

MANUFACTURING: A Different (Sweeter) Kind

Often when people think of manufacturing they think of machines, tools and metals. EFCO Products Inc. uses machines and tools (both made of metal) but their end products are infinitely sweeter than any other manufacturer we have profiled so far. Located in the heart of Poughkeepsie, nestled among other more traditional manufacturers on Smith Street, EFCO is the building which sometimes smells of strawberries.



Quality Assurance Technician and recent CIA graduate Haley Pierce testing one of EFCO's bakery mixes in their Quality Assurance laboratory.



Steven Effron, President of EFCO Products, surrounded by large totes of dry sweetener.

A fourth generation family-owned business, EFCO is a global leader in ingredients for wholesale bakeries, chain restaurant operators, retail bakeries, food processors, frozen food manufacturers, and supermarket bakeries. These include off the shelf and custom formulated products, from pie fillings to cake and donut mixes, beverage bases and syrups, to fruit and specialty toppings for desserts and so much more. EFCO Products is a Hudson Valley manufacturer that faces many of the same challenges as its neighbors and a few unique to the food and beverage industry.

Founded in 1903 by Samuel Effron as a local feed, flour and grain business, the company delivered its merchandise from horse drawn carts and established its reputation of quality and integrity. In 1928 William Effron transitioned the business into The Effron Flour Company. Over the next several years William and his wife Sadie grew the company into the Effron Baking Supply Company which provided baking supplies, ingredients and equipment to local bakeries. In 1937, they began manufacturing jellies, jams and fruit fillings under the EFCO label. EFCO Products Inc. was created in 1946 to concentrate on manufacturing and marketing bakery fillings and mixes and in 1981 Effron Bakery Supply Co. and EFCO Products, Inc. were merged into the present-day company.

Today EFCO Products is still privately held by the Effron family with two generations still actively involved. Steven Effron, President of EFCO Products, explained that up until recently the Effrons also relied on the wise counsel of Sadie Effron who passed away not long ago at the age of 107. Her sons, Jack and Ira Effron still serve as Co-Chairmen and her son, Mike Effron is the Regional Sales Manager.

Since its founding the products EFCO offers have grown

exponentially and so has the area that the company serves. What was once a local flour supplier is now a global corporation and with that growth comes great responsibility. As Effron points out, “As a small niche manufacturer, EFCO is unique as the only family-owned manufacturer of mixes and fillings for bakeries. We succeed by eliminating layers and knowing our capabilities. We work hard to keep our connectedness to our customers and their customers.”

A key resource in this connectedness is the workforce at EFCO. To say the skills set at EFCO is varied would be an understatement. In addition to the traditional staff of human resources, sales and marketing, engineers, maintenance and production, there are food scientists, food technologists and a Director of Procurement that finds just the right apples or strawberries (in or out of season) along with hundreds of other items from all over the world.

Veronica Miller is the Director of Manufacturing Operations and her job is to focus on productivity. She explains, “We have to make smart decisions based on margins, keeping in mind what is and isn’t profitable. R & D may come up with something delicious, but it has to be produced and sold at a price our customers can afford while still being worthwhile for us.” Miller explains that there are many factors to consider, such as the set-up and tear down of different jobs which can be very time consuming, meaning a short run of a product may not be worth it. Another area Miller oversees is the Quality Control and Global Food Safety Initiatives. EFCO has a dedicated team of experts, a HACCP Team (Hazard Analysis and Critical Control Points) and a Food Safety Committee, that meet regularly to monitor and enforce the quality controls and food safety standards. EFCO also follows GMPs (Good Manufacturing

Practices) based on FDA guidelines which include self-audits as well as third party audits. In addition, many of EFCO's customers will conduct their own quality audits which are often stricter than either the national or global standards.

Another safety concern that is a top priority at EFCO is the Allergen Control Program. This controls inadvertent contamination via procedures that regulate several different areas such as ingredient receiving, labeling, allergen storage, rework usage, equipment and utensil sanitation, allergen testing, and employee training. This program is very effective in achieving its end goal which is to prevent inadvertent allergen cross-contamination. This is just one facet of the numerous initiatives at EFCO designed to ensure food safety and quality.

Of course, to produce food of the highest quality you need to start with ingredients of the highest quality. Christine Winter, Director of Procurement, is the person responsible for this multi-faceted task. EFCO has an Approved Supplier Program which ensures that their food quality and safety are never compromised for the sake of low cost or previous vendor status. Ingredients are approved by the QA department and thoroughly tested before being incorporated into EFCO products. "I am responsible for fruit, sweeteners, spices, leavening agents, pails, pouches and cases, just to name a few. I keep track of over 500 SKUs," explained Winter. "Some items are locally sourced if possible but depending on the season and the item some ingredients can come from the Pacific Northwest or Mexico, and some spices come from around the world."

Factors that can complicate things for Winter are the weather, consumer preferences and freight fees. Adverse weather conditions will drive up the price and possibly lower the quality of fruit. EFCO manufactures products year-round, but Mother Nature doesn't, so contra-seasonal and back up suppliers are needed. Consumers have become critical of products with high fructose corn syrup as an ingredient so EFCO is using alternatives whenever possible. The cost of shipping can be prohibitive on some ingredients and the perishability of fruit is another factor that comes into play. Winter shared this knowledge, "It is important for us to have annual contracts with fruit growers, but we also have a backup plan just in case. I will tell you that the most popular fruit flavor is strawberry, followed by apple."

Once procured, the ingredients are formulated into a variety of

products that are not just distributed nationally but internationally as well. The global food market presents its own unique challenges. David Cullinan, R & D Manager at EFCO told us about some of the challenges that resulted in EFCO's "Clean Label" line of fillings and mixes. "In the U.S. people are looking for products without artificial coloring but this has been the standard in the European Union for the last 15 years, so we were ready. Removing certain artificial ingredients will affect the shelf life and pricing so it is a delicate balance." Recently one of EFCO's customers, Dunkin' Donuts, has launched a domestic campaign promoting the removal of artificial colors from their donuts. Dunkin' joins many other companies in the removal of artificial ingredients from certain product lines including Nestle, General Mills, and Panera.

Different cultures and religions have strict rules that present their own challenges. EFCO has business markets in Asia, the Middle East, Latin America, Europe and the Caribbean and has developed bakery ingredients to please these varied international



Christine Winter Director of Procurement, Veronica Miller Director of Manufacturing Operations and Patty Lysenko Director of Distribution, are analyzing bakery fillings and finished donuts.

tastes and preferences, as well as providing Kosher and Halal certified products. EFCO has products that are shipped on freighters across oceans to places like Manila in the Philippines, which can take 42 days or more and yet the product needs to be fresh when it arrives and thanks to people like Cullinan and his team of Food Technologists, it does. Patty Lysenko, EFCO's Director of Distribution and her team have the responsibility of handling the logistics of these international shipments.

The Clean Label and Pure Choice product lines are examples



Food Scientist Vijay Poreddy, Food Technologist Fan Zhang and R&D Manager David Cullinan in the R&D test kitchen working on unique flavor development.

of innovation in the industry that have no high fructose corn syrup, no GMO starches, no artificial colors and no artificial flavors yet still provide delicious flavor. Another innovative EFCO product line is Cremedela, a cream cheese that can incorporate savory or sweet flavors and is shelf-stable (no refrigeration needed) bake stable (able to withstand high temperatures) and holds its flavor through freeze/thaw cycles. Beyond mouth watering food, EFCO is also providing flavors for drinks as beverage bases and syrups that can be used with iced tea, lemonade, carbonated beverages, shakes, smoothies and both hot and iced coffee.

EFCO's innovations are not limited to ingredients. The company has SmartDispense, a more efficient and "greener"

packaging for many of their products. In a partnership with Server Products, Inc., EFCO developed a bottle pump and pouch system which works with dessert syrups and fruity beverage flavorings. This system replaces plastic jugs and bottles. It is more efficient enabling the evacuation of the entire contents of each pouch. There is also less waste as the pouch is collapsed and flat once the contents are used up.

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On the day we toured EFCO Products and met with the Food Scientists and Food Technologists they were preparing for an innovation meeting with an international restaurant chain and working on repurposing day-old donuts into fresh desserts. This is where the future lies in food, reducing waste and making products healthier while maintaining food safety and of course, taste. Brian Duffy, a Food Technologist who graduated from the Culinary Institute of America explains that, "Many companies are hiring chefs to come up with their new products and flavors. We are able to talk to the customer, chef to chef, and assist or provide solutions to their culinary needs." Another insight into the future is, that as labor costs increase large bakeries will hire fewer bakers and rely more on mixes that provide consistency and ease of use. This is likely an opportunity for EFCO.



Cook Wayne Henry is making a batch of fruit filling.

The future at EFCO involves fitting an ever-growing workforce and increasingly larger machines into their existing facilities on Smith Street. With the help from grants from Empire State Development, EFCO is upgrading its equipment in their Dry Mix operation. The company is committed to Poughkeepsie and appreciates the support from the

state as well as the county and city. The Effron family will continue to invest in its facilities and its workforce. As Steve Effron said, "The Hudson Valley is a great place to work and a wonderful place to live."



Alison Butler is the Director of Member Programs & Services at the Council of Industry.

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