



Local Pride

Better Made Snack Foods celebrates traditional values, local relationships and the power of nostalgia.

BY JENNIFER BARNETT FOX

And then there was one. Better Made Snack Foods was once one of 22 potato chip plants in Detroit, MI.

Today, Better Made stands alone as the area's sole potato chip producer — proof that quality products and competitive pricing along with strong community connections are critical to success and survival in a competitive economy.

Started by cousins Cross Mocerri and Peter Cipriano on Aug. 1, 1930, Better Made Snack Foods has long represented the values that have become some of today's strongest food trends. Food lovers and environmental mavens continue to tout the benefits of eating local, knowing where your food comes from and supporting local growers

and manufacturers — keeping the money in the community where the product is made.

While the Mocerri and Cipriano cousins couldn't have predicted this return to locality and sustainability, they also couldn't have been more on target.

Launched with \$600 from Mr. Cipriano and the plant experience of Mr. Mocerri, the cousins took advantage of close proximity to America's finest chipping potato fields in Michigan. At first, the pair cooked the potato chips in a family garage before handpackaging the chips they sold from Mr. Mocerri's truck at Belle Isle, a recreational area along the Detroit River. Business boomed as locals embraced the handmade potato chips, and the

cousins strategically purchased snack stores next to movie theatres where consumers would purchase Better Made chips to eat while watching the cinema.

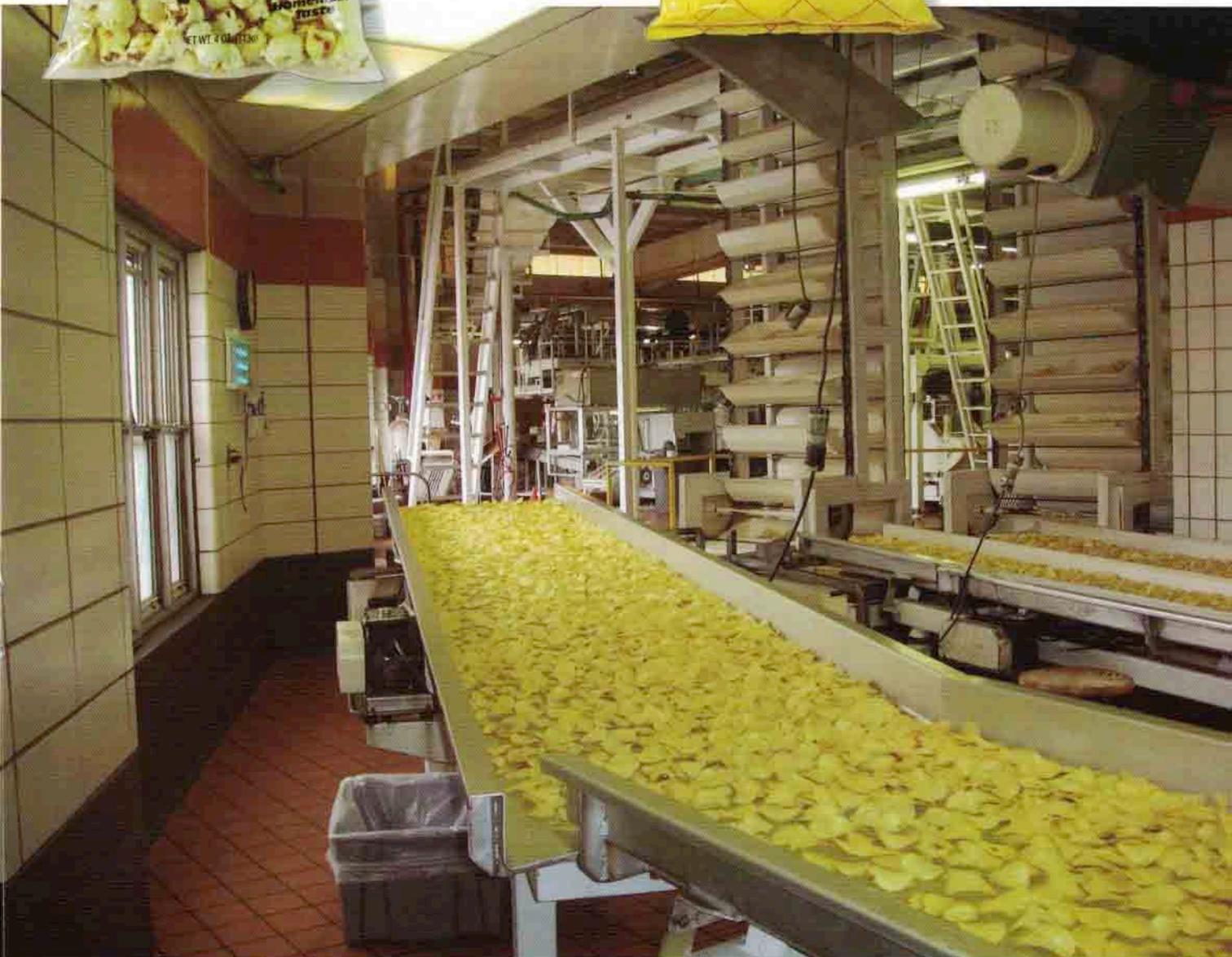
In the 1940s, Better Made transitioned from garage-based production to a plant located five miles outside Detroit and included four chip cookers, integrated automatic packaging systems and total capacity to produce 12,000 lb per hour.

Today, Better Made produces potato sticks, popcorn and potato chips and distributes pretzels, pork rinds, tortilla chips, cookies, beef jerky, chocolate-covered chips and pretzels, and salsa and cheese dips. In the fall and winter, the company manufactures its highly coveted Rainbow chips.



Finished chips make their way on horizontal vibratory conveyors to the packaging room to be seasoned and bagged.

BETTERMADE SNACK FOODS





These chips are made from potatoes that have been stored by the farmer for the winter, during which some starch converts to sugars. Chips from those potatoes turn dark during the cooking process, which creates a sweeter chip, prized by in-the-know consumers. Because it's impossible to tell which potatoes will turn darker upon frying, the Rainbow chips are sold in limited quantities of four bags per customer on a first-come, first-serve basis.

Better Made's products are distributed along 185 routes, including 25 "house" or company-owned routes driven by unionized drivers in metropolitan areas. The remaining 150 routes are operated by independent distributors. In addition to blanket snack coverage in the Michigan area, the company also distributes in Ohio, southern Chicago and will soon enter the Canadian market through distribution with Wal-Mart.



Peeled potatoes exit the abrasive system and make their way to wash stations, slicers and fryers, which are fried in trans-fat-free 100% cottonseed oil.

TRIED AND TRUE. Despite technological advances and ingredient innovations, Better Made continues to produce its chips much as Messrs Cipriano and Mocerri decreed in 1930. Always ahead of the radar for

great taste and good products, the cousins kept quality high and transportation costs low by sourcing primarily Michigan potatoes purchased directly from local farmers. The family continues this support of local farmers whenever possible. By using local potatoes, delivery times to the plant are shortened, reducing the need to hold loads and providing cost savings for both the company and consumer. The thin-sliced chips are still fried in trans-fat-free 100% cottonseed oil and high-quality spices are used for seasoning.

With the largest per capita consumption of potato chips, Michigan residents see the advantage of keeping ingredients local, shortening the potato's journey from field to bag.

"It's not a secret, if you have good quality, good service and a fair price, you generally succeed," said Mike Schena, president, Better Made Snack Foods. "All good companies that have survived today have done



Pictured left to right are Phil Gusmano, production manager; Cathy Gusmano, manager of Internet and retail sales; and Mike Schena, president.

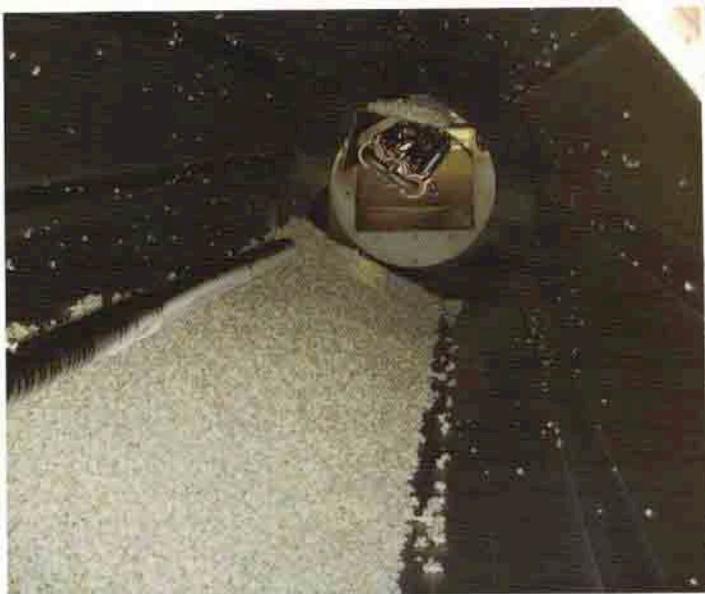
the same thing.”

While potato chips remain Better Made's core business, the company acknowledged potato chips sales are currently experiencing a slump. In response, the company is diversifying its snack offerings by capitalizing on consumer nostalgia for potato sticks and kettle-cooked popcorn.

Capitalizing on the fond memories held by generations who grew up eating shoestring potato snacks, Better Made worked with French's, Vitner's, private label manufacturers and dollar stores to produce and market potato sticks. The partnerships enabled the company to increase volume, empowering expansion of the Better Made label into national and international markets

by fiscal year 2010. Another advantage of the potato sticks is that they are not as fragile as potato chips. The potato stick canisters will be nitrogen flushed to extended shelf life. A Smoky Cheddar flavor will be the first potato stick variety introduced, followed by Red Hot, Ketchup and Salt & Vinegar varieties in a range of sizes.

Better Made's production of kettle corn addresses consumer demand for gourmet-flavored snacks. The company will focus on more sophisticated flavors such as Sundried Tomato, Parmesan and Bruschetta in addition to sweeter, more traditional oil-popped kettle corn. Recognizing the slump in microwave popcorn sales, the introduction capitalizes on consumer proclivity for foods



Fresh popped corn gets a coating of white cheddar flavor.

produced in traditional methods where hand-crafted production and innovative flavors trump convenience and ease of preparation. The company also has the ability to produce enrobed popcorn.

Facing undeniable consumer concerns about health and nutrition, makers such as Better Made are continuing to redefine

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the snack category. "Popcorn has a healthy connotation and positive perception among consumers who are looking to snack and feel good about it," Mr. Schena said.

Additionally, the company can boast trans-fat-free cooking

methods, reduced sodium formulations and portion-control packaging in all its products. "The mind and the tongue don't always work together, but consumers can look at the good things that go into Better Made bags as a

reward," Mr. Schena said. "If people treat snacks as a reward and don't overeat, it won't hurt them."

He also acknowledged that in a tough economy, consumers are more likely to stay home, and snacks typically play a part in stay-at-home entertaining. "Potato chips are like the loaf of bread in the snack aisle," he said. "People buy chips and then look for a snack." While potato chips aren't quite as recession proof as in the past because of increasing commodity and transportation costs, the company's reputation for quality allows it to remain a leader in the Michigan area.

LOCAL SUPPORT. Undoubtedly, the people of Michigan are instrumental to Better Made's success. The company proudly acknowledges the support of the people and state of Michigan with packaging sporting "Made and Grown in Michigan" labels, and Better Made chips are the official chip of the Detroit Lions and Detroit Pistons.

In an effort to further celebrate its local roots, the company removed information about its other products and replaced it with a story highlighting the company's pride in using the finest products available, information about its unionized workforce and the impact of buying, manufacturing and selling its product in Michigan and keeping money local. The company received hundreds of e-mails regarding the updated packaging. Responses included memories of receiving chips as children from the original owners and celebration of a local product. Visitors to the Better Made Web site are even invited to take a virtual plant tour of the 14-step process of bringing a potato from the field to the

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Better Made uses 185 routes to distribute its products throughout Michigan, northern Ohio and the Chicago area, as well as Canada through Wal-Mart stores.

plant and then to delivery of the finished product.

"Our consumers and employees are loyal and appreciate the heritage and family-owned aspect of the company," Mr. Schena said. "Because of this longevity, there are fewer barriers than you would find in many plants."

What began as a family-owned business continues with three members of the second generation and five members of the third generation currently on staff. In the 1950s, the family brought in outside management to work with the family, and this arrangement continues today.

Extended family members also serve as informal test groups for the company's new product introductions. The company then builds upon these opinions to develop marketing plans in an effort to appeal to a larger mainstream audience.

"The family knows the values that built the company," Mr. Schena continued. "The plant is well-rooted, and we are supported by our customers as a result of staying the course and maintaining quality, price and positioning."

Those values also support a loyal, unionized workforce. It is not uncommon for people to remain at Better Made for their entire working life, with an average employee clocking 20 years at the company.

an enemy but rather a group to embrace," he said.

For more than 70 years, Better Made Foods has built its company around the production of quality products and on a foundation of strong



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— Mike Schena, president, Better Made Snack Foods.

Mr. Schena also recognized the company's positive relationship with the union as instrumental in creating a quality environment. "We trust what each other is trying to do, and we don't see the union as

relationships. As the company moves forward into a larger domestic and international presence, its time-tested formula of loyalty, locality and competitive pricing will remain a model for success. **SU**