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The Food Industry Center

2019 ANNUAL REPORT

OUR MISSION

The Food Industry Center develops leaders for tomorrow's food industry. Through research, educational programs, and industry collaboration, the Center 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

Every year it seems like we get busier with student activities and this year was no exception. We continue to have many students interested in agribusiness and food activities. Many of our graduate students are funded under competitive grants with state and federal agencies. The global reputations of my colleagues make this happen in a very competitive environment. We spoke last year about the revamping of our doctoral field into a Food and Agricultural Economics field. After the first year, I think my colleagues and graduate students would say it has been successful.

One of the biggest changes I have seen since I came to the University of Minnesota in 2010 is the increased emphasis on the development of interdisciplinary programs across departments and colleges. Our food and agricultural economics faculty have been an integral part of such programs. For example, a new graduate certificate has been launched by three colleges: College of Food, Agricultural and Natural Resource Sciences (CFANS), Public Health, and Veterinary Medicine. The Integrated Food Systems Leadership program (IFSL) is designed for working professionals to help bridge the gap between traditional food system education and professional leadership programs. **The IFSL program** is a graduate-level certification that provides a broader knowledge of how the food system is interconnected — from farm to fork — while promoting critical thinking and problem solving. My colleagues Metin Çakir and Hikaru Peterson are teaching a course with me in this new program.

Similarly, my colleagues and I are increasingly serving on graduate thesis committees in other programs. For example, I am working with a food

science student and her advisor on the economic value of dietitians in retail grocery stores. The student will be doing part of her work at the Minnesota State Fair. Elsewhere, you will read about another initiative for the Global Food Venture Fellows which are part of the Minnesota's Discovery, Research, and InnoVation Economy (MNDrive) initiative. We focused on dairy this year because of its importance to Minnesota and the current economic climate.

In previous years, we have spoken about our ongoing collaborative relationships with the Carlson School of Management (CSOM). This year, students from CFANS and CSOM formed two separate clubs, one for undergraduate students and one for graduate students. While I am the co-advisor for both clubs, the reality is that the students run these activities themselves with monthly meetings and activities some of which are summarized in this report. We also began a new class online in a distance-learning format called Agribusiness and Food Supply / Value Chain Issues. Students are asking for some online courses as they try to balance school, work, and outside school activities. I learned a lot developing and teaching this class for the first time.

Our partnership with Midwest Dairy Association continues as it has since 2013. This year we probably worked on more collaborative programs than ever before. Their contributions have helped us advance our understanding of this industry.

Michael Boland

Director,
The Food Industry Center





RESEARCH BEING DONE BY OUR GRADUATE STUDENTS

Marin Bozic, Metin Çakır, Hikaru Peterson, and Chengyan Yue are the principal faculty members working with graduate students on food issues. Metin Çakır and Michael Boland are working with Andrew Keller on his dissertation, which will include a look at the impacts of an increase in the minimum wage on the egg industry in the upper Midwest and the U.S. as a whole.

Yufeng Lai is investigating consumer willingness to pay for food products labeled as organic or animal-welfare friendly using Nielsen data. Shuoli Zhao completed his doctorate and explored consumer preferences for food products supplied by Community Supported Agriculture and compared risk preferences of commodity crop producers and specialty crop producers. He recently took a position at the University of Missouri. Xiangwen Kong conducted research on consumer preferences for vegetables grown in hydroponic systems using waste water. Seth Wannemuehler (an Applied Plant Science student advised by Chengyan

Yue) completed his master's degree and conducted cost-benefit analysis for using DNA markers in breeding fruits such as apple, peach and strawberry. Gianna Short explored consumer willingness to pay for aquaponically-grown lettuce, and completed her dissertation on how accounting for time preferences or time needed to prepare meals helps further our understanding of individual's demand for food products.

Qingxiao Li is studying differential price pass-through rates in organic and conventional fruits and vegetable markets. Xiangwen Kong is investigating the food retailing landscape in the U.S. rural markets. Harshada Karnik estimated the effect of point-of-sales nutrition labeling and nutrition education programming on healthful food purchases among rural residents. In addition, she is studying the impact of social network on food security among Somali communities in the Midwest. She also began looking at store choices of SNAP recipients during the monthly benefit cycle. Dojin Park interviewed

wholesalers serving rural Minnesota about their procurement practices of local foods and their willingness to participate in backhauling farm products that have been aggregated at rural grocery stores to market. Yanghao Wang completed his doctorate, which included essays on consumer demand issues in the US apple market and Ethiopian teff market. He studied grocery retailer competition in local markets.

The Ralph K. Morris Foundation awarded graduate fellowships to two of our students. Amber Roberts, a master's student with an undergraduate degree from Montana State, has served in leadership roles in our graduate club and is working on dairy profitability issues with Joleen Hadrich. Megan Butler, a doctoral student in natural resources, is researching forestry cooperatives in Guatemala. Both students have done well in their programs, and Mike Boland serves on both of their graduate committees.

Lisa McCann speaking about dairy nutrition



FALL 2018 ACTIVITIES

Midwest Dairy Association helped sponsor a luncheon to speak about the importance of dairy in nutrition in fall 2018. More than sixty students attended our first event on September 13, 2018. Lorna Riggs and Lisa McCann spoke about dairy nutrition and the importance of bone health.

On October 4th, students in the two food and agribusiness clubs visited Cargill's headquarters to learn about trade and supply chain issues in food. Recent Agricultural Food and Business Management graduates Nathan Shouvieller and Addison Beyers talked about trade issues and how they are affecting the food ingredient industry at Cargill. Nineteen students attended the event. We learned more about the impact of the tariffs on Minnesota soybean farmers.

Addison Beyers visiting with students about trade



WINTER AND SPRING 2019 ACTIVITIES

Alex Larson from Midwest Dairy moderated a panel and facilitated discussion for our spring industry event on March 5. Alex is a registered and licensed dietitian nutritionist with the Midwest Dairy Association.

At the panel discussion, more than 65 students learned about ongoing efforts to understand the uses of dairy products. Kate McAndrews, Dairy Specialist and Central Minnesota Sales Manager for Vita Plus Corporation, spoke about dairy cow nutrition. Russ Anderson, Hy-Vee Eagan Dairy Manager, described his more than 25 years of experience in retail grocery and how the dairy shelf has evolved during that time--especially with yogurt categories and dairy nutrition products. Susie Berglund, Senior Culinary Product Specialist at Land O'Lakes, visited about how products are developed for food service using their test kitchens.

Alex Larson, Russ Anderson, Susie Berglund, and Kate McAndrews

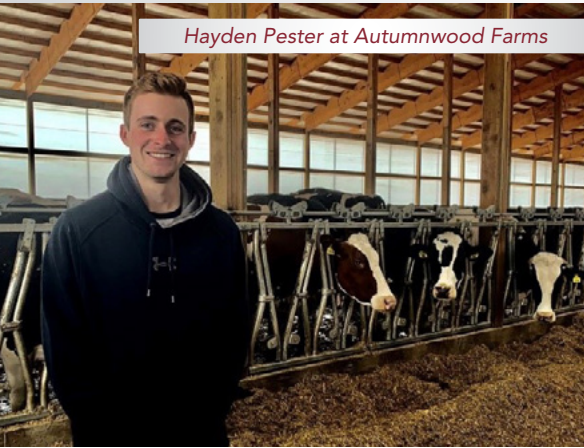


Students at General Mills Headquarters



We took 23 students in the two food and agricultural business clubs on a corporate visit to General Mills on April 2, 2019. The focus was on sustainable and strategic sourcing for supply chains. The two chains that were discussed for the students included the pet foods (Blue Buffalo) and breakfast cereals (Cheerios). Recent graduates Aaron Riippa and Nick Dorsey talked with the group about sustainable sourcing. Nick also spoke at our January 28, 2019 Food Speaker in the Classroom luncheon series.

Hayden Pester at Autumnwood Farms



DAIRY U

Dairy U took place on April 5. During this event, students had the opportunity to travel to Hy-Vee in Oakdale for a dairy-focused store tour, and visit the Land O'Lakes headquarters in Arden Hills, where they engaged with speakers and group discussions. Last, they explored a dairy farm and creamery at Autumnwood Farms in Forest Lake. This farm is a family-owned business whose family includes two of our recent alumni, Mariah Daninger and Nathan Daninger. Midwest Dairy Association sponsored this activity.

Matthieu Audebaud, an exchange student from France with the MAST International Program attended the event and shares his international perspective. "This opportunity provided a global

perspective of the dairy industry within the Midwest. It was a positive experience, we covered a broad range of topics, from protecting the environment... to understanding what consumers will want tomorrow. I believe that the consumer is the biggest key of any economic system, especially the dairy industry."

Hayden Pester, a freshman studying Agricultural and Food Business Management, writes: "I appreciate all those who made this incredible experience possible... This opportunity gave me a better idea of the real-world application of my course work... I look forward to attending more events like this in the future."



Students at Land O'Lakes headquarters

INDUSTRY CONNECTS

The Minnesota Grocers Association (MGA) sponsored students from the University of Minnesota to attend an "Industry Connects" event on April 16, 2019. This was an opportunity for students to network with industry professionals. This event is hosted to recognize independent grocery stores across the state for their innovative displays and interactive staff. The Commissioner of Agriculture spoke to the crowd about the importance of the grocery industry and policies that influence the grocery communities. The keynote presentation was given by Jonah Stillman, Co-founder of Gen Z Guru, who shared insights into generational differences. Stillman travels across the United States and internationally, helping organizations connect and market to this new generation.

When people think of this new generation, some of the first words that come to mind are "technology, competitive, independent and driven." Now that generation Z is entering into the work place, companies are trying to find ways to connect all the generations to create a strong work environment.

Jacob Hilton, senior studying Applied Economics, shares his experience with MGA's Industry Connects. "I really enjoyed being able to attend this event... Jonah, the featured speaker, was very impressive. He truly shared some great insight on how Gen Z's see the marketplace and shop differently from other generations. Being a millennial,

I still was learning about the younger generation and learned something about how to work with each other in the workplace. There were great networking possibilities and it was great to meet fellow students with common interests. I would recommend attending this next year to other students."



Industry Connects Panelists

THE BUSINESS OF FOOD

The Global Food Ventures fellows program is funded by the Minnesota state legislature to train graduate students for careers in Minnesota-based food and agribusiness companies. The program has been developed through a collaboration with the College of Veterinary Medicine, School of Public Health, and College of Food, Agricultural and Natural Resource Sciences (CFANS). Scott Wells, College of Veterinary Medicine, and Mike Boland teach two one-credit classes for these students and other graduate students entitled APEC 5832: The Business of Food and VMED 5881: Food Production, Manufacturing/Processing and Supply Chains. Last year we had 17 students and 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. Students visited one of the General Mills' labs to learn more about yogurt marketing and had a tour of the Coborns' Delivers warehouse to see first-hand how home delivery of food happens.



Julie Cox (M.S. degree food science) from General Mills pointing out product development issues

This year we had 15 students representing 11 different graduate programs in five colleges.

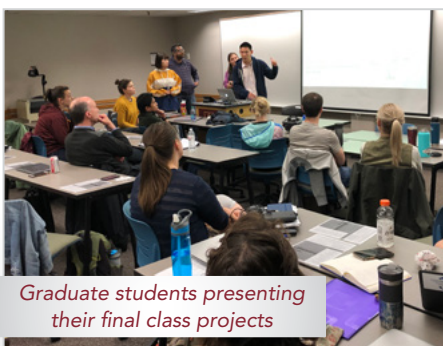
The topic of Minnesota's dairy industry and animal agriculture, in general, was chosen as this year's theme for the two courses. Students met with scientists from various Minnesota-based companies for two days and have three days of class work culminating in a group project. The courses have been well-received by the students because it exposes them to how Minnesota companies use scientists in their firms and learn about the value of teams working across disciplines. In May 2019, students visited the James Bell Ford lab at General Mills, the Sustain group at Land O'Lakes and the New Sweden dairy farm near St. Peter. Ashley Kohls from Minnesota Beef Council and Greg Suskovic from the Minnesota Department of Animal Health spoke to the students. Erin Royster, College of Veterinary Medicine, spoke to the students about dairy production. Marin Bozic spoke about the economics of the Minnesota dairy industry.

VISITS TO FOOD AND AGRIBUSINESS COMPANIES

Members of the Agricultural Business Club traveled to the ADM headquarters in Minneapolis to learn more about how this Fortune 500 company maintains international relations. The tour provided insights into how the corporation functions and provides a workplace in which different generations can work comfortably. Geneva Nunes, a sophomore studying animal science, shares her perspective as the Agriculture Business Club Rep, "It was an incredible opportunity to see the inner workings of such an influential company. I enjoyed how this company has endless connections across the world. The amount of innovation this company applies to their everyday tasks is truly remarkable."



Elena Lindemann discussing Land O'Lakes' sustainability programs



Graduate students presenting their final class projects



Students preparing to visit the New Sweden dairy



*Claire Lentsch, Sena Geleta, Katherine Gathje, Amber Cafferty, Krista Styer (Front Row)
Leah Ruen, Alex Broderius, Michael Boland, Kayla Leiding, Morgan Krause, Libby Wilts (Back Row)*

NATIONAL GROCERS ASSOCIATION

We continue to participate in the National Grocers Association (NGA) industry programs, which continue their themes of generational diversity in the work place. While these different perspectives help to challenge systems and support innovation, keeping open dialogue can prove to be difficult. The NGA is proactive with recognizing and adapting to the needs of these different generations. Each year NGA hosts a Student Case Competition, to invite a younger perspective into the industry. This year, the challenge selected was "recruitment and retention of millennials."

Most of the students who participated are members of the *Millennial* generation born between the years 1995 and 2014. The students who attended were exposed to the countless opportunities that the NGA conference offers. From the student case competition, mentor program, walking the trade floor, meeting industry leaders, listening to presentations, to the endless scholarship opportunities, these students truly gained a deeper understanding and appreciation for the potential the grocery industry offers. This conference is extremely valuable to

connect members from all generations and ensuring a bright future for the industry.

Senior Alex Broderius shares his perspective on the insights this conference provided. "There are lot of people retiring within the grocery industry and they are looking for the next generation to come in and support the future of many family chains. The grocery industry is changing, and it seems although this industry is one of the last to truly implement technology to its full potential, now they are just getting into it." Broderius states "it was nice to meet with someone who made a career in the grocery industry who shared a new perspective from outside the store as a consultant."

Freshman Claire Lentsch comments about the need for more innovative outreach programs such as the NGA conference. "The grocery industry

truly has unlimited potential, however, if these opportunities are not shared with the younger generation, communication is lost. To ensure a strong future for this industry, there is a strong need to increase open dialog while reaching out to potential employees and industry leaders before they enter the work place."

The National Grocers Association recognizes the incredible potential this younger generation holds, and they are creating programs to embrace the future. The students competed against 13 other universities and made it to the semi-finals. We also participated in the 5k run-walk for scholarships.



Student team presenting in the competition



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Thanks to Claire Lentsch, an undergraduate student in our program, who helped prepare this annual report.

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