More Than a Link in the Food Chain

A Study of the Citywide Economic Impact of

Food Manufacturing in New York City

A report by
New York Industrial Retention Network
And
Fiscal Policy Institute

For The Mayor's Office of Industrial & Manufacturing Businesses

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EXECUTIVE SUMMARY

New York City has a vibrant food manufacturing sector which makes significant contributions to the City's economy in terms of jobs, wages, and income. From muffins to granola to coffee, local firms are employing New Yorkers, as well as feeding the region and beyond. New York's food manufacturers are a source of wealth for the City. The annual output of New York City's food manufacturing industry is $5 billion and adds approximately $1.3 billion to the Gross City Product. This encompasses a wide variety of products, including fresh bread, spices, meat, dairy, preserved fruit, condiments, ethnic specialties, prepared foods, and beverages, all of which are made in New York City.

The diversity of New York stimulates new product development and creates a competitive advantage for the industry. One-third of the local food manufacturing industry's output is sold and consumed outside the City and abroad.

There are 19,200 New Yorkers working in food manufacturing—including 2,500 self-employed individuals—and over 900 food manufacturing firms in NYC. Food manufacturing provides an important and difficult-to-replicate source of employment and entrepreneurial opportunity for individuals who have limited education or English skills—70% of the workers are immigrant and 64% have a high school degree or less. Average annual wages in the sector are $32,000, which is $6,000 higher than wages in restaurants.

This study reveals that food manufacturing has the following impacts on the citywide economy:

- Food manufacturing supports a total of 33,800 jobs in New York City, including 19,200 directly in food manufacturing, 9,100 local jobs in supplier industries, and 5,500 local jobs induced by employees and owners spending their income. Key local sectors that supply food manufacturers include business services, wholesale goods, transportation, and the finance/real estate/insurance sector.
- The annual output of New York City's food manufacturing industry is $5 billion of gross sales to local, domestic, and foreign buyers. The industry adds approximately $1.3 billion to the Gross City Product, $700 million of which is in wages, and $600 million of which is in owner income, corporate profits, and taxes.
- Since 2000, New York City food manufacturing has been by far the most stable major manufacturing sector, even though it has contracted somewhat. A number of individual food manufacturing industries were stable or experienced slight increases, particularly in specialty food industries.
- Local firms, especially those making perishable products like fresh bread and baked goods, serve specific needs in the City's large local food market. NYC household consumption of locally-manufactured food products has a wholesale value of $2.3 billion. In addition, restaurants and bars buy $500 million of food from local manufacturers.
- Approximately 34% of all food manufactured in New York City is sold outside of the city. The majority (71%) of this exported food is higher-value specialty foods, such as chocolate, ethnic foods, spices, and gourmet jam.
- The sector has a complex distribution and supply network where the locations of local food companies are a key component of competitiveness. This is evidenced by the economic value of existing relationships between retailers, distributors, and manufacturers, and local purchases from local suppliers and within the food manufacturing sector.

I) Introduction

This study takes an in-depth look at food manufacturing firms in New York City and their myriad connections to the citywide economy. Food manufacturing is an underappreciated and poorly-understood sector in New York City because there has been little analysis of its impact upon the citywide economy to date.

The New York City food market is unique in the country, as the high population density supports a fragmented retail market of small- and medium-sized grocery stores.[1] Compared to the national food industry where large firms dominate the production and distribution channels, the food industry in New York City is primarily made up of small businesses with strong local ties.

While the food manufacturing sector has received some economic development attention, more is needed for the City to take full advantage of the employment and entrepreneurial opportunities it presents. NYC Department of Small Business Services has a variety of services that have assisted many food manufacturing companies in recent years. While the NYC Economic Development Corporation has several efforts focused on food wholesale markets—such as the Hunts Point Terminal Market, Hunts Point Produce Market, and the new Fulton Fish Market—few are directed towards food manufacturing. NYIRN has a sector-specific initiative, *Food From New York*, that since 2002 has been a first point of contact for firms to provide assistance with real estate, government incentive programs, and technical issues. *Food From New York* works with a variety of economic development and local development corporations—e.g. the Department of Small Business Services (DSBS), Industrial Technology Assistance Corporation (ITAC), Artisan Baking Center (ABC)—to offer a comprehensive set of services to food manufacturers.

The Mayor's Office of Industrial and Manufacturing Businesses commissioned the New York Industrial Retention Network (NYIRN) to take a closer look at food manufacturing to better understand its impacts on other sectors of New York's economy. NYIRN enlisted the help of the Fiscal Policy Institute (FPI) to conduct a formal economic impact analysis of the sector to inform the study.

II) Methodology

This study examines the impacts food manufacturing has on the New York City economy using a variety of primary and secondary data sources.

[1] *Initiative for a Competitive Brooklyn*, 2005 Report.

Survey of Food Manufacturers

NYIRN surveyed local food manufacturers to gather primary data about employment, sales, distribution, business costs, revenue, and supply sources (see Appendix 1 for the survey questions and Appendix 2 for results). NYIRN sent the survey to 900 food manufacturing companies in its database via mail, fax, and email, and received 38 responses (4% response rate).

Survey Question: What products do you manufacture?

Check the categories that primarily apply
(multiple selections allowed)

Bakery/Bread	14	37%
Specialty Food	8	21%
Sugar/Confectionary/Chocolate	7	18%
Meat Processing	4	11%
Animal Food	3	8%
Grain Processing/Oilseed	3	8%
Fruit/Vegetable Preserving	2	5%
Beverage	2	5%
Coffee/Tea *(volunteered)*	2	5%
Other*	2	5%
Prepared Salads/Soups	1	3%
Seafood	1	3%
Dairy	0	0%

*Eight responses were recategorized from "Other"
Total percentages do not add up to 100% because some firms manufacture products in more than one category.
Source: NYIRN Survey of Food Manufacturers, Apr 2006; n = 38.
Total

In total, the companies that responded to the survey have 1,576 employees, 74% of whom work in production. The respondents account for about 5% of the city's food manufacturing sector employment. The most common type of product manufactured by survey respondents are bakerd products (see table above). Seventeen respondents are located in Brooklyn, seven in the Bronx, seven in Manhattan, six in Queens, and none in Staten Island.

Company Interviews

To get a qualitative picture of the food manufacturing sector, NYIRN staff interviewed 17 people in the food industry in New York City. This included in-person and phone interviews with:

8 New York City food manufacturers
1 freight broker focusing on interstate shipping
1 jobber serving small retailers
3 buyers for local medium/large grocery stores
1 buyer for a large local wholesale store
1 food broker
1 New York City-based food distributor
1 small gourmet retailer in New York City

Employment Data and Industry Groupings

NYIRN compiled data from the NYS Department of Labor (DOL) for all manufacturing subsectors to the 6-digit NAICS level from 2000 to 2005. For the purpose of this study, beverage manufacturing industries (which are in a separate NAICS category from food manufacturing) were counted as part of the food manufacturing sector. For New York City, the DOL provides data for 39 subsectors, and wage and employment data for 30 subsectors.[2]

[2] NYS DOL suppresses wage and employee data for industries with less than three companies. The data for these suppressed industries are reflected in the overall numbers for Food & Beverage. This applies to all other uses of DOL data in this report.

Table 1: New York City's Food Manufacturing Sector
Categorization of NAICS Industries With Wages, Firms & Employment
As reported by NYS Dept. of Labor

	NAICS Code/Industry		2005 Firms	2005 Q3 Employment	2004 Q4-2005 Q3 Wages
All Food & Beverage Manufacturing			**904**	**14,545**	**$536,891,659**
Baking Industries	**All Baking Industries**		**635**	**7,623**	**197,486,195**
	311811	Retail Bakeries	469	3,228	65,516,991
	311812	Commercial Bakeries	113	3,303	98,919,085
	311821	Cookies & Crackers	23	690	25,323,381
	311822	Flour Mixes/Dough From Bought Flour	8	84	1,855,885
	311823	Dry Pasta	19	287	5,390,517
	311830	Tortillas	3	31	480,336
Commodity Industries	**All Commodity Industries**		**119**	**2,700**	**120,059,719**
	311111	Dog & Cat Food	1	-	-
	311222	Soybean Processing	2	-	-
	311225	Fats & Oils Refining & Blending	1	-	-
	311312	Cane Sugar Refining	1	-	-
	311511	Fluid Milk	5	306	23,459,170
	311513	Cheese	6	27	797,307
	311514	Dry Condensed/Evaporated Dairy	2	-	-
	311611	Animal (Except Poultry) Slaughtering	8	267	9,975,962
	311612	Meat Processed From Carcasses	42	999	41,271,802
	311615	Poultry Processing	7	14	566,765
	311711	Seafood Canning	6	226	13,954,363
	311712	Fresh & Frozen Seafood Processing	6	112	3,414,109
	312111	Soft Drinks	9	482	24,646,184
	312112	Bottled Water Mfg	5	41	1,974,057
	312113	Ice Mfg	2	-	-
Specialty Industries	**All Specialty Industries**		**150**	**3,929**	**148,333,918**
	311320	Chocolate/Confectionaries From Cacao	3	21	387,264
	311330	Confectioneries From Chocolate	29	687	21,991,563
	311340	Nonchocolate Confectioneries	5	89	2,513,500
	311412	Frozen Specialty Food	18	647	20,512,787
	311421	Fruit & Vegetable Canning	14	226	7,490,767
	311423	Dried & Dehydrated Food	2	-	-
	311520	Ice Cream & Frozen Desserts	16	120	3,097,237
	311813	Frozen Cakes Pies & Other Pastries	1	-	-
	311911	Roasted Nuts & Peanut Butter	6	562	12,780,262
	311919	Other Snack Foods	2	-	-
	311920	Coffee & Tea	7	363	19,648,205
	311930	Flavoring Syrup & Concentrates	3	46	2,763,748
	311941	Mayonnaise Dressing & Other Sauces	5	195	8,218,081
	311942	Spices & Extracts	10	233	17,825,880
	311991	Perishable Prepared Foods	22	441	15,150,369
	311999	All Other Miscellaneous Foods	14	314	9,632,383
	312120	Breweries	6	183	5,429,148
	312130	Wineries	3	28	892,724

Notes: NYS DOL suppresses wage and employee data for industries with less than three companies. The data for these industries are reflected in the overall numbers for Food & Beverage, but not in the subtotals for baking, commodity, and specialty industries. This applies to all other uses of DOL data in this report. These numbers only include wage-paying entities, and not self-employed workers, independent contractors, or sole-proprietors.

To facilitate the analysis of the data, the 39 food subsectors defined by NAICS at the 6-digit level with a presence in the city were grouped into three categories: baked goods, specialty foods, and commodity foods (see Table 1). Specialty goods were defined as those industries—based on NYIRN's experience with the food sector—producing higher-value food items. Commodity foods were defined as those industries that are in direct competition with basic commodity food manufacturers throughout the country, such as dairy, meat, soft drinks, or sugar. Baked goods were defined as those classified by NAICS in the 3118 grouping except for Frozen Cakes and Pies, which were classified as a specialty food industry.

Economic Modeling of Food Sector

To understand the economic impact of New York City's food manufacturing industries, the Fiscal Policy Institute (FPI) used the IMPLAN[3] regional input-output model, updated for the latest technical coefficients for New York for 2003 and released in December 2005. While the data is from 2003, inter-industry relationships normally do not change quickly, so the model is still valid approximately two to four years later.

IMPLAN starts with nationally-compiled information from the U.S. Department of Commerce's Bureau of Economic Analysis regarding the amount of goods and services industries purchase from each other. The model uses Gross State Product data and the Quarterly Census of Employment and Wages to establish a regional input-output model for

Table 2: IMPLAN Food & Beverage Categories Used for Analysis

Baking Industries	**Specialty Food Industries**
Bread and bakery product, except frozen (includes both retail and commercial bakeries)*	Breakfast cereal*
Cookies and crackers*	Confectioneries from purchased chocolate*
Dry pasta*	Frozen foods*
Mixes and dough made from purchased flour	Fruit and vegetable canning and drying*
Tortillas	Roasted nuts and peanut butter*
	Other snack foods*
Commodity Food Industries	Coffee and tea*
Sugar*	Flavoring syrup and concentrate*
Fluid milk*	Spices and extracts*
Animal, except poultry, slaughtering*	All other foods*
Meat processed from carcasses*	Confectioneries from cacao beans
Seafood product preparation and packaging*	Nonchocolate confectioneries
Soft drinks and ice*	Ice cream and frozen desserts
Fats and oils refining and blending	Frozen cakes and other pastries
Cheese	Mayonnaise, dressing, and sauces
Dry, condensed, and evaporated dairy products	Breweries
Poultry processing	Wineries

**NYC Industries with annual sales over $50 million in 2003.*

[3] Registered trademark of the Minnesota IMPLAN Group, Inc.; www.implan.com.

the selected area (in this case, New York City). For each industry, the model uses local industry output and technical production information to estimate employment levels and how much each industry purchases locally from supplier industries. IMPLAN uses this data, local population statistics, and income information to estimate how much of each industry's total *output* is purchased locally by other industries, by government, and by local consumers.

IMPLAN provides detailed data on 43 separate food production industries, of which 32 have some presence in New York City (see Table 2). In some cases, FPI combined information from all 32 industries to estimate total values for all food production in the city. In others, because of limitations in the IMPLAN software's ability to combine industries, FPI provided estimates based on the 19 industries with annual output greater than $50 million. These 19 industries represent 95% of the total gross output in the food manufacturing sector in the city. The categories used in IMPLAN correspond to groupings of NAICS industries in NYS DOL data, which gives more detailed breakdowns than the IMPLAN sectors. Therefore, the analysis gives a more detailed breakdown by industry for labor and wage statistics than for the input/output model.

III) Food Manufacturing Employment

Since 2000, food manufacturing has been relatively stable compared to other manufacturing industries in the city. Food employment declined 11%, compared to all manufacturing sectors, which declined 34% (see Table 3). Within the food sector, there has been a slight rise in employment in specialty foods, a slow rate of decline in baked goods, and a dramatic drop in commodity foods.

Table 3: Changes in NYC Food Manufacturing
Employment & Firms 2000-2005; Wages 2000-2004

	Employment			*Firms*		*Average Wages*	
	2000	*2005**	*Change from 2000*	*2005**	*Change from 2000*	*2004*	*Change from 2000*
Specialty Foods	4,103	4,127	1%	166	-7%	$36,257	14%
Commodity Foods	3,800	2,514	-34%	103	-17%	$46,312	21%
Baked Goods	8,258	7,705	-7%	635	-9%	$24,979	5%
Baking, Except Retail	5,011	4,284	-15%	166	-13%	$ 29,429	2%
Retail Bakeries**	3,247	3,318	2%	469	-8%	$ 19,342	22%
All Food & Beverage	16,161	14,545	-11%	907	-10%	$32,068	10%
All Manufacturing	172,266	113,221	-34%	7,326	-28%	$45,062	26%

Source: NYS DOL 2005 Q1-Q3 average; 2004. Does not include self-employed or NYC residents working outside of NYC
* Average of 1st through 3rd quarters of 2005, as 4th quarter data not yet available at a detailed level.
**Represents the manufacturing employees of bakeries that both sell to the public at the site of production *and* make "bread and other bakery products not for immediate consumption…on the premises from flour, not prepared dough."[4]

[4] U.S. Census Bureau. 2002 *NAICS Definitions,* "311811 Retail Bakeries." *http://www.census.gov/epcd/naics02/def/ND311811.HTM#N311811*

This difference within food manufacturing reflects a similar change in the overall local manufacturing sector. Manufacturers of high volume, standardized products—such as cooking pans, staplers, or refined sugar—have been more likely to close or leave the city than those producing lower volume, higher value goods—such as artisan breads, gourmet fruit jam, or neon signs. Most companies that remain gain a competitive advantage from location-based factors, such as the proximity to market or the local workforce.

Baked goods manufacturing, such as bread, cookies, pasta, and tortillas, employs 54% of the workforce (see Table 3). Another 29% make a diverse range of specialty foods such as frozen foods, peanut butter, or beer, while 17% work at standardized food manufacturers making basic commodities, such as milk, meat, grains, or sugar.

Food firms provide an important and difficult-to-replicate source of employment for people who have limited education or English skills (see Table 4). Food manufacturing has a similar concentration of foreign-born individuals (70%) and individuals with only a high school degree or less (64%), compared to the manufacturing sector as a whole.[6] This is one of the highest percentages of these groups in any sector in the city's economy.

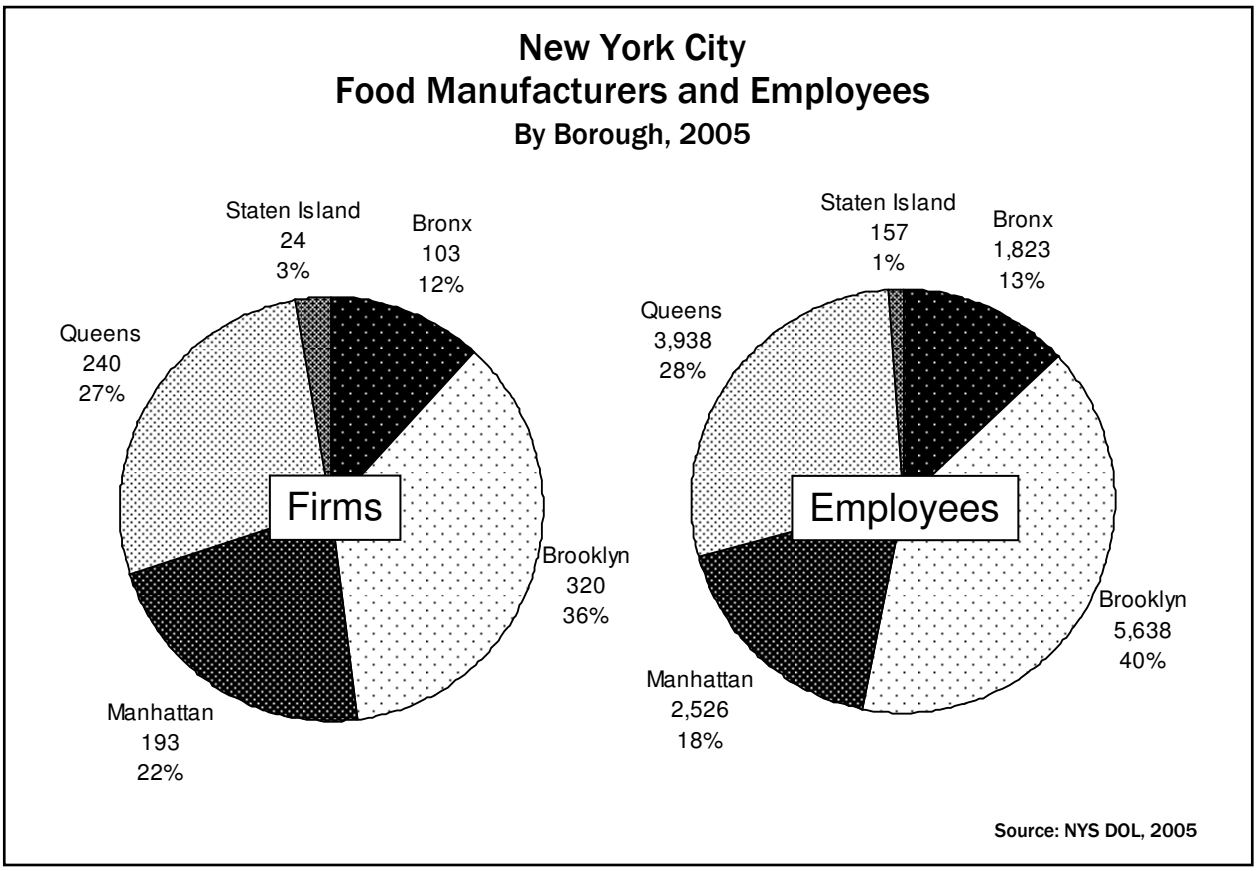
Table 4:
NYC Food Manufacturing Workforce[5]

67%	Male
72%	People of color
70%	Immigrant
64%	High School Diploma or Less
85%	Full-time Employees
13%	Self-Employed
15%	Union

According to the Current Population Survey and IMPLAN, there are approximately 19,200 city residents in the food manufacturing workforce.[7] NYS DOL statistics, however, show only about 14,500 employees working for NYC food manufacturers in 2005. About 2,500 of this difference may be explained by self-employed food manufacturing workers who would not show up in DOL statistics that represent wage or salary workers. The remainder of the difference may be people on temporary layoff, city residents who commute to food manufacturing jobs outside the city, or "off the books" employees.

According to 2005 second quarter NYS DOL data, Brooklyn has the most food manufacturing employees (5,600) and firms (320). Queens and Manhattan are second and third, with 3,900 and 2,500 employees, respectively.

[5] FPI analysis of Current Population Survey ORG files, 2002-2005 pooled data.
[6] Ibid.
[7] Current Population Survey gives a figure of 19,300 based on self-reporting; IMPLAN gives an estimate of 19,163 individuals in food manufacturing for 2003.



NYS DOL data shows average 2004 wages in the food manufacturing sector are $32,100, lower than manufacturing overall ($45,000, see Table 3). However, this is several thousand dollars higher than in restaurants ($25,400) and slightly higher than retail ($31,400). Overall, specialty and commodity food firms provide a wage much more in line with the rest of the manufacturing sector, averaging $36,300 and $46,300, respectively, in 2004. Despite the drop in employment, commodity foods likely have higher wages because of unionization in the meat processing, dairy, and beverage bottling industries.

Baking industries have a much lower average wage, about $25,000 annually. One reason this figure is lower is because it includes "retail bakeries" which paid an annual wage of $19,300, averaging seven employees per firm. Retail bakeries are more representative of food service firms than the manufacturing sector, but the on-site production jobs are nonetheless captured as manufacturing by NYS DOL. All other baking manufacturing firms—commercial bakeries, pasta, cookies, tortillas, and other products—have an average of 26 employees and an annual wage of $29,400, which is more in line with food manufacturing overall. However, when non-retail bakeries are looked at independently it is evident that wages have been stagnant and employment has dropped. This hints at a phenomenon of baking production migrating from factories to retail locations at the expense of employee wages in both locations.

IV) Economic Impacts

In addition to the 19,200 New York City residents employed in food manufacturing, the sector has a number of significant impacts on the citywide economy through:

- The value added to the product by the manufacturing process;
- Firms using local suppliers to buy ingredients, provide accounting services, or ship their finished products; and,
- Employees spending their wages locally.

Using the IMPLAN model described above, FPI calculated that 33,800 jobs in all New York City sectors were generated by economic activity associated with the food industry in 2003.

Value Added

Value added is the difference in value between the supplies used by an industry and the value of a finished product. It is equivalent to the sum of gross wages, profits, and indirect business taxes.[8] As manufacturing generally involves the transformation of low value raw materials into higher value goods, it is considered to be a "high value-added" industry. Food and beverage manufacturing together add approximately $1.3 billion in value to the Gross City Product. This is comprised of approximately $700 million in employee wages and $600 million in business profits, owner income, and indirect business taxes.

Take the example of a hypothetical knish manufacturer in Brooklyn: This firm spends $1 million annually on all business costs, excluding wages—raw ingredients, supplies, and overhead—and sells its finished product for $1.5 million to distributors. This firm creates $500,000 in value added to its product, which is distributed to its employees in wages, its owners as profit, and to the government as property and sales taxes.

Multiplier Effect of Food

The multiplier effect is an economic concept that an increase in demand for a certain product will create additional economic activity from the *indirect* business it creates for local supplier industries. Some types of multipliers also factor in the *induced* impact of the spending of income from direct and indirect employees. The multiplier effect in this study is measured as the total number of jobs created through direct, indirect and induced employment, divided by the number of direct employees.[9] Generally, the more local materials an industry uses and the higher the industry's wages, the higher the total multiplier effect. The higher the multiplier effect, the more impact an increase in demand for a product has on the local economy.

[8] Federal, State, and City income and corporate taxes are paid by workers, owners, and corporations out of gross wages and gross profits.

[9] There are several different ways of measuring the multipliers effect, including employment, earnings, or industry output.

Table 5: Total Employment Impacts of NYC Food Manufacturing sector, 2003		
Food manufacturing employment	*(Direct employment)*	19,200
Jobs created in NYC supplier industries	*(Indirect employment)*	9,100
NYC jobs induced by spending by all the above employees	*(Induced employment)*	5,500
Total Employment Impact		**33,800**
Total multiplier ratio		1.76

Source: IMPLAN; analysis by FPI.

For example, take a hypothetical manufacturer in New York City making jam and employing ten workers. The manufacturer's purchases of supplies hypothetically generates approximately five more jobs in *indirect* local economic activity from trucking and buying fruit from a wholesaler. The employees of both the jam manufacturer and the supplier companies spend their wages on items such as groceries or clothing, creating an additional 2.6 jobs in *induced* local economic activity. Including the *direct* impact of the jam manufacturer's ten jobs, the *indirect* impact of five jobs and the *induced* impact of 2.6 jobs, the total economic impact of the jam manufacturer on the local economy is 17.6 jobs, which is a total employment multiplier ratio of 1.76.[10]

Using the IMPLAN model, FPI calculated the total employment multiplier for New York City food manufacturing to be approximately 1.76 (see Table 5). That is, for every 100 food manufacturing jobs created in the city, an additional 76 jobs are created in local supplier industries and through employee spending. This is slightly higher than the total multiplier of 1.6 for New York City's manufacturing sector generally.[11]

IMPLAN identified 19,200 direct employees in food manufacturing in 2003. The model also identified about 9,100 indirect jobs in New York City-based supplier companies—business services, wholesale trade, transportation, finance, real estate, insurance, and utilities, among others—created by the food production activity. Together, the direct and indirect employment of the food sector equals 28,300.

These 28,300 employees used their wages to buy products and services that generated another 5,500 induced jobs in all New York City industries. Using the direct, indirect, and induced employment numbers cited above, food production in New York City in 2003 was responsible for approximately 33,800 local jobs.

Varying Impacts by Type of Food Industry

Some industries within food manufacturing have significantly higher multiplier effects than food manufacturing generally. Commodity food products such as sugar, milk, and meat,

[10] This is also called a Type II multiplier, which incorporates indirect and induced effects. A Type I multiplier incorporates indirect effects only.

[11] IMPLAN 2003, analysis by Fiscal Policy Institute (FPI), 2006.

have a higher multiplier of 2.1. Specialty industries, such as frozen food, nuts, or coffee, have an overall multiplier of 2.3. Commodity and specialty foods have a higher multiplier effect than baking because they pay higher wages and purchase more goods and services from local suppliers.

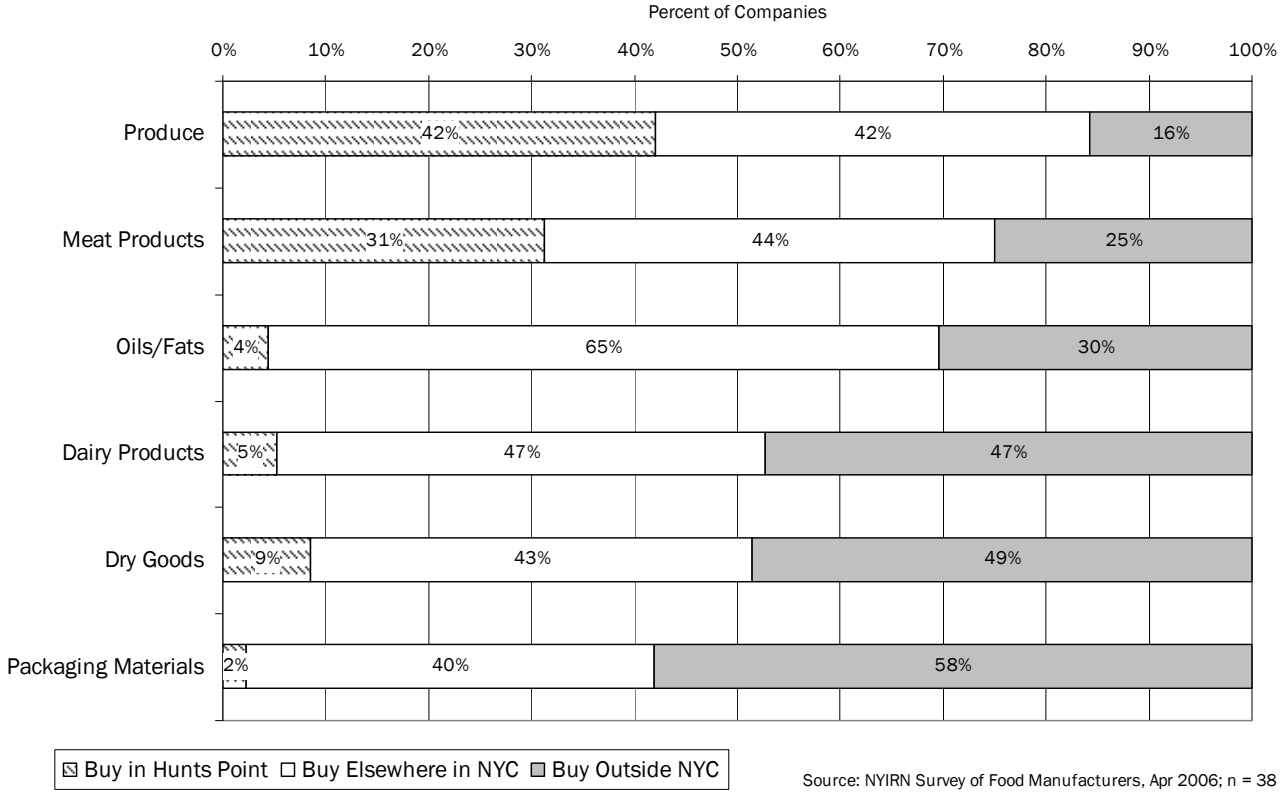
V) Food Manufacturing Supply Chain

Food manufacturing firms are connected to the wider economy in a number of ways. For example, they buy produce from wholesalers in Hunts Point; sell muffins to local public schools; buy mixes from other local manufacturers; export frozen pastry dough to the Midwest; pay truckers to ship their material out-of-state; use accountants in offices in Manhattan; and pay their workers substantial wages. In all these ways and more, food manufacturing has a significant footprint on the economy, that in 2003, neared $5 billion.

Purchases by New York City Food Manufacturers

Manufacturers, both in the interviews and the survey, said they spent the most on materials and wages, closely followed by rent and energy. In 2003, food manufacturers bought approximately $3.4 billion of goods and services from companies located both in and outside of New York City.[12] This includes $1.3 billion in goods and services from local companies and $2.1 billion in purchases from companies outside the city. Of the $1.3

Where NYC Food Manufacturers Purchase Supplies



Source: NYIRN Survey of Food Manufacturers, Apr 2006; n = 38

[12] IMPLAN 2003, analysis by Fiscal Policy Institute (FPI), 2006.

billion bought from local companies, half was on tangible goods, such as produce or meat, 37% was on services, and 13% was spent on transportation and utilities (see Table 6).

Perishable and Non-Perishable Goods: $655 million

Manufacturers overwhelmingly buy perishable food products from local suppliers (see above graph), while non-perishables—especially packaging materials and dry goods—were more likely to come from sources outside the city. In total, the food sector purchased approximately $655 million of raw or refined supplies from New York City companies. About 45% of this was locally-manufactured items, $251 million of which were processed food products—bakers buying mixes made locally or cereal companies buying granola processed locally. The other $51 million was packaging, labels, and equipment manufactured in the city. Manufacturers also bought $347 million of products via local wholesalers or retailers that probably were not made in New York City, such as produce, office supplies, or machinery. The final $5 million of purchases in products was from extractive industries such as fishing.

Many of these supplies came through the markets and distribution centers in Hunts Point. According to the survey of food manufacturers, 42% of those who buy produce stated they purchased it from Hunts Point, as did 31% of firms that purchase meat. A large proportion of the food consumed by city residents comes through Hunts Point in one form or another, so it is natural that local manufacturers would get a good portion of their raw food ingredients from there as well.

Table 6: Local purchases by NYC food manufacturing sector

Sector	Local purchases ($millions)
Raw and Refined Goods	**655**
Wholesale trade	338
Food Manufactured in NYC	251
Printing, paperboard, plastics	37
Metal Products	13
Miscellaneous Retail Purchases	9
Farming & Fishing	5
Electronic equipment	1
Service Sectors	**489**
Business Services	352
Finance, Insurance, Real Estate	82
Other Services, Government	34
Food Services, Hotels, Leisure, Arts	21
Non-Manufacturing Industrial Sectors	**166**
Transportation & Warehousing	106
Utilities	60
Total local purchases	**$1,310 M**

Source: IMPLAN 2003; analysis by FPI 2006.

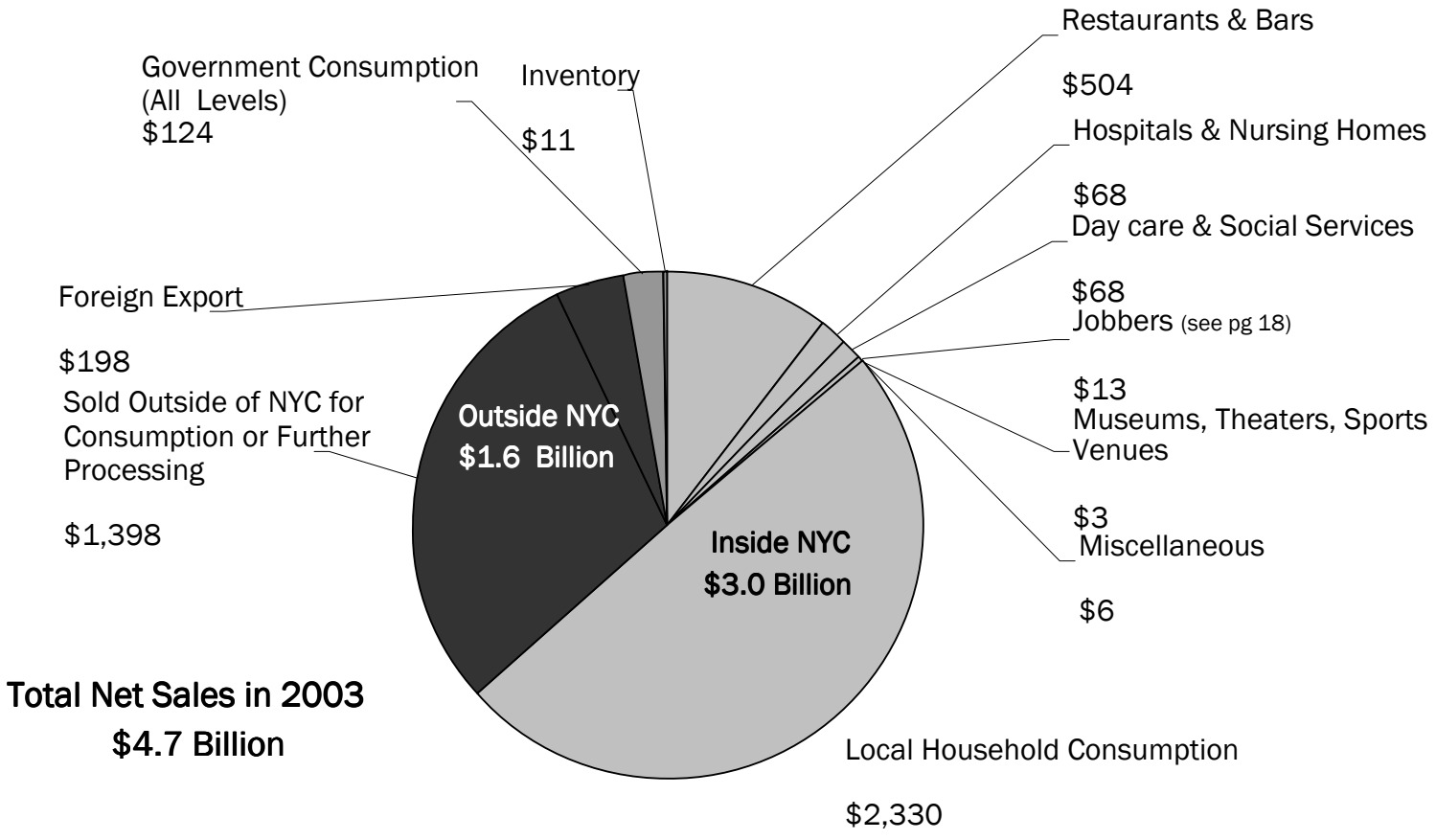
Services: $489 million
Food manufacturers bought $489 million from the service sector. Business services, at $352 million, was by far the largest portion of this figure, encompassing lawyers, accountants, food brokers, consultants, etc. Another $82 million went to the financial, insurance, and real estate sectors, which includes rent payments.

Transportation and Utilities: $166 million
Food manufacturers bought $106 million in transportation services from local companies and $60 million from utility companies. This represents two large expenditures in local blue-collar sectors that pay fairly high wages.

Purchases Outside New York City: $2.1 billion
There is another $2.1 billion in purchases by New York City manufacturers from companies outside the city, as imputed from IMPLAN's model. Based on interviews and surveys, this figure likely includes a significant portion of expenditures on materials (especially dry goods and packaging materials), rent, energy, transportation, and equipment purchases.

Sales of Food Manufactured in NYC

2003, in Millions of Dollars



Source: IMPLAN 2003; analysis by FPI 2006.

Diagram 1

Summary of NYC Food Manufacturing Purchases and Sales, 2003

In Millions of Dollars

Source: IMPLAN ©MIG, Inc.
Aggregation by Fiscal Policy Institute, 2006
Figures rounded to nearest $10 million

Value Added By Manufacturing Process $1,340

Employee Wages $710

Owner Income
Business Profits
Taxes
$630

Total Purchases (Input) $3,380

Purchases by NYC Food Manufacturers From Other NYC Companies $1,310

Raw Ingredients & Refined Supplies $660

Purchases from other NYC Food Manufacturers $250 ①

Services $490

Transportation & Utilities $170

Purchases by NYC Food Manufacturers From Companies Outside NYC $2,070

Note

1- Purchases from NYC food manufacturers could be considered either as part of gross sales or total purchases.

Net Sales (Output) $4,720

Sales Inside NYC $2,990

Local Households $2,330

Bars & Restaurants $500

Other Private Institutions $160

Government $120

Inventory $10

Sales Outside NYC $1,600

Domestic Export $1,400

International Export $200

Sales of Locally-Manufactured Food

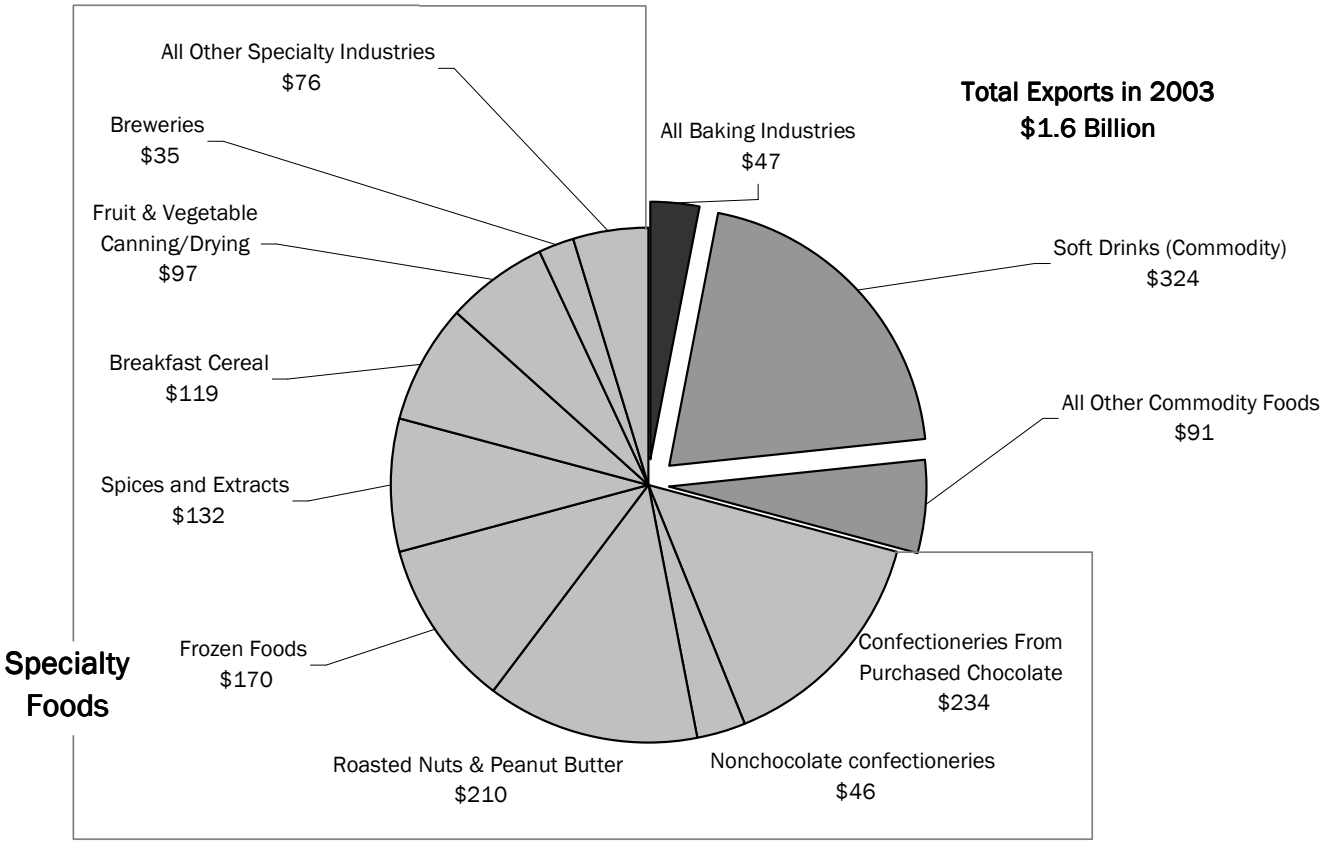
Gross sales of food manufactured in the city were $4.97 billion in 2003.[13] Subtracting the $251 million of locally manufactured food purchased by other food manufacturers, net sales for the sector are $4.72 billion. About $3.0 billion (64%) of this was consumed locally and $1.6 billion (34%) was sold outside of the city. The remaining 2% were government purchases or net additions to inventory, which cannot be classified strictly as local or export transactions.

Local households are the major consumers of locally-manufactured food, totaling $2.33 billion in sales, comprising 78% of all local sales.[14] Restaurants and bars purchase $504 million and institutions such as hospitals, social service, day care, and museums purchase another $139 million.

Sales to all levels of government—which would include New York City public schools, as well as purchases by the federal government, and other state and local governments—totaled

Exports of Food Manufactured in NYC

2003, In Millions of Dollars



Source: IMPLAN 2003; analysis by FPI 2006.

[13] IMPLAN 2003, analysis by Fiscal Policy Institute (FPI), 2006.

$124 million. Net addition to inventory—product unsold to end users at the end of the year—accounted for another $11 million. Because of the uncertainty as to the location of product purchasers in these categories, neither of these figures can be considered exclusively as local or export sales.

Local food manufacturers, particularly those making specialty foods, export a large portion of their product. A total of 34% of all sales ($1.6 billion) are to companies outside the city. Most food exported from the city goes to points within the U.S. ($1.4 billion) for consumption or further processing, while $198 million is exported internationally.[15] The top food products exported by the city are soft drinks, and specialty foods, such as chocolate confectioneries, nut products, frozen food, ethnic foods, and spices.[16] Of all food products exported, 71% are specialty foods, and if soft drink manufacturing is excluded from calculation, almost 90% are specialty foods.

Fourteen survey respondents (40%) stated that more than half of their business is selling to outside the city. Of this group, ten of these are specialty manufacturers, three are bakers, and one a commodity manufacturer. Six survey respondents, two of which are large bakeries and four of which are specialty food companies, stated that 5% or more of their sales are for an international market. Two additional respondents, both of which are specialty food companies, stated that 1% of their sales are international.

It is a common occurrence that food manufactured in New York City (particularly frozen and shelf-stable products) is transported out of the city for distribution and then ultimately sold back in the city.[17] Two real-world examples are frozen muffins and preserved fruit sold to a food service company like Sysco or U.S. Foods, which have distribution centers in New Jersey. These companies are large suppliers for New York City restaurants and bars and often re-import locally-manufactured goods back into the city.

VI) Sales and Distribution

The New York City metropolitan region has one of the largest food distribution networks in the world. Local food manufacturers that serve the local market occupy a unique place in this network, as they have low transportation costs to move their product to market. Due to the incredible size of the food market in the city, the demand for specialized, quality food, and the sheer number of food outlets—more than 13,900 restaurants and 7,400 stores[18]—there are many opportunities for smaller entrepreneurs to break in at many different levels.

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[14] This figure reflects the wholesale price of locally-manufactured food, not the retail price.
[15] The IMPLAN model cannot detail the different type of foods sold between international or domestic export sales.
[16] IMPLAN 2003, analysis by Fiscal Policy Institute (FPI), 2006.
[17] All regional input-output economic models, including IMPLAN, cannot account for these kinds of inter-regional transactions.
[18] NYS DOL 2005 2Q. The NYC Department of Health counts over 20,000 registered food service establishments, which includes retail bakeries, street vendors, and sole-proprietors, which would not show up in the DOL number cited.

Sales Models

NYIRN's interviews revealed that most local sales are generated by word-of-mouth, both for products with *and* without a strong brand. Distributors and wholesale businesses interviewed primarily stated that much of what they carry is based on demand by their customers, that is, retail outlets or restaurants. Walk-in sales pitches are also a very common route for selling to local small and medium-sized retailers and restaurants. Most of the retailers interviewed for this project stated they are receptive to receiving such pitches.

Additional methods of raising product awareness and generating sales mentioned by manufacturers and buyers were trade shows, mainstream news articles, coverage on the Food Network, reviews in trade journals, government RFPs for food products, and recognition by trade associations, such as the National Association for the Specialty Food Trade (NASFT).

Manufacturing companies employ two main types of salespeople that directly sell their product to retail and restaurant clients: food brokers and sales staff. Food brokers are independent salespeople who carry a catalogue of products from numerous manufacturers and distributors. Brokers take a cut (typically a few percentage points) of sales to a client.

Manufacturers also rely on distributors and jobbers—independent distributors who operate one or several vehicles—to generate sales through their accounts and relationships. These businesses mark up their products (distributors 10-25% and jobbers 20-30%) but both groups are an integral part of the sales process.

Distribution Networks

New York City has a complex, geographically-based distribution network that works on several levels: companies distributing their own products; jobbers; large distributors located both in and outside the city; and cash-and-carry wholesale stores.

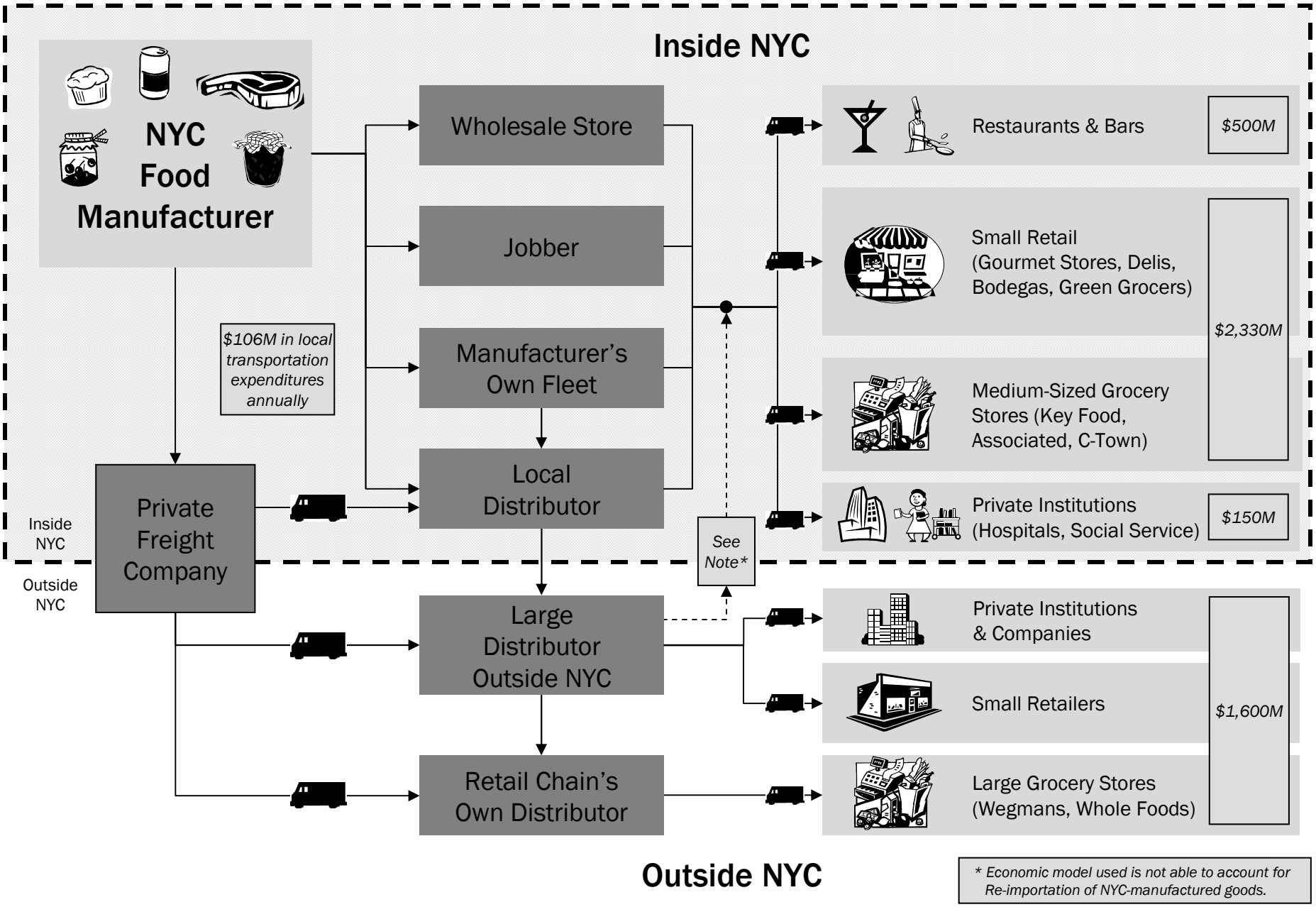
In the survey, 47% of manufacturers said they primarily used their own fleet for local distribution. Two large, high-end bakeries interviewed rely solely on their own fleet to deliver their product direct to local clients. A manufacturing firm that distributes its own products maintains greater control over price and client relations, but it has the added costs of logistics personnel and maintaining a truck fleet.

Survey Question: "What is the primary way your product is transported to NYC clients?"	
Fleet of 1-2 vehicles	28%
Distributor	22%
Fleet of 3 or more vehicles	19%
Sell direct to customers/jobbers	17%
UPS/FedEx/DHL	11%
Bike/walk/handtruck	3%

NYIRN Survey of Food Manufacturers, Apr 2006; n = 36

Diagram 2

NYC Food Manufacturing Distribution Chain



Survey Question: "What percentage of your products are delivered by a separate distributor?"	
None	34%
Less than 25%	34%
25% to 50%	16%
More than 50%	16%

NYIRN Survey of Food Manufacturers, Apr 2006; n = 32

Most of the retailers interviewed said they bought a significant portion of their locally-manufactured goods from jobbers. It is roughly estimated that there are at least 1,000 jobbers in the city. A unique feature of New York City's economy, jobbers are independent, truck-based wholesalers who do not have warehouses and operate in a mostly cash economy. The IMPLAN model indicates that they bought an estimated $13 million of product from local manufacturers, but this is a vast undercount as they are largely a "cash-and-carry" business.

Jobbers have their own set of clients—primarily small and medium-sized retailers, restaurants, and caterers—that they visit several times a week. They mostly deal with perishable foods, such as produce, baked goods, meat, dairy and eggs. Each jobber typically specializes in a general type of food such as refrigerated goods, baked goods or produce. A jobber's route is worth a significant amount of money. Routes are frequently traded for tens of thousands of dollars, with the value determined by the size and number of accounts.

Jobbers get their orders the afternoon or evening before their deliveries. They begin the next day around 3:00–4:00 A.M., purchasing products from several manufacturers, distributors, wholesalers and/or produce markets. They begin their deliveries around 6:00 AM, completing in the early afternoon. Jobbers act as a trucker, a buyer, and an accounts manager all-in-one, thus reducing these costs for the small businesses they serve and eliminating the need for a manufacturer to maintain a truck fleet.

There are a number of New York City-based distributors that buy, warehouse, sell, and deliver shelf-stable refrigerated and/or frozen the products of a number of local manufacturers. The difference between distributors and jobbers is that distributors have a warehouse and at least a small fleet of trucks.

Of the survey respondents, 22% use distributors as a way to transport their products to market. Distributors usually have their own set of clients that they sell to through their own staff. NYIRN interviewed a Queens-based distributor who deals with at least a dozen local manufacturers and sells to a wide variety of restaurants, retailers, and cafeterias. This particular distributor picks up product from the local factories and warehouses it until it is needed by their clients. Manufacturers occasionally engage private trucking firms (or "freight forwarders") to deliver their

Sarabeth's Kitchen

Sarabeth and Bill Levine opened a bakery in 1981 to manufacture and sell preserves and baked goods. In addition to five restaurants and a wholesale/retail bakery in Chelsea Market, they also manufacture fruit preserves in a 15,000 square foot factory in Hunts Point, Bronx. The company's high-end jam stocks the shelves of stores from Boston to Tokyo, and can be found in stores as varied as Williams Sonoma, Fairway, Wegman's, and Kings Market.

Sarabeth's has steadily expanded its market reach throughout the United States by cultivating medium and large-sized retail outlets. It gets many supplies from a NYC-based baking supply company, as well as the Hunts Point markets. Standardized materials, such as the glass jars that the company pays a premium to package its product in, come from New Jersey or are imported from Italy. Because the company does not have a truck fleet, they use private freight companies to ship their product to distributors both locally and nationally.

product to local distributors. Manufacturers who do not have trucks might also use a distributor to deliver to their own clients, as opposed to the distributors' clients, for a delivery fee instead of a percentage markup.

A number of distributors that serve New York City clients are not based in the city because of the costs of land and labor. Most notably, the large food service corporations that supply restaurants, corporate cafeterias and some manufacturers (e.g. Sysco and US Foodservice), are based in New Jersey or upstate New York. Therefore, some locally-manufactured food, notably frozen (e.g. muffins) and shelf-stable products (e.g. pasta) are taken out of the city and then distributed by these entities to clients back in the city. As already noted, this re-importation activity is not captured by the economic model used for this study.

Amy's Bread

Amy Scherber founded Amy's Bread in 1992 with just five employees. The company now has over 100 employees, two Manhattan production facilities for bread and pastries, and three retail outlets. Amy's Bread gets its flour from a NYC-based bakery supply company and most of its produce from an independent jobber based in Hunts Point. The company uses a fleet of eight trucks to make daily deliveries of bread to a large number of restaurants and retail outlets. Most of its local wholesale customers are located in Manhattan. Amy's Bread also sells a sizable amount of product to a local distributor who primarily serves wholesale customers in Long Island and New Jersey.

Cash-and-carry wholesale stores, such as Restaurant Depot (formerly Jetro), also serve small retailers and restaurants. They offer lower prices than jobbers or distributors by buying in bulk and not having to deliver to stores and restaurants, but are less convenient because retail outlets must arrange for their own transportation. These kinds of stores carry many locally-manufactured products, especially meat, nuts and frozen foods.

Food sold to customers outside the city almost exclusively travels through distributors. Manufacturers either hire private trucking firms to make deliveries to out-of-state distributors or the distributors pick up products at local factories.

VII) Why Make Food in New York City?

Incubating New Food Businesses

The *Initiative for a Competitive Brooklyn* noted in its 2005 study that the food distribution system itself is a competitive advantage for local food manufacturers. Throughout most of the country, regional distribution is dominated by a few large companies, but in New York City there are multiple distribution channels including food manufacturers themselves, freight brokers, jobbers and distributors. This myriad of distribution options in addition to the city's population density, large numbers of small retailers, and diverse customer base, allows for startup manufacturers to get a foothold in the city. These manufacturers might not otherwise be able to start elsewhere in the country, where large food processing and distribution firms dominate the market.

Strong Supply and Distribution Network

New York City's food manufacturing industry is tied to location in a number of unique ways. The established relationships between retailers, distributors, jobbers and manufacturers would be difficult to recreate if food manufacturers were moved out of the city. There is a significant clustering effect between food manufacturers in the city, as approximately $250 million of manufactured product is sold from one local food manufacturer to another. This likely includes refined, value-added ingredients such as mixes, flavoring, syrups, nuts, and dairy products. Other examples of location within the city adding value to the end product includes:

- Manhattan-based bakeries primarily serve Manhattan-based customers, cutting down on transportation costs and facilitating relationships between manufacturers and customers;
- Local bakers mostly get their major ingredient, flour, from distributors in Brooklyn and Queens, thus increasing their multiplier effect; and,
- Jobbers sell their routes to each other for tens of thousands of dollars because the complex network of relationships that they have built up can generate significant income for the new route operator.

If a food manufacturer moves out of New York City, it weakens that firm's direct access to the market, because it has removed itself from the tight local network of ingredient suppliers and food distribution. Opting for a suburban location makes these manufacturers more likely to use a large, national distributor. Not only would the City lose the jobs associated with that firm, but also its substantial economic impact associated with suppliers and distributors.

Low Transportation Costs to Serve Local Market

The local retailers interviewed largely stated that the quality and pricing of a product is much more important to their purchasing decisions than whether or not a product is made locally. Local manufacturing is an advantage for food products to the extent that lower transportation costs or the freshness of product help the pricing or quality of the product.

Every retailer, wholesaler, and distributor interviewed for this study did note that locally-manufactured food has a competitive advantage in lower transportation costs over similar food

products that are imported. It is typically more expensive to ship manufactured goods like bread, pasta, compared to the bulk components like flour that manufacturers use as inputs. This advantage could grow as rising energy costs push up transportation costs.

Currently, numerous firms find that the favorable freight costs associated with local production for the local market outweigh the increased labor and real estate costs of manufacturing food in New York City. Survey respondents noted that transportation was one of their lower expenses; 50% ranked it in their bottom third of expenses, compared to 25% who ranked it in their top third. Most firms in the regional distribution network need to be close to their market, which is centered in New York City. These firms are unfortunately constrained from expanding or relocating within the city because of low land availability and the instability of industrial areas.[19]

The food distribution chain could become more vulnerable to economic disruption by higher energy and transportation costs as these factors force more manufacturers and distributors to move outside the city. The traditional advantages of a decentralized food distribution and manufacturing network could be outweighed by high energy costs. If the distributors, bakers, and commodity manufacturers that all serve local retailers and food service industries continue to disperse out of the city, the distribution network could be much more susceptible to fluctuations in transportation and energy costs. The result would be volatile food prices and a heavy burden on New Yorkers.

[19] City of New York. *Protecting and Growing New York City's Industrial Job Base.* Jan 2005.

VIII) Conclusions

Food manufacturing is a $5 billion industry in New York City. The industry directly employs approximately 19,200 New York City residents, including 2,500 self-employed individuals. When all of its economic impacts on the city are counted, food manufacturing supports the employment of 33,800 New Yorkers. The industry generates $1.3 billion in direct local purchases, the biggest of which are in business services ($352 million) and wholesale trade ($338 million). Food manufacturing has $4.7 billion in net sales, 49% of which is consumed by local households, 14% sold to other local industries, and 34% sold for export.

Food manufacturing is the most stable manufacturing sector because it is closely tied to the citywide economy and because of the City's competitive strengths in specialty foods. Not only do firms benefit from strong ties to the local distribution network, they provide fresh, perishable food that is consumed by local households, bars, restaurants, and other local industries in great numbers. In addition, New York City acts as a "test kitchen" for specialty foods that are exported to the rest of the country in significant quantities.

Within the local food manufacturing industry, there are three main components that serve different functions in the economy and are heading on very different trajectories.

- *Specialty* foods provide decent wages—$36,300 annually, on average—and employment is stable or increasing in many of these industries. Specialty food industries also include the bulk of food exported from the city; 71% of all food exports by value. Excepting soft drinks, which in this study are classified as a commodity, specialty foods represent 90% of all exported locally-manufactured food. Finally, specialty foods have the greatest multiplier effect of any of the three groups, at 2.3 total jobs created for every one job created in specialty food manufacturing.

  From both a job- and a wealth-creation perspective, public investment in strengthening the specialty food sector will yield significant returns.

- *Commodity* food manufacturing mostly serves the local market and provides substantial wages— $46,300 annually, on average. These companies are in significant decline in New York City, losing 34% of their employees from 2000–2005, mirroring the fate of other standardized local manufacturers, such as staplers or apparel. This is likely because there is not much of a competitive advantage for many commodity food manufacturers to remain in New York, other than the low transportation costs associated with serving a local market.

- *Baking* industries comprise at least half of all food manufacturing employment in the city. These companies almost entirely serve the local market. Employment has been declining slightly in these industries since 2000.

A close look at the food manufacturing sector dispels much of the conventional wisdom about New York City manufacturing. While there have been some job losses, there remains tremendous

vitality. Some businesses are closing or moving out, but many new ones are opening or expanding, particularly those making specialty foods and some baked goods.

Other manufacturing sectors—notably metal, woodworking, printing, and equipment—likely have similar trends if examined closely. Just as this study found that specialty foods are a stable, export-oriented industry, so too might such niche industries as custom-designed furniture, architectural metalworking, green building materials, or movie set fabrication. These are industries that defy easy categorization within economic statistics, and therefore could easily be missed in the complex, multilayered system that is the New York City economy.

Appendix 1: Survey of Food Manufacturers

11 Park Place, Suite 914, New York, NY 10007 p 212-404-6990 ext. 17 f 212-404-6999 www.nyirn.org

Food from New York, a project of the New York Industrial Retention Network (NYIRN), is conducting a study of the food manufacturing sector to show its importance to the city economy. Filling out this brief survey will help us demonstrate how firms like yours make a significant and too-often overlooked contribution to the city.

For your convenience, you can complete this survey online at http://www.nyirn.org/foodsurvey
If you use this paper form instead, please fax or mail the completed survey to us by **April 28th**.
Fax: (212) 404-6999 Mail: NYIRN, 11 Park Place #914, New York, NY 10007

YOUR RESPONSES WILL BE KEPT CONFIDENTIAL

Contact Info

Company Name_____ Contact Person _____

Address _____

City_____ State _____ Zip _____

Phone (_____) _____-_____ Fax (_____) _____- _____

Email _____ Website _____

Company Information

1. How many years have you been in business? _____

2. How many people do you employ? *Total*_____ *In production?* _____

3. How many years have you been in your current location? _____

4. Do you rent or own your building? ☐ Rent ☐ Own

5. What products do you manufacture? *(check the categories that primarily apply)*

☐ Sugar/Confectionary/Chocolate	☐ Specialty Food	☐ Fruit/Vegetable Preserving
☐ Prepared Salads/Soups	☐ Dairy	☐ Seafood
☐ Grain Processing/Oilseed	☐ Bakery/Bread	☐ Animal Food
☐ Meat Processing	☐ Beverage	☐ Other *(specify)* _____

Future Plans

6. Do you plan to expand your workforce in the next 2 years? ☐ *Yes* ☐ *No* ☐ *Don't Know*
If yes, how many workers are you planning to hire? _____

7. Do you plan to buy equipment in the next 2 years? ☐ *Yes* ☐ *No* ☐ *Don't Know*

8. Do you plan to move in the next 3 years? ☐ *Yes* ☐ *No* ☐ *Don't Know*
If yes, are you considering leaving NYC? ☐ *Yes* ☐ *No* ☐ *Don't Know*

Distribution & Sales

9. What percentage of your market is within the following regions? *(total must add up to 100%)*

New York City	_____%	United States (outside of NYS)	_____%
Elsewhere in New York State	_____%	International	_____%

Distribution & Sales

10. What percent of the following makes up your NYC customer base? *(total must add up to 100%)*

Retail/Grocery _____% Restaurants_____ % Hotels _____ %

Food Service _____% Other _____% *(specify)* _____

11. Which local stores carry your product? _____

_____

_____

12. What is the primary way your product is transported to NYC clients? *(check one)*

☐ Sell direct to customers/jobbers ☐ Fleet of 1-2 vehicles ☐ Fleet of 3 or more vehicles

☐ Bike/walk/handtruck ☐ Distributor ☐ Other *(specify)* _____

13. What percentage of your products are delivered by a separate distributor? _____%

14. What percentage of your sales are handled by a food broker? _____%

Economic Impacts

We are collecting this information about the food manufacturing supply chain to demonstrate how companies like yours are connected to other sectors of the New York City economy.

15. Where do you get the following types of supplies from? *(check all that apply)*

	Hunts Point	*Elsewhere in New York City*	*Elsewhere in New York State*	*Another State*	*I Do Not Use*
Produce	☐	☐	☐	☐	☐
Dry Goods (ex. flour, soybeans, pasta)	☐	☐	☐	☐	☐
Dairy Products	☐	☐	☐	☐	☐
Meat Products	☐	☐	☐	☐	☐
Oils/Fats	☐	☐	☐	☐	☐
Packaging Materials	☐	☐	☐	☐	☐

16. What is your gross annual revenue from all sources? *(check one)*

☐ *Under $100,000* ☐ *$100,000-500,000* ☐ *$500,000-1,000,000*

☐ *$1,000,000-5,000,000* ☐ *Over $5,000,000*

17. Please rank the following business expenses in order of how much they cost you annually:
(1 is the most expensive, 9 is the least expensive)

Materials _____ Wages _____ Rent/Mortgage _____

Business services _____ Energy _____ Transportation _____

Insurance _____ Taxes _____ Equipment _____

Thank you for your help with this important study!
PLEASE RETURN YOUR COMPLETED SURVEY VIA **FAX** *OR* **MAIL** BY **April 28th** TO
Fax: (212) 404-6999 Mail: NYIRN, 11 Park Place #914, New York, NY 10007

Appendix 2: Survey of Food Manufacturers Results

How many years have you been in business?	
Average	30.8

How many people do you employ?			
Number of Employees	*All Employees*	*Production Employees*	*Avg. of % in Production*
Less than 10	10	18	67%
10-24	17	7	64%
25-99	6	8	71%
100 or Greater	4	2	72%
na	1	3	
Grand Total	38	38	67%

How many years have you been in your current location?	
Borough	*Average of Years in current location*
Citywide	21
Bronx	35
Brooklyn	15
Manhattan	17
Queens	30

Do you rent or own your building?		
Rent	19	50%
Own	19	50%

What products do you manufacture? *(Check the categories that primarily apply)*		
Bakery/Bread	14	37%
Specialty Food	8	21%
Sugar/Confectionary/Chocolate	7	18%
Meat Processing	4	11%
Animal Food	3	8%
Grain Processing/Oilseed	3	8%
Fruit/Vegetable Preserving	2	5%
Beverage	2	5%
Coffee/Tea *(volunteered)*	2	5%
Other (specify)*	2	5%
Prepared Salads/Soups	1	3%
Seafood	1	3%
Dairy	0	0%
Total Respondents	38	
(skipped this question)	0	
*Eight responses were recategorized from "Other" Total percentages do not add up to 100% because some firms manufacture products in more than one category.		
Other responses: "Bakery seeds, spices and seasonings" "Oriental pasta products, bean sprouts, fortune cookies"		

Do you plan to expand your workforce in the next 2 years?		
Yes	27	73%
No	3	8%
Don't Know	7	19%
Total Respondents	37	
(skipped this question)	1	

If yes, how many workers are you planning to hire?	
1	1
2	1
3	3
5	5
6	1
7	1
8	1
10	2
12	1
15	1
no answer	21
Total Employees	*105*

Do you plan to buy equipment in the next 2 years?		
Yes	29	81%
No	2	6%
Don't Know	5	14%
Total Respondents	36	
(skipped this question)	2	

Do you plan to move in the next 3 years?		
Yes	9	26%
No	19	54%
Don't Know	7	20%
Total Respondents	35	
(skipped this question)	3	

If yes are you considering leaving NYC?		
Yes	6	23%
No	14	54%
Don't Know	6	23%
Total Respondents	26	
(skipped this question)	12	

What percentage of your market is within the following regions?	
	Response Average
% New York City	54.9%
% Elsewhere in New York State	17.9%
% United States (outside of NYS)	33.8%
% International	7.5%
Total Respondents	35
(skipped this question)	3

What percent of the following makes up your NYC customer base?	
	Response Average
% Retail/Grocery	54.8%
% Restaurants	32.9%
% Hotels	7.3%
% Food Service	34.3%
% Other	33.0%
Total Respondents	37
(skipped this question)	1

Which local stores carry your product?	
Withheld for privacy	
Total Respondents	25
(skipped this question)	13

What is the primary way your product is transported to NYC clients?		
Sell direct to customers/jobbers	6	17%
Fleet of 1-2 vehicles	10	28%
Fleet of 3 or more vehicles	7	19%
Bike/walk/handtruck	1	3%
Distributor	8	22%
UPS/FedEx/DHL	4	11%
Total Respondents	36	
(skipped this question)	2	

What percentage of your products are delivered by a separate distributor?	
None	11
< 25%	11
25-50%	5
over 50%	5

Percent of deliveries made by a Distributor	*Number of responses*
0%	11
2%	1
10%	5
15%	3
18%	1
20%	1
30%	1
40%	1
50%	3
60%	1
70%	1
99%	1
100%	2

Gross Annual Revenue	*Average of Distributor Delivery %*
Under $100,000	33%
$500,000 - 1,000,000	20%
$100,000 - 500,000	25%
$1,000,000 - $5,000,000	26%
Over $5,000,000	13%
na	0%
Grand Total	21%

What percentage of your sales are handled by a food broker?	
% of sales	*# responding*
0%	21
5%	2
10%	1
20%	1
25%	2
35%	1
50%	1
60%	2
Grand Total	31

Gross Annual Revenue	*% that use food broker*	*Avg % of sales*
Under $100,000	33%	3.3
$500,000 - 1,000,000	0%	-
$100,000 - 500,000	0%	-
$1,000,000 - $5,000,000	27%	11.0
Over $5,000,000	56%	13.3
Overall	32%	**7.8**

Where do you get the following types of supplies from? (check all that apply)				
	Hunts Point	*NYC*	*Outside NYC*	*# Who Use*
Produce	8	16	3	18
Dry Goods (ex. flour soybeans pasta)	3	18	17	29
Dairy Products	1	10	9	18
Meat Products	5	12	4	12
Oils/Fats	1	16	7	21
Packaging Materials	1	18	25	35

	% Hunts Point	*% in NYC*	*Outside NYC*	*% that use*
Produce	42%	84%	16%	60%
Dry Goods (ex. flour soybeans pasta)	9%	51%	49%	94%
Dairy Products	5%	53%	47%	60%
Meat Products	31%	75%	25%	39%
Oils/Fats	4%	70%	30%	68%
Packaging Materials	2%	42%	58%	100%

What is your gross annual revenue from all sources?		
Under $100	3	9%
$100k-500k	4	11%
500k-1m	4	11%
1m-5m	15	43%
Over $5	9	26%
Total Respondents	35	
(skipped this question)	3	

Please rank the following business expenses in order of how much they cost you annually (1 is the most expensive 9 is the least expensive)				
	Average	*% rank as top 3*	*# rank in top 3*	*Responses*
Materials	2.5	73%	24	33
Wages	2.6	69%	25	36
Rent/Mortgage	3.7	57%	20	35
Energy	3.9	39%	13	33
Insurance	5.0	20%	7	35
Taxes	5.6	26%	9	34
Transportation	6.0	31%	10	32
Equipment	6.9	6%	2	31
Business Services	7.1	3%	1	29

Employees Represented			
Borough	*Bakery/Bread*	*Not Bakery*	*Grand Total*
Bronx	44	53	97
Brooklyn	180	567	747
Manhattan	191	24	215
Queens	29	488	517
Grand Total	**444**	**1132**	**1576**

Companies Represented			
Borough	*Bakery/Bread*	*Not Bakery*	*Grand Total*
Bronx	3	4	7
Brooklyn	3	14	17
Manhattan	5	2	7
Queens	2	4	6
Grand Total	**13**	**24**	**37**