Refrigerated & Frozen Foods' 2024 Processor of the Year Award Presentation

How Cafe Spice Uses Automation to Propel Private Label

Video link

Learn about Cafe Spice's new, state-of-the-art, highly automated manufacturing facility in Beacon, New York. Named *Refrigerated & Frozen Foods* 2024 Processor of the Year, this family-owned food manufacturer is a private-label powerhouse, supplying Indian, Asian and other cuisines for hot bars and foodservice operations nationwide, including Whole Foods and Kroger. With a presence in all 50 states, Cafe Spice also has a branded line of RTE meals, found in the refrigerated/deli/grab and go depts. The Cafe Spice team will share their story of transitioning from a smaller, more manual legacy manufacturing site to a new facility that features the latest in automation and robotics. More information can be found in *R&FF*'s November cover story.

Presenters:

Sameer Malhotra, Co-Founder and CEO
Sameer Malhotra is the Co-Founder and CEO of Cafe Spice. a leading manufacturer of high-quality ready-to-eat Indian meals. He grew up in the fine dining restaurant business and combined his business acumen with his love of food after graduating from Babson College. His vision was to make restaurant-quality international dishes accessible to a wider audience by offering a line of premium fresh prepared meals.

Under his leadership, the company has experienced rapid growth and now distributes its products to grocery stores and specialty food retailers across the country. Sameer is widely respected in the food industry for his innovative approach, unwavering commitment to quality, and ability to spot emerging culinary trends.

Virgilio Felix, VP FSQA
Virgilio Felix is a seasoned manufacturing and operations executive with a distinguished career spanning over two decades in leadership roles across the food manufacturing and retail sectors. As Chief Operating Officer of Cafe Spice LLC, he has been instrumental in driving strategic growth, operational excellence, and business expansion. A results-driven leader, Virgilio has successfully spearheaded large-scale projects, including constructing state-of-the-art manufacturing facilities, implementing ERP systems, and strengthening market positioning through strategic partnerships. He has expertise in lean manufacturing, process optimization,

and cost reduction. Known for his ability to build and lead high-performing teams, Virgilio excels in developing innovative solutions, streamlining operations, and fostering strong supplier and investor relationships.

Giovanni Gomez, VP FSQA
Giovanni Gomez is a seasoned food industry executive with 20 years of experience driving innovation, quality, and sustainability in manufacturing. As VP of Food Safety and Quality Assurance at Cafe Spice, he ensures the highest standards of food safety, product integrity, and operational excellence.

Giovanni's expertise spans every stage of the food journey, from sourcing raw ingredients and optimizing supply chain operations to developing and commercializing high-quality, globally inspired products. He has a deep background in food production and global supply chains. Giovanni has led key initiatives to expand retail distribution, enhance shelf life through innovative packaging, and streamline production efficiencies.

A certified HACCP Manager, PCQI, and Cornell Project Management alumnus, Gomez blends technical expertise with strategic leadership

to drive continuous improvement and innovation. He is known for building high-performing teams and driving strategic partnerships that fuel growth and industry leadership. Through his speaking, teaching, and consulting, he helps businesses create a more sustainable future.

Ryan Bakst, Director of Research & Development
Ryan Bakst is a seasoned culinary and product development executive with a diverse career spanning over two decades in the food industry. His background includes running restaurant kitchens, deli and catering operations, and leading large-scale culinary programs – all of which have contributed to his reputation for operational excellence and culinary creativity.

As Director of Research and Development at Cafe Spice, Ryan drives innovation across multiple product categories and cuisine types. Leveraging state-of-the-art equipment, he specializes in scaling high-quality, chef-driven products that deliver unparalleled efficiency and consistency throughout the production process.

Known for bridging culinary artistry with commercial execution, Ryan excels in bringing cutting-edge food concepts to market, optimizing processes, and delivering products that meet the evolving needs of consumers and industry partners.

TRANSCRIPT

Matt Hartman (Blentech):
Just as Blentech was recognized with the Ignition Firebrand Award for our Auto Chef automation and retrofits, we see that same spirit of innovation in Cafe Spice culinary blends. It has been really a pleasure being a part of their automation journey. With their presence in all 50 States and manufacturing facilities featuring the latest in automation and robotics, Cafe Spice is a private label powerhouse.

First, you'll hear from co-founder and CEO Samir Malhotra, who will give a brief presentation to introduce us to their family-owned company. After his presentation, Kelly and the Cafe Spice leadership team will join him on stage for an in-depth discussion. Now please welcome Samir to the stage.

Samir Malhotra (CEO, Cafe Spice):

Hi everyone, thank you for the recognition as Processor of the Year to Cafe Spice. It's been quite the journey for us. Cafe Spice started as a family business where we had restaurants, and my father and I opened a commissary to expand those restaurants in **2002**. It was a small commissary, **6,000 square feet** outside New York City. Things changed for the business completely when Whole Foods Market, our strongest partner, opened their flagship store in New York City in **2003**.

When growing up, we saw a large appreciation for Indian food in the UK, and we've seen a lot of food processors really expand their businesses there. We look to them for a lot of guidance.

Our goal was to take what we saw working in the UK and create it in the US. We felt we have a much larger market here, and if we use our goals of education and flavors of our cuisine, we could have a great opportunity to build off the base that Whole Foods gave us.

You'll learn more about the evolution of our business and our plant through a video. What started as an Indian food company evolved **20 years** later to the company we have today, rooted in culinary where our mission is to bring authentic meals—no matter what cuisine—right to your table so you can experience adventurous eating wherever you are. We no longer

operate any restaurants but utilize our distribution channels to bring this authentic cuisine to the consumer.

Our focus is across **3 segments**:

- **Food Service Bulk:** This is a lot of the hot bars in supermarkets.
- **Private Label & Co-Manufacturing:** We do this for certain retailers.
- **Branded Meals:** Our own brand of meals under the Cafe Spice label.

Some of the retailers we work with are Whole Foods Market, Kroger, Wegmans, online platforms like Amazon and Hungry Root, and large food service providers like Aramark and Sodexo.

In late **2023**, we finished our newest facility in Dutchess County. It's an automated facility, yet we're still family-owned. This is our home to efficiently expand all the elements I mentioned earlier, with automation and efficiency as the mandate. We still have not lost our roots in fine dining, so quality and authenticity are still at the forefront of what we strive for.

I'd like to ask Kelly, the Editor-in-Chief of BNP Media, to join us on the stage to lead the panel. Joining her will be:

- **Virgilio Felix (COO):** He's been with Cafe Spice for **17 years**. His efforts have been huge in building this facility through the pandemic.
- **Giovanni Gomez (VP of Food Safety & Quality):** The most important part of what we do is quality and authenticity. Giovanni and his team ensure our food remains safe and high quality, whether consumed **30 days** or **one year** later.
- **Ryan (Director of R&D):** He's a wizard in the R&D kitchen, scaling recipes to larger batches while maintaining quality.

Panel Discussion

Kelly (Editor-in-Chief):

Thank you all for joining us. Congratulations again on being named Refrigerated and Frozen Foods Processor of the Year. Samir, I will start with you. Can you give us a 30,000-foot view on the decision-making process that went into renovating a brownfield (existing facility) versus building a Greenfield when you were looking at expanding manufacturing capability?

Samir Malhotra:

We went back and forth a few times. We have **11 acres** at the current facility. The struggle was whether to build on that facility and expand. What we lacked in that space was height. It would have involved a lot of site work, and the cost probably ended up being about the same. However, we make fresh food and deliver every day out of that facility. We didn't have the ability to shut down to make inventory ahead of time. So, we decided it made more sense to go to a Greenfield—a raw distribution space—and start from scratch. They are **20 minutes** away from each other, so the labor pool is similar, but we felt it was better to start fresh.

Kelly:

Virgilio, I know you're the man with the plan when it comes to the facility. I got to tour the new plant last fall. Can you share some of the manufacturing capabilities? What struck me is the amount of automation and technology at the new facility and how that has dramatically impacted throughput.

Virgilio Felix (COO):

I'll start by talking about our New Windsor facility as a reference point. It's a **50,000-square-foot** facility with limited height. Many of the processes are manual with small batch sizes (**200 to 400 lbs**). This facility is good for multi-component products that don't drive huge volume, like grain bowls, burritos, and quesadillas. It has a modular design, so interruptions are compartmentalized.

Then we moved into our **70,000-square-foot** facility in Beacon, keeping automation in mind. Most of the capabilities revolve around batch cookers that help us with efficiency, scale, and capacity. We work with an excellent partner, Blentech Corporation. Their cookers increase our capacity without sacrificing quality or safety.

We also focus heavily on data. Blentech has cloud software that allows us to capture data, giving us insight for recipe enhancement. We deployed robotic systems for the depositing process and packaging line. We have an ERP system streamlining processes from purchase

orders to production. Relatively speaking, we've more than quadrupled our throughput on packaging lines and increased our cooking capacity by more than **10X** in the new facility.

Kelly:

Giovanni, safety was stressed over and over during the tour. Talk to me about how automating portions of the production benefits your department in food safety and quality assurance.

Giovanni Gomez:

The automated portions help quite a bit because we're able to do rapid changeovers at every step. Food safety is part of our blueprint whenever we source new equipment or ingredients; the number one question is, "How safe is it?" Having a consolidated ERP system where we can see both facilities in one centralized location allows us to standardize our SOPs and controls while maintaining flexibility.

Kelly:

Ryan, when you tour the facility, it smells amazing—there's an entire room called the Spice Room. How does Cafe Spice approach R&D, and what is the secret sauce for scale-up?

Ryan (Director of R&D):

Part of our secret sauce is that restaurant-style approach to cooking and ingredient sourcing. We've taken that technique-driven production and scaled it up. A lot of my work is translating **5 to 10 lb** batches up to **2,000+ lb** batches. In our Beacon facility, the average batch size is now over **2,000 lbs**.

A huge part of how we accomplish that is our equipment. We have Steamtherms made by Blentech Corporation. We program our recipes into the ARTIS software, scale them, and use advanced controls for agitation to get the results we want regardless of batch size. We also have Chester Jensen's large steam-jacketed kettles.

Samir Malhotra:

I was amazed. I was with Ryan last week at a customer call and he said, "I need to hop out for **15 minutes** to help the team with a recipe." I asked if he was getting on a Zoom call, and he said, "No, I can just plug it right into the system."

Ryan:

Yes, that was the ARTIS software. It's all on the cooker cloud. Our Blentech and Chester Jensen equipment are controlled by HMI, so we can monitor temperature and agitation throughout the process. It helps a lot with traceability.

Kelly:

Virgilio, I know you're not at final build-out. What does the full build-out look like?

Virgilio Felix:

We approached this in **3 phases**:

- **Phase 1:** Construction, plumbing, drainage, and critical equipment like batch cookers and the spiral chiller. We can currently produce approximately **39 million lbs per year**.
- **Phase 2:** Bringing in more equipment, more batch cookers, and robotic systems.
- **Phase 3:** A second spiral chiller and a focus on sensors and AI for predictive analytics and preventative maintenance. We will also add robots for palletization. When all phases are complete, we'll be able to produce a little over **70 million lbs**.

Kelly:

Could you talk a little bit about the Chef Robotics line?

Virgilio Felix:

We use Chef Robotics for depositing meals into tray formats. The changeover is relatively quick compared to volumetric or piston fillers. In our situation, we have over **250 SKUs**, so changeover speed is very important. It also improves food safety because cleaning and sanitizing are faster.

Throughput has quadrupled compared to human operators. It also reduced "giveaway" (overfilling). Human operators often gave up to an ounce more than intended; the robotic bias is much tighter. For example, on a **16-ounce** meal, we average about **16.2 oz**.

Kelly:

Giovanni, how does Cafe Spice approach traceability, especially with the FDA's FSMA 204 rule?

Giovanni Gomez:

We have been digitizing our records for quite some time, leveraging our ERP. We are a food company that uses tech in a smart way. Regarding FSMA 204, we've been compliant with those requirements for more than **five years**. We can trace a product or process within minutes rather than the industry standard of **two hours**.

Virgilio Felix:

We also deployed barcode scanning software. Raw materials are scanned upon arrival, as is work-in-progress, all the way to finished goods.

Kelly:

Samir and Ryan, I know there was recently a sourcing trip to India. How will that influence future recipe development?

Giovanni Gomez:

I went on that trip from a food safety angle. It was eye-opening. We went to look for ingredients—spices, rice, tomatoes, and onions—to ensure we are keeping our ingredients authentic.

Ryan:

We focus on continuous improvement. Some of our core products were developed **20 years** ago, so we periodically check in to make sure we are sourcing the best. Just because something is good doesn't mean it can't be better.

Kelly:

How do you transition from a restaurant, where you get immediate feedback, to a commissary model where feedback is delayed?

Ryan:

It starts with us—we have to love it first. We have a tasting team from all over the company. If we love it and put the Cafe Spice brand on it, we stand behind the quality.

Samir Malhotra:

Someone at Whole Foods told me early on: if you make a change for good, give it **six months**. People don't like change. If you still get the comment after six months, then address it.

Kelly:

What impresses each of you most about the new facility?

Samir: The efficiency—being able to increase batch sizes **4–5 times** while maintaining or improving quality.
Giovanni: The data collection—leveraging AI to sort through massive amounts of information to find solutions faster.
Ryan: The equipment—the ability to produce great food at a dramatically larger scale.
Virgilio: The team—how they have embraced the change and new technology.

Kelly:

Where do you see Cafe Spice in **5–10 years**?

Samir Malhotra:

Ethnic cuisine is our core, but the Beacon facility allows us to expand into soups, stews, sauces, and grains. We are looking at Italian and Asian sauces, fried rice, quinoa, and high-quality soups and mac and cheese.

Virgilio Felix:

We want to elevate our own brand but also help other brands grow through co-manufacturing and private label. In **10 years**, I wouldn't be surprised if we have a couple more facilities throughout the US.

Ryan:

I see us continuing to carve out our niche as a leader in prepared foods and fresh deli meals, branching out into more cuisines.