

Farmer Focus

has clawed out its own broiler business model to put more money in growers' pockets and more affordable claims-based chicken in consumers' shopping carts.

by Tom Johnston, editor





From top to bottom at Farmer Focus, it's personal. Made up of former integrator contract growers and integrator employees alike, the management team is intent doing business differently. Theirs puts a premium on generational farmer prosperity and consumer trust, not only by way of traceability back to the broiler house, but also by making claims-based products more affordable. With a recent transition in the corner office, the company aims to elevate both its processing and farming practices as it scales up and seeks more market channels.

O.F. (ORIGINAL FARMER)

The only blemish, if you can call it that, on Corwin Heatwole's picture-postcard broiler farm, tucked in the mountainous folds of Virginia's beautiful Shenandoah Valley, is the dust kicked up by trac-



OUR INTEGRATED SERVICES, YOUR CUSTOM SOLUTIONS Better by Design Wow Logistics leverages more than 45 years of experience to design custom engineered solutions and drive efficiency within a supply chain. Integrating our Supply Chain Consulting, Real Estate Development, Contract Operations, and Technology Solutions provides: ✓ an effectively designed facility ✓ state-of-the-art warehouse technology ✓ and the right people, processes, systems, and tools VISIT US AT IPPE BOOTH B39076

wowlogistics.com

Maximize product shelf life with Reiser form/fill/seal packaging



Watch live demonstrations of industry-leading Reiser form/fill/seal packaging machines

- Wide range of versatile machines produce high-quality vacuum, MAP and VSP packages
- High-speed production
- Superior seals eliminate leakers and returns
- Simpler, better, faster packaging
- Backed by Reiser's industry-leading service and support





January 30 - February 1, 2024 | Atlanta | Reiser Booth C35159

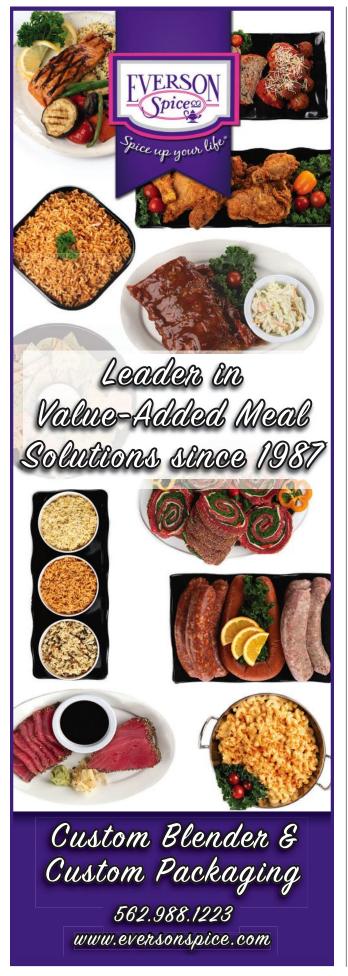
www.reiser.com

Reiser • Canton, MA • (781) 821-1290

Reiser Canada • Burlington, ON • (905) 631-6611

Reiser UK • Milton Keynes, Bucks • (01908) 585300







CORWIN HEATWOLE,

CHAIRMAN; STEPHEN SHEPARD, CEO; JAMIE YOUNG, COO; LAURA

MARKLEY, CFO; MARK SAYLOR, VP MARKETING; LIZ FUCHS, **CHIEF PEOPLE OFFICER**

NATIONAL, REGIONAL

RETAILERS, CLUB STORES

92 (110 FARMS)

tors and whirled away by the region's topographical wind chute. They're moving earth for what will be the last two of six 50,000-bird, solar-powered broiler houses on his "dream farm."

This 500-acre "office" is more of a natural environment for Heatwole than the one he just left. Heatwole is both Farmer Focus's original farmer and, at least by default, was its first CEO. But the time came for new blood on the business and operations side — Stephen Shepard took over in June — and for Heatwole go full throttle in further developing and scaling up the company's foundational farming practices.

"The bigger vision with this farm is not only to make it larger, but also to use it as a proof of concept — to farm at scale and incorporate practices and technologies that increase efficiencies, while



Meat · Plant-Based · Dairy · Bakery · Deli · Snack · Grocery



BETTER YIELDS & SCONSISTENCY Henneken Brand Type B Vacuum Tumbler

Better protein activation means better marination consistency.

Henneken™ Type B Tumblers feature diagonal fins that move product in a controlled turning, sliding and gliding movement. This three-dimensional tumble results in increased protein activation — giving you a more consistent, intense marination over every piece of product. When flavor matters, you need the tumbler designed for better marination.

Learn more about the benefits of 3-D Tumbling at ftiinc.org/tumblerb





Diagonal fins create a 3-D tumbling effect for greater protein activation.



FTIINC.ORG/TUMBLERB 309.588.4803

COMPANY*profile*



Any changes we're making, it's not just because it's going to get us a bigger slice of the consumer base. It's so that we can further our mission to promote and protect generational family farmers.



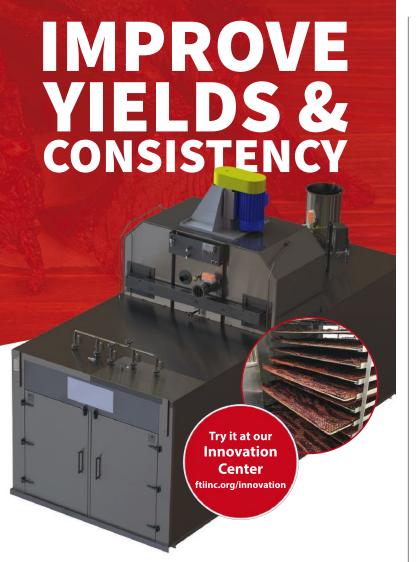
not exploiting stakeholders in the process," Heatwole says.

The practices to which he refers include regenerative farming, where wild grasses stabilize soil, increase carbon sequestration, and perpetually provide free feed ingredients and bedding. The technologies include a digital monitoring system in the broiler houses that sends alerts to operators' smart phones if the system detects a change violating set parameters - say, thetemperature climbs too high or falls too low. The "exploited" stakeholders, meanwhile - that's where the Farmer Focus story begins.

A decade ago, Heatwole was growing birds for a major chicken integrator, but he found that the contract under which he worked tipped well more toward risk than reward, and he was shouldering the burden of heavy capital investment in housing birds he didn't own. Worse, though: "In my gut, I knew I couldn't pass it on to my children."

So, Heatwole decided to "take a leap of faith," and with just 300 chickens, he started Shenandoah Valley Organic Poultry. The hard part, early on, was finding a processor to take such a small amount of birds, which quickly exposed the need for the fledgling firm to own its own processing plant.

That need was filled by the company's "Liberty" facility, an existing building that Heatwole and crew renovated, outfitting it with used equipment acquired through



Achieve consistent yields and color throughout each rack.

Whether you're cooking screened product like jerky or hung product like meat sticks, the Fusion Tech smokehouse produces up to 10% more yields and up to 28% greater consistency than a standard smokehouse. Our patented ability to control where the air moves in the oven allows you to prevent product from being overcooked and undercooked on the same rack. You'll see consistent color from top to bottom — giving you greater yields and better profits.

Learn more about our ovens at ftiinc.org/ovens.



FTIINC.ORG/OVENS 309.588.4803

COMPANY*profile*

a bankruptcy auction involving a plant in Forest, Miss. "Everyone else said it was junk, but it was gold to me," he recalls. "Buying equipment for pennies on the dollar, and shipping it and setting it up here, is how we got our start."

Operations in Shenandoah Valley Organic Poultry's first processing plant began in the spring of 2014. With that came an opportunity to engage with the region's farmers in a different model, one allowing them to own their own birds, giving them operational control of their farms, and not paying them in a conventional system based on performance against other farmers. Their model, they contend, is a better way of incentivizing farmers to grow a better product for consumers. "When you own it, it incentivizes you to take extremely good care of it," Heatwole says.

As Shenandoah was developing a farmer network and teaching them its sustainable farming practices. they were learning how to tell their story to consumers. It wasn't until 2018 that the company launched the Farmer Focus brand, and not until 2019 that it accelerated the brand's marketing. As of 2020, Shenandoah became Farmer Focus. "Our vision is to be the No. 1 brand for people who care about people, animals and the planet," says Heatwole, now working to grow the company's farmer ranks beyond the current 92 (across 110 total farms).

"It is our duty to constantly look ahead at how we can build on our key differences ... while layering in sustainability by thinking outside of the box with our farming practices," he adds.

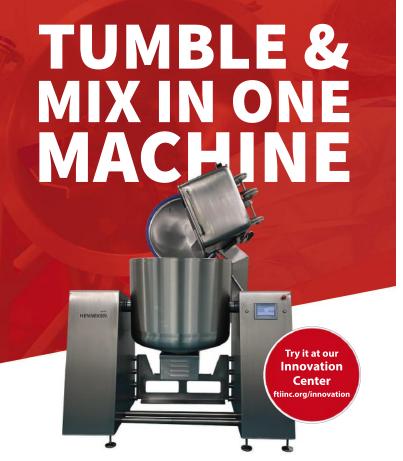
COST CONTROL

Farmer Focus communicates those practices on



We're not going to mislead consumers and go get some more pallets moved for dollars when we don't truly believe [a claim].





Tumble and mix in one compact and affordable machine.

Henneken™ Type CVM Tumblers feature a fixed drum with rotating, interchangeable mixing arms that allow you to go from tumbling and marinating to mixing and blending in minutes. Control wires and clear vacuum tubing are kept outside of the jacket for easy inspection and repair. With programmable touch-screen controls, the CVM Tumblers are easy to use, easy to clean, and easy to maintain. Learn more about the benefits of the CVM at ftiinc.org/cvm









Tumbling Marination

on Mixi

Dry-Salting



FTIINC.ORG/CVM 309.588.4803



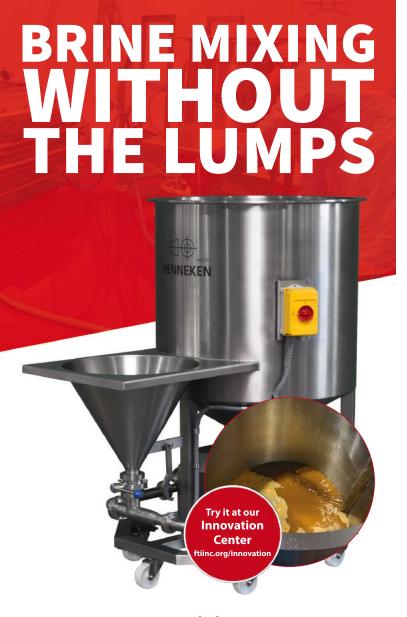
every package, each one with a farm ID number and QR code that allows consumers to trace the product all the way back to the farm, and to learn about the family that raised the birds and in what manner. They can essentially verify the claims — USDA Organic, Free Range, Non-GMO-Verified, Certified Humane — they're reading on the label at point of purchase.

"We have a little over 1,000 people every month who are scanning that code," says Mark Saylor, vice president of marketing for Farmer Focus, noting that more than 200,000 people have scanned the code in total. "And we've heard anecdotally that there's just

this consumer trust factor. Even if they don't scan it, [by] having the QR code on pack and talking about traceability, they know that we can back it up."

While consumers more often would see such claims on premium-fetching products in upscale stores such as Whole Foods, Farmer Focus' products are widely distributed — in about 5,000 retail stores (branded and private label) — pretty much anywhere east of the Mississippi River and available, for example, even at Publix.

Farmer Focus' ability to keep its products affordable and accessible to a wider consumer group primarily comes down to production volume and efficiencies



Better mixing for a smooth, lumpless brine.

Achieving the right brine mix without any lumps that can get stuck in your injector is possible with the Henneken HVM Brine Mixer. Using the venturi effect, your substances are automatically sucked into the machine and mixed thoroughly — giving you a brine without any lumps. With 5 sizes ranging from a 400-liter tank to a 2,000 liter tank, we have a brine mixer that will work for you.

Learn more at ftiinc.org/brinemixer



FTIINC.ORG/BRINEMIXER 309.588.4803

COMPANY*profile*



You can be best in class, but if you don't have the people to run the business,

it doesn't matter.



both on the farm and in the processing facilities.

"The only way to [lower costs] is to continue to grow in volume; you'll need your own processing facility to do that," COO Young assures. "There's only so much co-packing or co-branding that you can do, to the point where you've got to be able to process your own birds. That way, we can affect more people with the mission of the company."

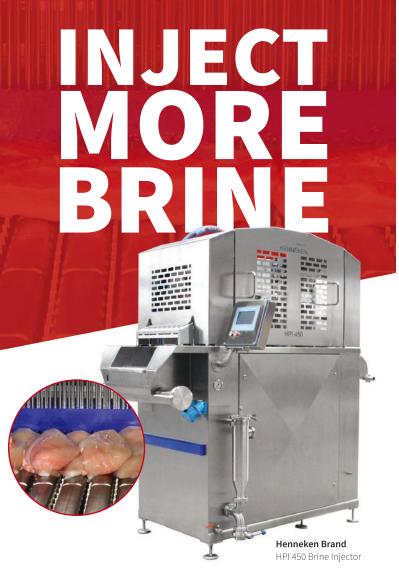
Beyond volume and processing efficiencies, though, is creating consistency and predictability with staffing. "Innovation" here isn't relegated to product development; it also applies to how the company engages people, and perks like unlimited paid time off and flexible scheduling are a part of that pillar.

"You can be best in class, but if you don't have the people to run the business, it doesn't matter," says Liz Fuchs, chief people officer at Farmer Focus. "It is one thing for me as chief people officer to talk about how important people and safety are, but to have that carried through operations, that's what makes us different. It makes us better."

Fuchs points to Munguia (see Backbone, p. 120), the evisceration supervisor, as an example: "Millie is an amazing leader with an aptitude for caring deeply about her people. Her team is highly engaged because of how she cares for them."

The first topic of daily management meetings held before and after every shift is absenteeism, ending with a plan for addressing any. Same goes for any quality or safety issue; corrective actions are taken immediately.

"Nothing is too small for our attention," CEO Shepard says. "When we say we care about people ... every Friday, this executive team, including CEO, gets on a call and we go through every single termination. ... Every single employee that turns over in this compa-



Individually retracting needles get more brine into your meat.

Improve the accuracy and consistency of your injection with our line of Henneken Brine Injectors. The individually retracting needles ensure you get more brine into your meat even when the needles hit a bone — giving you more weight, better flavor, and ultimately, more profit. See why processors across the world are upgrading to a Henneken Brine Injector.

Learn more about our Henneken Brine Injectors at ftiinc.org/injectors



FTIINC.ORG/INJECTORS 309.588.4803

COMPANY*profile*

ny is reviewed by an executive rep. And people [tell us], 'Oh, you don't have the bandwidth for that.' No, we have the bandwidth for that — to be the people-oriented company that we want to be."

NEXT PHASE

Shepard's promotion to the Farmer Focus c-suite, as well as Young's recent ascent to COO and the hiring of a chief financial officer, Laura Markley, signals the company's growth and maturation.

With Heatwole focusing solely on refining the farming practices behind the brand, Shepard and Young will leverage their extensive sales and operations experiences to expand product lines and marketing channels within the retail space. That shift in expertise and leadership comes at a time when chicken is of increasing preference to consumers seeking a relatively inexpensive.

sive and versatile product they can cook at home.

"We don't want a me-too product," Saylor says. "What is the reason for doing this, why is it interesting to the consumer, and how is it adding value to their life? I think that's the lens we want to put on [product development]."

Farmer Focus has developed an extensive assortment of seasoned fresh products, a point of differentiation within an organic segment more inclined to stick to the basics. However, as Saylor notes, the company saw in the back half of 2023 that inflation affected sales in that higher-priced category, which further propelled plans to launch its first branded fresh NAE line in the first quarter of 2024. The company is considering shifting the seasoned line, and the premium pricing associated with it, from organic to NAE.



Even if they don't scan it, having the QR code on pack and talking about traceability, they know that we can back it up.



Meanwhile, Farmer Focus is by no means abandoning its organic roots. After all, the category is projected to have a compound annual growth rate of 8% through 2030, and the company continues to make it more accessible to cost-conscious consumers. In February, in fact, it will launch an organic program with a major club store chain on the East Coast, Saylor notes.

Farmer Focus, for another first, is looking to expand outside of the fresh department. Saylor says the company is exploring some frozen programs for possible launch in 2024, understanding that consumers shop in different ways and need solutions for different meals and dayparts.

Efforts also are underway to develop a sustainable package for the company's products, a claim Shepard adamantly will not put on a label until



worker is assigned to.

Available in lightweight and heavyweight dispoable poly.

available in 4 and 6 mil.

888-893-3330



It is our duty to constantly look ahead

at how we can build on our key differences.

it is true (he notes that most states do not allow recycling of packaging touched by raw meat). "We're not going to mislead consumers and go get some more pallets moved for dollars when we don't truly believe [a claim]," he assures.

The new programs and initiatives at Farmer Focus will add pressure to its current harvest (650,000 head per week) and packaging facilities, and so the company will be looking to add on to those facilities in the back half of 2024 and into 2025. Long term, the company aims to expand distribution in other parts of the country, which would require additional plants.

Farmer Focus officials don't view their growth

through the lens of gaining market share, though, as much as they see it as furthering the company's overall mission.

"Any changes we're making, it's not just because it's going to get us a bigger slice of the consumer base," Fuchs says. "It's so that we can further our mission to promote and protect generational family farmers."

Over at Heatwole's dream farm, he's happy to report that his 18-year-old daughter is already managing most of the day-to-day operations, and his younger son is eager to vie for her position.

"No doubt this farm will be in my family for many generations," he says.



