

The huddles this week focused on observations in the beef, cheese, and indoor agriculture industries, SBA funding opportunities still available, and the future of trade shows.

## Talking Points

- Beef Industry Observations
  - Lots of cattle on the hoof. Places you normally see wheat, seeing cattle. We're also culling a lot of dairy cows due to low milk prices, which typically end up as ground beef.
  - Beef is a very cyclical business due to the gestation/growth stages - Prices go up, people raise more cattle, prices drop, cattle herd contracts. The cycle is usually around 8-12 years.
  - Price pressure occurs in specialty beef when prices for commodity beef drop: If, for example, commodity beef is \$4/lb and grassfed beef at \$7/lb, it's hard to maintain \$7/lb if commodity beef drops to \$2/lb.
  - Niman Ranch | [More info](#)
    - They say the safest place for their workers is in their plant working as they have implemented testing, social distancing, plexiglass dividers, masks.
    - Many of their workers take public transportation or carpool together, also living in small spaces, which is conducive to COVID spreading quickly
    - Turning more attention towards HR Policies, specifically on around what to do if someone gets sick, on a case-by-case basis. Also taking the policies of their distribution partners into consideration.
      - There is a higher bar for natural brands. Niman asks - How can we be a brand that cares about animals yet not take care of those who work for us?
        - How does working with distributors impact your brand?
        - How are your plant practices representing your brand?
  - Social Justice – the culprit for plant workers
    - For those who work at plants and in farm fields, this industry's foundation is built on the work of families highly exposed to COVID due to living situations. This issue is thought provoking, as we're seeing the unspoken underbelly of our country's mass food system exposed.
- Trade Shows

## Huddle Notes – From 06.22.20

- Expo East is canceled
  - Launching a digital platform in August to connect buyers with brands
- The lack of trade shows may fundamentally change how the food industry works.
  - What is going to happen brands when they realize they don't have to spend so much money to get their name out there?
- Cheese
  - Cheese prices are still based on Chicago Mercantile Exchange (CME) futures market
    - CME is the base for what farmers are paid and the basis for pricing commodity cheese and many specialty cheeses
  - CME price collapsed promptly after COVID, however, currently cheese prices are at a record high of \$2.50/lb, and record high volatility
    - This will impact the mainstream food industry – anything that has cheese in it, like frozen pizza
      - High volume of options trading record price volatility suggests that speculative trading in thin futures markets is a culprit in this.
      - Day traders are essentially betting on cheese prices (and the overall stock market), treating it like playing a video game.
      - This is a problem when the contracts are used to set prices in the real world for the food industry.
    - Use [Cheeserepoter.com](https://www.cheeserepoter.com) to check cheese price.
  - Commodity markets are thin, platforms for day trading make it easy for non-traders to do trading
    - Commodities that are traded, due to the high volatility are going to have a big impact on food, including farms
    - Milk market can hedge. Smaller farms may need to be considering hedging.
  - Specialty cheese
    - Goat cheese sales down throughout COVID, thought this was consumer related.
    - Commodity cheese prices went down due to the CME crash and it makes sense that retailers would substitute in commodity cheese for more expensive specialty cheeses during COVID.
- Indoor agriculture
  - Prices for microgreens and demand went up after COVID hit

## Huddle Notes – From 06.22.20

- Gotham Greens – sales went up 50%
- Garfield Produce – Social enterprise on the Southside of Chicago that hires ex-felons doing primarily food service.
  - The owner is a retired CPA, and got the business to break even
  - COVID hit so business dropped off
  - Received a contract with USDA Farmers to Families Box program. The program seems to be very politicized.
    - Fresh produce industry association - United Fresh Produce Association – connects farms to buyers and lobbies on behalf of the industry.
    - After receiving their contract, they received a cease and desist letter from a large Canadian produce company saying they had to stop distribution for 45 days, nearly the length of their contract, because they didn't follow the US government open bid procurement process. The next day, the USDA informed them that the issue was resolved.
- Funding
  - Wisconsin SBDC observations - slow right now compared the beginning of COVID. They were doing 6-7 days a week for 10 weeks straight, however Wisconsin economy opening up has shown a drop in need from businesses.
  - Lots of money left for the PPP, [apply](#) if you have not already! *If you have already gotten funding already you cannot apply again*
    - SBA's EIDL is re-opened, including to farm businesses – Low interest, long term (30yr) loan program, direct with SBA

## Trends – COVID and Product Categories

- COVID Protection Observations
  - Austin, Texas – overall the city is taking mask wearing seriously, there are less dine-in restaurants open but lots of take out
  - 10 minutes outside of Austin – rare to see anyone wearing a mask and lots of restaurants are open for dine-in
  - Missouri, Kansas, Oklahoma – rare to see anyone wearing a mask
- Grab and Go Snack and Kombucha businesses are still not doing well
- Many restaurants are still choosing not to open
- Timberland Brand Clothing teamed up with the Savory Institute to build a regenerative leather supply | [Article](#)

## Huddle Notes – From 06.22.20

- Timberland wants to support the launch of the Savory Institute’s Regenerative Agriculture Certification
  - Timberland wants to encourage regenerative supply practices in their industry, since they buy a significant amount of leather.
  - Interesting case of an industry by product driving change in the primary industry.

### Tips & Next Steps

- We need to show up with leadership in our industry – we have a responsibility to show up in a way that changes it for the better, for the future. This time offers opportunity to lean into the difficulties and change things.
- Pricing for Profit workshop on Amazon and ecommerce with Amazon expert, Shannon Roddy. Don’t just hope you will be profitable on Amazon! | **July 16th**
  - [Register](#) | \$97 – includes lifetime access and our pricing tool
    - Use offer code PROFIT20 to save \$20
- Looking for a list of virtual conference providers?
  - Adobe Connect
  - Airmeet
  - Bizzaboo
  - bizzyou.io
  - confcast.tv
  - Crowdcast
  - Discord
  - Facebook/ Facetime
  - Free conference call
  - Google Duo
  - Google Hangouts
  - Google Meet
  - Gotomeeting
  - Hopin
  - icebreaker.video
  - Jitsi
  - Join.me
  - Kakao
  - Kast
  - Line
  - Meetaway.com
  - Miro
  - MS Teams
  - Mural
  - Gigochat
  - Remo.co
  - Same Page
  - Slack
  - Stormboard
  - Video Facilitator
  - Webex
  - Wechat
  - Whatsapp
  - Youtube live
  - Zoom

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