

Manufacturing: Food and Beverage INDUSTRY DIGEST

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SUMMARY

Food and beverage products manufacturers are among the most heavily regulated industries. Companies face strict lot tracking and must manage recalls, allergens, nutritional labeling, and more. Other challenges include process manufacturing production methods, expiration dates for perishable inventory, catch weights, byproducts, and flexible pricing with promotions and allowances for customer returns due to spoilage and damage.

Food and beverage product manufacturers using legacy ERP systems lack integration, automation, and information to boost profits, reduce costs, and improve the customer experience.

Modern ERP applications provide connected commerce solutions for online storefronts, brick-and-mortar sales, direct store delivery (DSD), and electronic data interchange (EDI). Mobility, cloud computing, and open APIs are essential for growing organizations to manage the complex nature of their products, supply chains, and unique market requirements.

This Industry Digest provides an overview of the Food and Beverage Products Manufacturing market with insights into the industry's future, critical features to consider when evaluating a new ERP application, and a list of resources to get more information.



Discover How Manufacturers Succeed with Acumatica

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INDUSTRY Overview



The food manufacturing industry can be difficult to identify as many companies engaged in food manufacturing are categorized as farming and agriculture, retail, distribution, marketing, and other types of businesses. Leading food and beverage companies include Pepsico, Nestle, Kraft, Tyson Foods, Anheiser-Busch, General Mills, Conagra, Frito-Lay, Unilever, and Dean Foods. However, most businesses are smaller entrepreneurial companies with ninety percent having fewer than 100 employees.

Food and beverage product manufacturers provide consumer packaged goods and ingredients used in the global food supply chain. Many products are sold through distribution channels, while others are sold through foodservice delivery (DSD) companies to retailers or commercial facilities such as hospitals, restaurants, and nursing homes. Recent trends such as locally sourced farm-to-table products, a growing interest in specialty foods, and online meal kit delivery have increased direct-to-consumer sales. In addition, growth in micro-breweries and craft liquors is also disrupting the market with unique products and new go-to-market requirements. Food and beverage product manufacturers are categorized under SIC Code 20 and NAICS Code 311. A manufacturing industry breakdown for US companies by employee size is provided below.¹

INDUSTRY SEGMENT	1-20	21-50	51-100	101-250	251-500	501+	TOTAL
Meat, Poultry, and Seafood	3,654	862	345	326	139	274	5,600
Dairy and Eggs (Including Ice Cream)	1,639	334	167	210	72	70	2,492
Canned and Prepared Foods	2,561	593	342	380	143	163	4,182
Frozen and Refrigerated Foods	1,585	370	171	199	73	93	2,491
Milled Grain and Pasta Products	2,849	733	333	543	117	88	4,663
Bread and Baked Goods	2,200	520	239	454	84	50	3,547
Candy, Confectionary, and Salty Snacks	2,283	379	146	144	63	72	3,087
Oils, Fats, and Vinegar	822	210	102	86	22	67	1,309
Beer, Wine, and Spirits	11,791	1,907	565	305	36	47	14,651
Water, Coffee, and Tea	1,031	208	54	43	8	11	1,355
Soft Drinks and Other Beverages	652	492	450	287	99	59	2,039
Flavoring and Ingredients	646	197	114	135	48	44	1,184
Animal Feed and Pet Food	1,795	542	173	144	40	83	2,777
Other Food and Beverage Products	1,162	111	44	40	20	13	1,390
TOTAL	34,670	7,458	3,245	3,296	964	1,134	50,767

Note that fruit, vegetable, nuts, and other growers classified as agricultural establishments under SIC Codes 01-09 or NAICS Codes 111-115 are manufacturers with production-related business requirements. Other businesses such as candy manufacturers, bakeries, wineries, and breweries operating retail establishments are commonly classified as retail restaurant businesses in SIC Codes 54 or 58 and NAICS Codes 311, 445-446, and 722. It is also common for food distributors to have manufacturing processes. Food distribution is classified as SIC Codes 5141-5169 and 5181-5182 and NAICS Codes 4244 and 4248. These companies are not included in the market segmentation above.

The global market for functional foods and beverages should grow from \$184.5 billion in 2020 to \$274.5 billion by 2025, at a compound annual growth rate (CAGR) of 8.3% from 2020 to 2025.²

1. Source: Data Axle 2021
2. Source: BCC Research 2021

ERP Features



Selecting an ERP system is a decision that will affect your company for many years. Many products offer similar features. The [Acumatica Manufacturing System Evaluation Checklist](#) provides a starting point to evaluate manufacturing ERP requirements, including accounting, purchasing, sales order, inventory, and general manufacturing capabilities. The checklist below provides a shortlist of critical features standard in food and beverage manufacturing ERP applications.

FEATURE	BENEFIT	PRIORITY	Acumatica		
Expiration Dates	Track lot expiration dates with first-expired, first-out picking.		✓		
Lot and Serial Tracking	Cradle-to-grave lot and serial traceability from vendor receipts, inventory and manufacturing transactions, and customer shipments with reports to streamline recalls.		✓		
Quality Management	Connected quality management marketplace application for quality testing, certificates of analysis (COA), AQL and sampling, traceability and recall notices, and more.		✓		
Barcoding	Native barcode scanning for inventory and manufacturing transactions for automated data capture.		✓		
UOM Conversion	Flexible units of measure with customizable conversions for variable product packaging.		✓		
EDI Transactions	Connected marketplace applications for invoices, purchase orders, shipments, and other electronic data interchange transactions with customers and vendors.		✓		
Demand Forecasts	Demand forecasting features with seasonality and advanced algorithms to predict future demand based on sales and item usage history for improved planning.		✓		
Compliance Reporting	A modern ERP framework to develop industry and governmental compliance reporting.		✓		
Batch Process Manufacturing	Manufacturing supports batch process production orders with batch size definitions.		✓		
Recipe Control	Control changes to recipe definitions, including materials, quantities, and labor operations.		✓		
Pricing and Promotions	Flexible pricing and promotions enable food processors to control pricing by customer, for volume orders, and special promotions or period-sensitive promotional pricing.		✓		
Inventory Management	Inventory management includes flexible stocking location definitions, warehouse transfers, replenishment, and physical inventory cycle counts.		✓		
Purchase Orders	Create orders manually, from inventory replenishment recommendations, or purchase order requisitions.		✓		
Sales Orders	Boost sales with item substitution, up-sell, and cross-sell suggestions powered by artificial intelligence. Reserve stock for orders and manage drop-shipments and returns.		✓		
Retail and Commerce	Connect to BigCommerce, Shopify, or other commerce storefronts for omnichannel sales management.		✓		
Financials	Streamline and automate financial reporting with a full suite of native accounting applications.		✓		
Business Intelligence	Gain real-time insights into your business with role-based dashboards, business analytics, reports, and inquiries.		✓		
Connectivity	Deploy certified business applications or build connections with no-code / low-code integration tools.		✓		

INDUSTRY Resources



Resources are provided below to aid food and beverage products manufacturers in their digital transformation projects. Attend industry trade shows, read about ERP software and manufacturing technologies in trade media and industry analyst reviews, network with peers in associations, and access Acumatica resources to learn more about ERP software to automate and streamline business operations and manufacturing processes.

INDUSTRY EVENTS

- AAMP Meat Processors Exposition ([Link](#))
- Americas Food and Beverage Show ([Link](#))
- Food Automation & Manufacturing Conference ([Link](#))
- Institute of Food Technologists Expo ([Link](#))
- International Dairy Deli Bake ([Link](#))
- National Frozen & Refrigerated Foods Convention ([Link](#))
- National Grocers Association Show ([Link](#))
- Natural Products East ([Link](#)) West ([Link](#))
- PMA Fresh Summit ([Link](#))
- Process Expo ([Link](#))
- ProFood Tech ([Link](#))
- Seafood Expo North America ([Link](#))
- Snaxpo ([Link](#)) | Sweets & Snacks Expo ([Link](#))
- Supply Side East ([Link](#)) West ([Link](#))



INDUSTRY ASSOCIATIONS

- American Association of Meat Processors ([Link](#))
- American Bakers Association ([Link](#))
- American Beverage Association ([Link](#))
- American Beverage Institute ([Link](#))
- American Frozen Food Institute ([Link](#))
- American Meat Institute ([Link](#))
- Beer Institute ([Link](#))
- Bread Bakers Guild of America ([Link](#))
- Consumer Brands Association ([Link](#))
- Distilled Spirits Council of the United States ([Link](#))
- Flavor & Extract Manufacturers Association ([Link](#))
- Food and Beverage Association of America ([Link](#))
- Foodservice Packaging Institute ([Link](#))
- Institute of Food Technologists ([Link](#))
- International Dairy-Deli-Bakery Association ([Link](#))
- International Dairy Foods Association ([Link](#))
- International Society of Beverage Technologists ([Link](#))
- National Confectioners Association ([Link](#))
- National Frozen & Refrigerated Foods Association ([Link](#))
- Seafood Products Association ([Link](#))
- SNAC International ([Link](#))
- US Poultry and Egg Association ([Link](#))



TRADE MEDIA AND ANALYSTS

- Bake Magazine ([Link](#))
- Beverage Industry ([Link](#))
- BevNet Magazine ([Link](#))
- Candy Industry ([Link](#))
- Capterra ([Link](#))
- Dairy Foods Magazine ([Link](#))
- Dairy Industries International ([Link](#))
- Food Engineering ([Link](#))
- Food Ingredients First ([Link](#))
- Food Industry Executive ([Link](#))
- Food Industry News ([Link](#))
- Food Manufacturing ([Link](#))
- Food Processing ([Link](#))
- Food Quality and Safety ([Link](#))
- Food Technology ([Link](#))
- G2 Crowd ([Link](#))
- Meat+Poultry ([Link](#))
- New Food Magazine ([Link](#))
- Prepared Foods Magazine ([Link](#))
- Refrigerated & Frozen Foods ([Link](#))
- Seafood Source ([Link](#))
- Software Advice ([Link](#))
- Spirits Business ([Link](#))
- Tea & Coffee Trade Journal ([Link](#))



ACUMATICA RESOURCES

Access the online Resource Center to learn more about Acumatica Manufacturing Edition, Production Management, Inventory Management, Warehouse Management, and other business and industry resources for Food and Beverage manufacturers.



[Visit Resource Center](#)

Personalized ERP Demonstrations

Answer a few questions to configure a customized demonstration of Acumatica

[LAUNCH DEMO >](#)



ACUMATICA Benefits



Food and beverage products manufacturers prosper with Acumatica Cloud ERP. Manage compliance with cradle-to-grave lot tracking with first-expired-first-out picking and connected applications for quality management. Acumatica's robust inventory management application supports matrix items to create and manage product families based on item attributes.

With Acumatica, food and beverage products manufacturers have everything they need to streamline production, monitor work-in-process, optimize material plans, and schedule operations against finite capacity constraints. Create purchase orders for ingredients and supplies with barcoded transactions for any inventory or manufacturing activity.

ACUMATICA FOR FOOD AND BEVERAGE PRODUCTS MANUFACTURERS

Last-mile features such as expiration dates, user-defined units of measure, and demand forecasting streamline critical manufacturing processes. Create production orders manually, from the material requirements planning (MRP) application, or sales orders. Commerce and Field Service extend Acumatica for food and beverage manufacturers who sell online (B2B or B2C). Leverage automation, workflows, and document management to connect data and processes. Leverage connected applications for direct-store-delivery or foodservice business models.

"I would definitely recommend Acumatica to other businesses. It covers the full ERP functionality, it integrates with other products well, and it's cost-effective . . . We're currently using the full end-to-end suite, including raw material procurement, manufacturing, supply chain, and obviously all the associated financial functions."

– DEREK SZABO, MANAGING DIRECTOR, DEVIL'S PEAK BREWING COMPANY

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Acumatica provides unparalleled manufacturing depth with robust financials, native customer relationship management, and powerful business intelligence applications. Boost sales, maximize resources, and improve profits with best-in-class applications for production, estimating, engineering, material planning, scheduling, product configuration, and manufacturing data collection. Acumatica Manufacturing Edition is designed for make-to-stock, make-to-order, configure-to-order, engineer-to-order, and project-centric manufacturers.



About Milestone Information Solutions

Milestone IS has been helping distributors and manufacturers implement enterprise resource planning (ERP) systems to improve business processes and profitability for over 30 years. By combining our unique accounting expertise, dedication to customized support, and attention to detail, we are able to help businesses maximize their ERP systems and get the most out of their investments.

To learn more about how Milestone and Acumatica can streamline your business, visit www.milestoneis.com.