



## INDUSTRY ROUNDTABLE

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# The business of food in WNY

EXPANDING MARKETS IS VITAL FOR MANUFACTURERS



JIM COURTNEY

Owners and executives representing a range of companies involved in food manufacturing came together for a 90-minute discussion March 17 at the Hodgson Russ offices in Buffalo. They talked about the challenges and benefits of operating their businesses in Western New York.

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Craft beer makers, food manufacturers and a coffee roaster agree that it's hard to expand their businesses given the region's sluggish population growth.

So a few of them look outward. That includes Eric Naber, president of Battistoni Italian Specialty Meats LLC, who said his company offers private-label meat for six retailers across the country.

"In order for us to grow, we have to grow outside of this geographic area, as well," said Naber, who acquired the 85-year-old Buffalo company in 2010. "Where we find opportunity for our products as more of a commodity is private label because nobody knows who Battistoni is outside of Western New York and parts of the Northeast."

He was one of 11 panelists who gathered March 17 to discuss local food manufacturing and agriculture issues. The event was part of Business First's Industry Roundtable

series sponsored by Hodgson Russ.

Buffalo-based businesses Pelligano Specialty Foods Inc., a pasta sauce maker, and McCullagh Coffee Co. also have expanded their sales beyond Western New York. Both companies sell their products out of state.

But that's not necessarily the answer for some of the region's local brewers. There are different licensing rules in different states, so it's usually easier to focus on other areas in New York instead of Ohio or Pennsylvania, said Tim Herzog,

founder of Flying Bison Brewing Co.

"It is that extra layer of regulation that makes us think, 'Well, let's try Rochester first' or 'Let's try Syracuse first,'" he said.

It's also a matter of fresh products, said Matt Kahn, co-founder and president of Big Ditch Brewing Co. in Buffalo. He likened buying craft beer to buying local bread.

"It's definitely best fresh," Kahn said. "(It's) best stored cold in the dark. The further it goes out, the harder it is to really control those things."

### ► TAPPING INTO A THIRSTY MARKET

Sources: Brewer's Association, Buffalo Niagara Brewers Association

**20**

Breweries and cideries in WNY

**181**

Craft brewers in New York state

**948,228**

Barrels of craft beer produced in New York state

**\$2.9B**

Economic impact of breweries in New York state

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## ► Talk about the biggest challenges that face your operations here.



**JOHN RUSSO**  
President,  
Hamburg Brewing  
Co.

I'd like to think that all of us brewers are in the same spot where we're trying to convert drinkers, basically, and the challenge for us is definitely

the millennial generation and the older generation that is kind of stuck to a certain style of beer that they like to drink. So in terms of a production standpoint or anything like that, predicting the future is the most difficult thing that we're facing right now. Things are changing very rapidly.

**WARREN EMBLIDGE JR.**  
Chairman, McCullagh Coffee

I'm also a brewer, a coffee brewer. The biggest challenge is achieving profitable growth, given that we have

## ► CLOSER LOOK AT THE ROUNDTABLE

The March 17 Agriculture and Food Manufacturing industry roundtable continued a series of discussions with Western New York business leaders. Throughout the year, decision makers from diverse industries meet for a discussion moderated by Business First journalists.

Excerpts are published two weeks after the roundtable. Upcoming topics include nonprofits, health care, education, family business and the tourism economy. Roundtable discussions, sponsored by Hodgson Russ LLP, are held at the law firm's Pearl Street offices in Buffalo.

a constant population in our region, a microscopic, if any, net disposable increase, income growth. Given also that we face increased arbitrary and intrusive, expensive government regulations.

### MARK MASSE

Senior VP of operations, Genesee County Economic Development

Our perspective is a bit different. We have a 250-acre agribusiness park dedicated to manufacturing. We also have a lot of production agriculture in our community. Some of the biggest challenges we face from an attraction standpoint is competition from other states that may have a more favorable tax structure. Also, there's a lot of government regulation as it relates to production agriculture. The \$15 minimum wage would have a huge impact on our local farms in a way that would be detrimental to

their production and their ability to produce food.

### ERIC NABER

President,  
Battistoni Meats

Our biggest challenge is we are a very small fish in a very big pond, whether it's regionally or nationally. Some of the challenges that we face daily in actually implementing some of those changes is how we can differentiate our products compared to some of the multibillion-dollar companies that we compete with on a day-to-day basis. So it's as Warren



had mentioned – trying to stay in business and be profitable but also invest in new products, new processes, so we don't compete with the multibillion-dollar companies on a daily basis.

### TIM HERZOG

Founder, Flying Bison Brewing Co.

I'd like to expand a little on what John said. One of the difficult things that I think all the brewers here share is as local brewers, we're kind of stuck between two major groups. You've got that drinker that's just "insert major national brand here." That's what's in their refrigerator; that's what's always been in their refrigerator. That's what was in their father's refrigerator. You've got that group and then you've got the millennials, if you will, that tend to be sort of like house cats – shiny object, shiny object, shiny object. Whatever's the newest, coolest, latest thing that they can't get, that's the only thing they want. And it's always amazing to me when I'm at a sampling and someone will come over or I'm at a bar or restaurant or store and somebody goes, "Wow, this is awesome what you guys are doing, you local guys." And they have a six-pack of "insert major national brand here" or they have the new, shiny object.



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**LOUIS BILLITTIER JR.**  
Owner, Chef's Restaurant

In my realm it's different from Tim's, but it's actually the same. It's the same thing, the millennials. As far as the older crowd, the older people know Chef's. We've been around for years. They go, "Oh, wow, they have their sauce." The millennials, they're just looking for what's the cheapest. We just came out with our new sauce. It is going to be more expensive, but I'm using higher-quality ingredients and it makes all the difference. But how do you get people to spend that extra 30 cents when there's 50 different brands of pasta sauce on the market? So that's our biggest challenge – how to get people to spend a little extra money for a better-quality product.

**MATT KAHN**

Co-Founder, Big Ditch Brewing

I'll echo what John and Tim had said regarding our customer base. A lot of times a lot of education to be done regarding our products, regarding what craft beer is. Buffalo is catching up quickly but it's still a bit behind the rest of the country in terms of craft beer education. There's a lot of hand-to-hand combat that needs to happen out there to help educate. But added to that, another phrase we use a lot at our brewery is "good problems to have"; we have lots of those. So for the most part, every brewery in the country is growing and getting toward being filled up. We're no different. It can be tough sort of managing a business that's growing as fast as ours through such a wide, diverse range of customers.

**MARIO PELLICANO**

CEO and owner, Pellicano Specialty Foods Inc.

Matt just said something that we deal with every day: good problems. So are there good problems? Growing 20 percent a year is probably a good problem, right? But what's happening is we've kind of outgrown the workforce. We've gotten to the point where we can't take people from outside of the industry and train them. We need qualified people to come in and do R&D and quality assurance. We are a multi-shift operation. We really don't have that in Western New York that we can find; they're just not out there. Our other problem right now is space. So we've just expanded the plant. And if you came into the plant, you

wouldn't know. There's not 2 square feet that you can move in our plant and we don't have room for the equipment we need. So one great thing about Western New York right now is the real estate market. It's in a boom but that's hurting us because if we go out and we build a new plant and we invest millions, the real estate taxes kind of make us where we're not competitive in the marketplace. And half of our business is not in Western New York. It's restaurant chains.

**ETHAN COX**

President and co-founder, Community Beer Works

Obviously what Matt and Tim and John all said is true for us, as well. And I think an additional issue is that we're all small, local players in a rapidly changing industry. A lot of the larger, national craft brands have finally realized that they should get into Buffalo because we're finally developing that market for them. So it's good of us to do them that favor. They return that favor by dumping products in our market that are a lot cheaper than we can afford to make it and it has all that national name-brand advantage that Tim mentioned.

**TODD POHLMAN**

Owner, JH Dodman Co.

We're a meat processor here in Buffalo. Being a small USDA facility, government regulation is a constant challenge, just being a smaller player in the world of USDA processing facilities. But certainly with our customers, with a lot of the restaurants being a big part of our customer base right now, the hot topic seems to be the minimum wage increase coming along and how that is really squeezing everybody and how that trickles down to us as a supplier. Because, also being in the commodity business, it's hard to pull any more margin out of the commodity business. And so separating yourself, creating those quality products to serve all of that beyond just price is really a constant challenge, but it seems to be even more so now with the impending minimum wage increases.

**JEFF WARE**

Owner, Resurgence Brewing Co.

Everything that we have here, and not just the brewers, I think we have a lot of the same problems. But I



think that, really, the overall problem that we're facing is strategic growth. Our market is changing by the day. By the time we leave here, three more breweries open in Buffalo. I mean, it is really crazy. It is changing across the country. So how do we manage that growth intelligently? We could just open a new brewery and throw money at it and now we are making tons of beer. Is that the right way to grow? Is that sustainable for us to grow long term? Is it going to hurt quality? Can we actually physically get the resources even at this point, to make that beer at the same quality level? Can we find the people to brew that beer at the same quality level? We have a lot of good problems, but how are we going to do this the best way possible for our future industry growth and our personal company growth?

► Can you talk about the pressure you feel to keep sourcing locally?

**TODD POHLMAN**

JH Dodman Co.

I am part of the Field & Fork Network. I've been on the board for several years, which is all about creating a sustainable local, thriving economy of low-resource goods and end users. It would be great to be able to source meats locally. I've done the research and all that and to date it just doesn't make sense. The problem is that at the end of the day, you have to be able to make money on it. And the economies of scale, at least in the meat side of the meat industry, as of yet they just don't make sense.

**TIM HERZOG**

Flying Bison Brewing Co.

In brewing we see the same thing; I think we're all on the same page. We would love to have Western New York growing barley. We can save on shipping. We can talk about a local farm. It's a great story. I probably get two phone calls a month from somebody who says, "I'm growing these hops and they're going to be awesome, dude," and "I'm doing this farm. Do you want me to be organic?" It's going to be three years if you're just sticking a shovel in the ground before you have any sort of volume of them. And then how are you going to have them tested? Where are you going to have them dried? What are your facilities to package them and preserve them? They're flowers; they stale very quickly. So do you know that? That's kind of the answer. Thank you for your call. The materials aren't there yet. It would be a great story to say that we have these wonderful fresh hops from X Y Z Farm that's six

miles from here. We can get malt from Wisconsin or from Germany and these companies have been in business for 400 years. They know what they're doing. They test everything. We can get a complete readout. We'd love to stay local. It's a great story to tell. It's just not there yet.

**ERIC NABER**

Battistoni Meats

I'm in the processing business. And as far as sourcing our primary raw material, which is pork and beef, the commodity supply is just not available, especially in the Northeast. We source everything primarily from the Midwest. One exception to that – and I think it's starting to infiltrate in all of our industries – is there is the all-natural category, the organic category. It's relatively small, but there are individual farmers in the Northeast that we are able to source a small amount of that product. Over time it should get bigger but the commodity products, they're just not available locally.

**MARK MASSE**

Genesee County Economic Development

We have a bit of the opposite effect in Genesee County. We have very large dairy-ag producers that we're trying to find production companies to come in to utilize the raw material that's there. We have some substantial crop farmers, too, that we're trying to find producers to come in or manufacturers to come in to make that raw material closer to production facilities. So that's one of the things that we utilize and track. We do have one barley grower in Genesee County who has been operating for a few years now, as well. He's back working through that process.

**JOHN RUSSO**

Hamburg Brewing Co.

To build on what Tim said, when we take the locally grown ingredient and the quality is not necessarily there to compete with anything else that we can source, the consumers will notice it immediately in our product. And it's very, very difficult to be consistent with that. I think that's a huge, huge problem. Say we do make a step to do something locally, the consumer will say, "Hey, this isn't stuff that you guys usually make. This doesn't taste good. I don't want to



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buy your beer anymore.” That’s kind of a huge problem for us, too.

**ETHAN COX**

Community Beer Works

I think that when it comes to sourcing local ingredients in brewing, it’s also a little different. Because you’re taking ingredients that have actually already been to some extent processed and then we’re adding value to that. If you’re a capable brewer, you can make a really awesome Belgium beer in Downstate New York. Similarly, you can make a really awesome West Coast-style IPA in Belgium and in China or whatever, if you buy the right ingredients. So I think one of the things that is tough for beer is we want to do this local thing, but I’m not sure it has the same value for us as it does for something that is immediate.

**TODD POHLMAN**

JH Dodman Co.

The positive, I think, from all of this is that there’s a desire by the end consumer to have that conversation, too. They want to know that they’re buying locally. They want to support that. And to everybody’s point here, that’s a challenge. But to everybody’s credit, it’s great to have that conversation. And I think what we’re seeing, the positive effect of that, is that the next-generation farmers are actually staying around.

► **Can you remain viable with as many craft brewers as there are in this market?**

**MATT KAHN**

Big Ditch Brewing

A lot of people will ask us that. Often they say: What’s it like to have so much competition in the market? And we usually say that with local brewers it is not competitive, it is collaborative. We all hang out. We drink beer together. For craft, it’s growing double digits every year, year after year. So there is room. The roundabout numbers are sort of like 90 percent of the beer market is these nationals, what we call macro brands. And 10 percent are these smaller craft brands. For the most part it’s not competitive; it’s collaborative.

**JOHN RUSSO**

Hamburg Brewing Co.

There isn’t a drop more of beer being drunk now than there was 10, 15 years ago in this area. So what we’re doing is just trying to claim business from all the big national brands and converting it to us. We are working together to grow the pie from our end.

**TIM HERZOG**

Flying Bison Brewing Co.

We’ve all been to each other’s places. We’ve all had a beer together. We’ve all told stories, usually about whichever one of us isn’t in the room. Everybody gets along. We’re all trying to do the same thing; we’re all trying to get people to drink a beer of flavor, of quality. And whether it’s my beer or Matt’s beer or my beer or Jeff’s beer, whoever, just put down the “insert major national brand here,” screw-off cap, commodity, bulk, shipping internationally, the beer’s stale before it arrives on shore. Put that down and try something that you might actually enjoy. I think that’s the story we’re all trying to tell.

► **Tim is the senior statesman for the brewing industry in Western New York. How much influence has he had on all of you?**

**ETHAN COX**

Community Beer Works

Tim’s definitely a huge inspiration. I’m sure everybody is going to agree with that. Pioneering – doing craft beer in Buffalo when nobody else was yet – was apparently very difficult. He paved the way for us. So we’re very grateful that the hardest and heaviest lifting was done first and ahead of us and we get to pick up the slack.

**TIM HERZOG**

Flying Bison Brewing Co.

There is no slack. Everybody carries a full load – everybody. And that’s what I like about all these guys being in business here, as well.

► **With this internal competition to brew the best beer, John, can you go to Matt’s place and say, “This is pretty good, but I think I’ve got something a little bit better”?**

**JOHN RUSSO**

Hamburg Brewing Co.

Absolutely. We all want to make the best beer we can, that’s for certain.

And so without competition there is no quality, in my opinion. I think the more that we are competitive in certain ways and collaborative, the more we are competitive in real nature, the better beer that all of us are going to make. I think that’s going to be beneficial to everyone.

**JEFF WARE**

Resurgence Brewing Co.



You stop over and the brewer comes up to you and says, “All right. You guys have to check out this new beer I’ve made. It’s great.” And we taste it and we enjoy it and

then you are trying to top that new beer because, wow, it’s a healthy competition and it’s fun. It is exciting to share that with other people who are kind of pushing the envelope in the same way.

► **To grow your business, obviously, research and development is a big part of what you must do. How have you dealt with it?**

**WARREN EMBLIDGE JR.**

McCullagh Coffee

The food industry is a fabulous industry because it fosters innovation at a very low cost. We’re not building automobiles or computers or airplanes; we’re in the food business. In research and development, research starts with just walking around in the supermarket or in the restaurant and looking at what somebody is selling and saying to yourself, “Well, how can I do that better?” There’s not another industry, in my judgment, in the world where at a very low cost we can develop innovative products that have the distinction and the clear consumer appeal.

**ERIC NABER**

Battistoni Meats

A lot of our innovation is customer driven. We’re very lucky. The company has been in existence since 1931. We have recipes that go back to Italy that over time have been taken off and not produced anymore. We are starting to introduce those again and more of an artisan-type line. But some of our R&D is not necessarily what the next new item is in our industry and, I mentioned earlier, like organic. Replace your commodity pork and beef with organic-based. There’s a whole

new industry out there. We are no longer selling to the meat buyer at a typical retailer; we’re selling to the all-natural and the organic category manager. That creates a whole new environment for us.

**LOUIS BILLITTIER JR.**

Chef’s Restaurant

I think R&D is very important, obviously. But what we do is much like the other guys have said. You know your customer base. You keep an eye on that. We try not to stray too much, yet you have to stay current. You have to stay ahead of the curve. Like I said, there’s 100 pasta sauces on the shelf. Why Chef’s? Well, in this area, we’re well known. So that helps us. But we’re down in Washington. We’re in the Tri-State area. And our main thing is to get people to try our product. If they try our product, we feel it sells itself. We’re currently looking at starting a frozen food line. For us, anyway, we want to go off different, but we don’t want to lose sight of what made us and why we’ve been here for 95 years.

► **Are you able to find and hire the people you need in Western New York?**

**TIM HERZOG**

Flying Bison Brewing Co.

I would say it’s probably getting harder by the minute. We moved a year and a half ago from Ontario Street to Seneca Street. We were four people total when we moved.

We’re 14 people now. That doesn’t mean that there were 10 qualified people running around looking for work. Bring them in and you train them. They may stay with you; they may not stay with you. You have to be your own employment agency. You’ve got to be your own training firm. There are educational opportunities for brewing that exist now that didn’t exist four years ago. There’s Niagara College in Canada. ECC is doing a certificate program. But even when they come out of those schools, that doesn’t mean they’re necessarily ready for a job at your business.

**MARIO PELLICANO**

Pellicano Specialty Foods Inc.

And some of our jobs aren’t exciting. You asked about R&D. So in R&D, if you were doing medical technology, that’s exciting. I mean, the government is going to give you

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money and tax breaks. But we're doing R&D in food products. So if they're not out there already, the kids don't really want to get into it. We're trying to find out what is the moisture content in a tomato. How long has it been cooked? Have they cooked off the sugars? How dark is my sauce going to be? So it's tough to bring people in and their whole day is, "Well, I have to figure out if I can get the starch to blend in this oil."



**WARREN EMBLIDGE JR.**  
McCullagh Coffee

I'd like to make a comment about hiring because it is an art, not a science. And Babe Ruth hit 700 home runs, but I think he struck out 1,100 times or 1,200 times. So every

time we look at somebody that we're going to hire, I look at the batting average and the likelihood of hiring the wrong person. What I've noticed is that if we have a poorly defined position description and we underpay below the market, we don't seem to get good people. But when you have a good position description and you pay a competitive wage, you're going to have the right people. It's not what you pay a person that counts; it's how much he costs you.

### TODD POHLMAN

JH Dodman Co.

That's a great comment. In my industry, 50, 60 years ago there were butcher shops on every corner in Buffalo so there were skilled meat cutters all over the place. A few years back I sort of gave up on trying to hire skilled meat cutters; they just weren't there. So I've had to make the commitment to train in-house and first find that person who is willing to work and if they are interested in the food industry and the meat business and would like to grow. Then I spend a couple years training, because meat cutting is a real skill.

### MARK MASSE

Genesee County Economic Development

We have worked a lot with our local producers to create workforce training programs to try to meet some of our needs. What I think we have found out is there is a lack of education of potential opportunities for kids who are in school now. I don't think they really understand what types of careers are out there, what types of careers they could have, whether they need to have a college education to go into some of those things. Part

of what's missing is letting our kids know what's available locally for them to be able to stay here, grow here and be successful.

### JEFF WARE

Resurgence Brewing Co.

We've hired a lot of younger people, not just on the manufacturing side but also in the tap room, the bar side. And what we've found is they are very energetic and enthused to work, but they are not so much motivated by money. They are motivated by learning different things. They want to learn a lot of different stuff, but they get bored with something very quickly.

### ETHAN COX

Community Beer Works

I would add to that that in a brewery and especially in a tap room kind of situation, it's not the hardest thing on Earth to train somebody to open a tap and fill the glass. What's a bigger challenge is acculturating them to me. So what we try to do with all of our employees, we want them to be like, "Dude, all you think about ever is beer anymore. Yes, you've joined the cult." The cult is CBW. That's all of us; that's all we ever do. We are constantly thinking about beer. I wake up in the morning, I'm like "beer." Should be interesting. And so I find that for us, although what you're saying is true, the younger generation today always wants a new challenge rather than a new pay grade. But keeping them around isn't so hard once you've acculturated them.

► **It sounds like the brewers are Western New York specific. But are growth opportunities going to be elsewhere for some of you?**

### MARIO PELLICANO

Pellicano Specialty Foods Inc.

We don't have much choice. I hate to keep saying the same thing that everybody else does, but our population isn't growing. So Lou and I can keep taking away from the nationals, but at some point we've taken all that we can and we don't have much of a choice. Now, logistically, we're in a great space. We can go to Canada. We can go to the East Coast. We can go down to



Virginia and I'm all the way to Indiana so far without having too many issues with freight. Our stumbling blocks are that we have some customers in Texas, some restaurant chains in Las Vegas. That freight is slow, iffy. It makes us a little less competitive.

### TIM HERZOG

Flying Bison Brewing Co.

So the challenge that the brewers have with leaving the area is that once you step outside of New York state, a good market for us to go to next would be Cleveland. They are kind of underdeveloped with craft beer. They have got a couple of breweries there, but it would be a good place for us to go. But now we have to deal with another set of state regulations because it's a different liquor authority in every state. You have those kinds of concerns. But it is that extra layer of regulation that makes us think, "Well, let's try Rochester first or let's try Syracuse first."

### MATT KAHN

Big Ditch Brewing

There's another thing about craft beer, too, which is that - I make this analogy sometimes: Craft beer is more like buying bread from your local bakery, a lot more than it is like buying Wonder Bread. I mean, it's definitely best fresh. Best stored cold, in the dark. The further it goes out, the harder it is to really control those things. So in my mind, there is a limit as to how far you can really go with craft beer before you lose the thing that makes it great, which is high quality.

### WARREN EMBLIDGE JR.

McCullagh Coffee

I'd like to tell a story and try an arithmetic lesson. About 10 years ago we decided to - we've been around since 1867 and we basically reached our maximum penetration in the area - so we decided to sell our stake to achieve profitable growth. We were named Supplier of the Year at Walmart a couple years ago. And it was really the worst thing that ever happened to us because we were noticed by every coffee company in the world. They were all shooting at us because they knew that we had achieved this hallmark at Walmart. So the lesson, I think, is that it's treacherous to move beyond your home base. There are a lot of risks.

### ERIC NABER

Battistoni Meats

In order for us to grow, we have to grow outside of this geographic area, as well. The challenge we have is that throughout different parts of the country, every region has their

own favorite brands, has their own favorite salamis that they use and things like that. Or we compete against the national brands. Where we find the opportunity for our products as more of the commodity is private label. Because nobody knows who Battistoni is outside of Western New York and parts of the Northeast. We go to shows like the Private Label Show. They don't really care what the Battistoni brand is. Kroger wants their brands today. Wegmans wants their own brand today. Every retailer wants their own brand. They're seeing growth in those categories. So that's where we see an opportunity for ourselves to grow outside of this area.

► **Are you doing any private labels?**

### ERIC NABER

Battistoni Meats

We currently are. We are working with about six retailers throughout the country on a private label. The risk is you never see your brand out there. Some retailers want a one-year contract or two-year contract. So there is risk in doing that. But on the flip side, you know, quality and service are of utmost importance. As long as you can hit those targets, there is some allegiance there - not a lot, but there is some.

► **Mark, Genesee County did a big project a number of years ago, basically getting dairy producers to come together so you could lure big yogurt manufacturers there. What's the status now?**

### MARK MASSE

Genesee County Economic Development

Muller Quaker Dairy sold their facility to Dairy Farmers of America back in January. They're currently working on what they're going to use that facility for. We're very fortunate that somebody came in to purchase that brand-new, 363,000-square-foot facility to do some sort of manufacturing. One door closes, another one opens as we continue to move forward.

► **For every beer you bring to market, how many have you tasted and spit out and said, "Let's start over again"?**

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**ETHAN COX**

Community Beer Works

I think a lot of us, we all have tap rooms and that is where we do most of our R&D. We have a pretty good idea already what people are responding to because we can put it out as a test batch and we can kind of see how people treat it in our own tap rooms. If people are very enthusiastic about it, that's a good sign. If they're not, that's also worth noting.

**MATT KAHN**

Big Ditch Brewing

That being said, we have a pilot system, a small system overrun, so if we have to dump something, we're dumping something small as opposed to something large. So that's our R&D: Make something, see if you like it, go from there.



► **Do you find that over time you keep trying to improve the product that you put out and don't just sit with what you have?**

**MARIO PELLICANO**

Pellicano Specialty Foods Inc.

We're always trying to improve because the tomatoes are changing every year. So from that perspective we are, but as our plant is growing and growing, it needs to run 24 hours a day. So we're also conscious of the consumer. We actually have a product that's made with a fresh-packed tomato. If you took this out of the bottle, you would really think that Lou made it. And that he simmered it. I mean, it really is that good. But the market for that is very small.

**WARREN EMBLIDGE JR.**

McCullagh Coffee

What you can earn on the Internet is substantially higher because you cut out a lot of the middlemen, so to speak. That's the great thing about the Internet – you know exactly who's buying where. One of our biggest areas is Austin, Texas. If you have been to Austin, there is a major tech boom and it's great. So our solution to this is to work on trying to figure out how to do the right product combination over the Internet rather than dealing through the retailers.

► **Anyone else using the Internet to market their products?**

**ERIC NABER**

Battistoni Meats

We started marketing products almost by accident two years ago. We started to sell on Amazon with some specialties. That whole e-commerce concept is really amenable to try sausage products. What we're focusing on now is not only with our dry sausage artisan-type products, but we're trying to match that up with, say, a higher end cheese.

► **Todd, is there any chance that at some point Dodman could become the Omaha Steaks of the East Coast?**

**TODD POHLMAN**

JH Dodman Co.

Yeah, that would be great. This has been an idea. Again, we're in the commodity business so it's a real challenge to compete on any sort of level with that. Whether we're going to come out with this, you know, huge push I'm not so sure. But we'll start to test the waters and see where it goes.

► **John, we talked about your expansion, which is more the manufacturing side. Matt, I think you guys are expanding on the tasting room side?**

**MATT KAHN**

Big Ditch Brewing

We opened a pretty good-sized space and sort of saw how the space worked and are just trying to optimize it so we're adding another bar in the back. We are reconfiguring our warehouse; we're just trying to make the space we have a little bit more efficient, a little easier for our guests and our staff to maneuver through.

► **Do you feel you're competing with some of your retail customers with your tasting rooms?**

**MATT KAHN**

Big Ditch Brewing

By and large, it doesn't go that way. We do have some people who sort of feel like it's competitive. Again, we try to push them toward, "Hey, we're bringing people downtown. We'll

come to your place to get a bite to eat and they'll come to our place for a drink afterward or vice versa." We do get some of it. I've also had other bar and restaurant owners tell me that if I were doing what you're doing, I'd do the same thing.

**TIM HERZOG**

Flying Bison Brewing Co.

We're only open three days a week. We're open very limited hours, and we are not open traditional bar hours. So our idea is to make it very plain to any bar or restaurant owner that, "I don't want your people sitting here having lunch, dinner, whatever. I want them to try our beer and then when they come to your place, ask for it." Our sampling room is meant to be just a marketing arm of the brewery to try and stay top of mind with our customers.

**ETHAN COX**

Community Beer Works

Besides which we don't have much choice. I have heard things from retailers, as well, saying, "You guys are going to open up a big bar. Why should I sell your beer, then?" And I say, "I understand that, but I don't have a choice. My customers assume that if I'm a brewery, I have a tap room."

**JOHN RUSSO**

Hamburg Brewing Co.

I don't think there's a brewery in the country, in our realm, that doesn't have a tasting room. We probably have pushback from all of us from, like, the same handful of guys in terms of customers, from bars that may not like that we have a tap room, but we kind of have to at a certain point. We close at 10 and we take everybody out and say, "Go down the street and drink a bunch of beer there and have a good time."

► **What benefit do you all see in doing business in Western New York?**

**JEFF WARE**

Resurgence Brewing Co.

I think it's incredibly personally rewarding to be part of what's going on in Buffalo. So to be part of the positive change that we're seeing and have been seeing for a little while now and I think we'll continue to see is a very cool thing. It's not everybody that gets to be part of a whole city kind of rebounding, and we're a very visible part of that.

**TIM HERZOG**

Flying Bison Brewing Co.

One of the most exciting things about my job and how it's changed over 16 years is that one of the greatest things is to walk up to someone and say, "Would you like to have a full-time job?" To hire, to create a new job. If we went around the table and said pretty much we've all started from zero. We're hiring more people every year. Nobody is cutting back their staff. Nobody is cutting back their employees. Everybody is adding new people.

**ERIC NABER**

Battistoni Meats

I think the Western New York workforce is pretty dynamic, very talented. People gain interest in the business. I mean, there's room for growth. That's typically how we bring people in, and over the years how people grow in our company is they like the business, they like the environment, they like the people they work with. I think we are located in just a fantastic area and Western New York is fantastic, but the population from Canada, North America, the East Coast is phenomenal to at least supply consumer products. Location and people is, for us, our strongest point.

**MARK MASSE**

Genesee County Economic Development

I think people are starting to feel excited again about the future and the pride they have for that, but I think the rest of the country is starting to notice that, too, which is huge for all of us.

**LOUIS BILLITTIER JR.**

Chef's Restaurant

One of the best things for me is the relationships with the customers. It sounds a little cliché but we are all in this together. I think it's loyalty, too. People in Buffalo are very loyal to you. If they like your product, they'll stick with your product.

**JOHN RUSSO**

Hamburg Brewing Co.

I think in the grander scheme of things, I'll take something from my late grandfather. We talked about it earlier: Lake Erie. I think at some point water is going to be scarce in a lot of places. We all talk about it as brewers. But everyone is going to come flocking back to Western New York, the Great Lakes region, because of water source. I think that is the biggest thing in the grand scheme that we all have going for us.