



# SPRING 2013

GROWERS' CO-OPERATIVE GRAPE JUICE CO., INC. • A PUBLICATION FOR OUR PRODUCERS

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## GM'S REPORT

The small Crop last fall has been quickly harvested, processed and sold. As we wait for the next growing season to begin, one would think there isn't much to do around the plant besides regular production and shipping of product to meet our sales commitments. In another time, that might be true, but not today at Growers Co-Op. The last 3 months have been a very busy time as we implement a large amount of approved capital projects and work to satisfy the latest food safety systems requirements being demanded by our customers and regulators.

The first wave of outside fruit for 2013 has been successfully run through our new decanter and the re-streamed filtration system. The Desk audit for SQF certification has just been completed and will be followed by a physical plant audit in July. On top of all of this, in March we rolled out a new policy on grape quality standards using the Rolling Brix Average, and we are closely involved in supporting the opening of the Grape Discovery Center planned for May 25<sup>th</sup>.

This myriad of other activity and lack of product this year does not relieve the need to always take care of the customer. Customer visits were conducted in January with a 3 day tour through the Mid-West to see several juice and winery customers. In mid-April plans are being made

to meet with a large portion of our juice customers at the Juice Products Association (JPA) Annual Meeting in Florida. Juice customers have many challenges these days with high ingredient prices, low supplies, and negative media images of juice. The industry has been dealing with this cycle for a while now and it is vital we stay in contact and see issues from their perspective as we try to market the juice made from our farmers crops each year.

Much of our activity these days comes from a desire to always improve and maintain a long term focus on the business of bringing Concord grape juice and concentrate to the marketplace. The diversity we gain from other fruit processing and by-product activities will continue to strengthen us as we move into the future.

If the days are sometimes tiring, I draw strength from those who have gone before us and committed themselves to the success of Growers. I would like to especially recognize our former Co-Op President Steve Baran who passed away in January. Steve was a long term thinker and top notch farmer. His good natured support of our efforts was always appreciated and we miss him around the plant and Board Room. His 80 years on this earth were well lived and we hope his wife Helen and family are consoled by many good memories of his long farming life here along the shores of Lake Erie.

*Dave*

## PRESIDENT'S COLUMN

Over the last several years we have all seen how the Wine Industry has flourished in our area locally and nationally. The good news is Growers Co-Op Grape Juice Co. has also benefited from this industry's expansion. Back in the mid 2000's as the Co-Op was looking to diversify our sales of Concord grape juice, a small amount of product was sold to a few of the local wineries. The feedback Dave Momberger received from these winery sales was encouraging. Our juice was superior in taste, color and clarity compared to what they had been receiving from their other sources. Since that time sales to wineries has expanded to multiple states with the volume of our single strength grape juice steadily climbing upward.

The attached graph gives a monthly comparison of the dollar amounts sold to wineries from the last two years. September of 2011 thru April of 2012 and September of 2012 thru April 2013. This eight month time period represents the largest share of sales of single strength juice to the wineries. In the 2011 / 2012 year, juice sales to wineries averaged 28.85% of our total monthly earnings (excluding contract processing earnings) which equate to a total amount in sales of \$2,007,908. The lowest winery sales month on the chart was in September of 2011 which is misleading because of the later harvest that year single strength juice was not yet available to sell.

The 2012 / 2013 year juice sales to wineries averaged 30.29% of our monthly earnings (excluding contract processing earnings) with a total dollar amount sold to wineries equaling \$ 2,456,357, an increase of \$ 448,449 over the previous 2011 / 2012 year. The highest sales month on the graph was in February 2013 with one winery purchasing 100,000 gallons of juice.

This segment of our business has the potential to expand even further as the wine industry evolves. When that time comes along Growers Co-Op Grape Juice Company will be ready to meet the commitment.

*Ron Nutting, President*



## FINANCIAL OVERVIEW (thru 2nd QTR F13)

Category	YTD	Prev. YTD	Difference
Bulk Sales (gallons 68 Brix eq)	372700	320785	+51915
Retail Sales (no units)	120731	95057	+ 27%
Other fruit processing (tons)			
Grapes	2927	3925	
Blueberries	897	2620	
Cherries	0	0	
Other	125	0	
Juice (bottoms)	0	1,220,000	
Distributed Proceeds to date (\$/ton)	236	173	
Projected crop close (\$/ton)	480 est.	479	

YTD Sales are up by 51,915 gallons. This is due to early harvest and accelerated SS sales. All the product is committed and will be moving out for remainder of year at a decreasing rate due to small overall supplies from 2012 crop. We along with our customers are hoping for a rebound in supplies for 2013 crop. Slow onset to spring and good fruiting wood in vineyards should help insure a better crop than 2012. Outside fruit processing was done in fall and is due to restart in April with new decanter and upgraded filtration process. No outside juice processing was done this year due to lack of supplies at customer from the small 2012 crop. Distributed proceeds are progressing at good pace due to faster pace of sales YTD along with lower crop costs and certificate redemption cash flow vs. previous year. Earnings projection is higher than previous quarter buoyed by favorable impact of yields.

## FIELD REPORT

In early March we held small group meetings to explain the new rolling brix average and standard deviation policy for receiving grapes, these meeting were well attended and I hope most all growers understand this new policy and if there is any questions please feel free to contact myself, a board member or committee member. This has been a multiyear project with a lot of time and effort from many people in management, interns, committee members and board members. I really appreciate the effort by every individual who has contributed.

I want to remind everyone in what is appearing to look like more of a normal weather year that with the amount of wood that was left up to make sure you are monitoring your crop and adjust accordingly. This new policy was intended to make harvest go as efficient as possible for the grower and for the plant both, it is not in any way intended to reduce the quality of grapes that we receive, if the Co-Op as a group starts to differ from the industry we will be forced to make changes to ensure that doesn't continue. I am a firm believer in this system and the group that we have of committed members should be able to maintain a high quality product and give some lee way for rainy days and start up.

As always if you have any questions or concerns you can reach me anytime on the cell at (716) 753-6843 or you can email at [andy@concordgrapejuice.com](mailto:andy@concordgrapejuice.com).

Have a Safe Productive Spring!!

*Andrew Knight, Field Rep.*

## FOOD SAFETY MODERNIZATION ACT

The Food Safety Modernization Act not only asks food processors to run a "tighter ship" with regards to food safety, it also asks farmers who grow produce to consider various food safety hazards on their farm, have written control programs in place, and document that they followed the control program. The Produce Safety rules ask farmers to review six areas for their individual farm:

- 1) Worker Training – health and hygiene: Not just OSHA-type pesticide/ health issues, but would you let a sick worker on your picking crew? You do move a porta-potty to every vineyard as it is being worked in? If someone injures themselves, are you sure grapes are not contaminated with blood borne pathogens? How do you ensure that foreign objects do not end up in the bin? Has everyone on your harvester crew had formal food safety training? Is it documented?
- 2) Agricultural water: When you wash your bins or harvester, is the water safe? Have you tested it in the last 6 months to demonstrate that it is safe?
- 3) Biological Soil Amendments: Has any animal based compost you plan to use had time to heat up enough to kill all the pathogens? Got records?
- 4) Domesticated and Wild Animals: Poop contains pathogens. Do you let your dog in the vineyard?

Knowing that deer will be in your vineyard the morning you pick, how do you manage that reasonably foreseeable hazard?

- 5) Equipment, tools, and buildings: Is your food equipment protected from rodents, birds, exposure to the elements, fuel/lubricants, etc when not in use? When in use? Is there a chance of cross contamination of pesticides or other ag chemicals into your harvester or bins? Do you write down the chlorine concentration when you sanitize?
- 6) Sprouts: If you grow sprouts, you get your own set of rules

That's the bad news. The good news is if you grow produce that is further processed (ie everything delivered to Growers), then you are mostly exempted from these rules. You just have to have documentation from the processor that your produce was processed.

So you are feeling a little better now? Probably, but the FDA wants the culture of food safety to start at the farm, not at the food processor. There is a huge amount of produce that does directly from the farm to the store. And if you sell (or eat) fresh grapes at all, reread from the top.

*Steve Cockram, Technical Director*

## **FILTER PRESS RELOCATION & FOLLOW UP IMPROVEMENTS**

In the winter 2012 newsletter I talked about eliminating filter press operations from our batch room. To accomplish this, the filter press would require dedicated batch kettles to add filter aid into the juice before it is sent through the filter press. One importance of this is it allows the batch rooms' only use to be batching final product for customers.

The old Eimco vacuum pump room in the basement has been vacant for many years and was chosen to be the new home for the filter press. This location puts all processing equipment located in the main plant, into the basement. Wayne Harrington, Todd Donato and I disassembled the ~30,000 lbs filter press and moved it to the basement piece by piece and re-assembled it (Dave Momberger turned some wrenches as well). An opportunity arose to purchase two kettles from Shoreline Fruit in Lyndonville NY. This is the same company that we sold our 'A' Concentrator to a few

years back. Although these kettles were a little too tall, Jacks Welding in Westfield shortened them and then put them in place here at Growers. Ahlstrom Schaeffer re-connected all electrical equipment while Bright's Inc. did the entire process pipe welding as well as built the new filter press deck. Although there are still a few things to iron out, we were able to filter blueberries effectively this week (4/8).

In addition to the relocation, some improvements will be made as well. An automated D.E. delivery system will allow the operator to add cell in batches or in a continuous real-time feed configuration. This eliminates the operator having to carry and dump 50 lb. bags into each batch. A conveyor underneath the filter press will remove spent filter cake and drop them into plastic bins, where they can then be disposed of.

*Joe Schuster, Plant Engineer*

## **TASTE - EXPLORE - LEARN - SHOP**

As you know I have been working with the Grape Discovery Center to assist the new manager, Mackenzie Cady and others to prepare for the opening. We now have the opening date which will be May 25, 2013 just in time for the summer season. Lots of plans are underway to prepare for the opening of the Reception Area, Gift Shop and Grape Products Tasting Areas to visitors for tourism information. We will have local grape and food products and local arts and crafts in the gift shop and some delicious foods and local wines in the tasting bar. The official GRAND OPENING of the Grape Discovery Center will be late summer when the exhibits and displays are completed.

The large 3 door refrigerator has been delivered along with the wine cooler. Soon to come is the POS system, furniture and the exhibits will be later in the summer. Vendors are beginning to bring in items for sale and others are still being contacted to commit their products to the Gift Shop. We are looking for lots of grape products and all kinds of 'grapey' arts and crafts products. We will have visitors' information of regional attractions with lots of brochures available to hand out. The Wine Tasting bar will feature wines from the 24 local wineries. It is our hope to

be a supportive network for all wineries and businesses in our Grape Belt Area.

Mackenzie Cady has been very busy readying the building and ordering furniture. The patio area is now being built by Westfield Nursery. It is very exciting to see all of this come together. Marketing Committee has been working on a Rack Card for advertising; arranging other avenues of advertising; making application for Attraction Signs on I90; planning events for the first few weeks of June for our opening.

While all this work is going on we also need to be looking for volunteers to help Mackenzie at the Discovery Center for the day to day operations. If you or someone you know has free time on their hands and would like to give back to the community we could surely use them. Please contact Mackenzie at the Center to put your name on the volunteer list. Grape Discovery Center, 8305 West Main Road (Route 20), Westfield, NY 14787 phone 716-326-2003 or email [gdc@concordgrapebelt.org](mailto:gdc@concordgrapebelt.org).

It is a very exciting time in the Concord Grape Belt Area, we will soon have a beautiful Grape Discovery Center where tourists can come Taste, Explore, Learn and Shop.

*Patty Hathaway, Retail Sales*

## **SQF AUDIT**

Growers has had food safety and quality systems for 80+ years. It has been based on legal (FDA and NYS) requirements, and has been more and more formalized as the years have gone by. The Food Safety Modernization Act (FSMA) is changing that standard, and we are, through our trade association, commenting on those proposed rules. The time to have the most impact is when the rules are being written, not griping about compliance. However the rules come out, we will update our food safety systems to those "best practices".

A couple years ago, we did a third party audit through AIB to compare how we did to AIB's standard of best practices. It forced us to look at our safety and quality systems in a new way. Now the new standard, driven by the food industry, is through SQF (Safe Quality Foods). We had our initial SQF "desk audit" in March. This was to compare the Safe Quality Food standard to our food safety systems. There were 75 overall areas of plant operations that SQF reviews, and they only had issues on 20 of them. Much of that was from SQF requiring formal systems, and as a small organization, Growers has not needed as much formalization. We are busily updating our policies and procedures and resubmitting them to SQF for approval. To date, more than half of the changes have been accepted as meeting the SQF standard.

So much for talking the talk. You can write all kinds of good things that you will do. The next step is to walk the walk. July 9-10 will be the plant audit. Are all of our people ready to do the things that SQF and FDA ask them to do, and be able to talk about it?

*Steve Cockram, Technical Director*

## NEW DECANter STARTUP AND BENEFITS

As many of you know Growers has purchased a New D5LN Andritz Decanter this past year and it was scheduled to run blueberries the week of 4/8/13 and after many hours spent welding, wiring and structurally changing over the old decanter area The D5LN is up and running as expected. We spent many months comparing and testing various models, Hearing different vendors say why theirs is better than the others or why not to go with the one vs. the others. After all of the travel, demos and sales pitches we chose the Andritz model for several reasons.

- 1) The simplicity of moving parts and their availability.
- 2) The ability to work on it in place is far superior to the others
- 3) It offers an independent scroll function in case of a plug up which will force the solids out of the discharge ports.
- 4) Lower overall maintenance costs, with a well thought out PM program and a support staff to make sure that these repairs could be done in a timely matter.
- 5) The highest G force leading to better separation and yield.
- 6) The ability to CIP clean the machines internals which will save on maintenance cost and normal ware and tare
- 7) A control system that is state of the art and will simplify training and operation of this piece of equipment.
- 8) The adjustability of the machines pond depth which gives greater control to the pomace and juice discharge solids.
- 9) Close customer service availability for repairs.



The D5LN will allow increased through put because of technology improvements i.e. vibration monitoring, more efficient torque controls, newer style gear box and bearing design. Andritz has shown that they will stand behind their machine and we are all confident that this will assist Growers in processing a large crop and become a great improvement in the area of contract processing.

I would like to thank all of our employees for a job well done and the Co-op members for recognizing the need for such an investment.

*Todd Donato, Plant Manager*