Organic farmers get new market

Amy's Kitchen expects to start hiring in late summer

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South Carolina doesn't produce enough organic crops to supply the Amy's Kitchen food factory that's coming to Greenville, but the state's farmers could rise to the occasion now that a big new buyer has surfaced, agribusiness experts said.

Amy's Kitchen, a natural and organic foods firm from California, announced plans Wednesday to hire 700 people and spend $63 million establishing its first East Coast factory in the former Sara Lee bakery along Interstate 85.

Tavia Gaddy, a project manager with the Greenville Area Development Corp., Greenville County's economic development arm, said the plant would pay produc-

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GEORGE GARDNER / Staff

Gov. Nikki Haley and Amy's Kitchen CFO Mark Rudolph announce Wednesday that the company will invest in a production facility in Greenville.

View **photos** from the **announcement** and **hear Gov.** Nikki Haley call it a 'major economic development win' at GreenvilleOnline.com.

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tion workers an average of $9.50 an hour.

Mark Rudolph, the company's chief financial officer, said the hourly wage could be as high as $20 for skilled workers. He said Amy's Kitchen offers a benefits package and pays the entire cost of an employee's health-care coverage after six years.

The plant should begin initial hiring in late summer and make its first product in January, Rudolph said.

He said the plant over time would spend tens of millions of dollars a year procuring organic crops such as broccoli, onions and bell peppers and would buy from area growers as much as possible.

Now, however, very few of South Carolina's farmers are certified by the U.S. Department of Agriculture as organic producers, said David Hughes, an agricultural economist with Clemson University.

'Real opportunity'

"It's growing, and there's a huge amount of interest in it, but right now we would come nowhere close to meeting that need," Hughes said. "It's a real opportunity though."

Hughes said the centers of organic crop production are in California, the upper Midwest and the Northeast. "The Southeast lags behind the rest of the country."

Geoff Zehnder, coordinator for Clemson's sustainable agriculture program, said small growers with five to 20 acres could supply the plant "if the pricing makes sense, and if they are able to get the organic certification."

Growers would also need to be versed in food safety, Zehnder said, and might want to form a cooperative or local packing house.

State and local officials said they used property tax breaks and tax credits tied to job creation to recruit Amy's Kitchen.

"For 700 jobs, it's very much worth it, in my opinion," said Jerry Howard, who leads Greenville County's industrial recruitment as president of GADC.

The state also chipped in a $1 million grant for infrastructure at the site, said Kara Borie, spokeswoman for the South Carolina Department of Commerce.

Rudolph said the incentives package was the "deciding factor" in Amy's Kitchen picking Greenville over a site in Fayetteville, N.C.

Rudolph, who was chief financial officer for Peet's Coffee & Tea before joining Amy's Kitchen a year ago, said the former Sara Lee bakery was also a draw.

Sara Lee used the 120,000-square-foot building to make bagels and pizza dough but closed it in 2009 as the economy struggled.

Amy's Kitchen ultimately plans to double the size of the facility and make its entire line of frozen entrees, frozen pizzas and soup there, Rudolph said.

Gov. Nikki Haley was among the dignitaries who appeared with Rudolph for the jobs announcement at County Square.

She encouraged about 100 people gathered in Greenville County Council chambers to try Amy's Kitchen products if they hadn't already done so.

"My kids love their mac and cheese," Haley said. "Michael and I love their pizzas. And my parents even love the fact that they have Indian food."

Haley told reporters she spoke on the phone with Andy Berliner, Amy's Kitchen co-founder, as the company was getting ready to decide where to put the plant.

"What you do is you tell them you are coming to a state where the cost of doing business is low, where the work force will be strong and where we are going to be invested in your success," Haley said. "And not only that, you'll have a governor that's at your call whenever you run into problems."

Amy's Kitchen, based in Petaluma near San Francisco, has about 1,800 employees and is on track this year to surpass $300 million in annual revenue, Rudolph said. He said the company is growing at a rate of about 13 percent a year.

The family-owned firm was founded in 1987 by Rachel and Andy Berliner, husband and wife, and is named after their daughter, Amy.

Rudolph said more than half of sales comes from the East Coast, and the company expects to save a lot of money in freight costs and improve its margins by establishing the Greenville factory on top of the two plants it already operates in California and Oregon. He said Amy's Kitchen is also building a factory north of London to supply the European market.