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The Food Industry Center

2018 ANNUAL REPORT

OUR MISSION

The Food Industry Center will develop 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.

ABOUT US

The Food Industry Center (TFIC) was founded in January 1995 at the University of Minnesota as one of the Alfred P. Sloan Foundation Industry Studies centers and the only one that studies the food industry. TFIC has had an illustrious 23 year history of conducting research on the food industry and offering forums on current industry topics and best practices. Originally established as The Retail Food Industry Center, the Center changed its name to The Food Industry Center in 2001 to accurately portray the breadth of food industry studies the Center conducts.

A NOTE FROM THE DIRECTOR

It was another busy year for our students. Our undergraduates continue to do well in the job market and student interest in our courses and curriculum continues to increase. We spent a lot of time over the past year looking at our curriculum and courses as we try to stay abreast of new teaching technology and pedagogy and continue building relationships across campus as part of college and university-wide initiatives in food and agriculture. The process of changing curriculum moves slowly as part of our own internal self-study process but the system works and we are doing a number of things to better meet our students' current and future needs.

Over the past year, it felt like we had a record number of students doing research projects on food topics. Most of these projects are funded through competitive grants with state and federal agencies, which is a tribute to the outstanding faculty working in this area. We recently revamped our graduate program fields in Consumer Behavior and Household Economics with Production and Marketing Economics into a Food and Agricultural Economics field. This reflects more what our faculty and graduate students are actually doing in research and provides a better signal to potential graduate students whom we are recruiting globally.

Marin Bozic, Metin Çakır, Hikaru Peterson, and Chengyan Yue are the principal faculty members working with graduate students on food issues. Youhong Lee finished a master's thesis on demand elasticities in certain foods. Another M.S. student, Dojin Park, finished research on the impact of language barriers on SNAP participation, regarding non-native English speakers. Camilo Bohorquez-Penuela and Divine

Ndifongwa are continuing work in the turkey and egg industries. Their research should help answer questions about the economic impacts of the avian flu outbreak and help quantify the movement of turkey and egg products in our economy. Xiangwen Kong is investigating the economic viability of rural grocery retailers in the United States and Shuoli Zhao is studying the impact of farmers markets in our economy.

Yanghao Wang's dissertation is composed of three essays on demand, competition and social welfare in apple markets and a specialty grain (teff) market. His third essay looks at retail grocer competition in the Twin Cities. Joel Cuffey is studying economic issues that influence the location of new retail grocery stores. Vanee Dusoruth is studying the issue of food waste and will be piloting a curbside organic pick up program with Ramsey County as part of her dissertation work. Dominique Rolando works on food choices among low income earners, specifically examining the effect of behavioral intervention at food shelves. Harshada Karnik is studying the role of social capital on food insecurity among Somali American communities in the Midwest.

Congress is currently debating the new Farm Bill. Food and nutrition assistance continues to be the largest programs in a Farm Bill, which authorizes these programs. Our seminar series in agricultural economics reflected Farm Bill topics during the past year to help familiarize us with research conducted on this important program for farmers,

Cont. on pg 2



A NOTE FROM THE DIRECTOR *(Continued)*

consumers, and food industry stakeholders including land grant universities such as the University of Minnesota.

We keep moving along with the College of Food, Agricultural and Natural Resource Sciences (CFANS) and the Carlson School of Management (CSOM) on mutual collaborative opportunities. The first student in the joint M.S. and MBA program graduated in June 2018.



Applied Economics graduate students working on food topics

Edward Blevins' research looked at business development of value-added food products made by producers and groups of producers through the U.S. Department of Agriculture's Value-Added Producer Grant program. The graduate course entitled Agribusiness and Food Marketplace for students in MBA, agricultural sciences, natural resources, public health, and public affairs programs continues to grow. A second, one-credit course called The Business of Food that includes a study tour was revamped this year for

graduate students from CFANS, the College of Veterinary Medicine (CVM), and the School of Public Health (SPH) as part of the Minnesota's Discovery, Research, and Innovation Economy (MnDRIVE) program.

Students visited one of General Mills' labs to learn more about yogurt marketing and had a tour of the Coborn's Delivers warehouse to see first-hand how home delivery of food happens. We were at a dairy farm that works with the University of Minnesota and then visited the First District cheese factory in Litchfield, Minnesota. Part of a day was spent with a Seneca Foods grower who produced sweet corn for the Green Giant canning factory.

We have begun planning for the 2018-2019 school year. Within the past month, I have met with Midwest Dairy about joint programming and Minnesota Grocers Association about a possible April 2019 event for students across the state. Department Head Frances Homans and I met with our counterparts across campus to plan CSOM and CFANS joint student mentoring and education programs. The course for the National Grocers Association case competition has a record number of students enrolled. A group of faculty are working on curriculum for a proposed professional master's degree program in food systems leadership, which would be taught through a combination of distance learning and a short residency.



Students at the General Mills Bell Lab

And, Cargill visited with me about bringing students out to their campus next fall.

Trade has been in the news a lot this past year. I have done several presentations on food trademarks and geographic indications in the EU and United States and the Federal Reserve Bank of Kansas City has commissioned a paper from me on the Business Merits of Trade for their July 2018 symposium.

As a final note, I caught up with long-time TFIC director and colleague Jean Kinsey. We carpooled to listen to Bill Boehm, former CEO of Kroger, speak about an event on leadership in the food industry, which was well-received. Bill was the first TFIC industry speaker and has a doctorate in agricultural economics from my alma mater, Purdue. Jean continues to stay busy in retirement and is a great role model for us all that one can still stay involved in professional activities in retirement. She passes along her best wishes to all readers and can be reached by email at jkinsey@umn.edu.

Last, over the next year or so, we will lose almost 170 years of experience with the retirements of five executive and administrative specialists. Sue Pohlod, who has worked on this annual report and been an integral part of other TFIC activities, will be retiring this August. She and the others will be sorely missed! We wish her well in her retirement.

In this annual report, you will learn more about our student activities and center events for the July 2017 to June 2018 time period. Feel free to contact me at boland@umn.edu or 612.625.3013 about any issue.

Michael Boland

Director,
The Food Industry Center



Students with a sweet corn farmer near Hector, Minnesota

FOOD INDUSTRY LEADER IN THE CLASSROOM

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

Tracy Quigley, a graduate of our program, spoke about her career and what she is currently doing with Jack Links Protein Snacks and had a number of samples to share!



Tracy Quigley



Brad Reimann

KraftHeinz has been active at the University of Minnesota in recent years recruiting students and Brad Reimann, a recent graduate and current category manager, visited about his career and the different areas he has worked in since graduating five years ago. He had a nice message about the value of mentors and seeking opportunities. Learning from professionals in the industry makes a difference to students. They like hearing from "real people" and interacting with them on campus. Iryna Hare is an AFBM graduating senior with CFANS and had the opportunity to attend the Kraft Heinz presentation by Brad Reimann through the Food Industry Center. From this presentation, she connected with Mr. Reimann and networked within Kraft Heinz to receive an interview. She now has a secured full-time position as a Customer Retail Manager through Kraft Heinz's Minneapolis, Minnesota location. We have other stories like this over the years with our events but this one really stuck out this year.



Nicole Peters

Nicole Peters discussed the marketing of grain-based products with a discussion about Grupo Bimbo and grain-based foods. She is currently the plant manager of a commercial bakery in Roseville and invited us to visit her plant later this year with students.

Sammi Fleckner of Land O'Lakes visited about her career path. Sammi was on the NGA student case competition for two years and very active in food industry activities as a student.



Sammi Fleckner

THE UNDERGRADUATE FOOD MARKETING COURSE

Hikaru Peterson's undergraduate food marketing class had students who were involved in three course projects: studying about a food sector using market data, examining cases of food product labeling, and developing a marketing plan based on a conjoint analysis using a panel of Midwest consumers on a food product. Cases of food product labeling ranged from food date labeling to kosher labeling. The products and food services students chose for conjoint analysis included craft beer, lemonade, yogurt, grapes, ice cream, and sweet corn examining attributes such as GM labeling, place of origin, tasting note, and fat content.



Alex Broderius, Libby Wilts, Paige Hildebrandt, Morgan Krause, Katie Wilts, and Joe Ramstad (left to right)

THE NGA SHOW 2018

The topic for this year's case study completion at the National Grocers Association was marketing healthiness and wellness to consumers at Coborn's retail stores in Minnesota and other states. The strategy was to redefine the mobile experience for consumers by linking in health aspects into Coborn's with a rewards program to incentivize personal choices in wellness and health.

Alex Broderius, Paige Hildebrandt, Morgan Krause, Joe Ramstad, Katie Wilts, and Libby Wilts were selected to be members of the University of Minnesota-Twin Cities National Grocers Association (NGA) team. They spent several months preparing to compete at the NGA Expo in Las Vegas, Nevada. We made the second round for the first time, which was a tribute to the students' hard work!

Innovation, creativity, and independence drove this team to create a one-of-a-kind presentation. These students represented the university with pride and soaked up the opportunity to investigate the grocery industry. After their presentation, the students received

the opportunity to converse with the judges. Doing so made presenting more than just participating in a case study, it turned it into a conversation, which facilitated further investigation of the industry and helped show the students how to create a bigger impact for the future. Paige Hildebrandt explained this concept further, "You can have a great conversation with the judges after the presentation to further the topic." It is moments like these that spark interest and helps solidify the future of the grocery industry.

Alex Broderius mentioned that the entire conference focused on how to expand and nurture the grocery industry. He had no idea, before being a member of the NGA team, how large the industry was and how much impact it has. "It is not just the Targets and Walmarts; it is the hometown grocers that make the industry run," stated Alex. Alex went on to mention how he learned, through the NGA team, the importance of getting more young people interested in keeping the spirit of the industry alive. Another

member of the team, Joe Ramstad, also commented on this to the question: "What is one thing you wish you would have known before joining the team, before the competition, and/or before going to the conference?" The first thing he responded with was, "I wish I would have known just how unique the grocery industry is in terms of its needs and its scope."

Outside of the competition, the students also participated in the expo, trade show, and worked with a mentor. Walking around and interacting with industry leaders is an amazing opportunity for students. It is an easy way to help them learn and to set a buzz within the younger generation about the opportunities the food industry can offer. I spoke on a panel with two grocers about 'ready-to-eat' and 'ready-to-prepare' meal kits. One thing I learned was that it is unclear whether consumers want to prepare their food or just cook it. The example that stuck in my mind was whether a consumer wants to scale their own shrimp or have it scaled for them!



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