACK

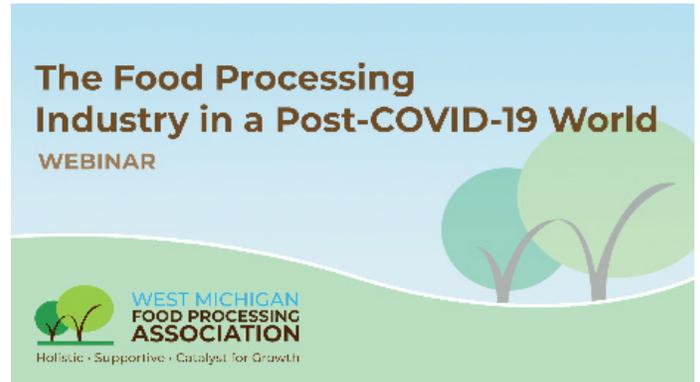
Future Food-Healthy Food is one of the two new pillars added when the WMFPA was formed in early 2020. It was established on the basis of numerous studies suggesting that poor dietary habits are the leading driver of death and disability with [over 700,000 deaths per year](#) while taking a toll on the economic health of the country.

Processed foods are typically high in sugar and high fructose corn syrup along with other artificial ingredients. Recent trends suggest that American consumers, especially those younger than 25, are looking for food products that offer convenience, but healthy. Those afflicted with heart disease, diabetes, autoimmune disease and other forms of illness are also looking for healthier food options. In the past year, the WMFPA vision has been to increase awareness of the “future food” trends to foster entrepreneurship, but also to existing companies who may be looking for new market opportunities or desire to modify their current products to meet the demand for healthier options.

While the WMFPA launched the Future Food Healthy Food Processing pillar before knowing a global pandemic was looming, a considerable amount of time in the past year was committed to supporting the food processing sector’s response to managing the COVID-19 crisis in West Michigan. The WMFPA aligned with federal, state, and local officials to offer factual and often real time information by setting up a resource page on its web site focused on sources for personal protective equipment and other pertinent information. In addition, frequent postings to the association’s Facebook page and e-mail messages to stakeholders included announcements from federal and state sources about small business financial assistance and other COVID-19 programs.



The October 23, 2020 stakeholder fall briefing included a Future Food 21 panel discussion featuring food safety and COVID-19 expert Dr David Acheson of The Acheson Group (TAG) and senior executives from West Michigan based food processing companies including Kraft Heinz, Leprino Foods, Kent Quality Foods, and Riveridge Cider. Dr Acheson, an infectious disease expert and former Chief Medical Officer for both the USDA and FDA, presented his view of the status of the virus at the national level with the local food processing executives offering insights about their experience and best practices for dealing with this unprecedented health crisis.



FUTURE FOOD21

THE OFFICIAL LOGO OF FUTUREFOOD21

In the months ahead, the WMFPA will continue to focus on supporting the food processing sector's response to the COVID-19 pandemic but will also work to connect the food industry to training, research, and resources to produce clean and sustainable value-added food.

FARM will be integrated to equip the food processing industry with technical assistance in a state-of-the-art research facility, and with training resources to conduct customized research and develop new product innovations – based on healthy, sustainable food innovation in the 21st century, also employing COVID protocol techniques. WMFPA is planning to host its first annual Future Food 21 conference in September 2021 featuring speakers to address healthy food and sustainable processing.

OUR PILLARS OF FOCUS »

SUSTAINABILITY

ENERGY & WASTE REDUCTION

LOOKING BACK

Future Food Sustainability is also a new addition to the WMFPA's focus this past year to include sustainable energy practices such as renewable, net zero, and energy efficiency applications. The pillar also focuses on sustainable food processing practices and technologies that lead to waste reduction including landfills, packaging, and production of upcycled foods such as using "imperfect fruits" that might be tossed to produce infused water beverages. Sustainable food processing practices for energy and waste reduction are important steps to helping reduce climate change, but are becoming critical to branding, as well, with more and more customers making purchase decisions based on a food processors sustainability commitment.

In the past year, the WMFPA has forged strong relationships with the State of Michigan's two largest utilities that operate in West Michigan including Consumers Energy and DTE Energy. Both companies have offered their energy expertise, but financial commitments, as well. WMFPA also has a link with the Great Lakes Renewable Energy Association (GLREA). GLREA has strong interest in working with the food processing industry on potential net zero application opportunities.



From a food waste reduction strategy, WMFPA began to explore a potential relationship with the Fremont Regional Digester, a 2.85 MW state-of-the-art anaerobic biodigester which turns organic food waste into renewable energy. We have also been in discussion with several upcycle food producers that may have interest in locating at FARM as they grow their business. To support this strategy, we hope to form an alliance with the [Upcycled Food Association](#), a non-profit trade association with a growing membership of 135 member companies committed to reducing food waste by growing the upcycled food economy.

Sustainable practices are no longer a trend, but a requirement to have a successful food processing business. The WMFPA will continue to position this pillar in the forefront of our support for the industry through social media tracking and posting, continuing to build stronger bonds with energy companies to link their best practices with food processors, and identify new upcycled processing opportunities for entrepreneurs to invest. The forthcoming Future Food 21 conference in September 2021 will include a Sustainability track featuring presentations that showcase best practices for energy and waste reduction.

SUSTAINABILITY
SUSTAINABILITY
SUSTAINABILITY



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FUTURE FOOD²¹

SAVE THE DATE

LOOKING FORWARD 2021 »»

SEPTEMBER 24, 2021

MUSKEGON COMMUNITY COLLEGE



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