Processing Outlook Report: Food & Beverage Segment

Survey results indicate that this segment has not been hit as hard as others by current economic conditions. For the most part, respondents will look to continue investing in the efficiencies of new equipment in order to stay competitive, although their enthusiasm over newer software capabilities and wireless technology lags behind other processing segments.

When it comes to 2009 vs. 2008 purchasing projections:

- 70 percent indicated that they will spend more on safety programs and related products in 2009. Last year, more than 30 percent spent more than $40,000 in the category.
- Conversely, 63 percent of respondents said that they will not invest as much this year on automation equipment as they did in 2008. Last year, more than 46 percent spent more than $100,000 in this category.
- Looking at overall capital equipment expenditures, 42 percent of respondents said that they spent more than $750,000 last year. An equal number of respondents (42 percent) said that they will spend less in 2009 due to the current state of the economy or spend the same as last year.

In addressing energy costs:

- 46 percent said that energy conservation initiatives have offset price hikes in keeping costs even.
- Only 8 percent of respondents said that their costs are down due to lower oil prices.
- Another 7 percent said that costs are down due to internal energy conservation practices.
- The remainder expressed concerns over energy costs that continue to rise.

In working to reduce energy usage (respondents could check all initiatives that applied to their facility):

- 67 percent have started to do simpler things like shutting off lights, and relying less prominently on heating and air-conditioning services to help control costs.
- 67 percent have also implemented new, more efficient lighting products.
- 66 percent cited machinery overhauls and increasing preventive maintenance practices in reducing the amount of energy needed to power their older equipment.

- 42 percent said that they have purchased new, more efficient equipment.
- 41 percent added instrumentation that allows for better equipment monitoring and control in maximizing energy usage.

When asked which initiatives could be implemented in order to realize greater energy efficiency gains, while least impacting operational efforts:

- 58 percent identified facility improvements.
- 42 percent said improved usage patterns.

Questions were also asked regarding the respondents' familiarity and use of new feedstocks:

- The feedstocks that respondents are most familiar with, in order of precedence are biomass, plant by-products and agricultural by-products.
- The feestocks that they use in their plant, again, in order of precedence, are plant by-products, biomass and algae.
- The feedstock that respondents feel has the most promise moving forward is agricultural by-products.
- The biggest obstacle readers see with the integration of these non-fossil fuel sources are the associated equipment investments.

On the software front:

- The most important software functionality cited was equipment monitoring (33 percent), followed by operational simulation capabilities (25 percent).
- The greatest realized gains from software investments were quality control (51 percent) and asset accountability (25 percent).
- Looking ahead, respondents' greatest needs are simulation capabilities, followed by maintenance scheduling and equipment monitoring.

In terms of wireless technology integration, readers again cited equipment monitoring and RFID tracking applications as those with the greatest impact on their operations, but only 34 percent said that they have retrofitted current equipment with wireless capabilities. The greatest benefits cited for wireless use were fewer location limitations and simplified connections between machines.