

“Welcome to the Hive,” the Queen Bee Told Me



I had the pleasure of recently talking to Mrs. Mary Anne Ketelsen, president of the West Virginia Potato Chip Company, producer of Mister Bee Potato Chips, the only brand made in the Mountain State. Known affectionately as the Queen Bee, Ketelsen shared with me some of the issues small potato producers are faced with today, as you can read in this exclusive interview.

By Dan Orehov

Mister Bee Potato Chips was founded in 1951 in Parkersburg, West Virginia, by Leo and Sara Klein. The third generation of the family experienced financial difficulties in 2010 and stopped production. It was bought by a private investor in 2012 and started production again. In 2015, Mister Bee was purchased by Ketelsen and the and other partners.

Which are the main factors that have changed since being taken over by the new management in 2015?

After purchasing Mister Bee Potato Chips in 2015, I hired a president to run the business. I realized after three years the company was on the verge of closing once again. I decided I needed to come out of retirement at age 65 and run the business. I immediately went out in the plant and began working all the jobs to figure out what needed to be done. I did all jobs from potato entry to finished product and encountered multiple problems that needed attention. We had “dinosaur” packing machines, which we couldn’t even get parts for, and we could only run one flavor at a time. The amount of chips you could pack per minute was minimal, and clean-up of the

equipment was horrific. The time to make meaningful investments in all phases of the facility and chip making process was upon us. The employees, our customers and the bottom line all benefited. In June of 2018, we ordered two tna state-of-the-art packing machines. They arrived in April of 2019. The whole project with machines, upgrading electric, building a mezzanine, and redoing floors was a USD2.5m commitment from myself. We could now run two flavors of chips at a time. We could pack 90 bags per minute, versus 25 per minute previously. Cleaning went from four to five hours per day to two hours. In 2020, we ordered a third machine, a fryer from tna. We also built a new 11,000 square foot warehouse, and we have many energy saving projects completed. Since 2018, our company has become Kosher certified, Women-owned Small Business, HubZone and SQF8 certified. As far as personnel, we went from about 18 in 2015 to 47 employees today. We sought assistance from the U.S. Small Business Administration to secure the designation of “woman-owned small business” as well as “HUBZone qualified.” These designations offer Mister Bee advantages in pursuing and winning federal contracts (which we have won).

What would you say are the main trends in terms of potato chips in the US and which are the favorite flavors and textures for Americans?

Statistically the most popular chip is a plain salted chip. There are many, many flavors, and new tastes and textures coming out all the time. Kettle cooked chips are high in demand, as well as dip style with ridges, both thin and thicker chips. It appears hot and spicy flavors are also very popular. Most Americans prefer a variety of potato chips and that is what makes our industry so special and dynamic. It is also the prime

reason there is room for small business manufacturers like Mister Bee Potato Chips for a share of the market.

Please describe your portfolio of potato chips and what sets your products apart, when compared to other brands.

I produce Original, BBQ, Sour Cream and Onion, Honey BBQ, Jalapeno, Salt & Vinegar, and Dip Style. Our chips are light, crunchy and, since we produce on demand, always fresh. Mister Bee Potato Chips was recently recognized as one of the leading chips in the Southeast United States: Map of America Reveals the Favorite Potato Chip Brands in Each Region of The Country. Mister Bee chips are sold at most retailers throughout West Virginia and surrounding states via Walmart, Kroger, Piggly Wiggly, Foodland, Shop N Save, Giant Eagle, Food for Less, Speedway, East of Chicago, K Mart, and other outlets. We have had great success with online sales through our website, and this will be a focus of our growth strategy moving forward. Another growth opportunity is our ability to handle co-packing and private label snacks. This has further justified the investment of new equipment and processes in our manufacturing and quality control.

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You have more than once made food donations of your product to the troops and the US military. What generally prompts you to respond to this?

My dad, husband and several nephews were in the service and some are still in the military today. I like to recognize their service and dedication. They put their lives on the line for our country. The USO of Metropolitan Washington-Baltimore brings military families together. From the minute a soldier enlists, the USO is always by their side. Donating to the USO makes me feel like I am not just helping one, but many. One of the best decisions I made was to design a special chip bag to salute our military personnel and Veterans and part of the proceeds go to the good work of the USO. Mister Bee values its community and we contribute generously to a multitude of worthy local and state programs and projects. A noteworthy local partnership in 2019-2020 was with the local community college – West Virginia University at Parkersburg – to

establish an agricultural program to make use of the 20-acre farmland adjacent to its campus. We provided funding for a tractor, other equipment and seeds that grew into potatoes we processed at our nearby manufacturing plant. Those were truly “local chips.” We would welcome the chance to reduce the cost of purchasing potatoes, and this local experiment is part of the equation.

What does it mean to you personally to be named one of West Virginia’s 2020 “Wonder Women” by WV Living? How does the Mountain State spirit translate into your business and products?

I was very honored to be named a West Virginia Wonder Woman. Getting this award was in large part due to having a dedicated team that has played a crucial role in the company’s success. My employees have been with me every step of the way, and I am successful because of their hard work too. Mister Bee has been a part of West Virginia for 70 years, and we are the only chip made in the Mountain

2.5m
USD was the approximate cost for an overhaul and expansion of the production site.



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What is the company’s strategy for mid-term, pertaining to NPDP, innovation, sustainability, expansion? Businesswise, how affected was “the hive” by the pandemic.

Our New Product this year will be a sweet potato chip with brown sugar and butter. Our new fryer, which was ordered from tna Solutions in March of 2020, will be delivered from the Netherlands in May 2021. This fryer is tna’s first to be installed in the United States.

We will be able to do more pounds of chips per hour and three shifts instead of one. The Bee Hive was not affected by the pandemic as far as sales. Sales were up because of people staying at home. Our online orders significantly increased. Most importantly, our employees stayed healthy and safe throughout the pandemic. The major challenge during COVID-19 was in hiring new employees. Because the U.S. was giving 600 more dollars to workers on unemployment, in addition to what they were already getting in benefits, very few people had the motivation to come back to work. Frankly, I couldn’t blame them. Our equipment manufacturer for the new fryer and packing machines is tna Solutions. The relationship with tna has been outstanding. They are available on-site and by phone when needed. They were there for us during the pandemic when we had to hire new employees. We had an electrical failure and they flew in the next day to help us. Our partnership has been great, and we will continue to grow with tna as our supplier.

If you were to have the power to improve some aspects pertaining to this industry you are a part of, what would be the first thing you would choose to work on, and why?

I would work on giving more space in stores to small businesses. It’s very hard to compete with the major players. The larger manufacturers may have 80 feet of retail space, and Mister Bee settles for four feet. The other challenge with minimal retail space in stores is having your product run out before the day is out and the next shipment arrives. When you have such a small space, it’s impossible at times not to run out. Many times, your space is allocated on how well your product sold during the year. Also, larger companies buy their retail space, and it is not feasible for small chip companies to give thousands of dollars for additional space and still offer competitive prices for our products. I would work to level the playing field. The current model of allocating retail space is antiquated and weighted to the larger snack companies. Consumers enjoy the diversity of snack products and deserve to have the chance to try new chips made by small businesses. I am also a proponent of local manufacturers having preference in their home markets.

How much of an interest does the company have in expanding countrywide, while at the same time keeping in mind the limitations of small a local producer?

Mister Bee does have an interest in expanding countrywide. However, we are limited due to shipping prices. Potato chips are very expensive to ship because chips are light and bulky. We would have to build plants in other states. To



start up a plant you would have to have a minimum of 10 million dollars. At the present time we are not at full capacity. When that happens, we would certainly have an interest in expanding. •

TNA TALKS ABOUT MISTER BEE

“In addition to our packaging machines, our solutions to Mister Bee include the tna intelli-flav® OMS 5 - on-machine seasoning system, the tna roflo® HM 3 - horizontal conveying system and the Florigo conti-pro® PC 3 - a high performance continuous frying system. We first collaborated with Mister Bee around May 2018 and installed 3 tna robag® FX 3ci stations. That first collaboration led to a mutual understanding and respect, founded on trust, which led Mary Anne and her team to choose tna once again to offer seasoning, conveying and frying solutions. It was a great team effort. Experience plays a large role and we were with them every step of the way.” Patrick Avelange, Regional Sales Manager, tna North America., Patrick Avelange, Regional Sales Manager, tna North America.

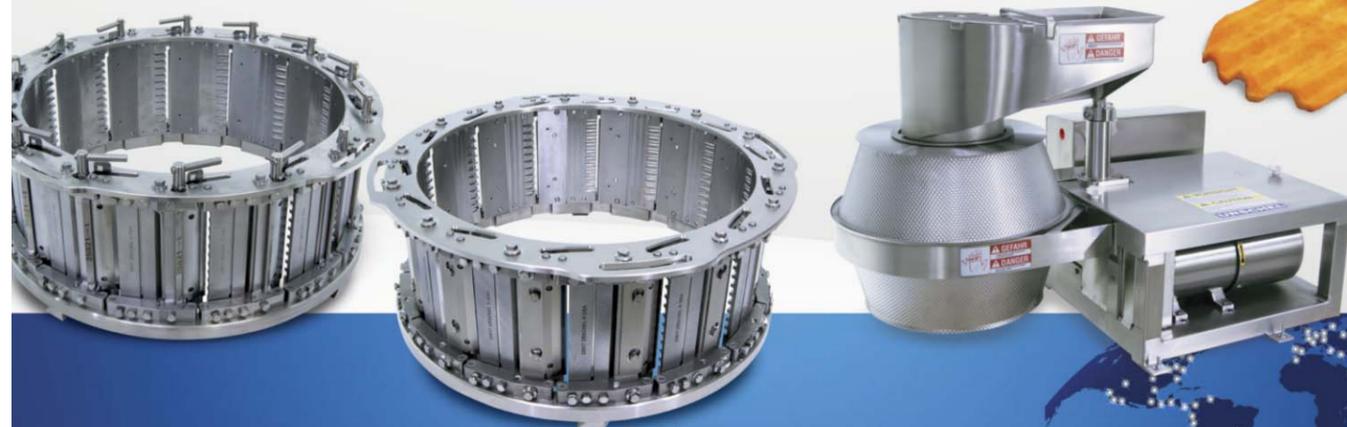


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