

How Sweet It Is

Groeb Farms Inc. credits its continuing growth in the honey market to quality, operating efficiently and staying ahead of industry trends. **By Libby John**



company profile

Groeb Farms Inc.
www.groebfarms.com
Headquarters: Onsted, Mich.
Employees: 78
Product: Honey
Ernie Groeb, CEO and president: "One hundred percent lot testing has become the gold standard in our industry."

Quality and Service

Quality assurance and service sets the company apart from its competitors, he asserts. In January 2009, GFI began conducting 100 percent lot testing on all raw honey. GFI has built a state-of-the-art testing laboratory and employed specialty testing personnel to perform testing at its Florida facility. The tests will determine that all products are free of antibiotic and miticide residue.

"Honey producers all use antibiotics and miticides," Groeb explains. "Bees have mites and the only way to get rid of those is to use miticides. Antibiotics are used to treat certain bee diseases."

"100 percent lot testing has become the gold standard in our industry," he says.

Traceability is another area in which GFI is on the cutting edge for the honey industry. GFI is completing audits of all foreign and domestic companies that provide honey to GFI and formalizing GFI standards with each source.

"Our service is second to none," he stresses. "All orders are confirmed within 24 hours and our sales team consists of eight GFI associates and more than 300 brokers nationwide to help our customers with their needs."

"In addition, we have six GFI customer service representatives to assist our customers with timely answers," he adds.

food&drink
winter/spring 2010

>> Lab Technician Nicole Pratt is part of the quality control team at Groeb Farms Inc., the world's largest honey producer.

The experience and knowledge of CEO Ernie Groeb has helped Groeb Farms Inc. (GFI) overcome the current downturn in the economy. However, GFI has managed to do more than keep its head above water – the world's largest honey processor has seen an 8 percent growth in 2009. That trend is expected to continue, Groeb says.

GFI is the largest industrial and foodservice honey processor in the world. Although it also has other products such as molasses, peanut butter and mustard, honey is the main focus of the company.

"We have our own trucking fleet and long-term outside carriers. When we say something is going to be there, it is."

Growth of Honey

Eating healthy is a trend that fits honey perfectly. "As a natural sweetener, honey remains a positive enhancement and a staple ingredient for many recipes and products," Groeb says. "Honey happens to fit the health mode. It is a product that when you consume it, the body doesn't store it. When you digest honey, it's ready to be used. A value added ingredient such as honey makes a difference.

"We think honey demand is here to stay, in fact, I predict it will continue to grow," Groeb adds.

Approximately 400 million pounds of honey are consumed in the country. Honey consumption continues to remain strong even in these recessionary times.

Products that use honey are salad dressing, sauces, snacks, breads, cookies, crackers, beverages and meats.

Cooking shows such as Iron Chef, Rachael Ray and The Food Network continue to feature honey in many recipes. With more people cooking at home many of these recipes are used for everyday cooking, he says. Honey is also being used in more unconventional ways, such as cough syrups, lozenges, energy products, cosmetics and for personal and wound care.

Smart Business


GFI was very fortunate to have been in a strong financial state as the recession hit. In 2007, GFI joined with the private equity group Horizon Partners, to further prepare itself for the future. It has gained great leadership from its partners, raising the bar for GFI's future. In addition, GFI has been fortunate to

broaden its customer base. The company's top-25 customers constitute only 70 percent of its business. "GFI is headquartered in Michigan and we have seen firsthand what has happened to auto suppliers that relied on just a few customers," Groeb says.

GFI still operates its original plant in Onsted, Mich., and has other plants in Belleview, Fla., and Baytown, Texas. In 2010, GFI plans to open a new plant on the West Coast.

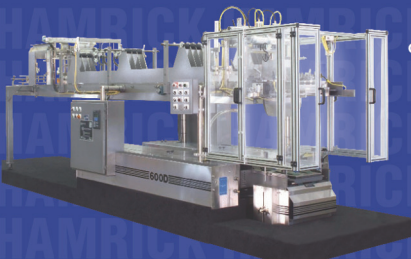
The majority of the firm's 78 associates average 15 years with the company. "We're fortunate to have so many loyal people with the company," he says. "Great incentives are cascaded down through the company to all the associates. We also have an executive committee meeting once a month to communicate from the floor to the office, and the office to the floor. We've have excellent communication." **FD**


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