



## THOUGHT LEADERS

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**D**emand for comfort foods and dining at-home options during the pandemic fueled growth for food manufacturers but came at a time when labor has become increasingly difficult to come by.

But that hasn't deterred local food and beverage manufacturers, who said during a virtual Thought Leaders discussion sponsored by Hodgson Russ LLP that they've found ways to develop new opportunities to grow their businesses and better serve their customers.

For Dan Sundell, owner of Dark Forest Chocolate in Lancaster, that meant shifting from nearly all walk-in sales at his retail shop to almost a completely online. He and his wife Joanne, who co-owns the shop, also had to get comfortable with social media, and being on camera.

"I don't love seeing my face on social media, and getting so many thousands of views on that, but people react to that," he said. "They want to know who is making this chocolate. So, as we move forward with that, it's allowed us to broaden our market (beyond) just the people that could come in and get to know us or see us at seminars or events."

At Battistoni Italian Specialty Meats, demand for pepperoni was off the charts for pizza shops, but also among home-bound individuals who suddenly were creating charcuterie boards in lieu of going out, said Jennifer Tuck, president of Battistoni.

And at General Mills, while demand grew for breakfast cereal, the company saw a drop in sales for its other main product line – bakery flour – as restaurants stayed closed or served fewer customers.

"Not only do we service cereal demand, we also have bakery flour here as well. So if you think about that, (we) experienced almost the opposite because people weren't out to eat as much," said Pete Bittorf, general manager. "As capacity starts to lift at restaurants, what does that look like in the 12- to 18-month look-ahead?"

Building the workforce has been a challenge. Bittorf found some success by becoming more creative in how General Mills advertised and demonstrated the opportunities tied to a career in manufacturing. Another strategy involved inviting the existing workforce to be part of the solution process when it came to



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# Food manufacturers adjust to changing consumer needs

*An array of issues popped up for the food industry including a severe labor shortage, plant-based foods, packaging and the supply chain*

▶ HODGSON'S TAKE

*"What we've been stressing to companies about workforce is the ability to really create a special culture. ... It's about creating different opportunities for people to feel more welcome. We have to look outside of the box and see that culture really does matter now, especially in this ultra-competitive employment market."*

**ANDREW FREEDMAN**, partner, Hodgson Russ LLP



WITH PETE BITTORF, BRETT SARDO, DAN SUNDELL AND JENNIFER TUCK

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*“We started getting mail orders two weeks into (the pandemic) that have continued on through the year. It was a*

*huge shift for us and I think that’s something that we’ll continue to see now that people have gotten used to purchasing online rather than driving down to the store.”*

**DAN SUNDELL**, owner, Dark Forest Chocolate, Lancaster



*“Think of the average consumer not ever having shelf-stable milk in the past because they weren’t used to it or they didn’t*

*have that as part of their diet. Well, now they are and they’re stocking their pantry with it. It’s opened up a lot of consumer recognition.”*

**BRETT SARDO**, vice president for business development, Steuben Foods



*“It is a vastly different world, but I have been so impressed with how agile the workforce has been to really make this as*

*safe as possible as we continue to make the food that we need to. ... The heroes are on the front lines out here making a lot of that food when you think about the demand and how much that increased.”*

**PETE BITTORF**, general manager, General Mills



*“Basically, I went into a permanent hiring mode, if you will, and I spent probably 60% to 70% of my time seeking new personnel,*

*interviewing new personnel, trying to bring people on board. ... We were running as much overtime as we could, but especially in the early days of the pandemic, people didn’t want to be here.”*

**JENNIFER TUCK**, president, Battistoni Italian Specialty Meats

creating efficiencies.

The same was true at Steuben Foods, where executives who were no longer traveling ended up on the plant floor, said Brett Sardo, vice president for business development.

“We are so understaffed right now just because we cannot get people, so you’ve got people rolling up their sleeves that are (normally) in the corporate area in the office but they are needed for the plant because the plant absolutely needs product and the consumer needs these products,” he said.

Every company executive said they expect to see ongoing changes in the next five years for the food-manufacturing industry. That will include new ways of packaging and marketing products, as well as different niche sales destinations, Tuck of Battistoni said.

“I’m trying to focus more on the smaller boutique kinds of stores. I think that’s where our growth potential is going to be, not so much in the commodity side,” she said. “That’s where our growth is going to be in the next few years in either direct to consumer, or direct to the smaller specialty food stores.”

Another major change will see consumers choosing more shelf-stable foods, Sardo said, which ties into the growth of plant-based products. That will include more products made with soy, almond and oats – which has grown 600% over the last year – but also other raw materials that are emerging around the world, he said.

“It’s not going to look like we see it right now,” he said. “We’re going to see more companies within dairy that need to be creative, and, again, nimble – a word we’ve heard a few times today – to find a way to bring value-added milk into the spectrum.”



*“I think one of the interesting side effects of the pandemic is the sort of close relationships a lot of companies have forged with both their legal and financial advisors, because the rules of the game are changing so quickly and at such speed and such complexity that we’re getting phone calls every day, sort of like, ‘well, what do we do now?’”*

**REENA DUTTA**, partner, Hodgson Russ LLP

#### ► CLOSER LOOK AT THOUGHT LEADERS

Thought Leaders is an ongoing series of discussions with Western New York business leaders and attorneys at Hodgson Russ LLP.

Ten times a year, leaders in diverse industries meet for a roundtable discussion moderated by Business First journalists.

The conversations are usually held in the law firm’s Pearl Street offices in Buffalo, but have shifted to a virtual format during the Covid-19 crisis.