



FANCY FOODS, INC.

35th Anniversary



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Fancy Foods: The Independent Operator's Destination For Healthy Meat And Protein Choices

Fancy Foods of New York City wants to be the point of destination and a partner for independent operators when it comes to healthy meat and protein choices.

In short, Fancy Foods wants to be the expert protein distributor for the health-conscious consumer.

The family-owned, family-run, full-line protein distributor has a wide array of all-natural, non-GMO, grass-fed and organic products—and many different retail sets—to adjust to any retailer's needs.

Fancy Foods Inc. was established in 1981, 35 years ago, as a distributor of gourmet poultry products and is located in the Hunts Point Cooperative Market in the Bronx, New York.

Over the years, the distributor has evolved into a multifaceted purveyor of food products and services to the retail, wholesale and food service sectors of the industry.

The company's mission is "to exceed the expectations of its customers and vendors while maintaining a culture of trust and confidence that has been the foundation of our past success and it is the platform upon which we will build our future relationships."

Its excellent vendor relationships have allowed Fancy Foods to provide a wide variety of domestic and internationally branded and private label products.

But Fancy Foods is much more than a supplier

or distributor. The company has a team of highly trained professionals committed to working face-to-face with each customer to create profit opportunities and customized programs to meet an operator's individual needs.

The mission of the Fancy Foods marketing department is to create value in the products and brands it represents.

The marketing department provides a dedicated and experienced sales team with the tools, brands and promotional support to help build their business with customers and create customer-specific programs with the support of its exclusive vendor relationships.

Fancy Foods is one of the most prominent companies in Hunts Point Cooperative Market, which is described as the "Largest Food Distribution Center in the World."

Overall, the company services more than 1,000 foodservice, wholesale, retail and military commissary customers six days a week, with next-day deliveries. Fancy Foods delivers more than 2,000 refrigerated, frozen and grocery items to Upstate New York, Philadelphia, Connecticut, Long Island and New Jersey.

Fancy Foods has an experienced, dedicated staff of warehouse and logistics professionals who utilize modern technology for efficient order filling. Delivery service is provided by drivers who are both courteous and respectful of customer needs. 

About Fancy Foods

Location: Hunts Point Cooperative Market, Bronx, New York.

Established: 1981; 35th Anniversary

Full Line Protein Distributor: Emphasis on Organic, Natural, Grass-Fed, Non-GMO and Latin Foods

Territory: Tri-State Area of New York, Connecticut and New Jersey

Delivery: Monday through Saturday. Orders placed by 7 p.m. will be delivered the next day.

Address: Building B-12, Hunts Point Cooperative Market, Bronx, NY 10474

Tel: 718-617-3000

Fax: 718-617-7408

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Three Boyhood Friends Unite To Form A Successful Company

By Mike Berger

Three boyhood friends successfully working together, overseeing and routinely reinventing a distribution company for more than 25 years: This is a true American success story.

It all began when Bob Dee met Robert Corazza in junior high school. They soon became best friends and consequently, a 15-year-old Robert was introduced to Bob's father, Anthony "Tony" Dee.

Tony Dee and Robert Corazza developed a special relationship. This bond changed the course of Robert's and his maternal brother Tom's professional life, when Tony decided to embark upon a new business venture.

Tony Dee was the founder and spirit behind Fancy Foods Inc., which opened its doors in 1981. In 1990 Robert and Tom Corazza joined the company and shortly after Fancy Foods merged with J.A.W.D. (another wholesale meat company managed by Tony's son Bob).

"Tom and Robert are the brothers I didn't have," said Bob Dee. "We have transformed many times over and yet we have still been able to maintain a great friendship and successful business. We have a special trust in each other, our employees, and our customers."

Bob Dee, upon joining his father's company, provided his amiable personality "... to help open doors. Bob has a special charm and people genuinely like him. Tom balanced off the team by providing - financial innovation. He has a special gift for numbers which helps us successfully manage the company," said Robert.

Another integral part of the team was Tony's wife, Jill, a company partner, whose unique skills and professionalism made her instrumental in making important business decisions.

"I was not classically educated" said Robert. "Tony Dee was a great teacher and applying the lessons I learned, helped lead us to success."

All three partners agree that Tony Dee's initial "common sense" business principles, that included loyalty, hard work and dedication, are still critical to maintaining a successful business.

It is these basic principles that helped create a strong foundation for Fancy Foods, whose mission statement is "to exceed the expectations of our customers and vendors while maintaining a culture of trust and confidence. This has been the foundation of our past success and is the platform upon which we will build our future relationships."

Loyalty, hard work, and dedication continue today with all of the Fancy Foods employees.

According to Tom Corazza, "Fancy Foods employees are our company's heart and soul. The incredible diversity and unique professional experience, define a rich cultural foundation that contributes to our success. We are committed to make sure our work environment is enjoyable. One where our employees are empowered to reach their full potential while maintaining our core values of respect and integrity. Our culture of genuine compassion and kindness is what unites us."

Integrity is another key element to the company's success. All three partners possess the same moral fiber that their luminary, Tony Dee had. "When someone at Fancy Foods says something will be done - you can count on it! Maintaining follow-through builds trust with our vendors and our employees," says Robert. "It's very simple," says Tom. "Our word is our bond."

Initially the company's growth was modest. The partners gradually expanded the business



The Fancy Foods Inc. partner team: (l-r) Tom Corazza, Robert Corazza, and Bob Dee

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U.S. Organic & Natural Market Expected To Continue To Grow

This is no fad—the organic and natural meat market is here to stay. Consumer demand continues to increase, even in recent economic downturns and now in an economic recovery where shoppers have more to spend than a year or two ago.

Growth in the U.S. organic food market is expected to continue until 2018 at a compounded annual growth rate of 14 percent, according to the “United States Organic Food Market Forecast & Opportunities, 2018,” report from foodnavigator-usa.com.

According to Organic Trade Association (OTA) research from 2012, 81 percent of all American families reported purchasing organic food at least “sometimes.”

And an OTA organic survey from 2014 found that:

- Sales of organic products in the U.S. were \$35.1 billion in 2013, up 11.5 percent from the previous year’s \$31.5 billion and the fastest growth rate in five years.

- Families who include organic products on their grocery list on a regular basis spend an average of \$125 a week at the grocery store compared to \$110 a week for those not buying any organic items.

- Fifty-one percent of parents surveyed said the cost of organic products was one of the key factors in limiting their organic purchases—a sharp drop from the previous year when 62 percent said organic items were sometimes too expensive for their household budget.

- The biggest change from 2012 to now is that the average consumer is beginning to show interest in organic protein purchases, including meat and poultry. This shows the evolution of the organic movement, which started in produce, dry grocery, snacks, etc.



Certification Differences

In understanding the organic and all-natural food market, there are three key definitions to understand: Raised Without Antibiotics or No Antibiotics Administered; GMOs; and USDA Organic certification.

Raised Without Antibiotics or No Antibiotics Administered indicates that no antibiotics were used over the animal’s lifetime.

GMOs or Genetically Modified Organisms are organisms whose genetic material has been artificially manipulated in a laboratory through genetic engineering (GE). This relatively new science creates unstable combinations of plant, animal, bacteria and viral genes that do not occur in nature or through traditional crossbreeding methods.

USA Organic Certification verifies that a farm or handling facility located anywhere in the world complies with the USDA organic regulations. 🌱



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The Sale Doesn't End When The Product Is Delivered: It's Only The Start Of A Dedicated Partnership

The Fancy Foods customer relationship does not end when the product is delivered; after that, the company's sales and marketing team is trained to service and develop a customer's business. It's a partner relationship.

What separates Fancy Foods from the rest? In addition to supplying a complete portfolio of premium brands, Fancy Foods focuses on face-to-face selling, the ability to train meat and poultry departments with product knowledge and the right products to buy based on customer demographics; and the flexibility to change on a dime if needed.

The mission of Fancy Foods' marketing department is to create value in the products and brands it represents for its diverse customer base. It provides point-of-sale material and in-store product demonstrations for exclusive brands; hosts special marketing events for customers; and offers rebates and monthly specials. The marketing department also customizes and targets in-store programs that creates brand awareness and generates

consumer trial.

Leading these efforts are Ed Lopez, marketing director, and



Ed Lopez,
Marketing Director



Anthony D'Urso,
Sales Director

Anthony D'Urso, sales director.

Lopez said Fancy Foods' two primary target markets are Hispanic food businesses and the health-conscious consumer that is seeking all-natural and organic products. "We have become the leading supplier of grass-fed, organic, RWA and non-GMO protein products," said Lopez.

He believes independent supermarkets are the best avenue to reach these shoppers because these operators have the flexibility to change their product mix that reflects their demographics.

They also can offer a one-stop, point-of-destination protein section for the health-conscious consumer.

"We don't deal with chain stores or club stores. The independents have a better understanding of what we are trying to do," said Lopez.

"Today's consumer is very well educated. They read labels and stay informed; they have a clear understanding of what is good for them and their families, and price is not the most important factor. They want transparency and to know what goes into their food

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The image displays several marketing materials for Nature's Finest. On the left is a large sign for 'FANCY FOODS, INC. INTRODUCES NATURE'S FINEST' with the company logo and 'ALL NATURAL NON GMO GRASS FED ORGANIC' labels. In the center are smaller point-of-sale signs with the same branding. On the right is an advertisement for 'Sirloin Steaks' featuring a photo of the meat, the slogan 'Eat Well. Live Better.', and a price tag of '\$4.99'. The ad also includes the text 'Culinary Reserve Premium Choice Sirloin' and the Fancy Foods logo.



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The Sale Doesn't End When The Product Is Delivered: It's Only The Start Of A Dedicated Partnership

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and are willing to pay for it," he said.

Lopez said the goal is to establish point-of-destination sections with separate case-ready displays ranging from four- to 12-foot sections. A 12-foot section can hold 20 to 30 SKUs. A four-foot case can hold 12 to 15 top-selling items.

Fancy Foods experts first evaluate the store's demographics then recommend the product mix that best meets the needs of the consumer. They prepare planograms, suggest retail pricing and provide marketing support.

Recently, Fancy Foods successfully started a partnership with Key Foods Cooperative, which has increased its store base with the purchase of some closed A&P stores.

"Key Foods wanted to know how we do it. We told them, 'one store at a time,'" Lopez said. "It takes time to develop the point-of-destination section that best meets the needs of the store. It takes two to three months to establish the brands with our marketing programs."

Lopez added that Fancy Foods now offers 15 organic and all-natural brands.

"The number of product lines continues to increase as the vendor community finds out that we are good at developing brands," he said.

D'Urso has worked for Fancy Foods since 1994—21 years—and has been involved in the meat business for 39 years, with rich experience in meat and poultry buying. He now works in cultivating retail partner relationships in the ethnic and gourmet categories.

D'Urso says retailers have responded well to organic, all-natural and non-GMO meat and poultry products.



"Everyone knows this is the buzzword and is the future of the business. At first, some resisted the change but eventually accepted the fact that this trend is here to stay and the consumers are seeking these products. This is especially true for the Millennial group. They not only shop for it, they want to read about it."

D'Urso acknowledged these products are more expensive—\$3-\$4 more than conventional products. But he said once the retailers understand that consumers benefit and that it's a better choice from a health standpoint, they are able to come around.

"The great thing about Fancy Foods is that we have a different brand for every socioeconomic demographic group.



We have that flexibility."

D'Urso said Fancy Foods likes to target the independent operator because they have the right size store and the flexibility to respond to consumer needs.

D'Urso echoed Lopez on the flexibility of case

setups as well. Retailers can choose two- to four-foot sections; four- to eight-foot sections; and eight- to 12-foot sections.

But, again, the partnership does not end with the delivery of a shipment. Fancy Foods offers planograms, POS marketing materials, product demonstrations and sales advice.

"We are more than a distributor. We just don't dump product and run. We are a full-fledged partner. We are there for the long term. We value the vendor-retailer partnership very much. We believe in the old values, and our word is our word," said D'Urso. 🐾

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Tyson Foods Enjoys Close Relationship With Fancy Foods

Tyson Foods has had a close and successful relationship with Fancy Foods over the years, and Kent Harrison, Tyson Fresh Meats VP of marketing and premium programs, commented on the relationship and Fancy Foods' performance over the years.

How far back does the relationship with Tyson and Fancy Foods go, and what brought these two companies together?

The relationship between Fancy Foods and Tyson has been developed over the course of decades, but in the last 10 years the two companies have worked especially close together to deliver value to markets in the Northeast U.S. Tyson Fresh Meats has always focused on quality and consistency in the boxed beef and pork markets, but when we renewed our commitment to premium branded programs and value-added products, we needed to partner with customers that shared the same values and who we could trust to deliver on the promise inherent in our products. Fancy Foods met those criteria and exceeded our expectations for brand development and service to their customers.



Tyson Fresh Meats, Inc.

How has Fancy Foods helped Tyson advance its products through the years?

Fancy Foods has helped Tyson advance its product through the years by acting as a genuine business partner. Over time, Fancy Foods has developed a critical link to the consumer through their deep understanding of the customers they serve. Through the hard work of providing value to these customers, Fancy Foods has uncovered and shared important knowledge of distribution channels and end-users so that Tyson can make changes to product specifications, introduce new cuts of meat or collaborate on the creation of an exclusive brand name.

How has Fancy Foods, in your opinion, been different or unique than any other of your customers?

Fancy Foods is a special customer because they focus on the best total value that they can bring to the markets they serve. They are in sincere relationships with both their customers and their suppliers, where their goal is to provide long-term growth and prosperity throughout the supply chain. Fancy Foods is truly different because they understand that creating lasting partnerships based on trust is the best way to combine consistency with endless possibility.



What is your outlook for the future of the all-natural protein channel?

The outlook for the future of the natural protein channel is extremely bright, as this is a consumer category that is growing exponentially each year. Retailers are realizing that in order to keep customers coming back to their stores

they need to offer them a choice in the fresh meat department; restaurants know that their menu offerings need to have deeper meaning. Natural beef and pork is a great way to accomplish these goals.

What is the future for Fancy Foods?

With a customer service-driven business that offers unique products and brands, the future potential for Fancy Foods is unlimited. They are well positioned in today's fast-paced, value-driven world to create growth opportunities throughout the fresh meats supply chain. Their first 35 years is just the beginning. 🍖



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Brand Portfolio

Premium Brands



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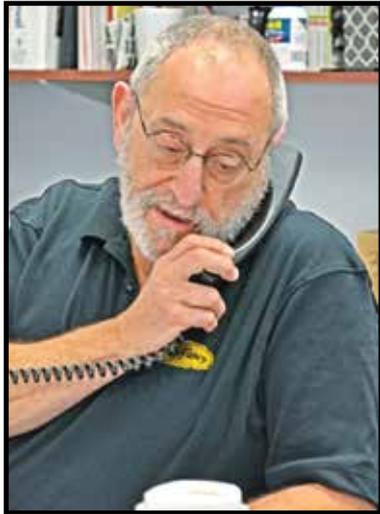
Behind The Scenes, Fancy Foods Veterans Contribute In Big Way To Company Success

Marian Petrone: VP of Finance

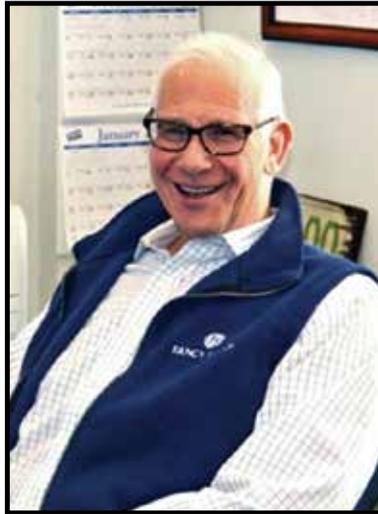
Marian Petrone remembers looking at a help wanted ad in the newspaper nearly 33 years ago that was “asking for a ‘Gal Friday’ with a driver’s license.” She saw the ad three days in a row and it made her curious.

She started in the sales department taking chicken orders. Now, 33 years later, after progressing to accounts receivable and working her way up and having gone to school through Fancy Foods, she is VP of finance. Why did she stay all those years?

“They are a great company to work for. You couldn’t ask for



Marc Ross,
Operations Manager



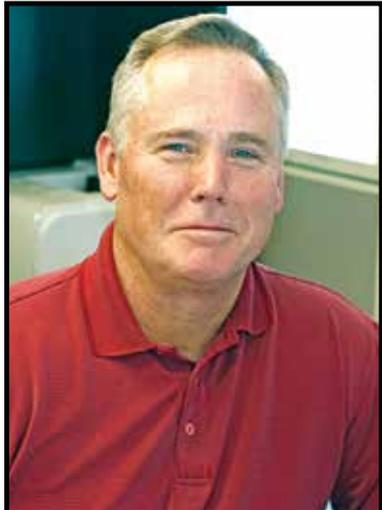
Steve Brody,
Director of Procurement



Mario Luna,
Dock Supervisor



Marian Petrone,
VP of Finance



Dennis Garvey,
VP Sales & Procurement



Danuta Woszczyzna, Human
Resource Manager



Eric Ripoli,
Controller

a better employer. Fancy Foods has a reputation for keeping employees. They treat everyone like family here,” she said.

In the early days, Petrone remembers the company operating in Queens and distributing Nathan’s hot dogs and poultry.

“Fancy Foods has kept ahead of the curve and moved into new areas,” she said. “Fancy Foods has moved from wholesaler to wholesaler to wholesaler to retailer.

Petrone said what sets Fancy Foods apart is its integrity.

“They follow through on what they deliver. They are great in customer service,” she said. “The partners are very experienced in meat and poultry buying. They certainly know the trends. Everything they do reflects that. We are a strong company. What makes us strong is our bonds with vendors. They believe in us. We have a very good reputation.”

Steve Brody, Director of Procurement

Steve Brody, director of procurement, has worked for Fancy Foods for 24 years. He oversees six buyers in the procurement department, which buys 1,000 SKUs of beef, pork, poultry, lamb and now seafood. This includes 300 varieties of all-natural, organic, grass-fed and non-GMO products.

Brody has seen Fancy Foods grow from a just a wholesaler to a wholesaler serving retailers, and he believes servicing retailers will be the bulk of Fancy Foods’ business.

Brody believes the business will continue to grow, as consumers appear to be willing to pay extra for the quality of all-natural and organic products.

He added that what separates Fancy Foods from its competitors is that it is very much focused on the business.

“We are in the stores. We see what is going on,” he said. “We are there to demonstrate, help set up product, reset, help with POS and marketing materials. We attach ourselves to the retailer.”

Marc Ross, Operations Manager

Operations Manager Marc Ross has worked for Fancy Foods for 20 years. His career in the meat business dates back to the 14th Street Meat Market in downtown Manhattan, helping out in sales and deliveries.

Now, Ross is involved in all operations of the warehouse, which includes approximately 40,000 s.f. of cooler space. The loading dock has six bays, including a ramp for a smaller truck.

Fancy Foods operates 24 hours a day, five days a week and until 2-3 p.m. on Saturday. The warehouse reopens Sunday night for Monday delivery. The company employs 24 drivers.

Ross said the company focuses on customer service.

“We make sure everything gets delivered on time and that the drivers are courteous and do right by the customer,” he said, adding that “we are pretty flexible on scheduling and do what we can for special deliveries.”

Mario Luna, Dock Supervisor

Dock Supervisor Mario Luna joined Fancy Foods in 1984 at 19 years of age, unloading trucks. He became a supervisor in 1989. Today,



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with small acquisitions. In later years Fancy Foods growth was exceptional. In 1991 (a year after the partnership formed) the company had \$10 million in revenue. By the end of 2015, revenue exceeded \$250 million – an extraordinary accomplishment.

According to Robert, “Growth comes from adaptability, experience, and knowledge of the protein industry as well as understanding changing market dynamics and consumer trends.

Tom added, “In the past four to five years we have focused on becoming a leader in providing natural and organic products to a growing consumer segment that I believe is the wave

of the future,”

What separates Fancy Foods Inc. from its competitors?

“It’s our diversified business model. We offer gourmet, natural, organic, Latin and other ethnic products; we sell to Chinese markets and Korean markets; distribute to wholesalers; and even offer a pick-up service where customers can purchase directly from us. Another important difference is the mutual respect we share with our employees, our vendors, and our customers,” says Tom.

Bob added, “We’re a great company to do business with. We go the extra mile!”

According to Robert “It is our tenacity and ability to adapt to economic change over the past 35 years. We adjust quickly

to any challenge, which is a feat that cannot be easily achieved without the dependability and allegiance of our employees.

What’s the outlook for the future?

“We are in the early stages of development in the natural and organic markets and we’re pleased with the results so far. It is the future of the industry and the outlook is promising,” says Robert.

Tom added, “Yes, over the next one to three years, we see tremendous growth opportunities, in the natural-organic markets—double-digit growth! Not bad for three guys from Brooklyn who used hard work, loyalty, compassion and common sense to grow the company significantly.”

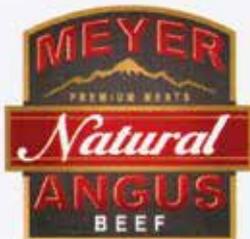


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Some of the healthy product lines offered by Fancy Foods...



ALL NATURAL

NON GMO

GRASS FED

ORGANIC