

Recreating an Agricultural POWERHOUSE

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At some point in our lives, we become so passionate about our work that we share every last detail with increasing acuity and pitch. This generally means our purpose is clear and that we are doing something good.

This is where Kelly Egolf, founder of Verde and CEO of New Mexico Fresh Foods, is in her life. NMFF has purchased Verde's assets and is poised to bring the first and only High Pressure Processing technology to New Mexico in early 2021. After a lengthy explanation about the fatal effect that 87,000 psi of 40-degree water pressure has on molds, viruses and harmful Gram-negative bacteria—the insidious stuff that can cause food-borne pathogens such as E. coli, salmonella and listeria to develop—she takes a breath and says, “I am a geek. I admit it.”

Thank goodness—her obsession is an absolute win for New Mexico's latent food economy.

In recounting her professional “origin story,” Egolf says, “I didn't spend that much time thinking about food until I was five months pregnant hiking with my husband and I hit a wall. ‘I am out of food. My energy is gone.’” When they discovered their young first-born daughter (now 12 years old) had life-threatening food allergies, Egolf baked 100 percent of her gluten-free and vegan bread because her daughter “couldn't eat anything from the store.” She voraciously researched the best way to deliver nutritionally dense foods to not just her daughter, but her whole family. Further, after surgery left her jaw wired shut for months, Egolf nourished herself—cutting her recovery time in half—by consuming syringe after syringe of nutrient-dense liquid.

A geek was born. And so was Verde, maker of raw, non-pasteurized, cold-pressed organic juice.



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—Kelly Egolf



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the state's economy in 2017. Remarkably, some 97 percent of those agricultural products are shipped out of state, while the state itself imports more than \$4 billion in food products annually. Of the more than 24,000 farms in New Mexico, 96 percent are small- or mid-sized with average net cash

"We launched into it knowing that we wanted to bring this technology to New Mexico," Egolf says.

And now New Mexico will have a higher fix of its own. Egolf's dream—a semi-truck-sized, \$2 million, 60-ton HPP machine from Avure Technologies—is due to arrive in December at a refrigerated warehouse near Balloon Fiesta Park.

The NMFF HPP facility will join the more than 30 "tolling" operations in the United States that offer food manufacturers the opportunity to create value-added products that help them scale with less risk, greater guarantee and better flavor. (The other 270 HPP facilities nationwide are owned by commercial enterprises solely for production of their own branded products.)

Joining Egolf on NMFF's executive committee are businessman, restaurateur and chef, Charles Dale, and philanthropist and private equity investor Bob Vladem.

While Verde endeavored to support as much local product as possible—most farmers were not willing to sell at competitive wholesale prices—Egolf identified two seminal and systemic barriers: an inability to scale because of a lack of distribution/trucking and lack of processing facilities.

"Over the years of doing Verde Juice as a social enterprise, committed to changing the local food economy, I've had the opportunity to learn a lot more about the barriers facing food companies in New Mexico—the farmers, the manufacturers and the producers wishing to distribute beyond farmers' markets," says Egolf. "Now, I want them to think that there is hope to grow their businesses, open their minds to possibilities and not feel weighed down by the capital investment constraints."

According to statistics published over the past decade, it's clear that New Mexico's agricultural legacy of 2,500 years could use some redirection and bolstering. Year after year, our state is the nation's largest producer of pecans and yet, national shelling companies, not most New Mexico farmers, are seeing the profit. New Mexico was one of the largest producers of carrots before we lost our competitive edge to processors of the precious baby-cut carrot in Southern California in the early 1980s. And did you know that dairy is our state's largest commodity, with \$1.3 billion in milk sales in 2017, ranking us 9th in the nation? And here's another perhaps confounding and frustrating fact—water-intensive forage dominates our agricultural acreage.

Third in gross domestic product, New Mexico agriculture contributed more than \$3 billion to

income of less than \$10,000 per year, and few have outlets beyond farmers' markets for selling their products. Of course, COVID-19 has further exacerbated market access by disrupting the steadfast relationship between farmers and restaurateurs.

"It became clear we needed to aim higher in the fix," says Egolf.

Eager to scale, Verde initially committed to hauling its products to and from a Denver-based HPP facility for a processing step that would extend the shelf life of its juices by several weeks, enabling it to expand into Whole Foods and beyond.

Beyond greater shelf life, this pascalization step allows Verde to preserve the juice's freshness, taste, and vitamin and nutrient density without heat pasteurization or adding preservatives or chemicals. The step also eliminates the risk for food-borne pathogens as it does for a variety of foods you consume daily, including cheese, deli meat, salsa, salad dressing, sauce, hummus, baby food, wet salads, lasagna, smoothies, soup—even skin care products!

“ There are so many possibilities for this company to help bring small local producers to market.” —Charles Dale



Dale, who at one time operated a food processing and packaging company, says, “We made our stocks and broths the old-fashioned way, with real bones and vegetables, and processed them directly into bag-in-box aseptic packaging, so that maximum freshness and flavor were preserved.”

“NMFF’s idea is to develop, package and ship New Mexico-based products for and by local brands, farmers and even chefs,” he continues. “Because we can process relatively small batches, we are ideally suited to help develop custom products for the local culinary community. This could extend a chef or restaurant’s brand into wholesale or retail, or for takeout and delivery. We can extend the shelf life of certain items in some cases for up to 120 days.”

He adds, “There are so many possibilities for this company to help bring small local producers to market; we are very excited to be a part of the New Mexico culinary community!”

Vladem, who arrived in Santa Fe seven years ago to escort his daughter to St. John’s College, never left. Beyond realizing he could manage his companies from anywhere, he fell in love with New Mexico. An avid hiker and backpacker, he and his wife Ellen are philanthropists. “NMFF is my first venture in New Mexico.” As a former CPA and a 30-plus-year investor in generational businesses like auto dealerships, trucking and food-grade chemicals, he confesses that a startup is possibly “the hardest thing I’ve ever done, but I want this place to be as vibrant as I think it can be. Everyone talks about tech and film, but I want to build a solid business around agriculture—I would love to see it come back. Once upon a time, we were an agricultural powerhouse.”

While there are multiple food manufacturers prepared to partner and scale with NMFF, Vladem plans to “prime the pump” to create competitive advantage by investing in seven or so companies. Over the course of the next 10 years, Vladem hopes for enough demand to warrant building an additional HPP facility in Las Cruces and to involve his trucking businesses; in the same timeframe, Egolf anticipates processing 500 million pounds of fresh food products.

Among the interested companies is Young Guns Hatch Valley Chile, founded nearly a century ago and operated by the Franzoy family since inception. Egolf says, “Imagine someone in New Jersey having that HPP-treated product with the same crunch, vibrancy, heat and flavor that we experience here each fall. And imagine it in convenience packaging!”

Young Guns president Chris Franzoy says, “Recently we partnered with NMFF to further diversify our portfolio and offer our retail and foodservice customers frozen and refrigerated ready-to-eat, flame-roasted Hatch Valley chile peppers. This is a fantastic opportunity for us because we will be able to expand our reach and give customers a very clean product, while maintaining the integrity and flavor profile that Young Guns is known for.”

Franzoy adds, “I believe the vision and process that NMFF has developed will help not only my company, but other food manufacturers in the state to expand. It’s a very exciting time for us!”

Mercedes Rodriguez, executive director of the Taos County Economic Development Corporation, which manages the Taos Food Center program, concurs. “Food security is at the top of our list,” she says. Twelve



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The JBT Avure AV-M

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of the 42 businesses that operate out of the TCEDC, including Arabian Nights Foods and Pepe's Salsa, have fresh product lines that could expand their markets if they were HPP-treated. "Truly, there are only benefits. These are established food businesses that could overcome the limiting hurdles of shelf life and distribution by partnering with NMFF."

These businesses and others are pursuing avenues toward the first authentic partnership step with NMFF—a \$5,000–8,000 FDA validation study conducted in one of a handful of labs throughout the country that verifies whether HPP kills specific bacteria. After the food product is inoculated with high volumes of food-borne pathogens, it is run through an HPP machine and examined over the course of weeks or months for evidence of pathogen regrowth. NMFF is committed to helping businesses figure out that initial research and development step.

Egolf says, "Out of all NMFF's offerings, I think our co-packaging and co-manufacturing services will be one of the most sought after. Most co-packers in NM use pasteurization and don't offer many choices for food companies who need help growing or launching their refrigerated food brands. We can manufacture these products in our onsite production facility or we can receive bulk shipments from other manufacturers to be packed in HPP-compliant final packaging." NMFF is also prepared to help clients tweak their recipes and packaging to be successful with HPP.

With a mission of growing the local food economy through offering food processing technology that creates greater access to markets, NMFF is designed to toe a 3P triple bottom line—people, planet, profit. For the people part, NMFF is launching with 12 new employees who will grow to 60 in three years at an average salary of \$43,000, plus benefits. For the planet part, 90 percent of processing water is recaptured from "cycle to

cycle." There are also plans for an onsite anaerobic digester (a geek's dream come true), the methane output of which will be captured to power the facility through a backup generator during periods of peak electricity demand. "We are literally going to turn food waste into energy on site!" Egolf exclaims. If she gets her druthers, solar could very well be implemented in the future, too.

Moved by the scale of the project, I ended our interview by asking what drives the former Army brat and Peace Corps volunteer. She delivered her most succinct answer: "Why do anything if you are not going to do it well, if you are not going to have an impact?"



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