

Key ingredients

Dozens of companies, including some of the nation's most well-known food processors, call Wisconsin 'home.' These key industry players are continually enhancing and expanding their product lines. In doing so, they are impacting their bottom line, while also helping Wisconsin make a name for itself within the food processing industry.

MANUFACTURING BASICS

Wisconsin is home to a large, diverse food processing industry with an estimated 1,000 food processing plants that range from small butcher shops to cheese makers to large international processors.

"Wisconsin is known as the dairy state and is No. 1 in the production of dairy products and cheese making," says Nick George at the Midwest Food Processors Association (MFPA). "Wisconsin is also the second-largest producer and processor of vegetables such as snap beans, potatoes, sweet corn and green peas. We also have strong poultry and beef industries."

It's important to keep in mind that food processors are manufacturers, taking a raw product and adding value through processing. "Much of the food processed in Wisconsin is exported," George says. "Approximately 90 percent of all dairy products are exported as well as a large portion of meat, poultry and vegetable processed products."

George notes that because processing is manufacturing, it has a wide economic impact on the economy. Processors purchase the raw product, expend energy processing it and transport the product to market, creating and keeping a lot of jobs in Wisconsin.

So what is it about the state that appeals to food processors? "One reason is the location," George says. "We are in the heart of the Midwest, surrounded by large population areas. We also have a great transportation infrastructure, an ample supply of water, great soil and good weather and crop-growing conditions."

According to Amy Loudenberg, vice president of the Greater Beloit Chamber of Commerce (GBCC), "the chamber has always

recognized the importance of the agri-business, food processing and food technology companies to our regional economy. These companies enhance our region not only with their broad employment opportunities and tax contributions, but also with their corporate leadership, innovation and new business formation."

The GBCC's programs address issues such as workforce development, transportation infrastructure and advocacy to aid companies in being productive and prosperous.

"With other industries like auto manufacturing faltering, the food manufacturing industry provides crucial diversification in the state of Wisconsin," says Julie Dunmire, Kettle Foods Brand Director. "The natural food sector in particular is well positioned to fill growing consumer demand."

KEY PLAYERS

Wisconsin is home to a vast array of food processors, including industry leaders like Frito-Lay, Hormel, Kraft, Jennie-O Turkey Store, General Mills and McCain Foods, a significant international supplier of French fries to fast food establishments.

"Many people don't know that we are home to the largest canning and freezing companies in the nation, including Seneca, Lakeside, Del Monte, Busch Brothers and Allens Inc.," George says. "We also have a number of industry leaders who are nationally No. 1 in the processing and sales of their products. Two that come to mind are horseradish processor Silver Springs in Eau Claire and Great Lakes Kraut in Bear Creek, which makes more sauerkraut than any other company in the world."

As George notes, Frito-Lay plays an active role in the Wisconsin food processing industry. The company employs nearly 1,300 associates, and about 700 of those associates work at the Beloit manufacturing facility. Frito-Lay associates also work in distribution centers, sales offices and warehouses across the state.

"Frito-Lay's Beloit plant opened in 1973 and since then, the facility has gone through several expansions and improvements, and is a vital part of the community," says Mike Stahl, technical manager at Frito-Lay Beloit.

Frito-Lay also contracts with three major potato growers in the state and purchases nearly half a billion pounds a year to make Lay's brand and Ruffles potato chips.

Kettle Foods has been making Kettle Brand Potato Chips in its new Wisconsin factory for more than a year, employing nearly 100 people at its Beloit plant and adding about 20 new positions at a neighboring distribution facility to work with the Kettle business.

"Because demand for Kettle Brand Potato Chips is growing in the eastern United States, Kettle anticipates adding 15 to 20 percent more jobs in its facilities during 2009," says Dunmire. "Our company has brought leadership to the region in the areas of natural food manufacturing and green building."

The Kettle Foods Beloit factory is the first U.S. food manufacturing facility to earn LEED Gold certification for green building, and the company is currently under consideration for the Wisconsin Manufacturer of the Year award for its industry leadership and sustainable business practices.

The company has been making Kettle Brand Potato Chips for more than 25 years and is the No. 1 natural potato chip in America.

"With high distribution on the West Coast, the biggest growth potential for the brand is in the East," Dunmire says. "The Wisconsin factory is critical to meeting the growing demand for our product in the Midwest and on the East Coast." The com-

New technologies and innovative products can keep any industry fresh. Wisconsin's food processing industry is no exception.

By Maura Keller

pany expects to expand its manufacturing capacity in Beloit as distribution continues to increase in these regions.

Hormel is another huge player in Wisconsin's food processing industry. "We are happy to have locations in Beloit and Barron, Wis.," says Julie H. Craven, vice president of corporate communications at Hormel Foods. "Our 117-year-old company leverages its expertise, innovation and high competencies in pork and turkey processing and marketing to bring quality, value-added brands to the global marketplace. Our Wisconsin workforce contributes to Hormel's strong reputation among consumers, retail grocers, foodservice and industrial customers."

Craven says Hormel will continue to focus on its goal of achieving \$2 billion in total sales of products created since 2000 by the year 2012, with sales from Wisconsin-produced products contributing toward this goal.

NEW INNOVATIONS

In the wake of the downturn in the economy and the salmonella scare facing the peanut processing industry, Wisconsin's food processing industry is under increased pressure to deliver safe, healthy food at an affordable price.

"The United States has the safest food system in the world and we should be proud of it," George says. "That doesn't just happen. Food companies are pouring millions of dollars into food safety and ingredient tracking in order to meet government and customer requirements. We have some of the most sophisticated machine manufacturers in the world who manufacturer state-of-the-art processing, packaging and tracking machinery and software."

Another recent development that bodes well for Wisconsin's food processing industry is the "buy local" initiatives that are being embraced by consumers at unprecedented levels.

"Because we have so much food processing in the Midwest, it truly is easy to buy local," George says. "I don't know if our folks promote that as much as they might."

Strong environmental initiatives also are gaining the upper hand within the industry. Customers are demanding that the companies become more sustainable.

"I would argue that there is nothing more sustainable than the food industry," George says. "From farm to fork it is a cycle that cannot end."

One of the newest environmentally-conscious additions to the state's food processing industry is IPM Foods in Beloit. Founded in 2006 by Pawel Marciniak, IPM offers a processing component, as well as a unique packaging operation that has caught the attention of many product development companies.

"We utilize the Tetra Recart carton, which was developed by Tetra Pak, in our operation," says Joe Pirc, vice president of sales and marketing at IPM. As Pirc explains, Tetra Recart is a unique, fiber-based, retortable carton that is ideal for low-acid products including soups, sauces and vegetables.

The 'green' carton can replace cans and jars, resulting in more products on the shelves, and pallets can hold up to 50 percent more Tetra Recart cartons than cans.

"Consumers are looking for products that have less of an environmental impact," Pirc says. "There is a supply chain efficiency that comes with this package design that we are very pleased with."

Of course, ongoing development within the industry is resulting in new innovative products that are capturing more of a market share and enhancing the industry's potential within the state.

"We will build on our successes and provide consumers great tasting snack foods that meet their needs," Stahl says. "Health and wellness will remain a priority in our innovation. Our operations in Wisconsin are key to making and selling the products consumers love."

The Kettle Brand has just introduced new Sweet Onion Potato Chips and has plans to launch a new Jalapeño flavor in the spring as well.

"Known for innovative, all natural flavors, Kettle Foods is gearing up for its fifth annual People's Choice campaign inviting fans to help inspire the ultimate Kettle Brand Potato Chip," Dunmire says.

And as a company that was founded with a commitment to sustainable business practices, Kettle Foods is always looking at ways to grow responsibly and continue making Kettle Brand Potato Chips in the most environmentally friendly way.

"For us this means continuing our investment in green energy as well as recycling, water conservation and energy efficiency," Dunmire says. "In the wake of food safety issues and increasing consumer awareness around safe, natural ingredients, it's also especially important to continue our support of natural potato growers in the region surrounding the Beloit factory as Kettle Foods maintains a commitment to using only natural, non-GMO (not genetically modified) potatoes."

For the past several years the GBCC has been hosting an annual conference and expo to promote the economic impact of the food processing/technology industry cluster. This year the GBCC is considering hosting a regional or specialty foods event to promote this growing cluster sector. "The GBCC is excited about the opportunities this type of an event could create by connecting existing and emerging regional and specialty food companies to restaurants, grocers, institutional purchasers and consumers," Loudenbeck says. "The regional and specialty market certainly has tremendous growth potential. This emerging market will also help to further diversify the existing food cluster."

George agrees. "The industry brings a lot of product diversity and economic stability to the area," he says. "I wouldn't say that food processors are recession proof but they do tend to be more stable than many industries. People have to eat and many products processed here are plentiful and affordable." **CRW**