

Accelerating Economic Growth and Impact in Value Added Dairy



Wisconsin's Value Added Dairy Industry is positioning for competitive strategic economic growth through a comprehensive process that will engage public and private sector thought leaders to define a shared vision through an action-oriented regional and statewide plan. The importance of the economic development of the Value Added Dairy Industry in Wisconsin is substantial, equating to:

- **Milk is Wisconsin's \$26.5 billion economic engine.** No other single product has more economic impact in the state. The average Wisconsin dairy cow generates \$20,000 a year in economic activity, which circulates through local communities. Wisconsin is home to 1.26 million dairy cows.
- **Agriculture contributes more than 350,000 jobs to the Wisconsin economy,** or 10 percent of total employment. The dairy industry creates jobs in more than 300 careers. The employment multiplier for dairy is 2.23, which means that every job in dairy supports an additional 1.23 jobs elsewhere in the Wisconsin economy.
- **A 250-cow Wisconsin dairy farm will spend, on average, about \$675,000** annually in supplies, products and services that are purchased from local businesses and retailers.

Today, innovative producers and processors, with support from the private and public sector, are leading a cheesemaking renaissance. While this value added sector is capitalizing on new opportunities, it realizes that building strong small businesses, creating a flexible and high value workforce, and supporting both urban and rural communities takes concerted effort.

Economic Development Activities Foster Regional Competitiveness

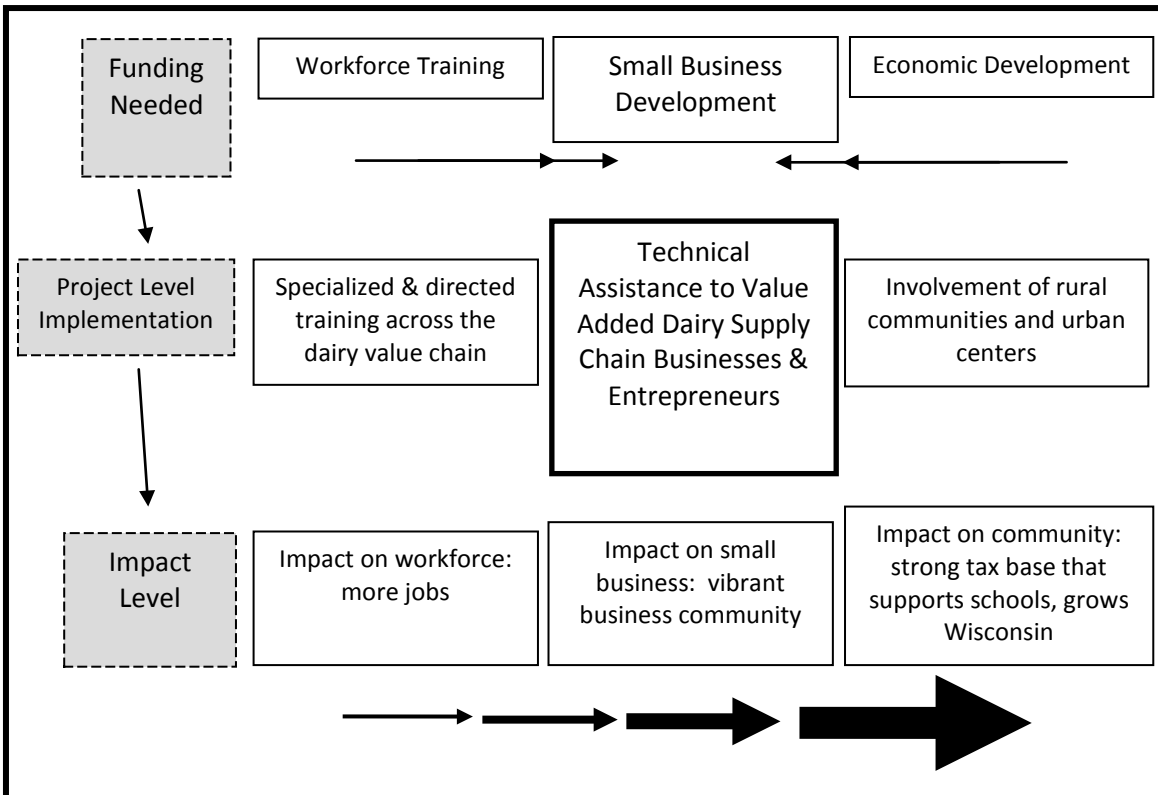
The newly formed Wisconsin Economic Development Corporation (WEDC) is a public-private corporation serving as the lead economic development organization in the state. Its mission is to: 1) develop and implement economic programs to provide business support, expertise, and financial assistance to companies that are investing and creating jobs in Wisconsin; 2) support new business start-ups and business expansion and growth; and 3) develop and implement programs related to economic development. It is clear that the value added dairy sector in Wisconsin can fully engage with WEDC in the following ways:

- 1. Value Added Dairy Export Initiative :** Led by the Wisconsin Department of Agriculture's International Agriculture Market Development staff and supported by WEDC, private firms and marketing non-profits such as the Dairy Business Innovation Center will help cheese companies invest in trade and marketing missions and increase Wisconsin dairy exports.
- 2. Community-Based Energy Programs:** Wisconsin leads the nation in the development of bio-energy, with 26 on-farm manure digestors creating electricity for local communities. Working with a consortium of public and private organizations, at least two additional community-based energy programs using production from value added dairy facilities should be built by 2016.
- 3. Efficiency, Modernization, and Innovation in the Manufacturing Industry:** Artisan cheesemakers need specialized equipment to make handcrafted products. Larger plants need new process solutions to increase efficiency and profitability. The DBIC will assist in determining alternative manufacturing equipment to assist the value added dairy industry.



Integrating Economic Development and Job Creation with the Value Added Dairy Sector

Below is an illustration of how economic development, small businesses and job creation work together in the dairy industry. At the center is a dynamic small business development, driven by entrepreneurs and supported by service-oriented business and technical resources. Funding is needed to support workforce training and economic development that helps small business develop in the short term and prosper in the long term. At the project level, activities are designed at the workforce, business, and community level to expand and accelerate innovation. The result is 1) a skilled workforce; 2) small businesses poised to enter new markets; and 3) urban and rural communities that benefit from and offer support to hometown businesses and professionals.



Small Business Assistance Fosters Regional Competitiveness

Since 2004, the Dairy Business Innovation Center has worked with more than 120 value added dairy small businesses in the areas of business assistance, marketing, branding and product development. This work has resulted in the development and launch of 68 new Wisconsin value-added products to market, including three national-champion specialty cheeses. While future funding is uncertain, the DBIC has the potential to continue and increase its effectiveness in the following areas:

- 1. One-on-One Business Assistance:** The DBIC specializes in providing technical and product development assistance, and aims to add 20 new value added dairy businesses to the state in the next five years. The DBIC and its partners have helped launch 43 new dairy plants since 2004.
- 2. One-on-One Marketing and Brand Development Assistance:** The DBIC has facilitated the development of more than 100 new labels and packaging for Wisconsin Value Added Dairy products since 2004. It will provide marketing and brand development assistance to 50 value added dairy businesses in the next five years.
- 3. One-on-One Technical and Product Development Assistance:** The DBIC aims to provide technical and product development assistance to 20 value added dairy businesses in the next five years, continuing its partnership with the Center for Dairy Research and University of Wisconsin Department of Food Science in developing new recipes.

Dairy Business Innovation Center

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