

Bueno Foods: Community, Tradition, and Globalization

INTRODUCTION

Most U.S. companies experience the effects of global trade increases and loss of revenue to foreign competition. Large manufacturers in the U.S. can mitigate these issues by lowering costs, moving production offshore, and other tactics. However, some businesses cannot transfer costs overseas, including local businesses in the food industry that need certain or all aspects of production to remain local. This allows for sustainable food production, processing, distribution, and consumption all to be integrated in order to boost the economic, environmental and social health of a local community. Furthermore, these businesses become socially responsible citizens and positively influence multiple stakeholders. One such business is Bueno Foods (Bueno) based in Albuquerque, New Mexico.

HISTORY OF BUENO FOODS

In 1946, the Baca brothers returned home from World War II and started a small grocery business in Albuquerque, New Mexico. The Ace Food Store was very successful until larger grocery chains like Safeway entered the Albuquerque market. The Baca brothers were unable to compete with these chains, so they decided to differentiate themselves by selling homemade traditional New Mexican dishes prepared by their mother. Although this was successful, they realized it would not save their store from the growing competition.

The Baca brothers changed their focus from retailing to manufacturing. They formed a partnership specializing in the production of posole, tamales, and corn and flour tortillas. By the 1950s, the focus of the partnership changed once again. Most households had a freezer and frozen vegetables were becoming popular. Bueno Foods was founded in 1951 when the Baca brothers decided to take chile, roast it over an open flame, and freeze it so that people could enjoy green chile year-round. Because they were the first to do this on a commercial scale, they also had to develop the equipment to facilitate this process.

Today, Bueno Foods specializes in producing New Mexican and Mexican food products that are sold in grocery stores and used in restaurants throughout the United States. Their products include salsas, sauces, tortillas, and frozen green chile.

BUENO FOODS' PURPOSE AND CORE VALUES

Bueno believes that their purpose is to “have a positive influence on people’s lives people's lives through our products and organization.” Their mission is to “lead the food industry with innovative solutions that meet our customers’ needs.” Bueno Foods also has several core values that they strive to incorporate into all aspects of their business. Even their value of profits stems from a desire to contribute to society and to provide security for the Bueno family.

Bueno Foods' Core Values and Beliefs

Contribution	Progress	Responsibility
Ethics	Profits	Teamwork
Innovation	Quality Service and Products	Work Ethic

BUENO FOODS' LEADERSHIP AND MANAGEMENT APPROACH

Bueno Foods continues to be family owned and operated, and the company is currently led by the second generation of the Baca family. The president is Jacqueline Baca, who started working in the Bueno plant at the age of sixteen on the production line. Since then, Jacqueline has been successful in involving the community and developing Bueno into a socially responsible company. Under Jacqueline's management, Bueno Foods has won several local and national awards. Since 1994, Bueno Foods has received numerous Top 25 Woman-Owned Business Awards from New Mexico Woman Magazine. Jacqueline has also been named U.S. Hispano Chamber of Commerce Businesswoman of the Year. She received the Trailblazer Award, which recognizes women in maledominated fields in 1996. In 1997, Jacqueline was the first Hispanic woman to be inducted into the University of New Mexico's Robert O. Anderson School of Management Hall of Fame. Jacqueline and

Bueno Foods were honored by the Association for Women in Communications with its Vanguard Award for supporting women in the workplace in 1998. In 2004, the YWCA recognized Jacqueline as a "Woman on the Move" for service to the community by providing educational and job opportunities to disadvantaged and minority people. In 2007, she was named Businessperson of the Year in the Southwest Region by the U.S. Hispano Chamber of Commerce. More recently, in 2010, Jacqueline was honored as one of New Mexico Business Weekly's "Women of Influence" for her contributions to the economy and community.

Another key Bueno executive is Jacqueline's brother, Gene Baca, who is the Senior Vice President. He is a graduate of the Harvard School of Law and has received awards including the University of New Mexico Zia Award and New Mexico State University Outstanding Leader Award. Most importantly, he is the president of the New Mexico Chile Association, which is a nonprofit organization composed of chile growers and producers who are working to make sure the chile industry remains and prospers in New Mexico.

Several other members of the Baca family also help to make Bueno Foods a success. Catherine Baca, M.D., currently leads the company's research and development as the Vice President of Technical Services. She has previously served as a production manager and quality control manager at Bueno. Catherine also holds a biology degree from the University of New Mexico and a Master's degree in public health from Harvard University. Her objective is to bring a focus on health to both the food product and workplace of Bueno. Ana Baca, a writer and graduate of Stanford University and the University of New Mexico, serves as Marketing and Communications Manager. Ana not only manages the public relations of Bueno but also the organization's contributions to the community. Marijo Baca holds a Master's degree from the University of Michigan and pioneered the distribution of Bueno's products in the Colorado market.

The Baca family successfully identifies each other's individual strengths and qualities in order to fulfill a responsibility to their family, company, and the community. This allows them to work together to have a positive influence and make an impact on all of the Bueno stakeholders.

ORGANIZATIONAL SUCCESS

Bueno Foods has been recognized for their many successes as a business as well as a socially responsible corporate partner within the community. In 1994 and 1998, Bueno was named the Small Business of the Year by the Hispano Chamber of Commerce. Also in 1998, Bueno received the Small Business Administration award for the Welfare to Work program due to their focus of creating jobs for those who need them most within the community. In 2000, Bueno received the first New Mexico Ethics in Business award in the large business category. The Baca Family was inducted into the New Mexico Business Hall of Fame by Junior Achievement for their involvement in the program that educates school children on the importance of community and career skills. Most recently, in 2008, Bueno founder Joe Baca was posthumously inducted into the Tortilla Hall of Fame for his contributions to the tortilla and New Mexican food industry.

INVOLVEMENT IN THE COMMUNITY

Bueno Foods has a progressive approach in all aspects of their operations, from manufacturing processes to product development to personnel management. Bueno's purpose is "to have a positive influence on people's lives through our products and organization. We strive to make people's lives better through the opportunities and jobs we provide and through our community involvement." Bueno is constantly searching for state-of-the-art technology and techniques to provide employees with an open, communicative environment and customers with the most authentic and wholesome products possible. They have long been a local leader in community involvement.

CORPORATE CULTURE

Bueno Foods prides itself in acting as a socially responsible member of society and supporting the local community. Their factory and home office is located in the Barelás Neighborhood in the South Valley of Albuquerque, New Mexico. The Baca family selected this location because Joe Baca and his brothers grew up in this "pocket of poverty," and they feel that it is their turn to give back to this community by providing hundreds of jobs to Barelás residents. The current median household income in Barelás is estimated to be \$26,042, which could be considerably lower if the Bueno Foods headquarters were located elsewhere. Bueno considers their most impactful contribution to society to be the job opportunities they provide to Barelás residents. The company also helps support the local economy by using local suppliers and through corporate philanthropy. Bueno Foods also encourages their employees and members of their community to enrich their lives through education. The company believes that by obtaining an education, these individuals will secure better jobs and be better able to support their families and communities.

Bueno Foods focuses on people and makes sure that their employees feel like they are a part of the Bueno family. The company has grown from five employees in 1951 to over 240 full time and 400 peak season employees today. Bueno provides generous compensation packages to their employees, including a 401k profit sharing plan with company contribution; medical, dental, disability, and life insurance; holiday, vacation, illness, and bereavement pay; flex time; tuition reimbursement; and product discounts. Bueno encourages their employees to become active participants in the organization and contribute ideas as to how the company can best reach its goals. Bueno employees are known for their hard work and completing their jobs to the best of their abilities in order to help Bueno reach its full potential.

Bueno fosters internal promotion through their merit-based promotion plan. Many employees take advantage of training programs offered by Bueno that cover topics including Spanish as a second language, English as a second language, computers and technology, and management. One employee who worked her way up through this program is Marcella Romero. She started at Bueno as a young woman working as a part-time janitor, and after 32 years with the company is now one of the managers of the production line.

GIVING TO THE COMMUNITY

In addition to creating jobs for many New Mexico residents, Bueno makes many other contributions to the community through donations, educational programs, and event involvement.

Bueno Foods works with many local organizations to improve the lives of local people. Bueno donates thousands of dollars' worth of their products to local homeless shelters and food banks each month as well as to various church, school, and city fundraising activities. The company also donates between three and six percent of after tax profits to charities that provide people with housing, food, and education, with a focus on organizations that help women and children. They work closely with the United Way and many local charities by providing monetary and volunteer donations. Bueno Foods also facilitates a Christmas giving program. With this program they provide food, clothing, and gifts for eight families so that they can have a Christmas celebration.

Many of Bueno Foods' community programs highlight the company's commitment to education. Bueno contributes funding for computers, books, fieldtrips, and infrastructure to Dolores Gonzales Elementary, Atrisco Elementary, and South Valley Academy. Bueno also provides two \$1,000 college scholarships annually through the Hispano Chamber of Commerce and contributes to several other scholarship funds. The company also has paid internship positions for high school seniors and college students. Bueno also has a unique academic reward program for the children and grandchildren of their employees. Every semester, each elementary school student receives \$5 for each A earned and \$2 for each B earned; middle school students receive \$7 for each A earned and \$4 for each B earned; and high school students receive \$10 for each A earned and \$5 for each B earned. Additionally, upon attainment of a GED or high school diploma, each student receives \$100 cash. Bueno is also a partner of the Golden Apple Foundation, which recognizes outstanding teachers in the community.

Bueno also strives to inform consumers about the importance of local traditions and local foods. Bueno Foods sponsors the New Mexico Chile Harvest Festival held annually in Barelás. The festival unites the local community around food and cultural experiences. Bueno also supports the McDonald's Farm exhibit at the New Mexico State Fair, which teaches families about the importance of healthy food choices and buying locally grown products. At this event, they provide a tortilla snack to each child that participates during the two weeks the fair is open. Additionally, Bueno Foods works with the National Hispanic Cultural Foundation to help celebrate and preserve the Hispanic culture and history.

ADVOCATING FOR NEW MEXICO CHILE

Chile is New Mexico's largest agricultural crop and is used daily by many households and restaurants in many culinary dishes. "Chile has become symbolic of Southwestern culture and is one of the state's biggest crops," says Paul Bosland, a chile breeder and director of New Mexico State University's Chile Institute. Not only does chile provide a cultural identity to the state of New Mexico and the farmers, but it also provides thousands of local jobs.

CHILE HISTORY

Chiles have been in existence for over 10,000 years and originated in Bolivia. The first chiles were tiny red fruits in South America that were cultivated as a crop in 3300 B.C. Indigenous civilizations such as the Incas, Olmecs, Toltecs, Mayans, and Aztecs used the peppers as a cooking ingredient, to temper their medical illnesses, and to buy and trade goods. The Incas considered the chile pepper to be holy and restricted it from their diet during religious fasts. When Christopher Columbus first arrived in the new world, he was one of the first Europeans to encounter the peppers. The chile pepper made its way to New Mexico during Spanish colonization in the 1600s. Today, chile is commonly used in Southwestern, Mexican, and South American cuisines. Even though it is used in many ethnic cuisines, chile has become a cultural icon for the state of New Mexico and a defining reason for Buena Vista's existence.

NEW MEXICO CHILE INDUSTRY

According to the Chile Pepper Institute, the New Mexico's chile is worth about \$60 million at harvest. After processing, the value of the chiles greatly increases. Southern New Mexico is the heart of chile harvesting; over 95 percent of the state's chile crop is harvested from seven southern and eastern New Mexican counties.

However, the New Mexican chile industry is in decline due to increased competition in the global economy. In 1992, 35,000 acres of chile were harvested in New Mexico; by 2008, this number had decreased to 11,000 acres (see Figure 1). New Mexico chile faces global competition from Mexico, China, and Peru. Today, 82 percent of the chile consumed in the United States is imported from these countries because they are able to produce chile at a lower cost due to the lower cost of labor.

In addition, The North American Free Trade Act (NAFTA) made it easier for chile to be imported from Mexico.

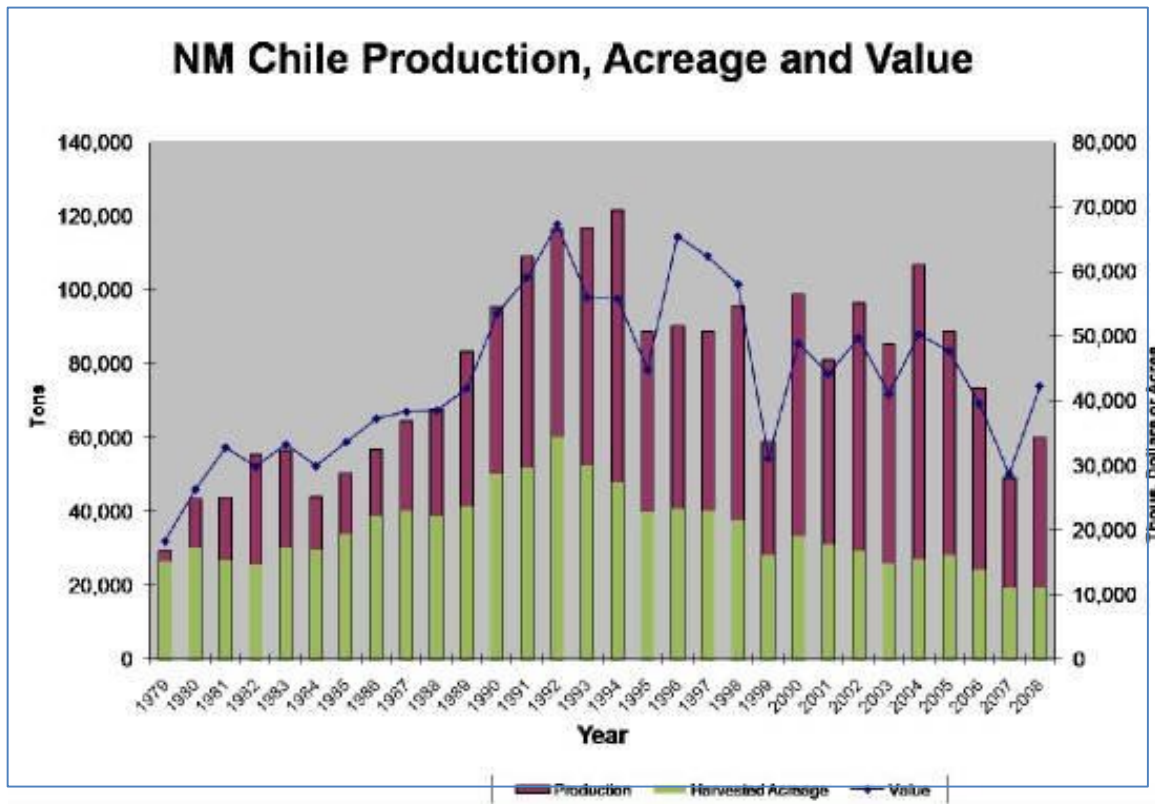


Figure 1: Annual New Mexican Chile Production, Harvested Acreage, and Value (provided by the New Mexico Chile Association, <http://www.nmchileassociation.com/id15.html>)

BUENO FOODS AND THE NEW MEXICO CHILE ASSOCIATION

In order to defend the New Mexican chile industry from the ill effects of globalization and execution of NAFTA, the New Mexico Chile Association (NMCA) was established. The mission of the NMCA is to create an environment in the New Mexican region that reinstates New Mexico as the world leader in chile production, processing, and innovations.

NMCA's primary activities including lobbying and political fundraising and advocating for public and private research on behalf of the chile industry at both the state and federal levels. Some of the most pressing issues are innovating processes such as harvesting and de-stemming the chile, employment issues, immigration, and trade. The NMCA also provides resources and information to the general public about New Mexico chile.

Bueno Foods works with the NMCA to keep the New Mexico chile industry alive. Gene Baca, Senior Vice President of Bueno Foods, is the president of the NMCA. Bueno created the "Keep New Mexico Green" campaign, which promotes the importance of the local chile industry through the distribution of bumper stickers and t-shirts. Restaurants that serve "New Mexico Guaranteed" chile can identify themselves through their use of table toppers and point of purchase promotional materials. In addition to their efforts within the food industry, Bueno is asking consumers to demand New Mexican grown chile from restaurants and grocers. The company suggests that consumers buy local not only to support local farmers but also to preserve the cultural traditions of New Mexico. Even the official state question of New Mexico ("Red or Green?") refers to what type of chile a consumer would like with their meal. Bueno argues that without action, New Mexico will lose its cultural heritage.

CONCLUSION

Bueno Foods is a company based on integrity and local culture. Bueno's founders created a legacy that emphasizes the importance of the products, employees, and New Mexico traditions that have existed for hundreds of years. Although the company has strong core values and beliefs, it also has many unwritten rules that are a part of the corporate culture. Because the company was founded to market chiles, a New Mexican cultural icon, Bueno Foods first major contributions included finding ways to preserve and expand the market for this product. The company's early involvement with the community and the ethical treatment of employees built a solid foundation for Bueno Food's success. The development of continuity of an ethical culture through several generations of family members had contributed to the success and reputation of the company.

Bueno Foods has always been concerned about the needs of its many stakeholders. The company has a positive impact on the community through offering good paying jobs to residents who have limited education, promoting education for employees and their families, and working with local charities and making philanthropic donations. In addition to local community activities, Bueno has advocates for New Mexican chile, which supports farmers in a number of New Mexican counties. With declining acreage being devoted to growing chiles and increasing competition from global markets, Bueno Foods contributes to sustaining the economic vitality of the New Mexican chile market as well as preserving cultural traditions.

QUESTIONS

1. How has Bueno Foods addressed the needs of various stakeholders that contribute to the firm's success?
2. What additional ways can Bueno and the NMCA create awareness and support for the New Mexico chile industry and the "Keep New Mexico Green" campaign?
3. How has Bueno's ethical culture been preserved over several generations of family members?

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