

FOOD PROCESSING

Food Processing Manufacturing Trends Survey Results

Top Manufacturing Issue

November 2006

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Mail Date: October 30st

The sample returns were cut off for editing, tabulation, and analysis on
November 20, 2006.

Results of the mailing are as follows:

Gross Mailing.....	20,282
Less:Nondeliveragbles/Unusables.....	2,066
Net Mailing.....	18,216
Number of Usable Returns.....	232
Rate of Return.....	1.3%

Food Safety

1. Did you implement additional food safety measures in 2006?

Yes 82.8%
No 14.1%

2. Will you implement additional food safety measures in 2007?

Yes 79.7%
No 9.4%

3. What are the specific practices your facility has implemented, or will implement, for better sanitation and food safety? (Please check all that apply.)

	Response %
Employee training	92.9%
HACCP plan	59.4%
Improved pest control program	62.5%
More/improved sanitary equipment	60.9%
Rapid microbial detection system	29.7%
Other microbial detection/elimination system	29.7%

4. How concerned are you about allergens?

	Response %
Extremely concerned	32.8%
Very concerned	25.0%
Somewhat concerned	31.2%
Unconcerned	1.6%
Does not apply	9.4%

5. What efforts are you making or planning to make to control for allergens?

	Response %
Dedicated Lines	25.0%
Detection/testing	35.9%
Improved washdown/clean in place	51.6%
Improved labeling	39.1%
Reformulation	17.2%
Does Not Apply	18.8%

6. Do you currently have an ingredient/food tracking or tracing program in place?

Yes 73.4%
No 15.6%

Automation and Production

7. What portion of your plant has been automated? (Please check all that apply.)

	Response %
Production sections	62.5%
Packaging sections	59.4%
Entire production line	21.9%
Logistics/warehousing	17.2%
Maintenance, repair & operations	10.9%
Waste Ops	9.4%
Entire plant	7.8%
None	14.1%

8. If you are automating a component or components of your manufacturing process, are you automating through: (please check all that apply)

	Response %
PLC integration	53.1%
Custom software	48.4%
Off-the-shelf software	17.2%
PC centralization	9.4%
RFID	10.9%
Robotics	23.4%

10. Are you familiar with the ANSI/ISA-88 batch processing standard?

Yes 15.6%
No 84.4%

11. Are you using ANSI/ISA-88 batch processing standard in any way?

Yes 9.4%
No 90.6%

12. Do you anticipate total production in 2007 to:

	Response %
Increase 20% or more	26.6%
Increase 10 – 19%	17.2%
Increase 5-9%	31.2%
Stay about the same	21.9%
Decrease 5-9%	1.6%
Decrease 10 – 19%	1.6%
Decrease 20% or more	0

Consolidation and Expansion

13. For 2007, are you planning to:

	Response %
Consolidate Production/number of manufacturing plants	12.5%
Expand production/number of manufacturing plants	28.1%
Stay the same	45.3%

14. If you know your company's capital spending budget for 2007, compared to 2006 it is:

	Response %
Up less than 5 percent	4.7%
Up 5 to 10 percent	21.9%
Up more than 10 percent	28.1%
About the same	20.3%
Down less than 5 percent	3.1%
Down 5 to 10 percent	0
Down more than 10 percent	3.1%

15. If your company has any big capital projects planned for 2007, what are they?
Open ended answers appear at the end of this document

Energy

16. How worried are you about the cost of energy?

Very worried	46.9%
Somewhat worried	43.8%
Not worried at all	9.4%

17. How impacted has your manufacturing process been by the increase in energy costs?

	Response %
Moderately impacted	70.3%
Severely impacted	17.2%
Not impacted at all	12.5%
Positively impacted	0

18. How much did your energy costs increase in 2006 compared to 2005?

	Response %
Much more than expected	7.8%
More than expected	51.6%
As expected	31.2%
Less than expected	6.2%
A lot less than expected	0

19. How are you approaching energy management?

	Response %
Taking steps in energy conservation	75%
Recycling energy (i.e. through redirection systems)	29.7%
Conducting energy audits	37.5%
Looking to energy management consultants	10.9%
Seeking alternate energy sources	23.4%
Looking at co-generation	6.2%
Negotiating with energy providers	34.4%
Not currently addressing energy management issues	6.2%

Environmental Issues

20. How important are environmental issues to your facility?

	Response %
Extremely important	25%
Very important	45.3%
Slightly important	26.6%
Not very important	3.1%
Extremely unimportant	0

21. Are you:

	Response %
Currently aggressively recycling/reusing	31.2%
Recycling/reusing some materials	54.7%
Not recycling at all	4.7%
Not currently engaging in any recycling but planning to institute for 2006	9.4%

22. Compared to 2005, in 2006 did you recycle/reuse:

	Response %
More	48.4%
Less	1.6%
About the same	46.9%
We don't currently recycle or reuse	3.1%

23. What has been the stumbling blocks, if any, to having a recycling/reuse program at your facility?
Open ended answers appear at the end of this document.

24. What additional steps, if any, are you taking to make your facility more "green"?
Open ended answers appear at the end of this document.

Security

25. How concerned are you about bioterrorism or other terrorism issues?

	Response %
Extremely concerned	10.8%
Very concerned	21.5%
Somewhat concerned	60%
Unconcerned	6.2%

26. Did you increase or reduce security measures in 2006?

	Response %
Increased security measures	56.9%
Reduced security measures	1.5%
Kept the same measures in place	41.5%

27. Will you implement additional security measures in 2007?

Yes 52.3%
 No 20%

28. What steps are you taking to make your plant more secure?

	Response %
Securing/restricting external access	75%
Securing/restricting internal access	60.9%
Employee identification	60.9%
Outside security company	28.1%
Surveillance	60.9%
Security application software	9.4%
Big lawyers, guns and money	3.1%

Labor

29. In 2007, does your facility plan to:

	Response %
Add to the workforce	48.4%
Actively reduce workforce	4.7%
Passively reduce workforce (i.e. through attrition)	10.9%
Maintain workforce	34.4%

30. Compared to three years ago, is your in-house engineering staff level...

	Response %
Larger	17.2%
Smaller	17.2%
About the same	45.3%
Nonexistent	12.5%

31. Compared to three years ago, is your in-house R&D staff level...

	Response %
Larger	25%
Smaller	9.4%
About the same	50%
Nonexistent	7.8%

32. Compared to three years ago, is your in-house Management staff level...

	Response %
Larger	29.7%
Smaller	23.4%
About the same	42.2%
Nonexistent	1.6%

33. Will your facility increase, decrease, or maintain payroll/benefits in 2007?

Increase	48.4%
Decrease	6.2%
Maintain	39.1%

34. How would stricter immigration laws/control affect your facility?

	Response %
A great deal	6.2%
Some	40.6%
Not at all	46.9%
Does not apply	6.2%

35. What labor issues do you anticipate to be important in 2007?

Open ended questions appear at the end of this document

DEMOGRAPHICS

36. How many employees at your facility?

	Response %
Fewer than 10	9.4%
11 to 50	21.9%
51 to 100	15.6%
101 to 500	31.2%
501 to 1000	14.1%
More than 1000	7.8%

37. Which one of these best describes the dominant end product of your facility?

	Response %
Baked goods	7.8%
Beverages	0%
Condiments/Jams/Jellies	1.6%
Confectionery	3.1%
Dairy	6.2%
Extracts	0%
Fruits and vegetables	6.2%
Frozen	9.4%
Further processed foods and specialties	6.2%
Herbs/Spices/Dry flavorings	1.6%
Meats/poultry	12.5%
Packaging	4.7%
Seafood	3.1%
Snack foods	3.1%
Two or more of the above	23.4%

38. Does your facility produce foods or beverages with a health/wellness component?

Yes 21.9%
No 51.6%

Open Ended responses:

15. If your company has any big capital projects planned for 2007, what are they? (Leave blank if unsure.)

1. Building/facilities repair; roof, HVAC, base facilities.
2. New Plant facility
3. process improvement on system capacity
4. Don't know.
5. Cogen Facility and other large processing upgrades
6. Purchase more efficient and faster processing and filling equipment.
7. Replacing an old office building
8. 2006 was a huge capital project year for us. 2007 we must optimize the projects that we installed this year.
9. Expansion of cooking capacity
10. Plant two expansion
11. High speed evisceration Plant electrical upgrade Plant piping upgrade
12. packaging equipment
13. Expand operation with new production facilities.
14. New boiler, New blending room
15. Greenfielding a new processing plant
16. Expanding retail store front about 1200 sq. feet to increase items to sell, and increase ready to eat products.

23. What have been the stumbling blocks, if any, to having a recycling/reuse program at your facility?

1. Training
2. Risk of biological contamination
3. Don't know.
4. space
5. Rural location limits services available
6. Finding outlets for plastic stretch wrap film used on pallets of product.
7. Cost and feasibility
8. N/A
9. Coordinating with the waste management industries
10. none that I know of.
11. No one in our area for certain recyclables
12. Can't always get rid of materials because recyclers overstocked.
13. Space
14. barrier bags we use cannot be recycled
15. Same
16. People wanting to go the extra mile to help.
17. Customers for materials
18. Largest hurdle is the market for recyclable materials.
19. Corrugated material quality not as good as virgin material performance.
20. lack of resources
21. cost and education
22. sanitation

23.	none
24.	space in plant. multi language barriers
25.	Cost
26.	storage

24. What additional steps, if any, are you taking to make your facility more "green?"

1.	None at this time
2.	Working to increase yields and recycle heat from cooling stages to heating stages
3.	Don't know.
4.	conserve enery, recycle and improve efficiency.
5.	1.)Wastewater treatment inhouse to lighten load at city treatment facility. 2.)Using heated water from process previously thrown away for other purposes. 3.) Installed tankless water heaters for hot water processes to replace conventional water tanks. 4.) Replaced all overhead HID lights with flourecent 5 lamp fixtures. 5.) Installed large air storage tank and put in smaller air compressor.
6.	Installed water collection areas to recycle usable water in production.
7.	We reuse virually all cardboard boxes and packing in all shipping products to our customers.
8.	Adding improved stack scrubbers, significantly increased recycle program.
9.	Planning water reuse systems
10.	Same
11.	Installing new programs to help.
12.	Working with a new vendor
13.	Upgrading equipment with more energy efficiency.
14.	education
15.	better use of energy
16.	just recycling, reusing
17.	Solar energy and recycling water
18.	cut energy consumption

35. What labor issues do you anticipate to be important in 2007?

1.	federal minimum wage
2.	None
3.	none
4.	Union Issues
5.	NONE
6.	turnover
7.	Employee training and retention.
8.	Finding qualified employees in our area.
9.	none
10.	Wage inflation with increased California minimum wage
11.	training
12.	none
13.	Temps
14.	none
15.	maintaing employees
16.	None

<u>17.</u>	labor contract for hourly workforce
<u>18.</u>	Attracting quality workers with experience in order to limit learning curves and the time for training
<u>19.</u>	wages and benefits. Time off on the weekends.
<u>20.</u>	Use work force more effectively.
<u>21.</u>	qualified labor pool.
<u>22.</u>	union/training
<u>23.</u>	Turnover
<u>24.</u>	I am not aware of any issues.
<u>25.</u>	education, quality of labor, wages
<u>26.</u>	COLA AND MEDICAL BENEFITS
<u>27.</u>	H1-B visa applications
<u>28.</u>	Consolidation
<u>29.</u>	None.
<u>30.</u>	Finding qualified engineering on site personnel
<u>31.</u>	none that I know of.
<u>32.</u>	Attracting skilled maintenance people has been a major issue for us. In August we moved to an out-sourced maintenance program at one plant.
<u>33.</u>	Immigration law
<u>34.</u>	Getting and keeping qualified operators
<u>35.</u>	Illegal aliens
<u>36.</u>	salaries - workforce
<u>37.</u>	none
<u>38.</u>	Immigration reform which could lead to lack of labor.
<u>39.</u>	None
<u>40.</u>	Minimum wage
<u>41.</u>	health care costs
<u>42.</u>	affordable health care.
<u>43.</u>	Have none at this time.
<u>44.</u>	None
<u>45.</u>	Shortage of both qualified management and production workers
<u>46.</u>	Hiring qualified help
<u>47.</u>	shift work hours of work
<u>48.</u>	Minimum wage and immigration law
<u>49.</u>	none anticipated
<u>50.</u>	Union contract negotiations.
<u>51.</u>	benefits negotiations
<u>52.</u>	health benefits and finding talent
<u>53.</u>	Less people more work
<u>54.</u>	don't know
<u>55.</u>	labor and food issues
<u>56.</u>	..
<u>57.</u>	LEGAL STATUS OF WORKERS.-
<u>58.</u>	work force availability
<u>59.</u>	none

- 60.** none
- 61.** The possible new immigration law that might be passed in Washinton DC. Higher wages to get and keep good workers
- 62.** Costs will increase
- 63.** Health care cost
- 64.** DO not anticipate any problems