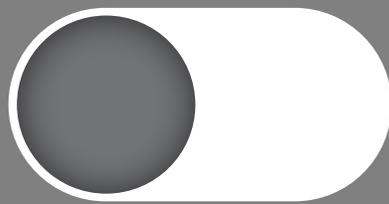


InsideTrack **2023**

Poultry processing trends and innovations



The SWITCH you
didn't know you wanted

Exciting innovations to be unveiled at IPPE.
Our team awaits you.

JAN2023



The New Max XL

Breast Deboner
Tell us what you think!

Experience

Learn about our turn-key automation solutions and IIoT services powered by Duravant ONSIGHT™

Booth 13813 Hall C



FOODMATE HOME OF INTELLIGENT SOLUTIONS



HELLO AND HAPPY NEW YEAR!

WE WISH YOU GOOD HEALTH AND ALL THE BEST FOR 2023!

By Jim James | President, Foodmate US

Welcome to the IPPE Atlanta 2023 and to another edition of our Foodmate InsideTrack! I wish you a very happy, healthy, and prosperous New Year!

I want to thank each of you for allowing Foodmate the opportunity to grow by serving you, our customers. We recognize we must earn this trust daily with a commitment to bringing innovative, cost-effective solutions that drive value to your bottom line.

We have been working diligently over the past year to strengthen our internal structure, processes, and people to ensure that we can continue to be our best today and even better tomorrow.

This year we have added a Product Management team to help bridge the gap between sales and product development. This team will allow us to better identify priorities that will deliver value-based solutions needed in the industry. We have restructured our service group to be closer to our customers and provide a better all-around experience. We are enhancing the Asset Integrity Program (AIP) to give our customers more options with improved communication and ROI.

Additionally, this year we became the exclusive distributor for Marelec and Thielemann for the US poultry industry. These two fantastic partners allow us to supply more value to our customers through integrated solutions.

We recognize there is no finish line in improving customer service, and our goal is to ensure that we take care of our customers promptly, leaving the customer feeling cared for with every touch point while ensuring all their needs (known & unknown) are fully met.

As always, we invite you to stop and visit our booth (C13813). Behind the walls of our Inspiience Center, there are several new developments on display. We are premiering the MAX XL, OPTiX Switch, PopDrum, and Chicksort 4.0. And continuing our goal to provide our customers with turn-key, one-stop solutions, we will also demonstrate our partners' Marelec Portion Cutter 1DAP and Compact Grader, and Food Technology's Horizontal Slicing Machine CBS-3.

While at our booth, make sure to learn about our IIoT experience, a semi-immersive experience that will display our new internal data-gathering and sharing capabilities, making your machine run smarter and your production run smoother. Our IIoT services powered by Duravant ONSIGHT™ will help you connect the dots for an efficient operation! We look forward to hosting you and getting your feedback on our new technology.

If you cannot visit us at the IPPE, we hope this Inside Track will reach you through other channels and bring you up to speed on our latest developments. Of course, you are always welcome to visit us here in Ball Ground, Georgia, where we can host demonstrations/FATs through our in-house Inspiience Center.

Foodmate remains committed to delivering to you the service you expect and deserve. We hope to see you here in Atlanta, yet we remain just a phone call away to answer any need. Thank you again for your trust and support. Together we win!

Jim James



GOTTA HAVE CHICKEN!

Poultry Industry News
Trends in Consumer Market
Also get a scoop on Poultry
Industry Market Trends

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2023. Get to know what we have
been up to!

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Voice of The Customer
In our Success Story series, we
are showcasing AlaTrade and
their experience with our OPTiX

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New
IIoT services powered by
Duravant ONSIGHT™



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OPTiX Switch
The Switch you did not know
you wanted. Thigh and Drums.
Deboned. Easily.

MAX XL
The much anticipated MAX XL
Breast Deboner. Get your Big
Birds ready!

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2023 TRENDS

POULTRY INDUSTRY NEWS

These are the fast-food trends to look out for in 2023

2022 WAS A YEAR OF IMPLEMENTING NEW TECHNOLOGY IN FAST FOOD AND EMPHASIZING DRIVE-THRU AND MOBILE ORDERING. THOSE AREN'T GOING AWAY, BUT THERE ARE OTHER TRENDS ON THE HORIZON. HERE'S WHAT YOU SHOULD LOOK OUT FOR IN 2023..

Trends to look out for in 2023

1. Fast food menus will emphasize value

Value is always part of what attracts consumers to fast food, but it becomes even more important in an atmosphere of inflation and rising prices. In a recession, consumers are likely to tighten their belts further, CEO and president of Kalinowski Equity Associates Mark Kalinowski told Insider. "People want to feel like they're getting a good value."

2. Variations on chicken sandwiches

Fried chicken sandwiches and new variations on the chicken sandwich will be one of the biggest trends in the new year, according to a survey of more than 500 industry experts conducted by the National Restaurant Association.

Chicken breast prices in the US are down 70% from their peak in June, The Wall Street Journal reported, while thighs and wings are also down, meaning they now offer much more attractive margins for chains.

Major QSR chains already are signaling plans to embrace chicken sandwiches again. On November 15, Popeyes released its new Blackened Chicken Sandwich. The chain is explicitly promoting the new sandwich as "reigniting the chicken sandwich wars," which started with the 2019 release of the Popeyes spicy chicken sandwich. Burger King and Wendy's also are promoting new chicken sandwiches.

3. Nostalgia

Nostalgic brands and menu items will be big in 2023, according to Yelp's predictions from data scientists and trend experts.

Some chains already had success channeling adults' nostalgia this year, like McDonald's sold out adult Happy Meal boxes, and Taco Bell bringing back the enchirito. Nostalgic characters and menu offerings are appealing to restaurants for two reasons, because they can appeal to adults who already remember the original promotions, and introduce them to a new generation of consumers, Kalinowski previously told Insider.

Source: Business Insider. By Mary Meisenzahl / Dec 24, 2022. Do you have a story to share about a retail or restaurant chain? Email this reporter at mmeisenzahl@businessinsider.com.

New Research Shows Poultry Prices Should Finally Begin To Drop

The average price for 2023 is said to come in at an average of \$1.40 per pound, the USDA's report states.

In 2022, consumers saw food prices soar due to fewer sales and higher prices, grocery shopping hasn't been the easiest on the wallets of customers on a budget. It's especially evident in how much the cost of poultry has risen since March 2022. As The Guardian reported at the time, the war raging in Ukraine put a strain on the supply of chicken feed due to the inflation of its ingredients including soya, sunflower meal, and wheat. On top of that, the U.S. Department of Agriculture (USDA) announced that a bird flu outbreak swept through 39 states, infecting over 40 million chickens, ultimately causing a shortage and inevitable price increase on poultry products and eggs.

By August 2022, however, the drop in prices of chicken thighs offered a glimmer of hope. According to data that we published in August 2022, chicken thighs, which were climbing to over \$2 per pound, finally began to plateau. By 2023, the other cuts of chicken are expected to follow suit, the USDA predicted in a recent report.

Why are poultry prices expected to drop?

According to its most recent outlook report on livestock, dairy, and poultry, the USDA shared that the sharp decline of broiler meat (what consumers and retailers refer to as chicken) that initially began in August is expected to continue in 2023. The average price next year is said to come in at an average of \$1.40 per pound, the USDA's report states.

Industry expert Robert Wright explained (via Restaurant Dive) that poultry production is seeing significant improvement, with chick placements increasing from 175 million to 190 million per week. Based on these current production patterns, Wright foresees poultry being priced at an affordable average in the spring, and another decrease will follow in the fall. In light of these trends, Restaurant Dive states that along with grocery stores, major restaurant chains that previously altered their menus to reflect the rising cost of chicken should soon be adjusting their prices accordingly.

Source: TastingTable.com. By Kalea Martin / Sept. 22, 2022.

Chicken is one of the most popular, versatile meats around - in fact, Americans eat about 8 billion chickens a year. Chicken is a healthier white meat to consume than red meats like beef or lamb, considering it has less saturated fat, making it an easy everyday protein source for many people in the U.S. and beyond.

The popularity and versatility of chicken will always inspire imitators. For now, at least, the industry can view alternative proteins as either a somewhat risky investment opportunity or just another competing, specialty product.

The plant-based and alternative protein market struggled last year but its backers remain focused on chicken.



Fake meats faltered in 2022 In 2022, consumers saw food prices soar due to record inflation. They accordingly eschewed costlier alternative proteins and went for cheaper options like chicken.

This cast a dark cloud over faux meat and raises questions about the long-term viability of alternative proteins in the U.S.

Beyond Meat's rapid decline

The poor performance of Beyond Meat Inc., the publicly traded maker of plant-based products masquerading as beef, pork and poultry, is potentially telling for the entire sector. The price of Beyond Meat stock hit an all-time low of \$12.30 at the end of December 2022

following months of bad news including lay-offs, sales growth falling fall short of projections and executive departures.

The company was once a Wall Street darling. It saw its stock trade for more than \$200 a share in 2019 and more than \$150 a share until the middle of 2021 when a long, sharp decline in investor confidence began.

Major food industry players also shuddered in 2022. In August, Kellogg's executives said it plans on selling or spinning off its plant-based business Morningstar Farms due to dropping sales. In October, JBS closed its two-year-old plant-based operation Planterra Foods.

Looking ahead

Despite short-term struggles, investors apparently see long-term value in plant-based protein. According to business media reports, sales for plant-based protein dipped overall in 2022 but sales of cheaper, nugget, patty and tender like products that are flavored like chicken rose.

In 2022, Beyond Meat CEO Ethan Brown told investors the company saw chicken as a path forward and it will continue to invest in improving its recipe.

The popularity and versatility of chicken will always inspire imitators. For now, at least, the industry can view alternative proteins as either a somewhat risky investment opportunity or just another competing, specialty product.

Source: WattPoultry.com. Austin Alonzo, editor of WATT Poultry USA, examines hot topics surrounding the US poultry industry as it deals with a changing consumer, emerging animal welfare concerns and other disruptive challenges.

WHAT IS THE CHICKEN INDUSTRY'S IMPACT IN YOUR COMMUNITY?

CHICKEN INDUSTRY

1,517,797
JOBS

\$94.9B
WAGES

TAXES
\$25.5B

\$5.78B State | \$19.73B Federal
TOTAL IMPACT:
\$417,036,466,200

Companies involved in the production and processing of chicken provide 1,517,797 jobs that pay \$94.9 billion in wages to families throughout the country, generate about \$417.0 billion in annual economic impact, and about \$25.5 billion in taxes.

Scan the QR code below to go to chickenfeedsamerica.org. The site provides detailed information on the economic contributions generated from the chicken industry in the United States.

To see how the industry creates jobs in your state or congressional district, once on the site, click on the map. See full report on chickenfeedsamerica.org, brought by US Poultry.





U.S. Poultry Industry Provides 2 Million Jobs and \$556 Billion in Economic Impact

The U.S. Poultry & Egg Association (USPOULTRY), National Chicken Council, National Turkey Federation and United Egg Producers have released an updated economic impact study that highlights the positive impact the poultry industry has on jobs, wages, and federal and state revenue in the United States. A dynamic and integral part of the national economy, the U.S. poultry industry provides 2,012,269 jobs, \$125.6 billion in wages, \$555.9 billion in economic activity and \$33.7 billion in government revenue.

The study breaks down poultry into three subcategories: chicken, turkey and eggs. Key economic data from each is as follows:

- The chicken industry provides 1,517,797 jobs, \$94.9 billion in wages, \$417 billion in economic activity and \$25.5 billion in government revenue.
- The turkey industry provides 362,437 jobs, \$22.7 billion in wages, \$99.5 billion in economic activity and \$6.1 billion in government revenue.
- The egg industry provides 112,723 jobs, \$6.9 billion in wages, \$33.7 billion in economic activity and \$1.8 billion in government revenue.

"We are pleased to continue providing this valuable tool across the industry that shows the positive economic impact the poultry industry has on our nation and communities," said John Starkey, president of USPOULTRY.

The data is hosted on interactive websites that can be viewed collectively or by individual product, and then sorted nationally by state, congressional district, state house district or state senate district, and county.

For more information about the U.S. poultry industry's economic impact, visit: poultryfeedsamerica.org chickenfeedsamerica.org

The economic impact study was funded by USPOULTRY. The study was conducted by John Dunham & Associates, based in New York City. The study was updated using the most current methodology available and uses data from 2022. Published November 2, 2022



Global chicken production forecast higher for 2023

All major producers except China will make gains National composite wholesale broiler prices averaged 105.47 cents per pound in November, 28.7 cents above last November's price. Weekly prices in November climbed steeply and averaged 116.11 cents per pound in the week ending December 4th. The fourth-quarter price forecast is adjusted up 3 cents to 108 cents per pound. Based on recent trends and expectations for strong demand in the coming year, the 2022 price forecasts were also adjusted up, bringing the 2022 average price to 102 cents per pound, a cent higher than the 2021 forecast average of 100.4 cents per pound.

Global chicken production is forecast 2% higher in 2023 to a record 102.7 million tons, according to a recent USDA-FAS GAIN report.

All major producers except China will make gains with the most significant growth in Brazil. Relatively high feed and energy prices have squeezed profitability globally, but expansion is spurred by robust demand as consumers are expected to seek lower-cost animal proteins amid rising food costs.

Brazilian growth is driven by both domestic and global demand as it solidifies its position as the world's leading producer, surpassing China this year.

China production will be stagnant as growth in white feather production will offset a decline in yellow feather production. Demand for affordable chicken products, particularly white feather broiler meat, is expected to grow in 2023 as Chinese consumers shift towards a more diverse protein diet.

Thailand production will grow 3% despite the anticipated slow recovery in domestic consumption and high production costs caused by supply disruptions to feed grains and day-old chicks. These factors will keep the growth rate below the pre-pandemic average. Russia and Mexico will also make gains amid strong domestic demand.

EU production is forecast only marginally higher due to rising energy costs on the heels of highly pathogenic avian influenza (HPAI) outbreaks.

Source: Global Ag Medi. Published October 2022. ThePoultrySite.com.



MARKET REPORT

USDA's latest supply and demand forecasts for U.S. poultry and red meat industry

USDA in its December supply and demand report issued on Jan. 12 reported red meat and poultry production for 2022 is lowered from last month's report as higher broiler and turkey production in the fourth quarter is more than offset by lower beef and pork. Changes reflect November production data and preliminary estimates of slaughter numbers and weights for December.

Broiler production is reduced for the first quarter based on recent hatchery data. Turkey production is raised for the first quarter based on hatchery data. Egg production is reduced on a slower expected pace of recovery. Beef export estimates for 2022 are lowered and imports are unchanged on recent trade data.

For 2023, beef imports are raised, largely on higher expected imports from Brazil, but the export forecast is unchanged. Pork imports for 2022 are lowered, but exports are unchanged. For 2023, pork imports are lowered, but exports are raised. Broiler exports in 2022 are raised on recent trade data, while 2023 exports are lowered.

Chicken Meat

Global chicken meat production for 2023 is virtually unchanged from the October forecast at 102.9 million tons as upward revisions for United Kingdom, Thailand, and Mexico offset a decrease for Brazil. United Kingdom production continues its expansion on strong demand despite labor issues, higher input costs, and recent outbreaks of highly pathogenic avian influenza (HPAI). Lower production costs for feed and genetics will spur Thailand production. Brazil is revised lower on weaker foreign demand, particularly from China.

Global chicken meat exports for 2023 are revised 1 percent lower from the October forecast to 14.0 million tons. Weaker China, EU, South Africa, and UK demand will primarily impact Brazil, the world's leading exporter. While Brazil shipments are forecast lower compared to the October forecast, volumes are still expected to reach a historical level. Competitive pricing, the absence of HPAI, and diverse product offerings will enable Brazil's reduction in shipments to China to be largely offset by other markets.

Source: Articles written in collaboration with industry journalist Jim Wyckoff www.jimwyckoff.com

USDA Making More Investments in Meat and Poultry Processing

USDA says it is investing more than \$12 million to expand independent meat and poultry processing capacity in Ohio, Michigan and Minnesota. Vilsack announced that Meat and Poultry Processing Expansion Program grants will help fund the following projects:

- In Ohio, International Food Solutions Inc. is receiving \$9,575,250 to help redevelop and expand a vacant building in Cleveland into a plant with the capacity to process 60 million pounds of poultry. The expansion will include cold and dry storage and two processing lines. The project will create 227 good-paying jobs. International Food Solutions is a woman- and minority-owned business that has produced thousands of prepared meals for K-12 students receiving free and reduced-price school meals.
- In Michigan, grower-owned cooperative Michigan Turkey Producers is receiving \$1,531,204 to help upgrade the hot water system, wastewater treatment facilities and refrigerated trailers to accommodate an expansion at its plant in Grand Rapids. With recent automation upgrades and the continuing expansion made possible by the grant, the plant will be able to

add a shift and double its processing capacity to 10 million turkeys annually. The additional capacity also will allow the plant to provide back-up for other facilities of similar size in neighboring states.

- In Minnesota, Benson + Turner Foods Inc. is receiving \$962,954 to build a 6,788-square-foot cattle and hog processing plant on the White Earth Indian Reservation and storefront near Waubun. The grant will help the company achieve its goal of building a sustainable business that benefits the local economy by using locally grown livestock and providing new opportunities for producers to market their products by providing USDA-certified processing for them.

This is in addition to recent announcements of \$74 million in 22 MPPEP projects, \$75 million in grants through the Meat and Poultry Intermediary Lending Program, \$3.9 million in Value Added Producer Grants, and \$5.7 million in Food Supply Chain Loan Guarantees, all supporting meat and poultry processing. These programs are a few of the suite of programs facilitating investment in meat and poultry processing.

Source: Articles written in collaboration with industry journalist Jim Wyckoff | www.jimwyckoff.com

Global poultry markets to stay tight into 2023

Global poultry markets will continue to be influenced by avian influenza and inflation into 2023, according to the latest outlook from Rabobank.

The outlook for most poultrymeat markets around the world is positive, with strong demand and limited supply – but that is changing. Shoppers will become more price driven as inflation erodes spending power, however this usually strengthens demand for cheap proteins such as chicken or eggs. But feed and energy prices will continue to prove challenging.

Rabobank expects corn and soya prices to soften by 10%-15% by the end of 2023, but remain high in historic terms.

Wheat prices are likely to remain firm, however, given continued disruption in the vital Black Sea region. It also expects feed pricing volatility to continue because of low stock levels, uncertain trade demand, geopolitical changes and potential supply disruptions. Energy prices will also remain volatile into 2023, the bank adds. Avian influenza will remain a critical influencing factor for global poultry markets – as it has been for the past two years.

South America

Cases are hitting record highs both in Europe and the USA, and there is evidence that the virus is working its way through South America – a first.

AI is now moving into South America, with cases recently reported in Colombia, Ecuador, Peru, and Venezuela. In all regions, AI is affecting local supply, and in some markets, it also affecting trade.

Currently, concerns are rising about the virus reaching Brazil's key production areas in the South and Centre-West. If that happens, it would disrupt global trade, given the world's dependence on Brazil.

Europe

In Europe supply remains very tight amid lower production and birds lost to avian influenza. Imports have increased significantly – by 39% from Brazil and 65% from Ukraine.

Ongoing high feed costs and the risks of higher energy costs and more AI cases in the winter are expected to lead to limited growth while demand is expected to stay strong, especially as pork prices have risen. The biggest wild cards for the industry are consumer acceptance of current high prices and rising import volumes from Brazil and Ukraine."

Source: Poultry.network, published in December 20, 2022, by Jake Davies.



DURAVANT ACQUIRES MARELEC FOOD TECHNOLOGIES

Engineered equipment leader Duravant expands food processing solutions portfolio with acquisition of Marelec Food Technologies.

Downers Grove, IL – December 5, 2022 – Duravant LLC (“Duravant”), a global engineered equipment and automation solutions provider to the food processing, packaging and material handling sectors, announced today that it has acquired Marelec Food Technologies (“Marelec”), a leading manufacturer of intelligent portioning and customized weighing and grading solutions headquartered in Nieuwpoort, Belgium. Marelec serves the poultry, meat, seafood and marine sectors, designing and manufacturing innovative turnkey systems that ensure high-quality output and maximum yield for food processors around the world.

“Our new partnership further enhances Duravant’s front line position in the growing food processing segment,” said Mike Kachmer, President and CEO of Duravant. “Marelec’s intense focus on providing outstanding service and continuous innovation has been the foundation of their success, and their legacy of market leadership makes them a perfect addition to the Duravant family.”

Recognized globally as a high-tech solutions provider for secondary processing solutions, Marelec has been serving multi-national customers for nearly 40 years. Their team of engineers and food processing experts are driven by a customer-oriented design philosophy. Using innovative technologies, such as portioning software with intelligent cutting algorithms, their systems are built for high speed and precise performance, helping operators maximize yields and quality.

Marelec’s expansive capabilities are showcased at their manufacturing hub in Belgium which houses their R&D center and cooled demo room. Marelec has sales and service centers throughout Europe, the United States and Asia, along with a powerhouse network of distributors across six continents and in over 50 countries.

“We are excited to enter our next phase of growth with Duravant and to collaborate with their world-class brands,” said Piet Rommelaere, Founder and Executive Chairman of Marelec. “We share a culture of unwavering commitment to customers, and by joining forces, we are able to accelerate our innovation investments, leverage Duravant’s extensive service infrastructure, and deliver more solutions to our customers and partners.”



“Our new partnership further enhances Duravant’s front line position in the growing food processing segment,” said Mike Kachmer, President and CEO of Duravant. “Marelec’s intense focus on providing outstanding service and continuous innovation has been the foundation of their success, and their legacy of market leadership makes them a perfect addition to the Duravant family.”

Mike Kachmer, President and CEO of Duravant.

INNOVATION THAT WORKS.

We're Duravant. Designers, makers and maintainers of highly engineered process equipment. Developers of innovative solutions, builders of long-term, productive relationships.

Headquartered in Downers Grove, IL, Duravant is a global engineered equipment company with manufacturing, sales and service facilities throughout North America, Europe and Asia. Through their portfolio of operating companies, Duravant delivers trusted end-to-end process solutions for customers and partners through engineering and integration expertise, project management and operational excellence. With worldwide sales distribution and service networks, they provide immediate and lifetime aftermarket support to all the markets they serve in the food processing, packaging and material handling sectors. Duravant’s market-leading brands are synonymous with innovation, durability and reliability.

For more information, visit www.duravant.com



At Foodmate, we are committed to our goal to provide our customers with turn-key, one-stop solutions, let’s us show you how you can streamline your production with our latest automation solutions.

Booth 13813 · Hall C

Foodmate
INSPIRIENCE CENTER

Foodmate and Marelec, working together, to bring you smart solutions and higher performance.

Foodmate Partners at IPPE

We invite you to visit us at IPPE, where behind the walls of our Inspirience Center, you will find new developments on display and in live action! We are premiering the MAX XL, OPTIX Switch, PopDrum, and Chicksort 4.0.

And continuing our goal to provide our customers with turn-key, one-stop solutions, we will also demonstrate our partners' Marelec Portion Cutter 1DAP and Compact Grader, and Food Technology's Horizontal Slicing Machine CBS-3.

Let's portion it, and...Slice, Slice, Baby!
Curious?! Find us at IPPE!

Portion Cutter PORTIO 1DAP

This dual-lane PORTIO 1DAP offers the highest capacity for portioning poultry fillets or thigh meat with the smallest possible footprint. Fillets are cut at an angle for a natural look, or to obtain a greater plate coverage. Each knife angle can be individually set in 5 different positions.



COMPACT GRADER

Compact means infeed, weighing and grading on one belt and in one frame. The MARELEC M3 compact grader is easy to use and is a simple and robust grading solution for sorting and/or batching of all kind of poultry parts. This is combined with the same precision of classic graders.



Horizontal Slicing Machine CBS-3

Both solutions will be displayed in live mode at our BOOTH C13813



POULTRY INDUSTRY FOODMATE NEWS



Foodmate US has named Nico Leon as its new Director of Service Operations

Nico brings over fifteen years of experience in technical and management roles in the electronic manufacturing industry. Nico most recently worked as Director of Service for an automation equipment company in the electronics industry.

As an innovative self-starter with a customer-focused approach, excellent problem-solving, and strategic planning skills, Nico had no trouble fitting into our company culture rather quickly!

He is a multilingual executive with extensive international experience in Operations, Project and Strategic Management, Business Development, and Consulting in multicultural environments.

"With over a decade and a half of experience in Service Operations, Nico brings a unique perspective to our service organization. Having worked in many positions, including Field Service Engineer, Applications Engineer, and Project Manager over four continents, he understands the process and steps needed to provide world-class customer service," said Jim James, President of Foodmate US.

Nico holds a degree in Electrical Engineering from the Georgia Institute of Technology with an emphasis on microelectronics. He enjoys traveling, outdoor activities, and spending time with his wife and two kids.

Some of the initiatives currently underway aimed at providing excellent service and value to our customers are:

- ✓ Hiring 12 additional Field Service Techs
- ✓ Expanding the Help Desk
- ✓ Adding 2 permanent field trainers

As we look to the future, we are also developing more advanced service offerings to answer the needs of the ever-evolving poultry industry:

- ✓ Our IIoT services powered by Duravant ONSIGHT™
 - ✓ Service Scheduling tool
 - ✓ Performance monitoring dashboard
 - ✓ Maintenance monitoring dashboards with alerts and job guides
- ✓ Online training material
- ✓ Online Document Management System

Foodmate is committed to providing excellent customer service and strives to surpass our customers' expectations. As such we continue investing on training for our staff as well as facilitating tools and solutions to train our customers and help them become more self-sufficient.

[Our team is eager to help you.](#)



Our now expanded Sales Force Field Service Lightning allows us to serve our customers better, with intelligent scheduling and complete visibility into service operations and assets.



With a "Dutch upbringing", we at Foodmate, embrace the Dutch Frankness as part of our corporate culture. And we encourage and enjoy an open and frank relationship with our customers. We like to hear what is in your mind. Please speak up! Reach us at info@foodmateusa.com.

Nico Leon



Foodmate has redefined the traditional Service Contract Agreements. Meet our AIP.

Our customers face many challenges, especially when it comes to staffing. Our AIP – Asset integrity Program - is aimed at helping our customers keep Foodmate's equipment running at the highest level of performance so that our customers can get the most out of it.

Our goal is to help our customers perform at their best. AIP not only focuses on rebuilds but also offers training and consulting services during our monthly visits. In addition, we are adding Technical Account Managers to gather and analyze data from Foodmate's equipment to help customers proactively drive change and implement improvements in their processes.

Asset Integrity Program | AIP

The Foodmate Asset Integrity Program (AIP) is a dedicated program which ensures equipment is kept in its best operating condition. By taking advantage of this program, your plant will see improvement in production, quality and ultimately, more consistent yield.

A Customer Asset Manager (CAM) schedules regular monthly visits to ensure plants have less downtime and increased performance. Regular monitoring and equipment adjustments also reduce the risk of potential major issues. CAMs also recognize and make necessary

recommendations for additional parts to be replaced as needed before any eventual failure occurs.

In addition to the CAM, a Technical Account Manager (TAM) is assigned to the plant. The TAM will respond to customers' requests in a timely manner and train customers on Foodmate equipment. The Foodmate AIP is an added-value program that achieves consistent equipment operation and increased personnel performance.

WHY AIP

- ✓ To keep assets on a regular preventative maintenance schedule
- ✓ To provide on the job training to plant maintenance staff
- ✓ To maintain profitability of the asset
- ✓ To reduce downtime for repairs

AIP ONGOING IMPROVEMENT PROGRAM

- ✓ Our AIP Program is in a continuous improvement self-check status! We believe that is key to keeping our rebuild kits current and the program operating efficiently and effectively.
- ✓ The initial rebuild schemes are developed based on the mechanical understanding of the way things work and with the help of technicians who are the most familiar with the equipment.

QUALITY, SPEED AND EXCELLENCE



Talk to us to find out how our IIoT services powered by Duravant ONSIGHT™ can be built into your Asset Integrity Program (AIP) and tailored to your requirements | info@foodmateusa.com

There is a reason why our service department is rated the best in the industry. [We want it that way!](#)

AIP offers:

- ✓ Continuous and targeted training
- ✓ Predetermined schedule for all visits
- ✓ All labor necessary for rebuilds is provided
- ✓ Operational excellence in yield, throughput and quality
- ✓ Monthly visits by a dedicated Customer Asset Manager (CAM)
- ✓ Quarterly visits by a dedicated Technician Account Manager (TAM)
- ✓ All rebuild kits are maintained and stocked at Foodmate until prior to the scheduled rebuild



We will continue to deliver the solution you need and the experience you deserve.

CONNECTING THE DOTS

Our new IIoT services provides data-gathering and sharing capabilities, giving your machines the ability to run smarter and your production run smoother. Our IIoT services powered by Duravant ONSIGHT™ will help you to intelligently connect the dots for an efficient operation.

DURAVANT ONSIGHT™

ONSIGHT™ provides the operator with a comprehensive portfolio of IIoT services that enable real-time situational awareness of all aspects of machine operations. Hundreds of key metrics can be monitored, alarmed, and reported to maintain the Health, Efficiency, and Maintenance of Foodmate products.

The breadth of data available from Foodmate products combined with the power of our IIoT solution, ONSIGHT™ enable the operator to calculate advanced metrics such as Service Level Availability, Production Counts and Rates, and Operational Equipment Effectiveness in real-time. This level of situational awareness enables the

operator to take effective action before problems arise. When integrated with offline quality processes, ONSIGHT™ provides valuable insights into the machine and the quality of the meat and produce being processed. For poultry, key quality metrics such as scrape test, bone fragment, and drum length can be captured and tracked. Collectively, these services create value that goes well beyond what the standard IIoT offerings on the market can deliver today.



Talk to us to find out how our IIoT services powered by Duravant ONSIGHT™ can be built into your Asset Integrity Program (AIP) and tailored to your requirements | info@foodmateusa.com

Asset Integrity Program | AIP

Industrial Internet of Things (IIoT) for the Poultry Industry

Delivering operational intelligence that goes beyond what off-the-shelf IIoT solutions can provide.

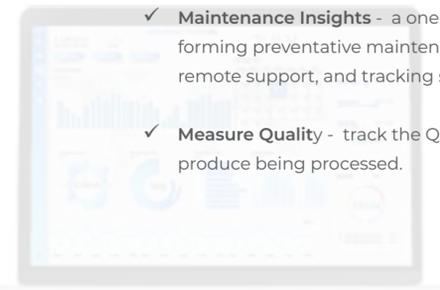
The food processing industry remains under constant demand to increase its quality and production levels to meet the growing global consumption.

In response to customer demand, Foodmate has introduced industry-leading products such as the OPTIX and ULTIMATE, which can process thousands of units per hour with high precision. Food processors are turning to technology to ensure that these machines keep running at the highest productivity levels. And now we are launching our IIoT services powered by Duravant ONSIGHT™.

Our IIoT services powered by Duravant ONSIGHT™ | The next generation of Digital Operations

Duravant ONSIGHT™ is an end-to-end solution that creates a secure link from elements onboard Foodmate machines to a secure cloud that enables customizable services. Modern Industrial IIoT solutions allow food processors to monitor the machine's performance and take action in real-time. Our IIoT services powered by Duravant ONSIGHT™ provide processors with a wide range of benefits:

- ✓ **Machine monitoring** - track all key indicators on the health and productivity of Foodmate dark and white meat deboners, including the OPTIX, Ultimate, MAX series, and Optiflow Cut-up Systems in real-time.
- ✓ **Maintenance Insights** - a one-stop shop for performing preventative maintenance, opening tickets, remote support, and tracking status.
- ✓ **Measure Quality** - track the Quality of the meat and produce being processed.
- ✓ **Real-time alerts** - operator defined alerting on any signal that indicates a change in productivity or health of the machine.
- ✓ **Reporting** - generate reports on key metrics that track fleet performance over time.
- ✓ **Increase Safety** - indicators that ensure that the machine is being operated correctly.
- ✓ **Customization** - data services that are custom fit to the operators' specific needs.



Achieve greater efficiency from your Foodmate equipment with operational intelligence that goes beyond today's off-the-shelf IIoT. Meet ONSIGHT™



Machine Efficiency
Increase yield by managing the key indicators



Machine Health
Increase operational readiness with real time insights



Machine Maintenance
Reduce service costs through integrates tools and processes

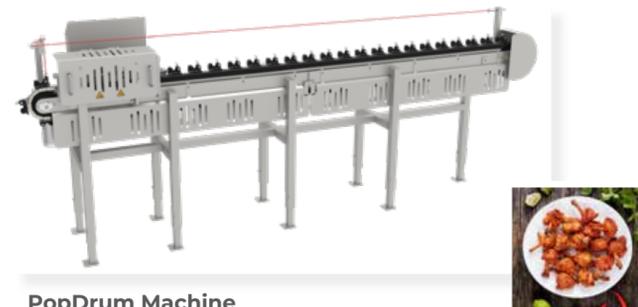
DID YOU GUESS?! FOODMATE IPPE NEWS

Did you guess what we're up to?!

2023 is the year of great ideas being developed! Premiering at the IPPE you will meet our new MAX XL, OPTiX Switch, PopDrum, and Chicksort 4.0.



MAX XL The MAX XL is designed to debone big bird front halves. It includes skin removal. The end-product is butterfly with separate tenders. See all features at our booth, live on-demand demonstrations.



PopDrum Machine The new PopDrum Machine is designed to create drumstick lollipops. It removes the knee joint for easy placement and the hock joint for presentation looks. See all features at our booth, live on-demand demonstrations.



OPTiX Switch The most successful Thigh Deboner with x-ray technology now offers the ability to debone Thigh and/or Drumstick. The OPTiX Switch is designed to process whole anatomic legs into two separate products: deboned thighs and optionally deboned drumsticks (the user can "Switch" between the options). Skin removal is also optional.

DURAVANT ON SIGHT™

Also debuting in 2023, is our Our IIoT services powered by Duravant ON SIGHT™



THE STRENGTH OF FOODMATE PRODUCTION AND DISTRIBUTION CONTROL SOLUTIONS

Foodmate Production Control, Grading, and Distribution Systems accurately measure, control and monitor manufacturing processes and activities. Our intuitive user interfaces allow production managers to easily translate complex production requirements into highly efficient production recipes, which correct and adapt abnormalities or variations from specified values.

CHICKSORT 4.0

An Intelligent Decision For Every Bird

Next-generation ChickSort 4.0 builds on the global leading ChickSort family of weighing, grading, and distribution controls, setting a new standard as the most advanced, user-friendly, graphics-based grading and distribution software on the market.

Processing plants can rely on the ChickSort continuous replanning algorithms to ensure that the best decision is made for every bird, keeping production consistent and minimizing product waste.

Building on the experience gained implementing ChickSort 3.0 solutions worldwide, this system update is even more intuitive and user-friendly,

CHICKSORT 4.0 DASHBOARD

The advanced Dashboard indicates at a glance:

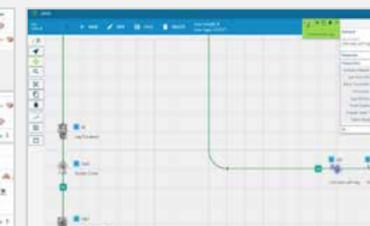
- ✓ Current production
- ✓ Combined piece rate
- ✓ Total piece production
- ✓ Individual line histogram
- ✓ Total production histogram
- ✓ Grade performance graph
- ✓ Average bird weight
- ✓ Whole bird weight spread
- ✓ Individual line speeds
- ✓ Hanging efficiency
- ✓ Reference position
- ✓ Hanging efficiency per line and combined



Reipe Dashboard



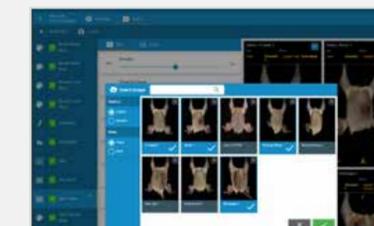
Shackle data



Line Builder



Dashboard Filter



Vision Profile



Belt Control Dashboard

INVISION DETECTION PARAMETERS

- ✓ Skin flaws/barking
- ✓ Single leg hang
- ✓ Physical size
- ✓ Broken wings
- ✓ Missing parts
- ✓ Hock length
- ✓ Hock burn
- ✓ Bile stain
- ✓ Bruises
- ✓ Feathers
- ✓ Organs
- ✓ Missing shackle detection

Want to learn more about these innovations? Schedule a conversation with us now!



VOICE OF THE CUSTOMER



AlaTrade Foundation

After retiring from a 40-year career working in the poultry industry, Davis Lee found an opportunity to start his own poultry company. He had learned a great deal (both good and bad) from his mentors and experiences throughout his career. He had always thought that if he ever owned a company, he would take what he learned to create a company culture that would be the cornerstone of its success. This culture, one of putting its people and its customers as the primary focus, has served as a solid foundation for more than 20 years, and it provides the footing for the strong and growing company we see in AlaTrade today.

Further building on this culture of putting the people and customers of AlaTrade first, Davis Lee made the decision in 2020 to create an ESOP, Employee Stock Ownership Plan. The employees of AlaTrade now effectively own the company where they work.

AlaTrade Focus:

Through contracts with our customers, AlaTrade employee-owners have the privilege to process more than 400 million pounds of chicken annually. Along with deboning, we produce marinated and non-marinated products for the foodservice industry nationwide.

AlaTrade is a company that works within the poultry industry to provide services for its customers that choose to outsource a part of their process. The relationship can be as simple as a fee for service (toll processing), or more complex to include co-packing of products for direct distribution. AlaTrade plants have approvals from many national account foodservice companies to produce products for their restaurants.

All plants are BRC certified (quality systems), AMS certified (USDA Grading), and have active USDA Process Verification Programs in place.



The AlaTrade Team

From the left: John Pittard, President / Kevin Parnell, VP of Operations / Greg West, VP of Sales, and Dave Robinson, Plant Manager, Phenix City Facility.

We are proud to serve the AlaTrade Team

SUCCESS STORY

AlaTrade

Location: Phenix City Facility | Follow up interview with: John Pittard, President

Foodmate Equipment:

(1) OPTIX Thigh Deboner

Scope: Plant needed to add dark meat deboning to its production, the OPTIX Thigh Deboner was the recommended solution.

Foodmate Strategy: Our team studied the plant's needs and developed a solution that addressed the main goal: maintain or increase yield and decrease labor. As always our team's target was to deliver our equipment on schedule and ensure a smooth start-up with minimum downtime. Providing solid training and assistance to plant's personnel had to be part of our goal, as this particular plant did not have experience with this level of automation. Our goal was to repeat the long history of successful installations we have had with AlaTrade in the last eight years.



WHY UPGRADING TO THE OPTIX?!

Perhaps the question should be Why not upgrade to the OPTIX! The OPTIX Intelligent Thigh Deboner has been on of the most successful machines we developed to date. The OPTIX proven track record has outperformed not only our customers expectations, but even ours! We are in the field collecting yields and running reports on how well this machine is performing at the plants. Let's hear how the OPTIX is doing at AlaTrade! To know more about the OPTIX performance reports, contact us at info@foodmateusa.com



See the OPTIX in action

Q&A

What were the deciding factors when selecting your new Foodmate equipment?

Well, having run other Foodmate equipment in the past, we felt like the capacity of the machine, coupled with our knowledge of it and how to maintain these types of machines, would give us the right amount of capacity with the right amount of cost of ownership for what we wanted to do. We saw the machine running before we put ours in, so we knew what to expect. Our machine is running just as well as the one we went and looked at, so we're happy about that.

Any favorite features on this machine?

Yes, we like that the capacity is up to 200 legs per minute. This allows us to run a lot of volume through that department, and we are now exploring different set-ups with size variations. We set it up to run legs from jumbo birds and 9-pound chickens, and now we're bringing in legs from 6-pound chickens, which are quite a bit smaller. And so we're seeing what performance level we can get out of these smaller birds if we can match what we've been able to do out of the larger legs. Being able to accommodate size variations was always something we were interested in, so this is all going according to plan.

How has your efficiency level improved regarding rework and labor?

Oh, it's much better if from the time we started, of course. And we understand that a lot of the success of the machine has to do with the quality of the whole legs that we bring into it, and we've had to work with our suppliers on that. The machine runs much smoother when the product is of better quality, which is our goal. And, of course, we've learned we had a lot of excellent service help from day one through the first month when we started up the machine, and our guys are better equipped to operate it now.

The training was essential, as the plant that this OPTIX went into was not deboning dark meat at all before. So this was a new process at that plant, and we knew there would be a learning curve, so getting Foodmate assistance to minimize that learning curve was important. We also had a team from our Boaz plant, who had been previously trained, to train some of the mechanics, and your service techs helped train on-site. Our Boaz team Boaz has a Foodmate ULTIMATE Whole Leg Deboner, which is very similar to the OPTIX, so they understood the process.

Have you experienced any other added value/ gain brought by this equipment that you were not anticipating?

We wanted to diversify, and we were aware we were putting this machine in at a poor time from a market standpoint because the poultry market has been declining, so we were not anticipating high gains at this point. Over the second half of the year, the pricing for thigh meat was dropped, plus it was in the middle of the year, and a lot of our sales deals get worked out on an annual basis. So we hit it hard coming into the middle of the year and then on a declining market. So we have yet to push the machine to run at full capacity. Sometimes we run one shift, but it's nothing to do with the machine's ability, and it's just the overall market conditions that we're in right now.

Can you comment on labor improvement you have experienced since the machine has been running?

We removed some cone line front-half deboning equipment and replaced it with the OPTIX, so we only needed a few people to run this machine. And we're probably pounds down the line where we're getting more pounds compared to what we were doing in that space in the plant, and it is a little bit hard to compare since we didn't replace a hand line or anything like that with this automated machine.

How have your maintenance and operations teams adapted to the new equipment?

We have been running the machine for about three or four months, and our maintenance team has learned what will be required to maintain the machine and keep it operating as it should.

Do you feel the new equipment has impacted your turnover rate?

The OPTIX is less labor-intensive than some of the others we have in the plant, so it will have the potential to do so in the long run.

How was your experience interacting with Foodmate's team before and during the installation?

Very good. We have a really good relationship. We've been running Foodmate equipment for a long time at AlaTrade in various plants. AlaTrade bought some of the first OPTI Thigh Deboners when they initially came out back in 2014. We originally had three, and we started replacing those Thigh Deboners with Thigh and Drumstick Deboners. We have four lines running various configurations at Boaz and two ULTIMATE Whole Leg Deboners.

Any additional comments or suggestions on equipment / R&D?

We had a ten-month lead time on this machine. If you can cut that down by that half, we'd appreciate it! We understand the logistics issues; still, our wishlist is to get these machines faster, which is a good statement about your machine!

Overall, AlaTrade and Foodmate have partnered really well together over the last eight years, and we greatly appreciate what Foodmate has done for us. For example, we now have 100 fewer people in our Boaz Plant since installing Foodmate equipment, and we are running more pounds.



How has your experience with our service team been?

Our team was again impressed with the Foodmate Service Team - during and after the installation. This install was in a new plant in Phenix City, we've never had to run this level of automation before, and we knew it would take a lot of training. And the Foodmate team was there night and day for several weeks, which really helped get us going.

What do you anticipate the industry's future will look like in terms of automation?

Oh, it's going to continue to increase. The machines are getting better. On the dark meat side especially, Foodmate has figured it out. The thigh and whole leg deboners have evolved and become game changers. Also, the workforce in the country is quite a bit different than it was just a couple of years ago, and it has put a lot of pressure on processors to look at automation. The demand is high, and it will only continue.

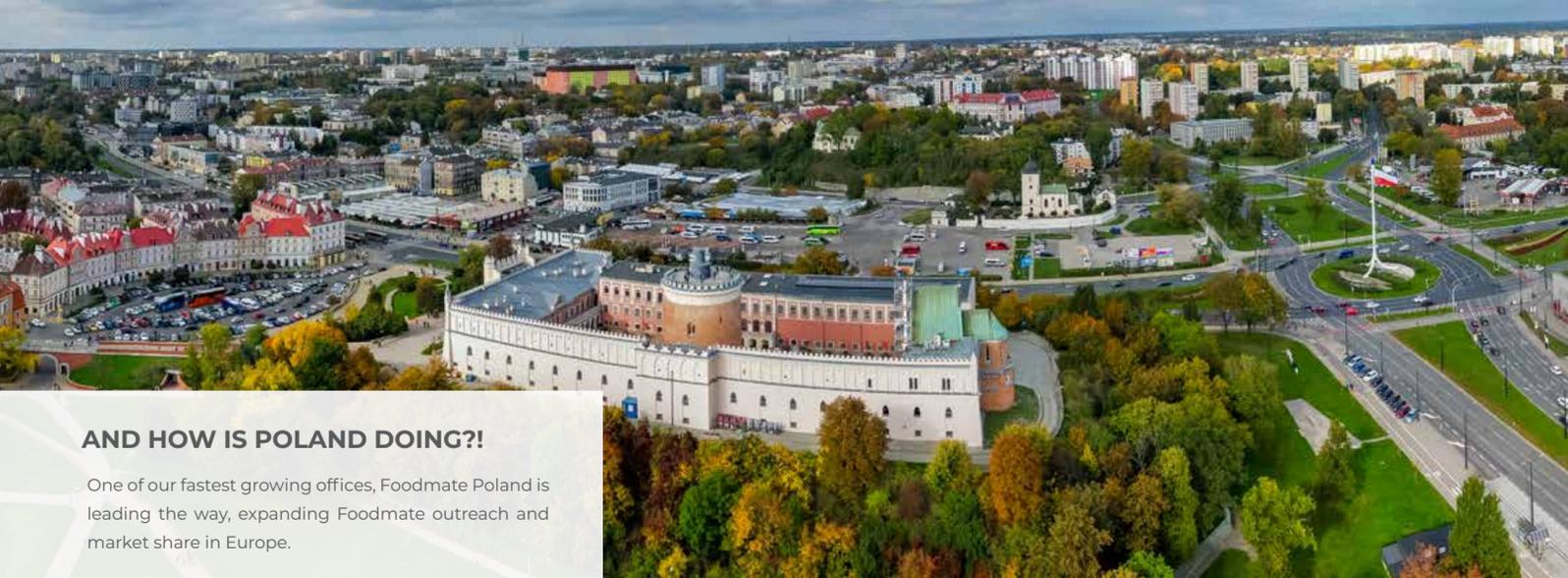
Would you recommend Foodmate products to other plants?

Yes, absolutely. As I said before, we feel our partnership is valued. We have always had a good response when we call and get help with anything. And, of course, the equipment works efficiently, and the overall cost of ownership, even though it is a high number, is reasonable for the tasks the machines are doing and the results we are getting.

CONTINUOUS IMPROVEMENT MINDSET

Deliver our best today
and strive to be better
tomorrow





AND HOW IS POLAND DOING?!

One of our fastest growing offices, Foodmate Poland is leading the way, expanding Foodmate outreach and market share in Europe.

FOODMATE POLAND

Foodmate Sp. z o. o., with its registered office in Lublin, started its operations in November 2017. It operates in seven countries: Poland, the Czech Republic, Hungary, Slovakia, Lithuania, Latvia, and Estonia. Central and Eastern Europe have long been a large market for Foodmate machines. Poland is of particular significance- Europe's largest poultry meat producer with a market share of approx. 20%.

The Managing Director of Foodmate Sp. z o.o. Mr. Jaroslaw Stepień is responsible for optimizing customers' productions, and he also provides advice and assistance in solving technical problems. He is present with a team of engineers during the installation and start-up of new production lines; he supervises the trouble-free operation of delivered machines and after-sales service in Poland and neighboring countries.

The company serves dozens of poultry processing plants. The following machines operate ULTIMATE whole-leg deboners, OPTI LTD whole-leg deboners, filleting machines, skinning machines, cut-up systems, weighing systems, and eviscerating systems.

Foodmate Sp z o.o. works very closely with the headquarters in the Netherlands. The Dutch service center, via the internet, provides support to the machines operating in Poland 24 hours a day, seven days a week.

Where remote support is not possible, Polish engineers immediately swing into action.



Foodmate Poland Team in action and having fun!

We understand our customers need to see our equipment running in a live setting, so we created a program in which we partner with two plants in Poland - RAB Jaźniewicz and RSP Nowość - where we manage Foodmate equipment demonstrations for new customers. These plants are one of the few in Europe where you can see a complete line of Foodmate equipment in one production plant.

These successful on-demand demonstration events are offered to customers from Europe, South Africa, the United States, and Brazil.

Jaroslaw Jerry Stepień
Managing Director | Foodmate Poland

Have you heard the word?

2023 is the year of great ideas being developed! Starting with innovations and expansions!



As we embark on another great new year, we are excited to let you know about our new direction with our sales team and the regions we serve. The maps below show our new Account Managers' redistribution in 2023 for all of North America. We focus on serving each of you with our 2nd Processing solutions into a completely automated intelligent process. This new sales alignment will allow our team to serve you even more efficiently and allow us to provide you with a more value-based approach to your specific needs.

Scan to see our sales map and reach one of our Account Managers directly



Here we GROW AGAIN!

To support our growth, we have expanded our R&D Facility in Holland. We are ready for you!

Your boarding pass is ready. Experience our Headquarters in Holland!



Committed and Reliable

Foodmate, which is owned by Duravant LLC, is a leading poultry processing equipment manufacturer based in The Netherlands. Founded by industry experts in early 2006, the company quickly expanded its worldwide distribution into North and South America with the launch of Foodmate US in 2010. Foodmate Brasil was then launched in 2015, followed by the launch of Foodmate Poland in 2017 and the acquisition of Foodmate UK in 2019. Foodmate has become the committed and reliable partner of major poultry processing companies worldwide. In 2017, Inc. magazine has ranked Foodmate US, Inc. No. 13 in the manufacturing sector on its 36th Annual List of America's Fastest-Growing Private Companies, the Inc. 5000, the most prestigious ranking of the nation's fastest-growing private companies.

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Our team of dedicated professionals is backed by decades of poultry industry knowledge and experience, resulting in the engineering, development, and implementation of highly innovative meat processing equipment geared to our clients' ever-changing needs.

Driven by research, paired with unmatched knowledge and decades of experience, our company's mission is to innovate, automate, and bring cost-effective solutions to the industry and our customers.

We make it SIMPLE. You make it PROFITABLE.

Our commitment
to our customers
and employees.

Purpose, Aspiration, Vision & Mission

Our Purpose



Feeding the world efficiently, effectively, and **responsibly**.

Our Winning Aspiration



Transform the Secondary Poultry Processing Industry into a completely automated **intelligent** process.

Our Vision



To be recognized by customers globally as the most valued automation and **intelligent** solutions provider.

Mission Statement



To drive customer success, we promise to continuously **innovate** our solutions and services.



In 2018, Inc. Magazine ranked Foodmate on its 36th annual Inc. 5000, the most prestigious ranking of the nation's fastest-growing private companies. The list represents a unique look at the most successful companies within the American economy's most dynamic segment - its independent small and mid-sized businesses. Also, Foodmate was listed No.13 in the manufacturing sector nationwide and No. 38 in Georgia.

foodmateus.com | foodmate.nl

