



*State of the Food & Beverage
Industry 2009:*

Rising Above The Rest

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Agenda

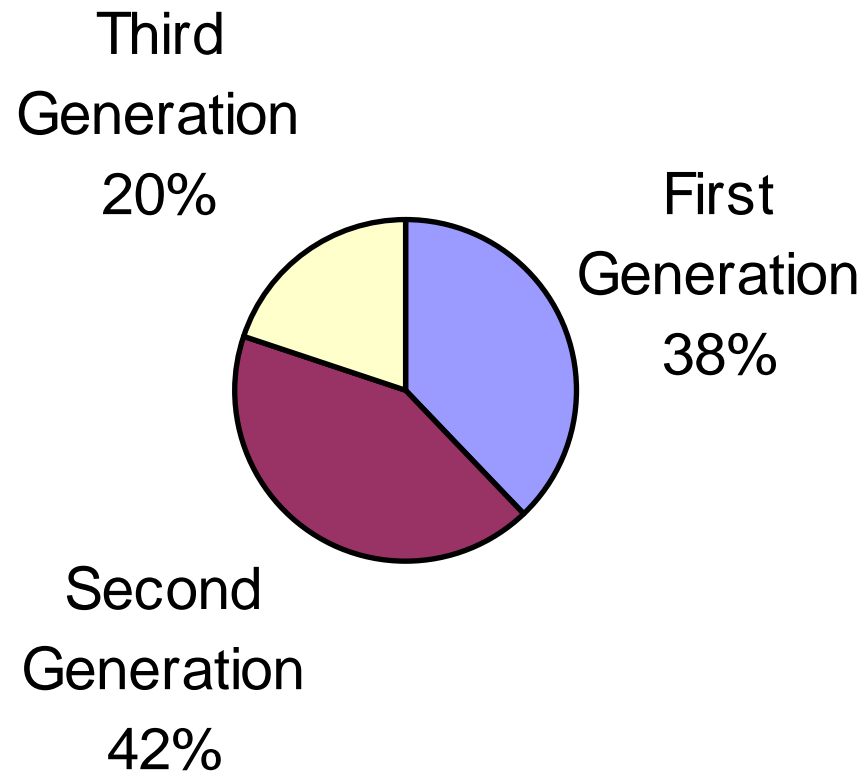
- **2009 Food & Beverage Industry Survey**
 - Respondent Population
 - Growth Trends
 - Industry Challenges
 - Strategic Responses to Challenges

Respondent Population

- **Eight Specific Market Sectors Identified**
 1. Baked Goods
 2. Beverages (non-dairy)
 3. Distribution (including dairy)
 4. Food Service (restaurant/caterer)
 5. Meat/Poultry/Seafood
 6. Produce
 7. Snack Foods and Confectionary
 8. Supermarkets

Respondent Population

- 65% of respondents are family businesses.

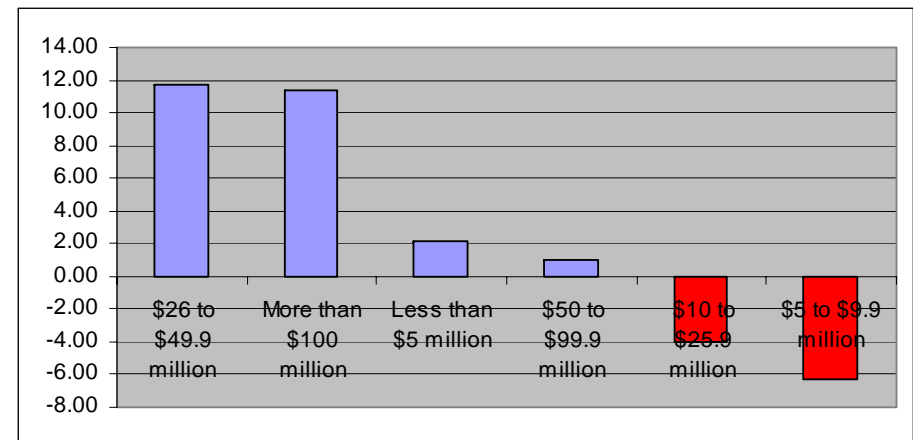
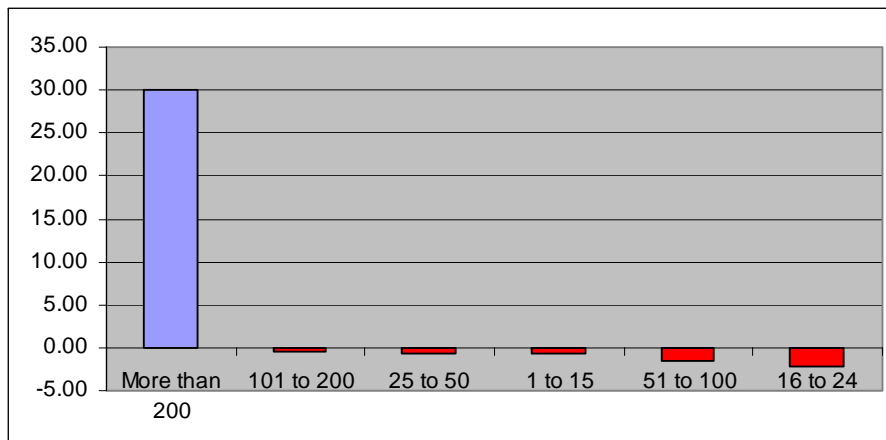
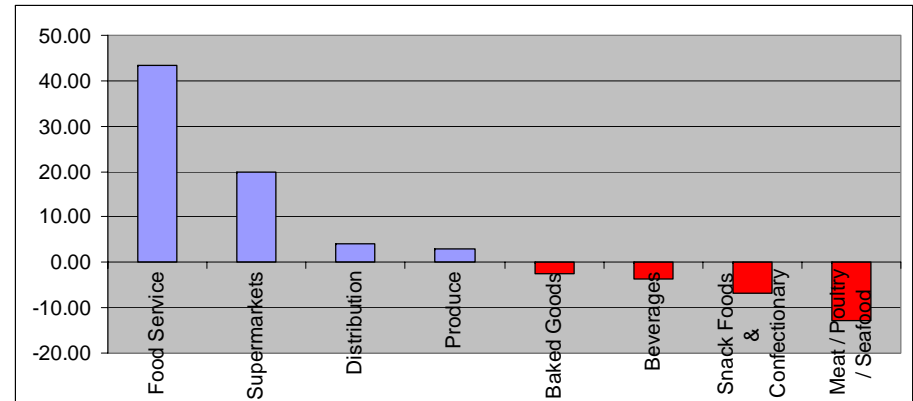


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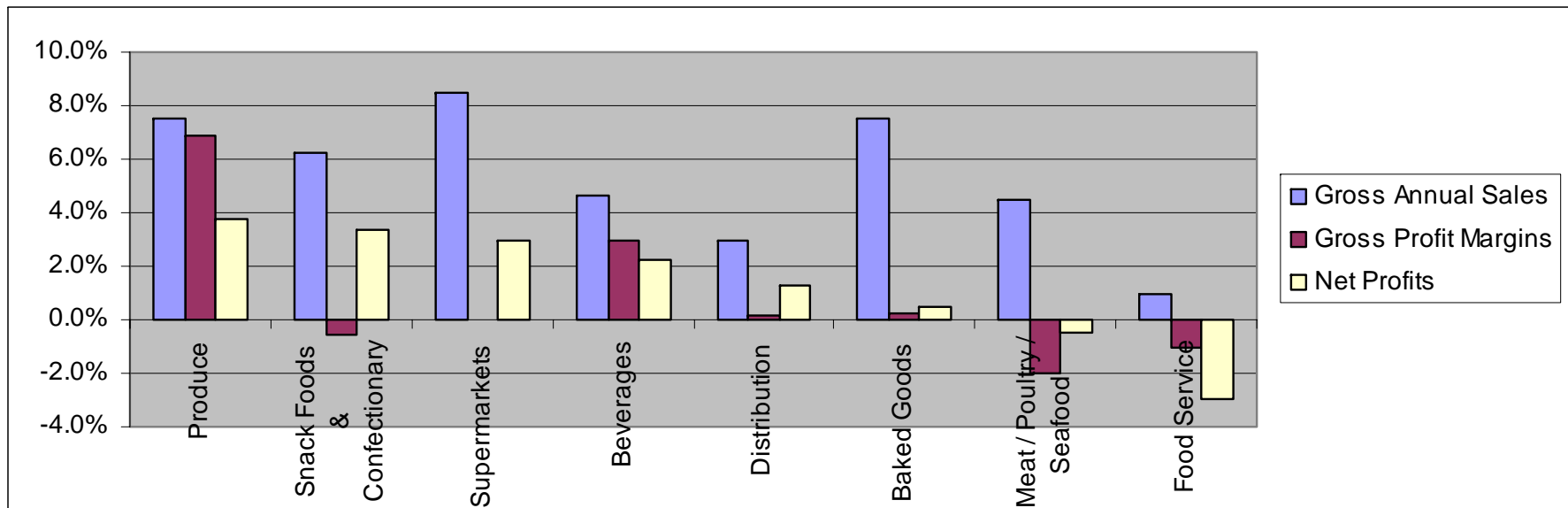
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Growth Trends: Employment

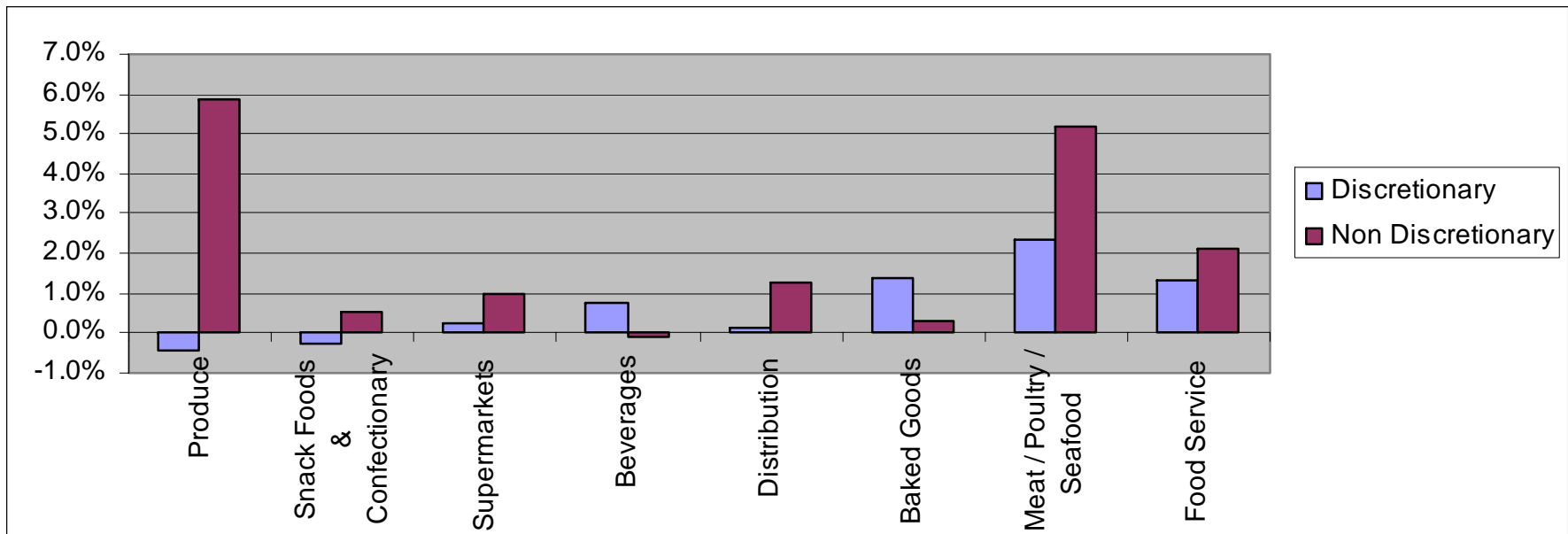
Overall employee count change in 2008



Growth Trends: Sales/Profits 2008

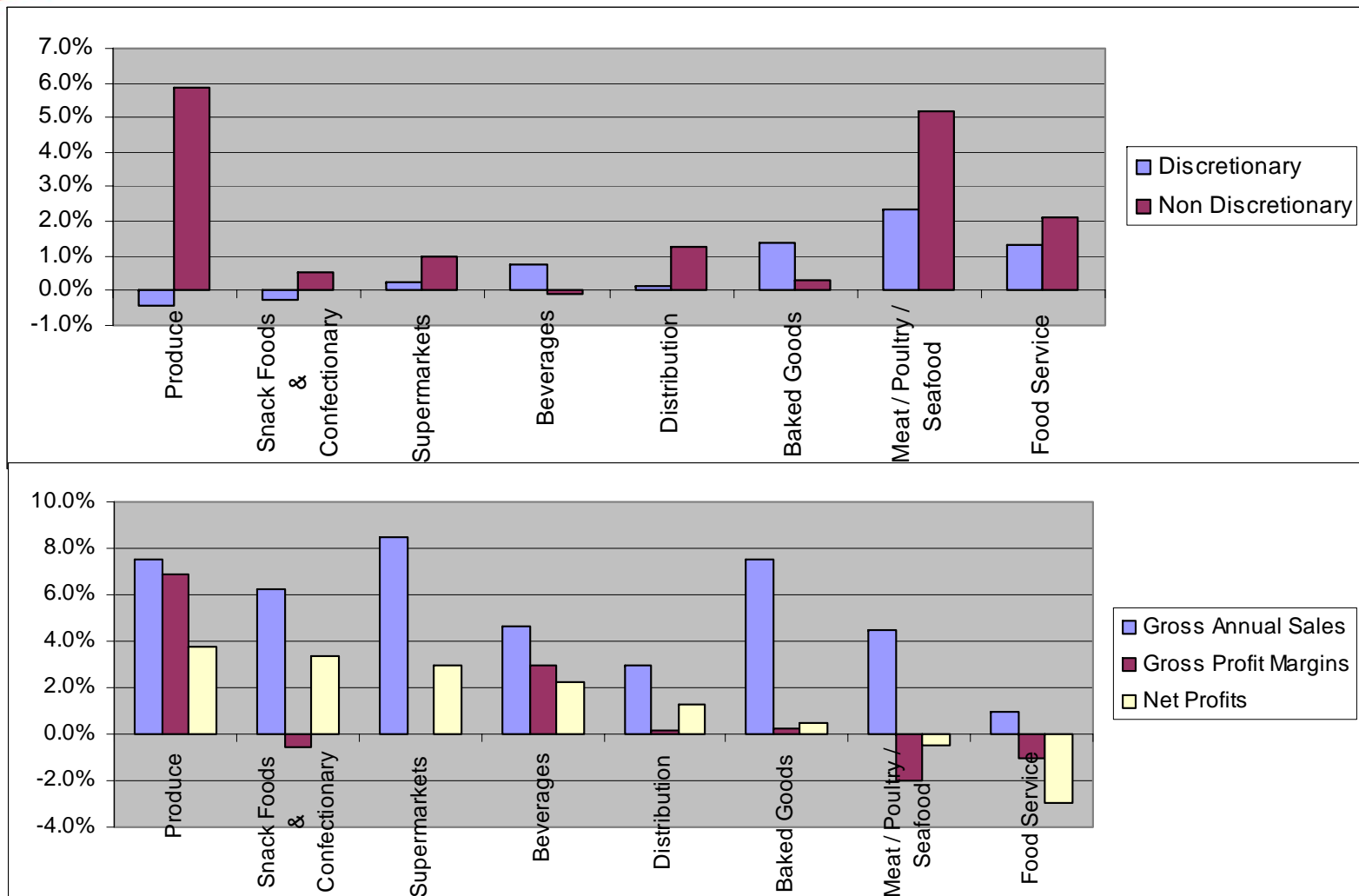


Growth Trends: Discretionary / Non-discretionary Factors

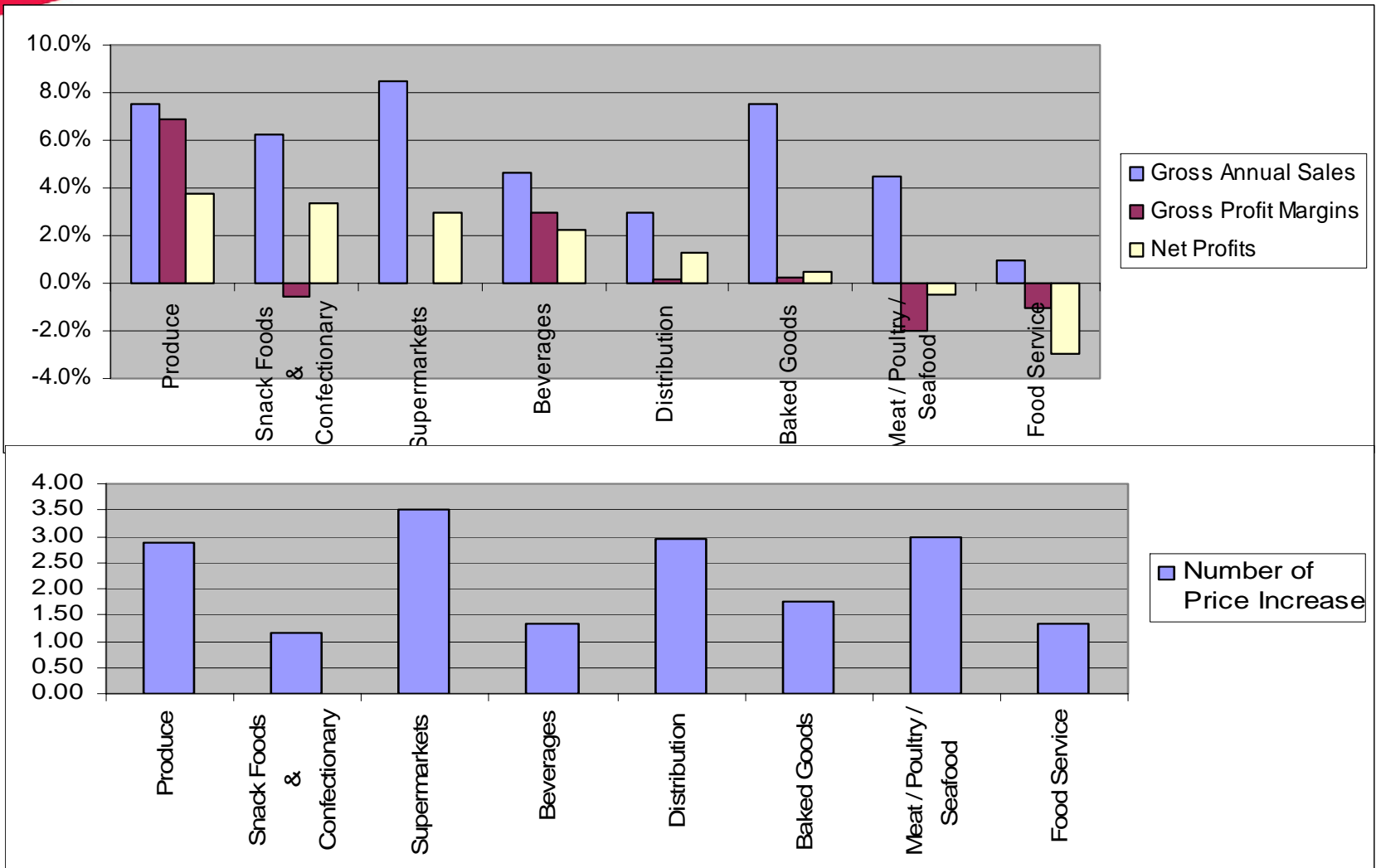


<u>Discretionary Factors</u>	<u>Non-discretionary Factors</u>
R & D	Direct Labor / Fringe
Capital Expenditures	Energy
Advertising	Transportation
	Commodities

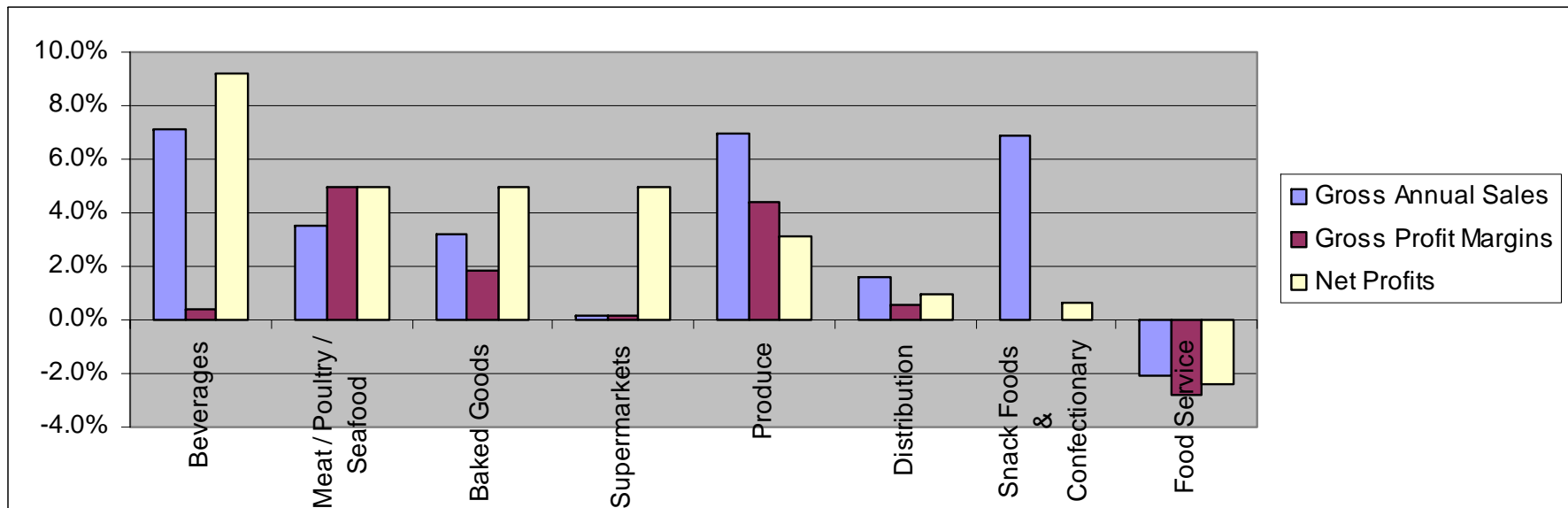
Growth Trends: Discretionary / Non-discretionary Factors



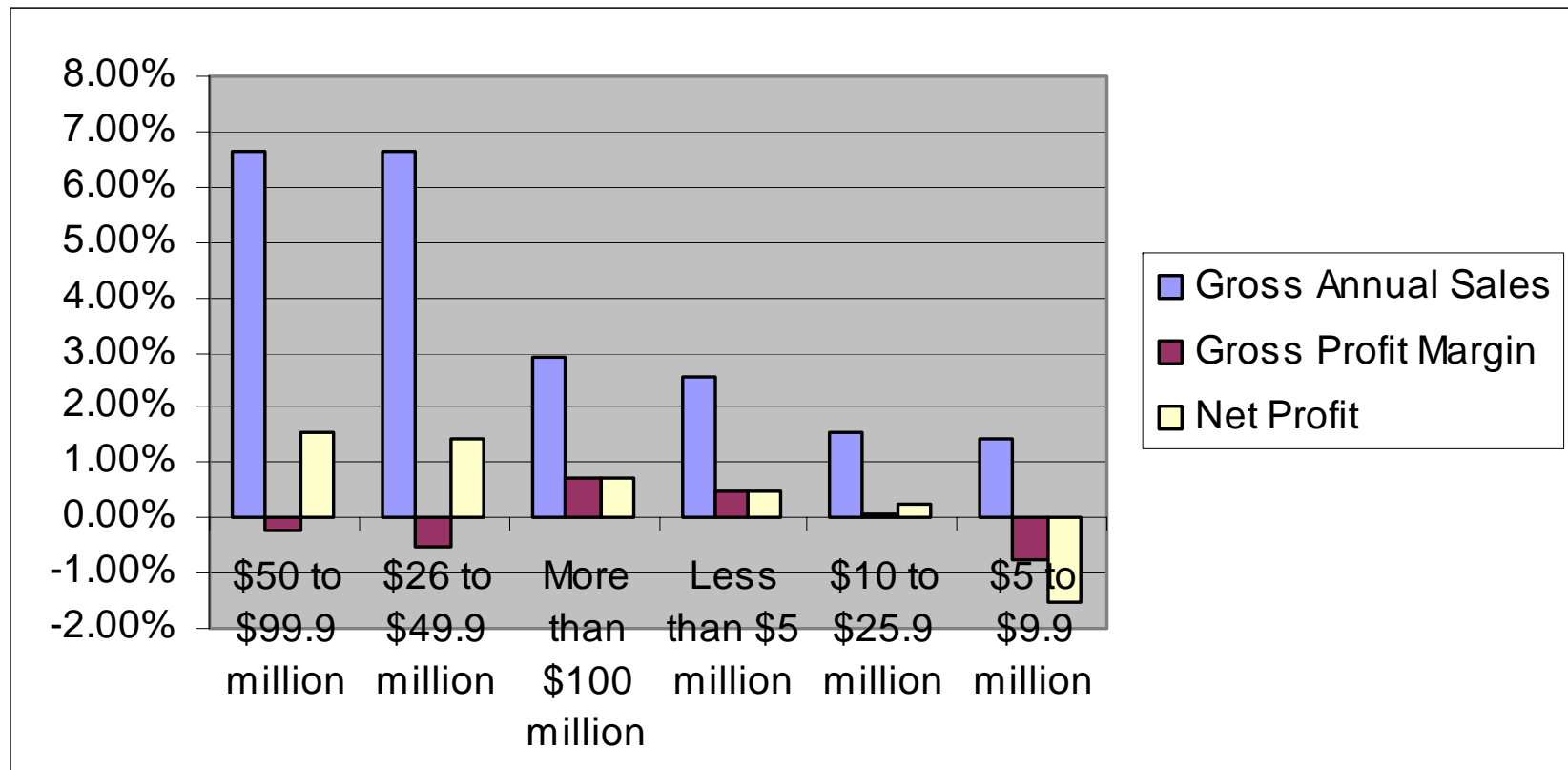
Growth Trends: 2008 Price Increases



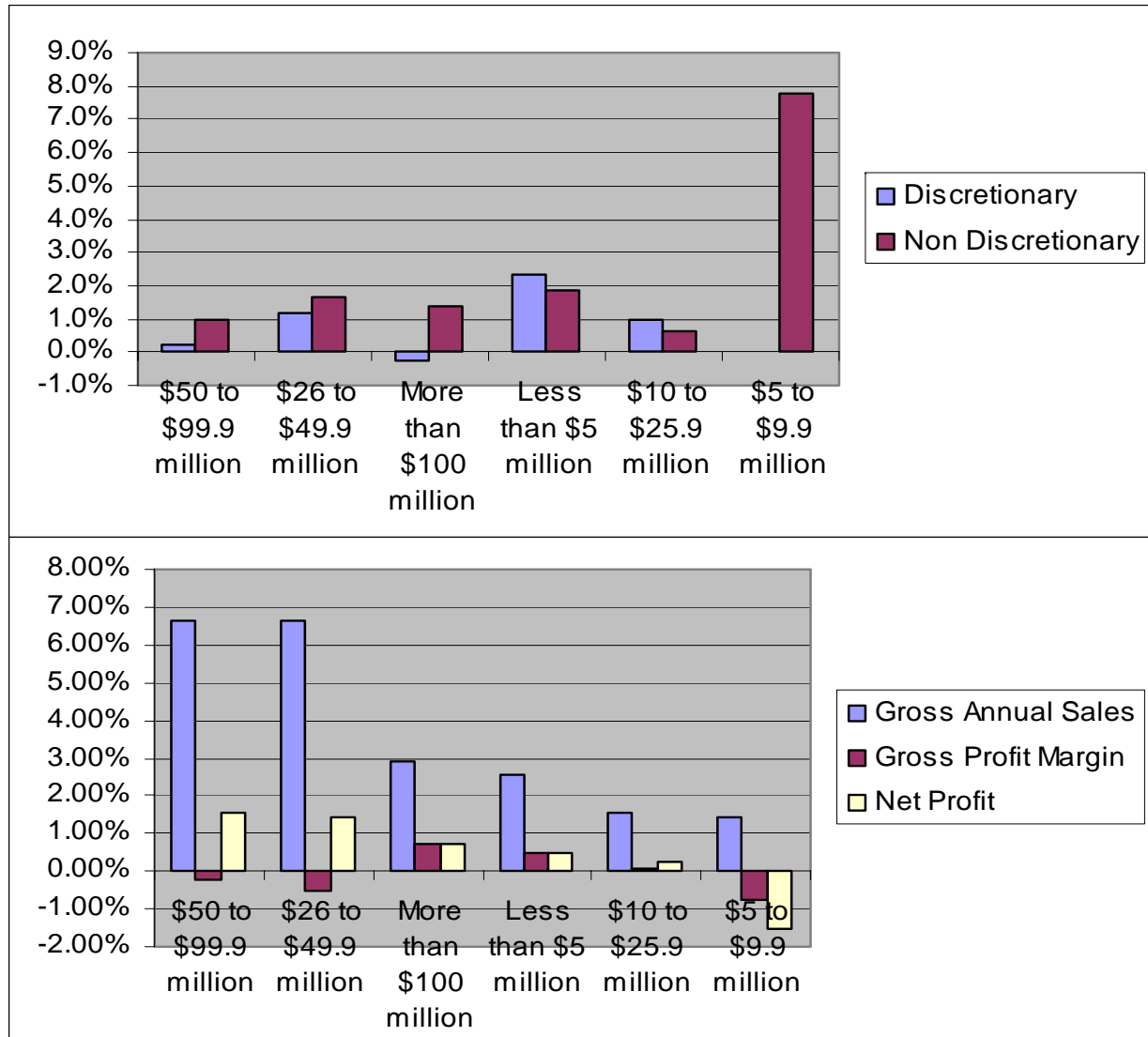
Growth Trends: Projected 2009 Sales/Profits



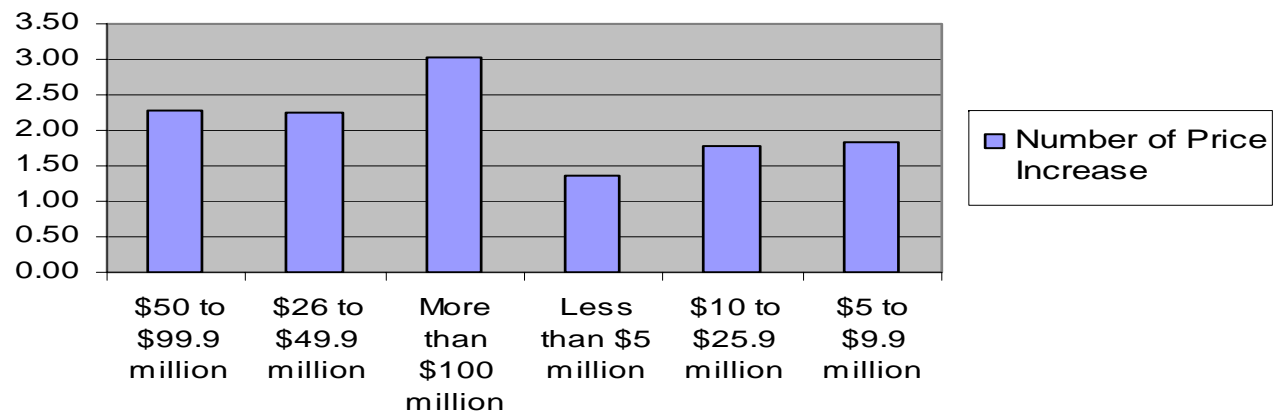
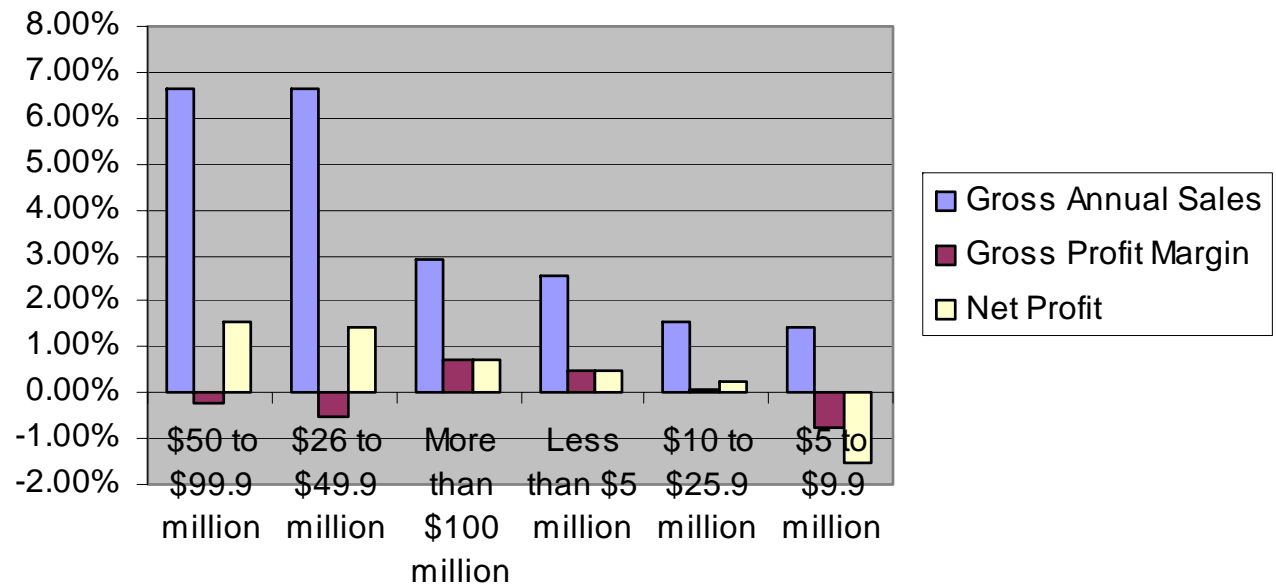
Growth Trends: Sales/Profit 2008



Growth Trends: Discretionary / Non-discretionary Factors



Growth Trends: 2008 Price Increases



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- **2009 Food & Beverage Industry Survey**
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 - Strategic Responses to Challenges

Industry Challenges

	2008 Challenges		Projected 2009 Challenges
1 st	Commodity / Ingredient Costs	1 st	Developing New Sales Channels
2 nd	Developing New Sales Channels	2 nd	Commodity / Ingredient Costs
3 rd	Cost of Fuel (Utilities / Logistics)	3 rd	Financing / Cash Flow Considerations
4 th	Increased Competition	4 th	Increased Competition
5 th	Cost of Labor / Retention of Employees	5 th	Cost of Labor / Retention of Employees
6 th	Financing / Cash Flow Considerations	6 th	Cost of Fuel (Utilities / Logistics)
7 th	Government Regulations / Food Safety	7 th	Government Regulations / Food Safety

Industry Challenges

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Strategic Responses: Business / Succession Plans

- A year ago 48% of respondents indicated they had a written business plan.
- This year 48% indicated they had a plan.
- A year ago 24% had a succession plan vs. 39% this year.

Who Uses a Plan	
More than \$100 million	64%
\$26 to \$49.9 million	56%
Less than \$5 million	46%
\$50 to \$99.9 million	44%
\$5 to \$9.9 million	33%
\$10 to \$25.9 million	33%

Strategic Responses: Hoping is not a long-term strategy

Work Harder!!!!!!!!!!!!

Pursuing all leads, large and small.

This is what you said:

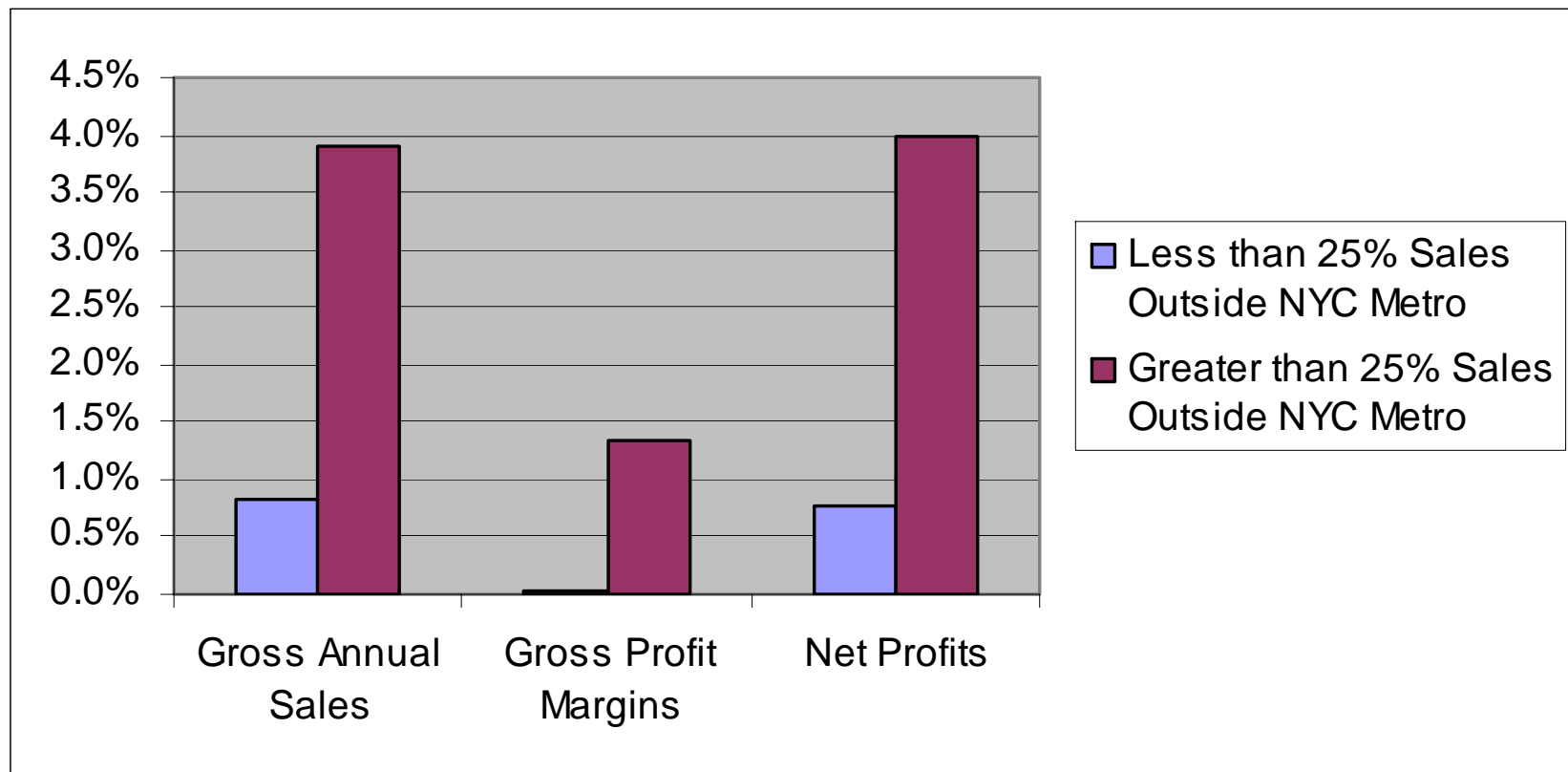
- Increase sales force
- Develop new products
- Brand development / Product differentiation
- Better marketing
- Rapid deployment of price increases to our customers
- Reaching different markets
- Merger or Acquisition
- Watching costs
- Evaluating financing options

Strategic Responses: Price Increases

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- Increase sales force
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- **Rapid deployment of price increases to our customers**
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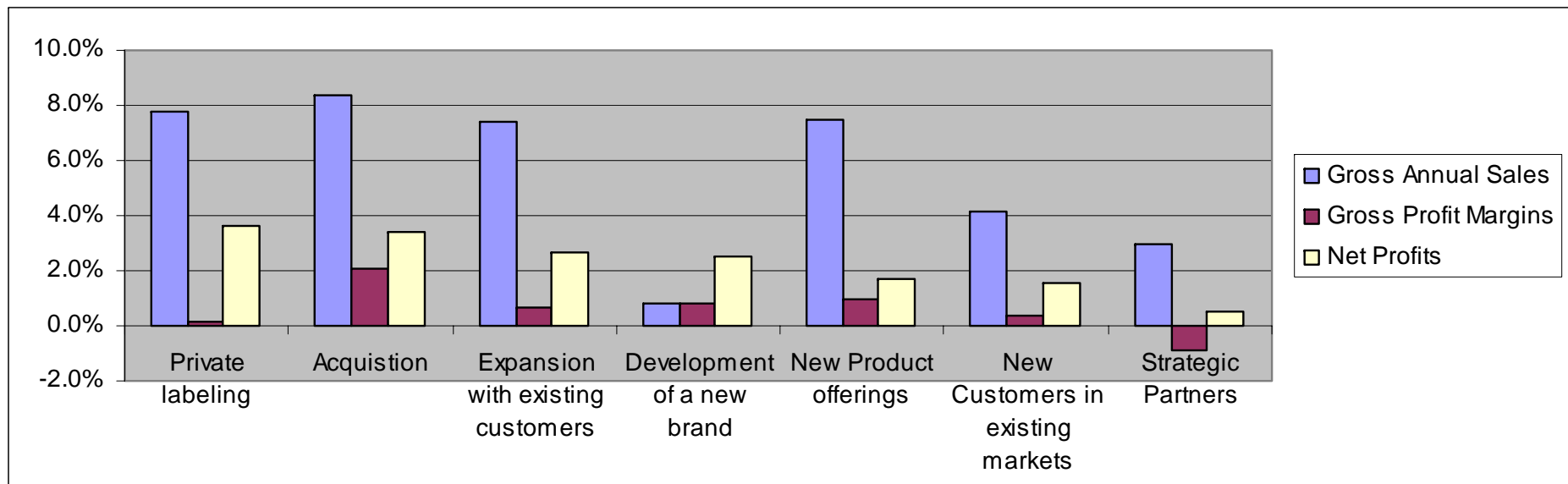
Strategic Responses: Market Positioning



Strategic Responses: 2008 Market Positioning

1. Expansion with existing customers
2. New customers in existing markets
3. New product offerings
4. Strategic partners
5. Acquisition
6. Private labeling
7. Development of a new brand

Strategic Responses: Current Market Positioning

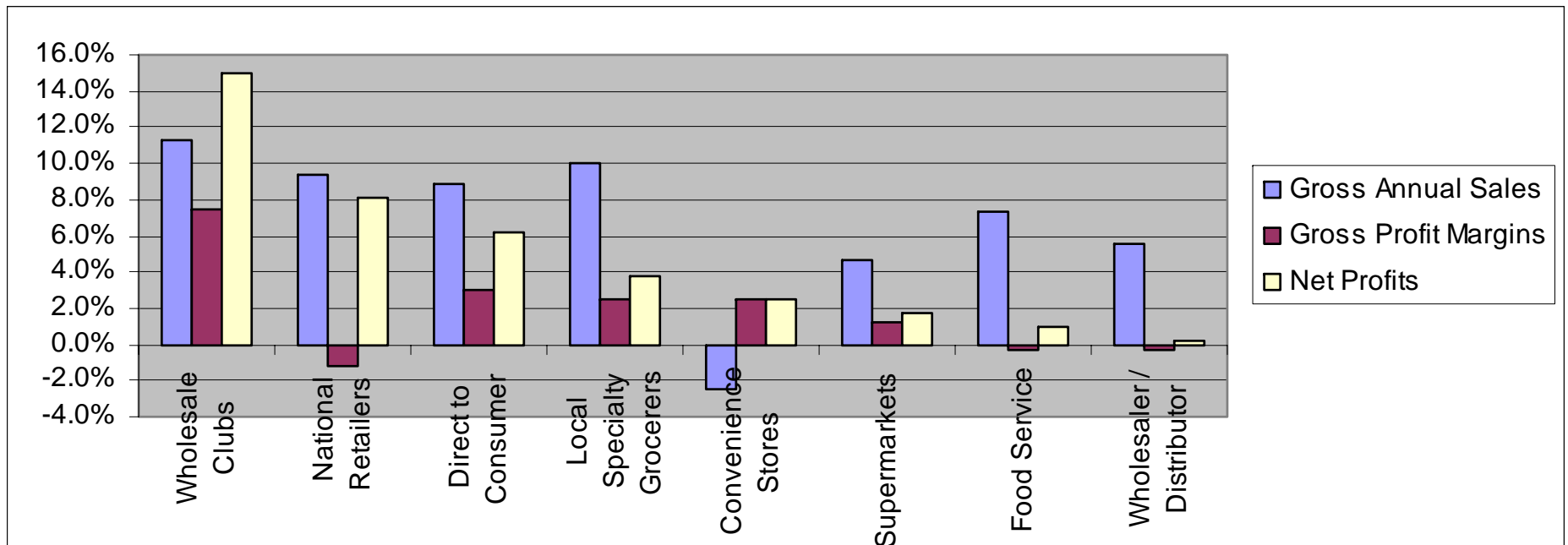


1. Expansion with existing customers,
2. New customers in existing markets,
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Strategic Responses: Current Customer Base

- 1st Wholesaler/Distributor
- 2nd Food Service
- 3rd Supermarkets
- 4th Direct to Consumer
- 5th Local Specialty Grocers
- 6th National Retailers (i.e. Walmart)
- 7th Convenience Stores
- 8th Wholesale Clubs (Costco, BJs)

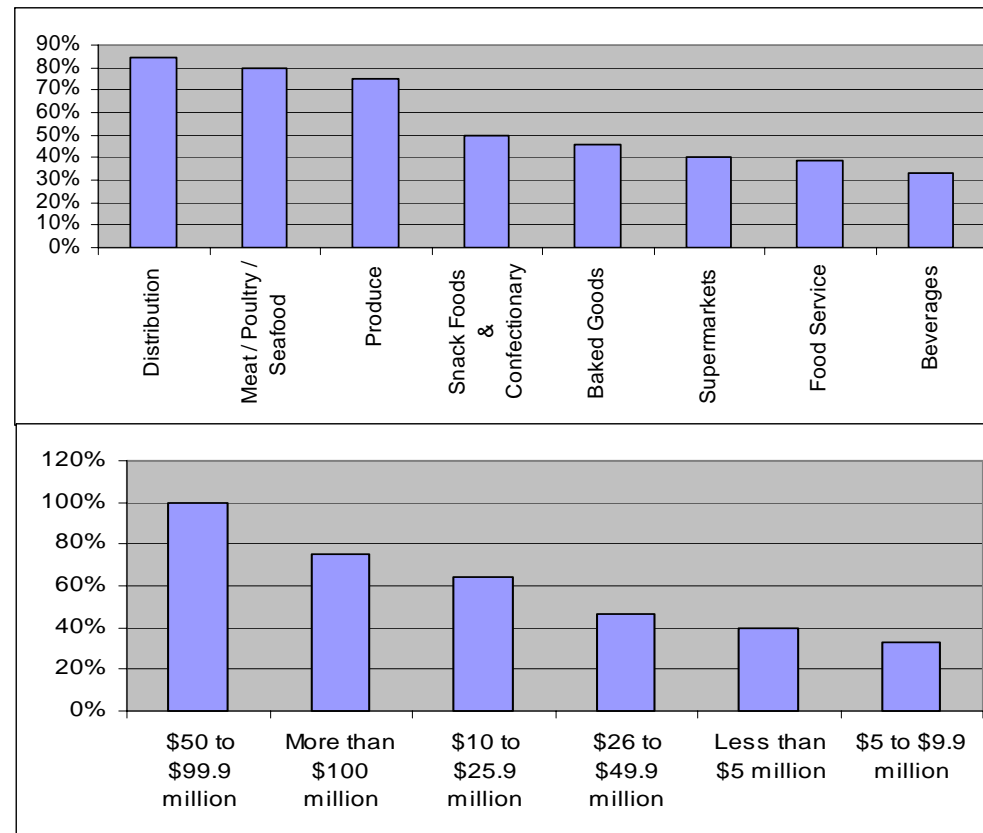
Strategic Responses: Current Market Positioning



1. Wholesaler/Distributor, 2. Food Service, 3. Supermarkets, 4. Direct to Consumer, 5. Local Specialty Grocers, 6. National Retailers, 7. Convenience, 8. National Retailers, 8. Wholesale Clubs

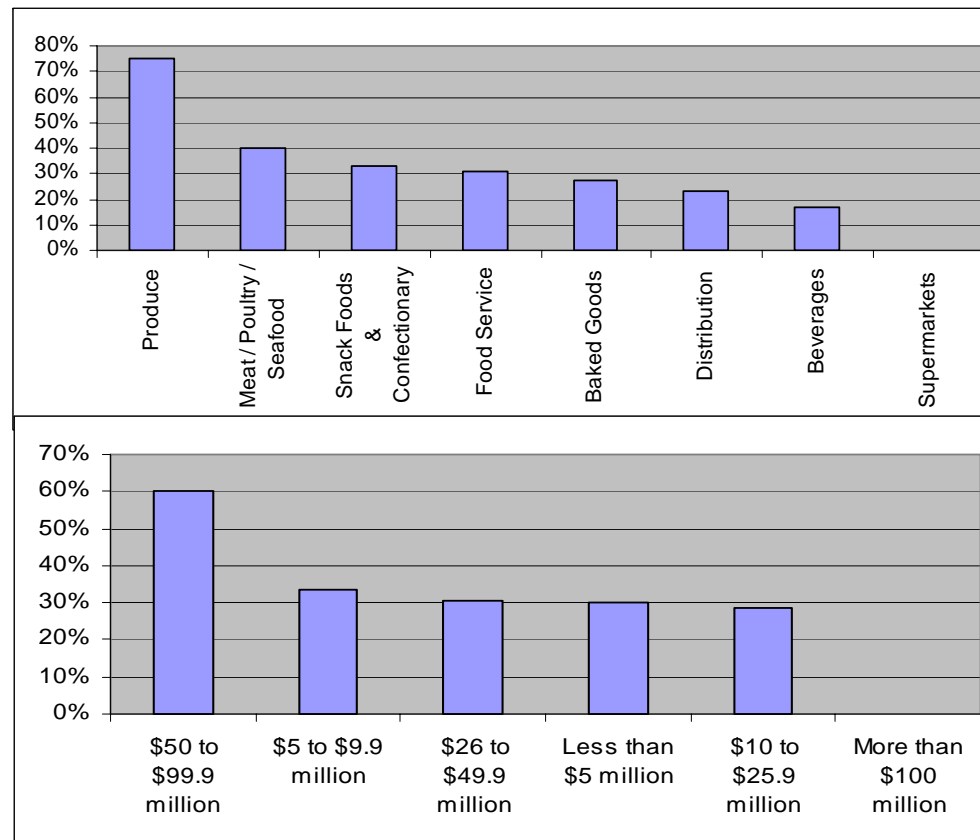
Strategic Responses: M & A Activity

- 56% of our respondents anticipated they will make an acquisition in the next five years.



Strategic Responses: M & A Activity

- 29% of our respondents anticipated the sale or merger of their company in the next five years.



These are your closest advisors

Accountant	Attorney	Banker	Financial Advisor	Other Consultant
77%	53%	38%	14%	33%

Summary

Think Differently....

....and Plan

Summary

- Where are you selling?
- What are you selling?
- How are you preparing for a merger or acquisition?
- What is your plan?

Contact Information

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