

THE RIGHT INGREDIENTS.

NORTH CAROLINA'S FOOD INDUSTRY

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Largest manufacturing workforce in the Southeast. Lowest corporate income tax in the nation. Two deepwater seaports. North Carolina is where an appetite for growth meets an eye for expansion. Several top food and beverage companies operate in North Carolina, including Smithfield Foods, Sierra Nevada Brewing Company, Bimbo Bakeries, Morinaga, and Pilgrim's Pride.

Food and beverage companies choose North Carolina for its winning combination of location, workforce, existing industry strength, and business-friendly environment. With more than 10 million residents, the state is the 9th largest in the nation, growing 25% from 2001 to 2017. Our state consistently ranks among the top five in internationally-recognized business environment rankings. Customized training programs and top-tier university partnerships support the industry's continued success. Join the momentum. Consider North Carolina for your next location decision.

INDUSTRY LEADERS



Smithfield



Campbell's



NORTH CAROLINA'S FOOD PROCESSING ADVANTAGE

Food & beverage companies find a recipe for success in North Carolina. The state offers speedy access to customers and a robust food supply chain spanning crop production, food processing, packaging and product distribution.

#2

FOOD INDUSTRY

North Carolina's statewide food and beverage processing industry generated \$19.7 billion of the state's GDP in 2016, making it the second-largest in the United States.

1,000+

ESTABLISHMENTS

North Carolina is home to over 1,000 food and beverage manufacturing establishments. 24 of the 50 largest food & beverage companies in North America have operations in NC.

60,000+

EMPLOYEES

More than 60,000 people work directly in North Carolina's food and beverage sector, ranking #2 in the Southeast U.S. for this sector's workforce. Jobs in the industry have grown 10% in the past 5 years, ensuring a pipeline of talent.

170M+

CUSTOMERS

North Carolina's mid-Atlantic location and superb transportation network provide access to over 170 million hungry customers within a day's drive.



Blue Ridge Community College and Asheville-Buncombe Technical Community College offer top-notch programs in brewing, distillation and fermentation. Their credentials are valued by local companies like Sierra Nevada Brewing Co. which employs 400 people in Asheville, NC.



The North Carolina Food Processing & Manufacturing Initiative promotes food & beverage manufacturing in the state through targeted recruitment and existing industry support. The initiative's goal is to expand this sector in NC by 38,000 jobs and \$10.3 billion in annual economic output by 2020.

PLENTIFUL AND SKILLED WORKFORCE

4,900,000

LABOR FORCE

Largely fueled by domestic in-migration, North Carolina has one of the largest labor forces in the U.S. Since 2010, over 370,000 people have moved to North Carolina.

464,000+

MANUFACTURING EMPLOYEES

North Carolina has the largest manufacturing workforce in the Southeastern U.S. In the last 5 years, the state's manufacturing workforce has grown by 5% and is projected to continue growing.

#2

STEM

North Carolina is home to more than 22,500 Science, Technology, Engineering, and Math grads annually, ranking second for STEM grads in the Southeastern U.S.

31,000+

FOOD PROCESSING WORKERS

North Carolina's food processing workforce has grown 7% over the past five years and is projected to continue growing.

LABOR SUPPLY FOR TOP FOOD & BEVERAGE OCCUPATIONS

North Carolina offers food and beverage companies an abundant and affordable supply of labor. NC's wages for this sector are **about 13% below the national average.**

OCCUPATION	NC 2017 JOBS	NC JOB GROWTH (2013 - 2017)	NC AVG. ANNUAL EARNINGS	US AVG. ANNUAL EARNINGS
FOOD PROCESSING WORKERS	31,209	7%	\$26,166	\$28,329
PRODUCTION WORKERS	99,668	6%	\$33,550	\$34,964
SUPERVISORS OF PRODUCTION WORKERS	20,775	6%	\$58,531	\$61,464
IND. MACHINERY REPAIR & MAINTENANCE WORKERS	16,085	10%	\$46,862	\$50,918
INDUSTRIAL TRUCK AND TRACTOR OPERATORS	21,646	15%	\$31,345	\$34,299
RETAIL SALESPERSONS	138,601	8%	\$25,646	\$27,206

THE PERFECT CLIMATE FOR GROWING TALENT

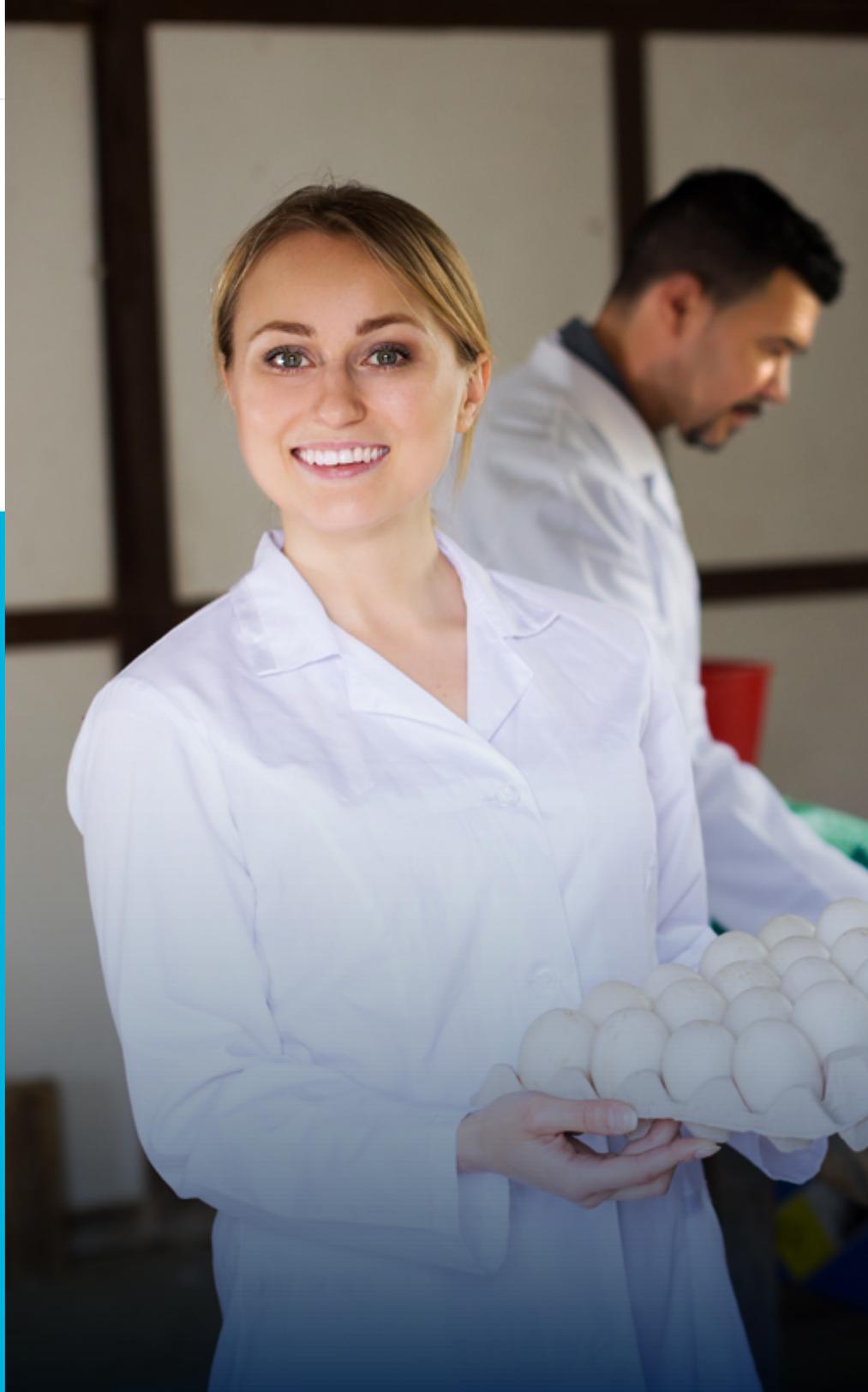
North Carolina offers one of the nation's most renowned education systems, supplying companies a pipeline of skilled workers and unparalleled access research & development resources.

UNIVERSITIES UNDERGRADUATE AND GRADUATE DEGREES

North Carolina has 53 colleges and universities. The state's three Tier 1 research universities: North Carolina State University (NCSU), Duke University, and the University of North Carolina at Chapel Hill, are at the cutting edge of education and R&D. NCSU's College of Agriculture & Life Science houses 19 different departments that focus on various food and agricultural specialties. NCSU resources include the Center for Advanced Processing & Packaging Studies and the Sensory Service Center, which provides targeted food testing that helps solve flavor problems. North Carolina A&T State University offers relevant programs in livestock production, horticulture, sustainable agriculture, and agroforestry.

COMMUNITY COLLEGES VOCATIONAL DEGREES

The North Carolina Community College System (NCCCS) is the nation's third-largest community college system, pioneering the nation's most advanced vocational and technical programs. More than 800,000 students enroll at one of NCCCS's 58 campuses each year. NCCCS offers degrees and certificates relevant to the food processing industry such as food science & technology, foodservice technology, applied animal science technology, and horticulture technology to name a few.



NCWORKS

CUSTOMIZED TRAINING PROGRAMS

NCWorks is a free, customized job training and recruiting program for new and expanding businesses. The BioNetwork program offers curricula and training tailored to address the specific needs of food, natural products and life sciences industries. Training can be delivered at company sites, at one of the state's training facilities, online or via the state's 58 community colleges. In 2017, NCWorks trained more than 36,000 employees from over 1,000 companies across the state.

INDUSTRY RESOURCES

TARGETED INDUSTRY SUPPORT

North Carolina has numerous programs and research centers that support food & beverage businesses. Examples include:

- **The North Carolina Department of Agriculture and Consumer Services (NCDA&CS)** operates research and support facilities across the state. The organization provides agribusiness development services for food-related businesses. The in-house Food & Drug Protection Division meets with prospective and existing companies to explain, review, and plan for regulations.
- NC State University and NC A&T State University's **NC Cooperative Extension** supports agricultural extension services across the state. Agricultural specialists assist with in-field research and provide educational programs and research-based information to both the agricultural community and the general public.
- **The NC Food Innovation Lab (NCFIL)** is a partnership between the NC Department of Agriculture, NC State University and the NC Research Campus. It is a state-of-the-art, cGMP-certified, pilot-scale facility that offers resources for plant-based product development, validation and commercialization for entrepreneurs and established food manufacturers.
- **NC A&T State University's Center for Excellence in Post-Harvest Technologies (CEPHT)** fosters interdisciplinary research in post-harvest technologies such as functional food R&D, shelf-life extension, food packaging and food processing engineering.



NC State University's internationally recognized Department of Food, Bioprocessing and Nutrition Sciences is training the next generation of leaders in food processing. The university partners with entrepreneurs and businesses on a wide variety of food, policy and nutrition issues.

UNMATCHED BUSINESS ENVIRONMENT

#1

BEST STATE FOR BUSINESS

- Forbes (2018)

#1

TOP COMPETITIVE STATE

- Site Selection (Prosperity Cup, 2018)

#3

BEST STATE FOR BUSINESS

- Chief Executive (2018)

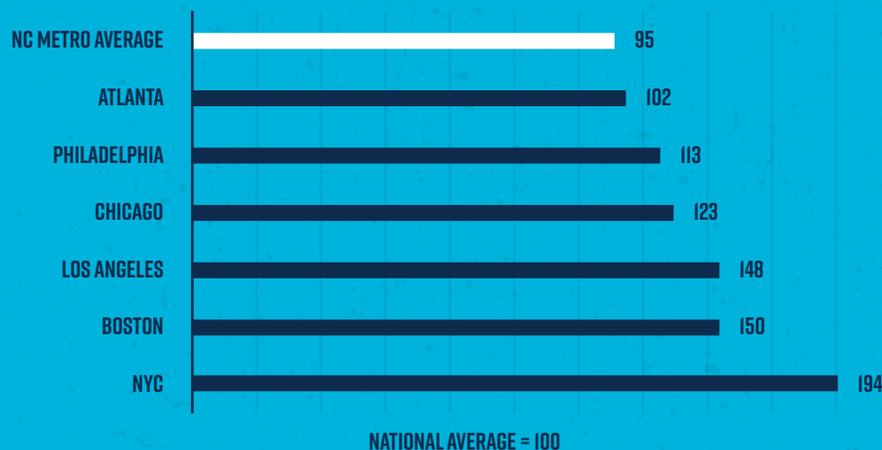
#2

COMPETITIVE LABOR ENVIRONMENT

- Area Development (2018)

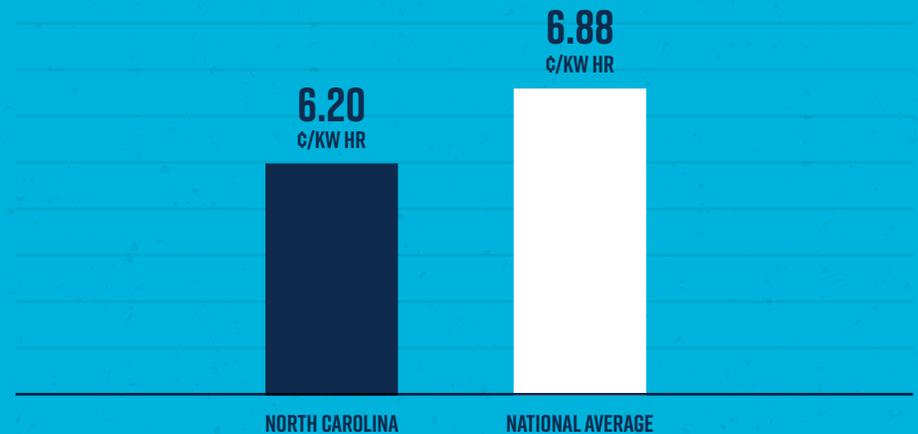
LOW COST OF LIVING

The cost of living in many of North Carolina's metropolitan areas is well below the national average.



LOW ELECTRICITY COSTS

NC's industrial electricity costs are **about 10% below the national average.**



LOW BUILDING COSTS

Average construction costs in North Carolina's metropolitan areas are up to 16% below the national average.

UNPARALLELED INNOVATION

North Carolina businesses lead the nation in innovation with 70% patent growth over the past 10 years.

RIGHT TO WORK STATE

North Carolina is one of 28 right to work states.

AAA BOND RATING

North Carolina is one of only four states to earn Standard & Poor's highest rating for over 55 consecutive years.



**[NORTH CAROLINA] WAS CHOSEN
BECAUSE OF THE AVAILABLE
OUTSTANDING WORKFORCE [AND]
THE LIFESTYLE AND AMENITIES
AFFORDED BY THE COMMUNITY...**

**JACK CARLSON,
VICE PRESIDENT, SYSCO**



North Carolina metros are hotspots for innovation in advanced manufacturing and offer a high quality of life at low costs.

GO BIG. SPEND LESS.

2.5%

CORPORATE INCOME TAX

North Carolina has the lowest rate among the 44 states which levy this tax. NC uses single sales factor apportionment.

4.75%

STATE SALES & USE TAX

Counties levy an additional 2-2.75%. Sales tax exemptions are available for manufacturers.

5.25%

PERSONAL INCOME TAX

Standard deduction is \$10,000 for single tax payers, \$20,000 for married couples, and \$15,000 for head of households.

NONE

STATE PROPERTY TAX

There is no state-level property tax. Real and personal property taxes vary by local government. In 2018, N.C. had the 7th lowest commercial and 9th lowest industrial effective property tax rates in the U.S.

INCENTIVES

Targeted, performance-based incentive programs complement North Carolina's competitive cost structure. The Economic Development Partnership of North Carolina (EDPNC) helps companies navigate the incentive process.

JOB DEVELOPMENT INVESTMENT GRANT (JDIG)

JDIG is a performance-based, discretionary incentive program that provides cash grants to new and expanding businesses to help offset the cost of locating or expanding a business facility in North Carolina. Companies can qualify for a JDIG based on the project location, number of jobs, and average wage. The grant amount is based on a percentage of the personal income tax withholdings associated with the new jobs. A company can use JDIG funds for any purpose.

ONE NORTH CAROLINA FUND (ONE NC)

One NC is a discretionary cash-grant program that allows the Governor to respond quickly to competitive job-creation projects. The local government must provide an incentive to match the One NC funding. Awards are based on the number of jobs created, level of investment, location of the project, economic impact of the project, and the importance of the project to the state and region. Awards may be used in new or existing buildings for installation or purchase of equipment, structural repairs and/or renovations, construction and/or improvements to utility lines.

PUBLIC INFRASTRUCTURE & TRANSPORTATION PROGRAMS

North Carolina offers a number of different programs to fund public infrastructure development, including the Community Development Block Grant Economic Development Program, Utility Account, Rural Division's Economic Infrastructure Program, NCDOT's Rail Industrial Access Program, North Carolina Railroad Company's NCRRI Invests program, and the NC Department of Commerce's Joint Economic Development Program with the NCDOT.

BUILDING REUSE PROGRAMS

North Carolina offers two different programs that provide grants to renovate and upfit vacant industrial and commercial buildings including:

- Community Development Block Grant Building Reuse Program
- Rural Division's Building Reuse Program

OTHER INCENTIVE PROGRAMS

- NCWorks Customized Training Program
- Foreign Trade Zones
- NC Biotechnology Center Economic Development Award
- Recycling Business Development Award Grants
- Golden LEAF Foundation Grants
- Building Demolition Programs

MARKET ACCESS & TRANSPORTATION INFRASTRUCTURE

North Carolina's robust transportation infrastructure connects companies to domestic and international markets. Ten airports offer commercial services, including four international airports that connect North Carolina to major cities in the U.S. and abroad. North Carolina also has the second-largest state-owned highway system and major controlled-access arteries such as I-95 (running the length of the East Coast), I-85, and I-40 (running from NC to California). Two deepwater seaports and an integrated rail system ensure that North Carolina companies can easily reach suppliers and customers.

ROADS

Second-largest state-owned highway system

North Carolina's roads stretch for more than 90,000 miles (145,000 km). The state's central East Coast location offers easy access to the country's most important transportation corridors.

Major controlled-access arteries include:

- I-95, running the length of the East Coast
- I-40, linking North Carolina to California
- I-85, stretching through the manufacturing heart of the Southeast

PORTS

Two deepwater seaports in-state with on-dock rail

North Carolina's ports offer fast turn times and capacity for ships carrying up to 10,000 TEUs. Inland terminals in Charlotte and Greensboro provide easy market access. North Carolina companies also enjoy easy access to the Port of Norfolk and the Port of Charleston.

Port of Wilmington

- Container and general cargo operations
- Channel depth of 42 feet M.L.L.W.
- On-terminal cold storage facility and 1M sf of covered storage

Port of Morehead City

- General cargo and bulk handling facility
- Channel depth of 45 feet M.L.L.W.
- 1M sf of covered storage

AIR

The world's 7th busiest airport is located in Charlotte

Ten airports offer commercial services, including four international airports that provide easy access to global markets. International airports include:

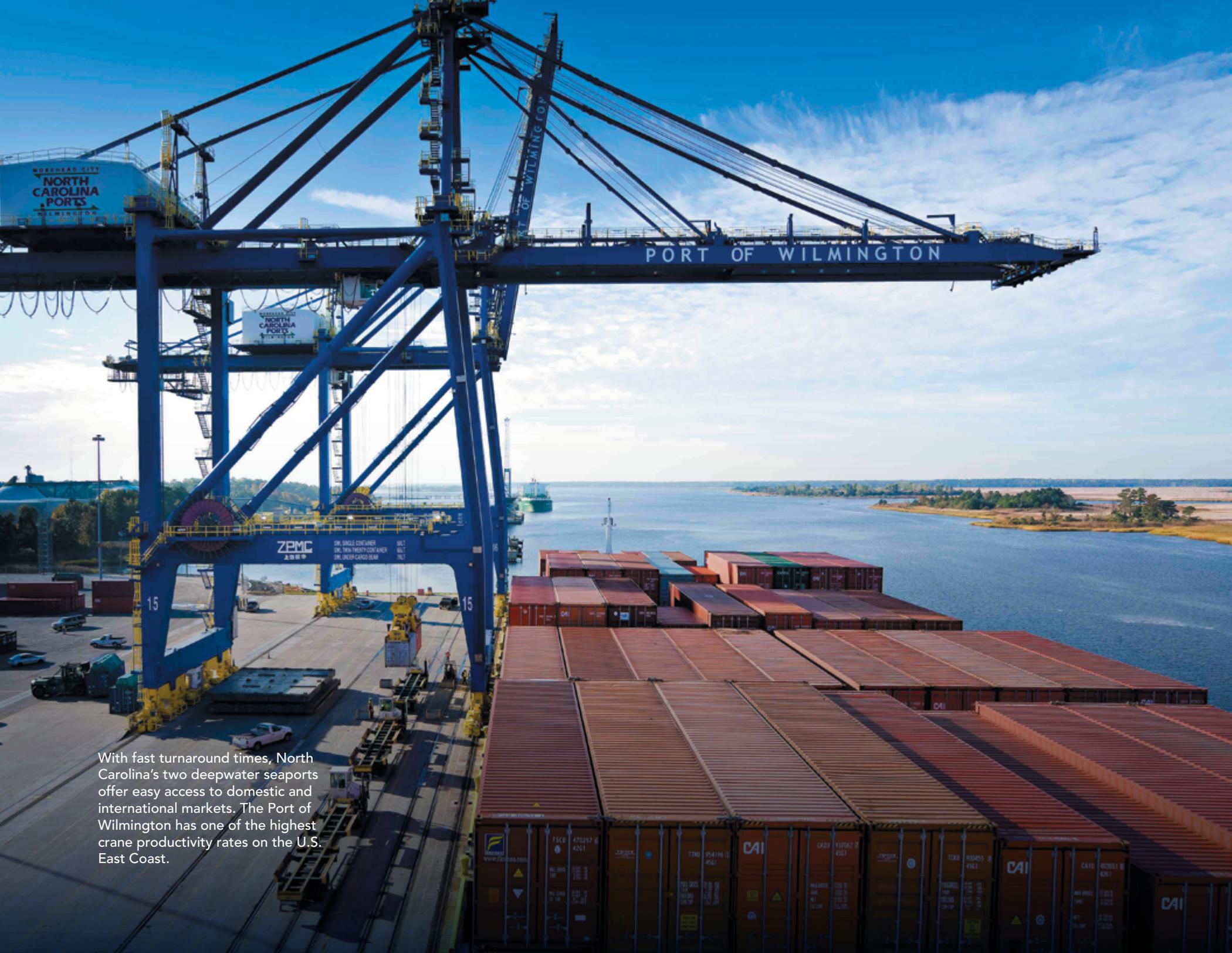
- Charlotte-Douglas International Airport (CLT)
- Raleigh-Durham International Airport (RDU)
- Wilmington International Airport (ILM)
- Piedmont Triad International Airport (GSO)

RAIL

Two Class 1 Carriers

North Carolina has more than 3,200 miles (5,100km) of track. Two class 1 carriers, CSX Transportation (CSX) and Norfolk Southern (NS), offer direct service to North American markets and to all major ports along the U.S. East Coast.

- Intermodal service hubs in Charlotte (NS, CSX) and Greensboro (NS)
- Direct intermodal service from Port of Wilmington to CSX terminal in Charlotte
- Major rail yards in Lexington (NS) and Hamlet (CSX)
- 19 regional railroads, including six that connect to both NS and CSX railroads



With fast turnaround times, North Carolina's two deepwater seaports offer easy access to domestic and international markets. The Port of Wilmington has one of the highest crane productivity rates on the U.S. East Coast.



NORTH CAROLINA WAS CHOSEN FOR THE LOCATION, FOR THE UTILITY AND TRANSPORTATION ADVANTAGES, AND THE STATE CONTAINS AN EXCEPTIONAL WORKFORCE. IN ADDITION, WE CAN SERVICE OUR CUSTOMER BASE QUICKER AND PROVIDE MORE COST-EFFECTIVE TRANSPORTATION.

**GERARDO MURAIRA,
OPERATIONS DIRECTOR, NUTEC GROUP**



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