

# HERE FOOD PROCESSORS CAN FIND BOUNTIFUL GROWTH



CAROLINAS GATEWAY PARTNERSHIP

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## CIFI SUCCEEDS WITH FOCUS ON HEALTHY EATING TRENDS

*By Lawrence Bivens*



While North Carolina leads the nation in sweet potato cultivation, the crop has been something of an unsung hero in the state's agribusiness community. That perception is changing thanks in part to a Nash County company now promoting food and beverage ingredients that align with today's healthier, nutrient-rich diets.

Carolina Innovative Food Ingredients, Inc., (CIFI) began in 2015 as an affiliate of Universal Leaf North America. Its quarter-million square-foot production facility sits amid the fertile farmlands that make up Nash County, North Carolina's #3 producer of sweet potatoes. Aside from the 36 jobs CIFI has created, the company supports the region's growers. "Probably more important to the local economy is the new market for locally grown agricultural products provided by CIFI," explains Jim Nagy, the company's president.

CIFI makes juices, granules and flours from sweet potatoes grown in North Carolina. Those and other products are sold to food and beverage businesses that use them in a variety of baked goods, sauces, salad dressings and drinks - even pet foods. The company can thus purchase irregularly shaped sweet potatoes that may be less desirable for supermarket produce shelves, even though they pack the same nutritional punch. "CIFI intends to purchase increasingly larger quantities of locally-grown sweet potatoes that are not suitable for fresh market sale," Nagy says. "Hence, CIFI provides sweet potato growers a totally new sales avenue for an important portion of their crop."

Sweet potatoes were among the earliest crops ever cultivated in North America. Until recently, they lived in the shadow of more popular "white" potatoes. But the 21st century consumer tastes have ignited demand for sweet potatoes around the world. Unlike the processed sugars and high-fructose corn syrups that sweeten many foods and beverages, sweet potatoes boast a low glycemic index, which acts to stabilize

- not spike - blood sugar. A source of fiber, they also provide vitamins B6 and C, as well as important minerals like iron and potassium. But much of the sweet potatoes' nutritional appeal centers on its potency as a source of beta-carotene, a key defense against cancer, heart disease and aging-related illnesses. In fact, the U.S. Department of Agriculture calls for regular servings of "red-orange" vegetables such as sweet potatoes in school lunches.

"Our products are ingredients that can be used in a variety of consumer products - some currently on the market and some yet to be developed," says Nagy. Dehydrated sweet potato can be added to health bars, snack foods and desserts. Liquids derived from sweet potatoes similarly form the basis of condiments and beverages. The nation's current craft beer craze even presents an opportunity, with sweet potato lager emerging as a year-round favorite. "Juices can be produced in a variety of filtration levels and concentrations, depending on the amount of solids desired," he says.

CIFI does not use sweet potatoes that have been genetically modified, another facet of the company's emphasis on sustainability. In mid-2016, it was certified under the USDA's National Organic Program, enabling CIFI to tap the marketplace for organics, which is growing by double digits. Organic products are now available in nearly three out of every four American grocery stores, the USDA reports.

The Twin Counties were an obvious choice as a base for CIFI. "Nash County offered numerous advantages that influenced our location decision," Nagy says. Close proximity to quality raw materials was critical. "Our business is built upon processing sweet potatoes grown by North Carolina growers, and Nash County is the geographic center of the state's sweet potato growing area," he says.

As an affiliate of Universal Leaf North America, Nagy and other CIFI leaders were familiar with the region's business assets. Universal Leaf has operated a significant production facility near Nashville since 2001. "We've experienced first-hand the multiple advantages in Nash County," he says. The region's strong infrastructure, including roads and utilities, appealed to company officials. When additional wastewater capacity was needed, local leaders were quick to step up with a new 30-inch sewer line and other hardware necessary to accommodate CIFI's needs. The Town of Nashville tapped state and federal funds from the Community Development Block Grant (CDBG) and Economic Infrastructure programs in order to improve wastewater service at the site. Support from local government and economic development officials factored into the company's location choice, Nagy says.

Also key was Universal Leaf's positive experiences with the region's human resources. "The workforce we've been able to attract from the area really knows how to work," Nagy says. "they have a great work ethic and take great pride in their work." In staffing its new \$25 million facility, which is equipped with the latest technologies, CIFI is assembling a flexible, adaptable workforce. "The employees at CIFI have been both patient and persevering - doing whatever it takes to help us get the plant successfully started," he says. Jobs there range from entry-level production workers to product development professionals and management staff.

CIFI's Nash County operation intends to employ 64 workers. The company's vision includes branching out beyond sweet potatoes into healthy food ingredients derived from other regionally-grown farm products. Nagy is confident the support systems CIFI has tapped in the Twin Counties will help foster its continued development. "Nash County is in close proximity to growers producing a variety of crops," he says. "We can look at additional value-added processing as our business moves forward."



## ATLANTIC NATURAL FOODS STAYS AHEAD OF SURGE IN ‘FLEXITARIAN’ EATING

By Lawrence Bivins



Can Nash County be a global mecca for vegan foods?

In fact, it's well on its way. Since 2008, Atlantic Natural Foods has quietly tested and produced a wide variety of shelf-stable meat analogues from its 53,000-sq.-ft. base of operations at Nashville Industrial Center.

The company also maintains a distribution facility in Rocky Mount. And more growth is on the horizon. "We may be the best-kept secret in food development," says Doug Hines, chief executive officer of AFT Holdings, Atlantic Natural Foods' parent company. "We want to make Nashville, North Carolina a leading center for plant-based protein food creation for the future."

Hines points to surveys that anticipate fast growth for companies like Atlantic Natural Foods. Some 45 percent of Americans believe they should eat less meat, for example. Thirty-five percent report eating less meat than they did a year ago. About 20 percent of today's college students self-identify as vegetarians. "Millennials are driving this market," Hines says.

Trends also suggest a rise in demand for plant-based proteins from consumers simply wanting to reduce -not necessarily eliminate-meat from their diets. Terms like "Flexitarians," "Meatless Mondays" and "Vegan Before Six" now permeate discussions of where American eating habits are heading.

Budgetary, health and environmental issues are driving demand for more vegetarian and vegan foods. A four-serving can of Loma Linda Prime Stakes, a vegetarian product made by Atlantic Natural Foods, sells for \$8.40 on Amazon.com, about half what one 8-ounce top sirloin runs. The American Dietetic Association suggests plant-based diets lower blood pressure and cholesterol, as well as the risk for heart disease and

Type 2 diabetes.

Animal agriculture accounts for about 15 percent of greenhouse gases, according to the UN's Food and Agriculture Organization, leaving meat-eaters with a dramatically higher carbon footprint than their vegan and vegetarian counterparts.

"Market growth has certainly been a factor in our success," Hines explains, "but our ability to innovate and provide consumers with shelf-stable, portable, convenient, healthy and delicious options that they can seamlessly integrate into their lives is what sets Atlantic Natural Foods apart."

Seventh Day Adventists created what would become Atlantic's flagship brand in Loma Linda, Cal., over 125 years ago. Today, the line includes canned chile, chorizo, franks, taco filling, "fishless tuna" and other items. "Loma Linda has been helping people eat healthier since 1890," Hines says. "It has been at the forefront of the evolution in plant based protein, and its longevity and history of innovation make it one of the most respected brands in the industry."

Shelf-stable products add convenience for consumers. "Most vegetarian meal creations have been refrigerated and frozen, which are limited to evening occasions," Hines says. "Our focus has been on providing an alternative protein solution that doesn't need a freezer or refrigerator."

Another popular Atlantic brand is neat™, a line of nut-based eggless mixes for vegan pancakes, muffins, cookies and other baked foods. "Neat was created by a mom for her kids, and was developed around the idea of healthy, simple cooking in the home with clean ingredients," Hines explains. A San Diego couple developed the brand in 2011 and sold it to Atlantic in 2015. neat™ is packaged in pouches and distributed nationally through retailers like Target, Whole Foods and Kroger. Rounding out the company's offerings is its Kaffree Roma line of caffeine-free vegan beverage mixes.

At the heart of Atlantic's ambitious growth plans is its Nash County facility, which holds leading food safety and Kosher certifications. "Our Nashville, North Carolina location has also contributed to our success," says Hines. "The company has been committed to the area since 2008 with the factory growing to where it is today and a vision for further consolidation and expansion."

Headquartered in Louisiana and California, AFT Holdings also owns Maine-based Stonewall Kitchens, the largest fleet of tuna-fishing vessels in the western Pacific, high and medium-end residential properties around the U.S., a public relations firm and a European early-stage capital fund.

With a local workforce of more than 100, Atlantic Natural Foods is the second largest private employer in Nashville. "Our people are a big driving force behind our success," Hines says. "We want them to be invested in the company, so we invest in them." Entry level positions there pay about 33 percent higher than minimum wage and include generous benefits. "We have an eclectic group of employees, and we're proud of them," he says.

Hines' vision involves further diversification of Atlantic's product lines, which means expansion of the company's R&D, test kitchen and production operations in Nash County. He hopes to cultivate partnerships with food science experts at North Carolina universities. The strategy will bring more than additional hiring. "We're not just growing jobs," Hines says. "It's about creating a worldwide destination for vegan foods in eastern North Carolina."

## INSIDE THE CHEESECAKE FACTORY'S ROCKY MOUNT FACTORY

By Lawrence Bivins



Nothing puts the special in special occasions like a slice of Oreo® Dream Extreme from The Cheesecake Factory. Just ask Abbey Shaffer, a proud mom of three young over-achievers who recently brought home good grades and high honors to close out the school year. “Every bite of this is a celebration,” says Shaffer, who lives in Raleigh. “It’s decadent, delicious and beautiful. And what kid doesn’t love Oreos?!”

And it turns out the Oreo® Dream Extreme – or any of approximately 70 varieties of Cheesecake Factory cheesecakes -- aren’t made far away. Since 2006, the California-based restaurant company has operated a facility at Whitaker Business & Industry Center near Rocky Mount that churns out about 11 million cheesecakes annually. Running two shifts, the plant and its 350 employees bake, finish and package cheesecakes for distribution to Cheesecake Factory locations in the eastern U.S. and abroad. The facility also ships cheesecakes destined for retailers like Target and Harry & David, as well as buyers in the food service industry.

Creating Cheesecake Factory cheesecakes, especially at the volume required of the Rocky Mount facility, requires a careful mix of modern technologies and human creativity. The plant maintains state-of-the-art mixing, baking and freezing systems, but human factors ensure the quality of the company’s storied brand.

The cakes are not easy to make. The company’s proprietary cheesecake recipes call on a universe of 500 ingredients. The biggest ingredients are cream cheese, sour cream, cream, cane sugar and eggs – all arriving from high-quality suppliers adhering to the highest food safety standards. Every ingredient is carefully sourced, down to the Swiss-made raspberry puree that goes into its popular White Chocolate Raspberry Truffle® Cheesecake. “Our standard of quality and food safety for our suppliers is a high bar to meet,” says Keith Carango, senior vice president and COO of The Cheesecake Factory’s Bakery Division.

A lot can go wrong. But the factory's well-trained workers are ready to spot errors, some of which are correctable, and ensure every cake leaving Rocky Mount is up to the company's lofty expectations. That includes how they look, with each cake being finished and decorated by hand. "The artisanal craftsmanship is something that a machine could never do," he says. Sophisticated technologies manage supply-chain and many aspects of production, "but the people part of it is more important than anything."

The Cheesecake Factory [Nasdaq: CAKE] is headquartered in Calabasas Hills, Calif., near Los Angeles. The company's founders, Evelyn and Oscar Overton, began making and selling cheesecakes in the early 1970s out of their basement. Their son David conceived the restaurant concept in 1978, opening the first Cheesecake Factory eatery in Beverly Hills. The enterprise flourished over the following two decades and in the early 2000s the company began a thorough strategic forecast of its growth, including where to build a second bakery facility to serve its growing eastern U.S. markets.

Consultants narrowed the site search to a triangle stretching from southeastern Pennsylvania to coastal South Carolina and as far west as Memphis. "We were picking a location that would optimize our distribution costs," recalls Carango. The company visited seven North Carolina properties - in a single day - when Commerce Department officials flew The Cheesecake Factory's site-search team to each location under consideration. The state's professionalism and customer-focus impressed company execs early on.

A 100,000+ sq.-ft. shell building near Rocky Mount caught the team's eye, and their interactions with the Carolinas Gateway Partnership provided valuable connections with a tasteful touch. "The CGP was very personal in the way they approached us," recalls Carango. "They acted as ambassadors for the county and the city."

In July 2005, CEO David Overton announced The Cheesecake Factory would build its bakery in Nash County. The facility opened the following year with an initial run of "Original" cheesecakes, the most popular offering in the company's repertoire. It added a second production line in 2012, and the site's nearly 16 acres of available space offer flexibility to expand into other foods popular among its restaurant patrons.

New Cheesecake Factory restaurants continue to open in the eastern U.S. and beyond. The company's international business has grown at an accelerated rate, with new locations opening in Hong Kong, Shanghai, Mexico, Dubai and Kuwait to great fanfare. Cakes from Rocky Mount supply those locations too, as well as many third-party international retail and food service customers. And new cheesecakes are pioneered every year, which the plant's team must learn to produce to perfection. Chris Radovan, the company's celebrated executive pastry chef, painstakingly develops new recipes in California. Radovan's cheesecake creations can go through as many 40 iterations, with close attention paid to every nuance in their look, taste and capacity to be reproduced on a large scale.

The California-based Carango, who visits Rocky Mount every month, is confident the company has the facility, workforce and local business relationships to accommodate future growth. The company is proud of its inclusion on Fortune's list of the nation's best places to work. "People are our greatest resource," he says. And more than a decade after opening its Rocky Mount bakery, the site has proven its mettle as a key asset in The Cheesecake Factory's company ethos and global business strategy. "We pride ourselves in performing well in everything we do," Carango says



## AT POPPIES, SUCCESS IS A FAMILY AFFAIR

By Lawrence Bivens



When Bobby Davis meets with Belgium-based owners of Poppies International NV, he knows what their initial question will be. “It’s the first thing they ask about: ‘the employees – are they happy’,” says Davis, who is controller at Poppies’ 85-worker operation in Nash County’s Whitaker Business & Industry Center.

Poppies International makes cream puffs and mini éclairs distributed under the Poppies and Delizza brand names, as well as private labels for retail grocers. Products made at its U.S. headquarters in Rocky Mount are shipped frozen to buyers across the U.S., Canada and Asia.

Still family-owned after 40 years in business, Poppies views its workforce like, well, family. And some of the plant’s employees literally are. On its staff are a number of brothers, sons and spouses. Davis’s wife, for example, works as Poppies’ logistics manager. “It’s a family-run business, and they have a strong sense of family,” Davis says. “You can see that in the way they treat their employees.”

The family orientation extends across the Atlantic. In 2016, when Poppies celebrated its 40th anniversary with a big bash at its headquarters in the Belgian town of Zonnebeke, Davis was among the eight U.S. employees flown to Europe for the occasion.

Poppies’ opened its Rocky Mount plant in 2001 and currently does about \$50 million in sales annually. It produces 7.5 million kilograms of frozen desserts each year. “Right now, we’re at full capacity,” says Davis. “We’re running three shifts six days a week.”

Much of the plant’s success rests on access to trainable and productive labor drawn from across the Twin Counties. Poppies’ workforce is also loyal.

“We have a lot of employees who have worked here the whole time the plant has been here,” says Heather Aycock, quality assurance manager at Poppies. The company has a frequent need for packaging workers, logistics staff and quality-assurance specialists. It works with several temporary agencies in screening and placing qualified candidates. After a 90-day trial period, Poppies brings new workers on permanently. When vacancies arise, the company encourages employees to recommend good candidates. “The best recruiting is word of mouth,” Aycock says.

Its diligent but relatively small workforce reflects the company’s emphasis on innovation and automation. Adopting the latest technologies helps ensure Poppies’ products have a consistent look, texture and taste. Still, there’s no substitute for the human eye. Posted regularly along the plant’s two production lines are personnel examining each éclair and cream puff and discarding those that aren’t up to par.

Other factors come together to make the Rocky Mount plant productive and profitable. It carefully sources ingredients from only high-quality suppliers. Close proximity to major highways and the Port of Norfolk conveniently connect the company and its products to national and global markets. Poppies’ partnership with North Carolina State University’s Department of Food Science helps with training and keeps the quality assurance department up to date on the latest federal regulations coming from the Food & Drug Administration. In return, Poppies offers itself as showcase for food manufacturing. “Their students tour here every year,” says Aycock, herself a chemical engineering graduate from N.C. State. The company is also talking to academics at nearby N.C. Wesleyan College about creating an internship program.

Given its automated production systems, refrigeration needs and round-the-clock operation, access to reliable and affordable utilities also is a critical factor. “We’re very happy with the reliability of power and water and for the responsive customer service we get from the City of Rocky Mount,” he says.

An innovative arrangement with Rocky Mount Public Utilities helps even-out seasonal spikes in energy rates while also ensuring against storm-related disruptions in service. The municipal power agency places a “peak-shaving” generator at the company’s site that can power Poppies production during periods of high demand -- hot summer afternoons, for example, or cold winter mornings, when grid-supplied electricity is at its most expensive. It also provides a source of emergency back-up power, something crucial to Poppies given FDA regulations on temperature controls and storage of perishable products. “If the power goes out, that generator kicks in within 20 seconds,” Davis says.

High-quality utilities are a reflection of the overall commitment Rocky Mount leaders have to helping keep the business community competitive, Davis believes. Local economic developers coordinate regular meetings of Whitaker Business & Industry Center tenants, for example, surfacing common challenges and ironing out solutions. Another group pulls together the region’s food manufacturers in an effort to identify and address downrange workforce needs. “The leadership here is very good,” Davis says.

## **NUTKAO'S TASTE FOR QUALITY MAKES NASH COUNTY A WINNING DESTINATION**

*By Lawrence Bivins*



Italy's love affair with sweet treats began 800 years ago when Venetian merchants acquired sugarcane farms in what today is Lebanon. The story's latest chapter has brought opportunity to Rocky Mount in the form of Nutkao S.r.l.'s 100,000-sq.-ft. production facility at Whitaker Business & Industry Center. The company's plant there makes nut butters laced with chocolate and other sweet flavors.

"We started out as a very small company producing hazelnut spread," explains Davide Braidà, president of Nutkao USA. Braidà's father, Giuseppe, established the parent company in 1982 in the Cuneo province of northern Italy. Still privately held, Nutkao exceeded 120 million euros (nearly \$130 million) in sales in 2016. Its products are sold to consumers as toppings and dipping packs that contain breadsticks for easy snacking. Nutkao supplies spreads for private-label buyers such as Kroger and Aldi supermarkets, and its buyers also include other food processors. "Our product goes into cookies, cakes, croissants – even ice cream," Braidà says.

Nearly half the company's product is consumed outside of Italy, and that's where Nutkao's Rocky Mount operations come into play. In 2012, an emerging taste for Nutkao spreads in North America prompted discussion of a second plant, one closer to markets in Canada, Mexico and the U.S. The Braidà family worked with an Italian site selection consultant to explore potential locations in Georgia, Kentucky and the Carolinas. In late 2013, they announced their selection of Rocky Mount for the plant, an investment potentially worth \$74 million.

"Here we made a facility that is a mirror of the one we have in Italy -- the same machinery, the same technology, the same product," Braidà says.

Rocky Mount's convenience to the company's growing markets was central to Nutkao's choice. "Logistically, this is a good place," Braida says. "We are exactly in the middle." With raw materials coming in from abroad – mainly hazelnuts from Turkey – easy access to the Port of Norfolk was a consideration. Placing its North American location in the Eastern Time Zone means the plant shares half its work day with that of its

European headquarters. "We have all the morning we can deal with Italy," he says.

Labor costs are comparable to what the company is used to paying in Italy, an important consideration given that Nutkao's primary competitors are also European companies. The firm is benefiting from a \$210,000 One North Carolina Fund grant as it fills out its workforce, and Nash Community College is providing about \$60,000 in free customized employee training. "They provide all our training," Braida says. New hires undertake instruction in safety, hygiene, equipment operation and other topics. They are also taught the metric system, the international measures Nutkao uses to monitor and manage volume and temperature. "It's a mindset we teach and refresh all our employees on," he says.

The company's Rocky Mount site employed 30 workers as of early 2017. Braida expects that number to grow as Nutkao cultivates more North American demand for its products. Its spreads are already found on the shelves of Safeway and Harris-Teeter and other grocery retailers. "We are also looking for growth in food service," Braida says. "That can be a big business in the U.S."

And the company's Rocky Mount facility has room to grow. "We designed the building so that they can expand it easily to another 50,000 square feet," says Leigh Ballance, partner at MidAtlantic Lease and Development, which developed the one-time spec building and later upfitted it to meet Nutkao's unique needs. Ballance says the company knew exactly what it wanted in a facility, which made readying the building move quickly. "The company and its engineers had a really good idea of what they needed," Ballance says. Effort went into creating temperature controlled rooms, installing insulated paneling and raising a section of the ceiling to accommodate the company's tall storage tanks. "It is a showcase for a food-grade processing facility," Ballance says of the building. "They focus on the quality of their product, and that's what sets the company apart."

Speculative buildings speed the ramp-up of arriving manufacturers from the location decision to ribbon cutting, explains Robby Davis, chairman of the Nash County Board of Commissioners. "We were successful with Nutkao because we had a building that met the specifications they needed," says Davis, who helps lead the county's economic development efforts. "Every industry seems to be in a hurry to get their plant open," he says. In the case of Nutkao, Nash County had a fully developed industrial park that was already home to major food names like Poppies and Cheesecake Factory, as well as a large shell building awaiting occupancy. "That took maybe as much as a year off their build-out," Davis says.

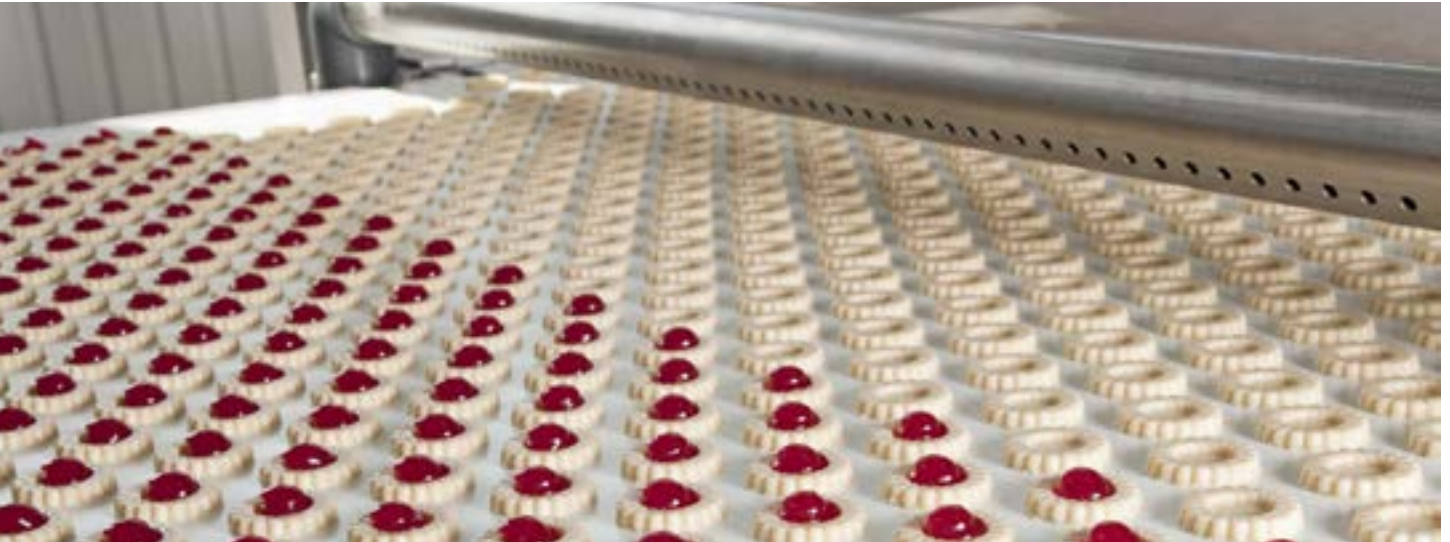
Local leaders were pivotal in Nutkao's decision to base its North American operations in Nash County, Braida says. "The Carolinas Gateway Partnership was a big help to us," he says, leading the company not just to the building but also to MidAtlantic as a potential real estate partner. "This was a big step for us," he says.

Nutkao brought several key employees from Italy, including Braida's wife, Barbara, who works as the company's quality assurance manager. The personal transition from northern Italy to eastern North Carolina hasn't been difficult. "We're used to the country, not cities," he says. "We love the weather in North Carolina. It's quiet and it's a nice place to live." He also enjoys having access to Raleigh's cultural amenities, which are less than an hour away by car. The couple takes in ballet, opera and theater performances



## THE SWEET SPOT

*By Lawrence Bivins*



Sometimes site selection decisions are not as complicated as you might think. Case in point: Guiseppe Braida, founder of NutKäo, a Ferraro Italy-based manufacturer of a popular private label hazelnut spread.

Mr. Braida took a different route to finding the ideal site for his company's US headquarters and manufacturing facility. He began his search by taking out a map of the Eastern United States, tracing his finger down I-95 from New York City, and stopping roughly halfway down.

"Giusto Qui," he said in Italian. "Questo è el posto."

"Right here," he said. "That's the spot."

And that's how NutKäo made the decision to establish their new facility in the Whitaker Business & Industry Center; a 120-acre business park on the outskirts of Rocky Mount, NC, a tenth of a mile from I-95 and within a day's drive of more than half the US population.

NutKäo is part of a growing 'food cluster' of companies drawn to Nash and Edgecombe counties in the last decade, including Tyson's Foods, The Cheesecake Factory Bakery, Poppie's International, Carolina Innovative Food Ingredients and Butterfield's Traditional candy Company, to name just a few. In fact, within a 30-mile radius of Rocky Mount, there are at least a dozen food processing companies, half of which are engaged in the business of satisfying America's sweet tooth.

What's made this area of North Carolina such a sweet spot for these types of companies? It's a variety of factors, including a superior road network, favorable tax rates, highly motivated employees, and a plethora

of attractive incentives from state and local governments, along with the Golden Leaf Foundation, a private non-profit funded by the federal tobacco settlement.

On top of that, the region just landed the CSX Intermodal Hub, a \$272 million regional container hub dubbed the Carolina Connector, which will speed freight from trucks and trains to destinations up and down the East Coast and across the country.

“Speed to market is the name of the game in the 21st Century,” says Norris Tolson, president and CEO of the Carolinas Gateway Partnership, a public-private industrial recruitment agency that promotes economic development in Edgecombe and Nash counties. “And when this facility comes on line in 2018, it will make it even more advantageous for manufacturing companies to locate here.”

Even before CSX announcement, manufacturing companies enjoyed distinct logistical advantages by locating in Edgecombe and Nash counties, according to Bobby Davis, CFO for Poppie’s International Rocky Mount plant, which produces private label confectionaries like eclairs and coconut marrons for Costco, Sam’s Club, Krogers and others of that stripe, to the tune of \$50 million in annual revenues.

Asked why the company decided to locate in the Whitaker Business & Industry Center, his first response was just one word: “I-95.”

“Being on 95 speeds up the whole chain, start to finish, from trucking in raw ingredients to shipping out our finished products,” he said. Then he elaborated. “But it’s not just 95; you’ve also got 646 West, which is Interstate quality all the way to Raleigh, and a good rail line, too, which is going to get better with CSX.”

The bottom line is this: If you’re thinking of relocating or expanding your food processing operations, take a lesson from Guisippe Braida: Just take out a map and pick the sweet spot of the Twin Counties region.

## THIS BUD'S FOR YOU



Around Rocky Mount, Dena Manning is known as The Candy Lady. Thanks to her, an iconic North Carolina candy company is back in business, and a new generation of candy lovers is discovering the distinctive taste of its handcrafted hard candy treats.

Four years ago, Manning rescued the Butterfields Traditional Candy Company from bankruptcy, where the previous owner abandoned it in 2009. She risked just about everything she had - savings from her career with the Durham County court system, a modest inheritance from her grandmother and a small investment from her former father-in-law.

What she got were four big copper kettles, a few vintage stainless steel tables and cooling trays and some creaky conveyor belts and packaging equipment- all gathering dust in a bright blue metal building off a country road in western Nash County. With them came the company's most valuable assets - the secret recipes first formulated in the 1920s and exclusive rights to make the whole family of Butterfields Buds, featuring the Peach Bud, the Bud that made that family famous.

Her friends thought she'd gone mad. But she knew something they didn't. She knew Butterfields Buds had been beloved by four generations of kids in the Carolinas. She knew they'd once been a staple of small-town adolescence, as much a part of growing up as baseball cards and Barbie Dolls. She also knew that as recently as the late 1990s, Butterfields had topped \$3 million in sales. With the unshakable faith of a natural-born entrepreneur, she knew she could take it there again.

The history of Butterfields Buds is tangled and twisted and some even say a little bit cursed. The first batch of Buds came out of the copper kettles in the back room of a Winston-Salem candy store in 1924. The first

Peach Bud was born eight years later. The creators began by selling to their own customers and eventually turned it into a business they called the Cain Candy Company. In the late 1970s, descendants of the founders sold to Charles Doak - son of the coach for whom the N.C. State baseball stadium is named - who changed the name to The Wilson Candy Company and moved it to a downtown Rocky Mount storefront.

The Peach Bud's popularity spread across the Carolinas, mostly by word of mouth. Then in 1987, it all turned sour. Late one afternoon, Mr. Doak was behind the counter when a young white drug addict came into the store, picked up a nine-pound candy cane and hammered him to death. A ghoulish mix of skull and brain and shards of candy cane splattered the floor behind the counter. The killer is still in prison, halfway through a 70-year sentence.

The next owner was a Raleigh couple Manning knew socially. They stuck to the original recipes and manufacturing processes, but changed nearly everything else, including the company name. They brightened the packaging, added new flavors, courted distributors at candy conventions, began selling on the internet. By the late 1990s, they were the toast of the candy world. Soon after that, they were just toast. A bitter divorce left the company in the hands of the husband, and within three years the Butterfields story had come to the 11th and what seemed like the final chapter.

That's when Manning stepped in. "I come from a long line of entrepreneurs and risk-takers," she said. "My grandfather went to Costa Rica in the 1920s to work the silver mines. He learned to fly and made headlines in 1931 with a solo flight from Los Angeles to San Jose, Costa Rica. They called him the 'Charles Lindbergh of South America'."

"He convinced some investors to back him in starting several airlines in South America," she said. "My father followed in his footsteps. He learned how to fly at a young age and once served as Madame Chang Kai-shek's personal pilot after they were expelled from China. He eventually settled in Honduras and started the first airline in that country."

Manning grew up in Honduras but came to the U.S. in the late 1980s to enroll at NC State. There she met and married an engineering student named Rocky Manning and had three kids. After her marriage ended, she began looking for opportunities to own her own business. By now, Butterfields was in bankruptcy and Manning decided it was her destiny to bring it back to life.

The bank didn't share her optimism. "I kept after them for at least three years, and I think they got really annoyed with me," she said. "Eventually they just gave up and wrote the whole thing off, and I was finally able to take over."

It took another year to get the plant cleaned up and the machinery repaired and running. Some of the machinery was so old she had to hire a machinist to fabricate parts to get it running. Manning says she couldn't have done it without her ex-husband, a principal of a Raleigh engineering company, and oldest son Joseph, at the time a graduate engineering student at NC State.

Today she and her seven employees - including her youngest son Harry- produce about 1200 pounds of Buds per day. They do it the old-fashioned way, exactly as it was done in 1924. They still use pure cane sugar and all-natural fruit essences, and they still do most of the production by hand. In an age when many food products are never touched by human hands, Butterfields Traditional Candy Company is a welcome throwback. Thanks to Dena Manning, the Peach Bud is reborn and a treasured North Carolina tradition is once more a budding success.





CAROLINAS GATEWAY PARTNERSHIP