

MILWAUKEE REGION

SOUTHEAST WISCONSIN'S FOOD INDUSTRY

Locally grown. Regionally made. Consumed around the world.



#1

The Milwaukee Region has the highest concentration of workers in the food industry



CHOOSEMILWAUKEE.COM

HISTORY, EXPERTISE AND CENTRAL LOCATION

The Milwaukee Region of Southeast Wisconsin has been a center of commerce since it was settled more than 150 years ago. The Region evolved from a frontier outpost to become the “Beer Capital of the World” and later the “Machine Shop to the World.” Manufacturing defines our history and our future. It is ingrained in our character and remains our most vibrant economic sector.

Retaining our traditions of producing the finest dairy, cheeses, sausages and brews, our food industry has great depth and breadth beyond these niches. We are at the forefront of urban agriculture, food ingredients manufacturing, industrial innovation and water technologies.

REGIONAL SNAPSHOT

- 2 million residents
- 1 million jobs
- 160,000 manufacturing workers (2nd highest concentration among large U.S. metropolitan areas)
- 52,000 businesses with strong clusters including food manufacturing, power, automation and controls, and water technologies.

FOOD AND BEVERAGE MANUFACTURING



243 FOOD MANUFACTURERS



14,170 EMPLOYEES (highest concentration of talent among large U.S. metropolitan areas)



\$582 MILLION IN PAYROLL



9.7% OF OUR MANUFACTURING BASE



The Chicago-Milwaukee-Twin Cities corridor annual food expenditures total

\$70.5 billion

CLOSE TO CHICAGO, CENTRAL TO MIDWEST

Milwaukee is located 80 miles (130 km) north of Chicago, the third largest city in the U.S. Together, Milwaukee and Chicago form a global mega-region that includes more than 30 Fortune 500 companies and 100+ colleges and universities. Companies in the Milwaukee Region enjoy the advantages of proximity to Chicago without the high cost of doing business there.



More than 85 million people live within 500 miles of Milwaukee.



Wisconsin, nestled in America's breadbasket, is:

#2 for organic production

#5 for food manufactured products

#9 in agricultural products produced

GLOBAL FOOD COMPANIES THAT CALL MILWAUKEE HOME



8
food companies have
global headquarters
here



CORPORATE PROWESS

The Milwaukee Region is an ideal location for business, ranking 9th in the U.S. for Fortune 500 company headquarters per capita. And seven of the top 11 largest food companies in the world have operations in Southeast Wisconsin.



The Milwaukee Region is home to a breadth of food producers and manufacturers. Our largest employers are representative of the industry and include both global corporations and family-owned operations.

TOP 25 FOOD COMPANIES IN MILWAUKEE REGION (by employment)

COMPANY	PRODUCTS/SERVICES	EMPLOYMENT
1. Cargill Regional Beef	Animal slaughter and processing	1,000
2. MillerCoors	Brewery	1,000
3. Kenosha Beef	Meat packer	500-999
4. Patrick Cudahy	Sausage and other prepared meats	500-999
5. Nestle Chocolate	Chocolate & cocoa manufacturing	500-999
6. Sysco Food Services	Distributor of food products	500
7. Ocean Spray	Fruit & vegetable beverage manufacturing	250-499
8. ADM Cocoa	Chocolate cocoa manufacturing	250-499
9. Birds Eye Food	Frozen food processor	250-499
10. Lakeside Foods	International private label food processor	250-499
11. Kerry Ingredients	Ingredients and flavor manufacturing	250-499
12. Palermo's Pizza	Frozen pizza	400
13. CHR Hansen	Culture & enzyme production	320
14. Denali Ingredients	Ingredients for ice cream, frozen desserts, novelties	300
15. U.S. Food Service	Distributor of food products	250
16. General Mills	Baked snack mix manufacturing	225
17. Wixon Inc.	Seasoning and flavoring systems	200
18. Echo Lake Foods	Egg products and breakfast-style entree production	200
19. Quality Foods	Candy and confectionery manufacturer and retail	200
20. Foran Spice Co.	Spices, seasonings, flavors and ingredients	175-300
21. Sensient Technologies	Manufacturer of colors, flavors and fragrances	100-249
22. Lesaffre	Yeast products manufacturing	100-249
23. Baptista's Bakery	Customized manufacturing of baked snack products	100-249
24. Masterson Co.	Ice cream toppings manufacturing	100-249
25. Kikkoman Foods	Soy sauce seasoning and dressing manufacturing	100-249

SUPPORTING VALUE CHAIN

PROCESSING & PACKAGING EQUIPMENT

Food manufacturers here take advantage of the available processing and packaging equipment manufacturers in the area, including Kronos, KHS and WAGO Corporation – global companies with American headquarter operations in the Milwaukee Region.

- | | |
|------------------------------------|--|
| Advanced Detection Systems | Matrix Packaging Machinery |
| ALKAR-RapidPak | ORBIS Corporation |
| ALPS - Air Logic Power Systems LLC | Paper Machinery Corporation |
| Conflex Incorporated | Pemco Inc. |
| Dorner Mfg. Corp. | Pillar Technologies, An ITW Company |
| Enercon Industries Corporation | Regina USA, Inc. |
| Federal Mfg. Co. | Seda International Packaging Group |
| H.G. Weber & Co., Inc. | Sharp Packaging Systems |
| HK Systems | Spee-Dee Packaging Machinery, Inc. |
| K2 Engineering Group, LLC | Viking Masek Global Packaging Technologies |
| Klockner KHS USA, Inc. | WAGO Corporation U.S. |
| KRONES | Yamato Corporation |

DISTRIBUTION CHANNELS

The Milwaukee Region, with its central location, has proven ideal for food distribution. Four of the top five food service companies in the nation have significant operations in the Region. And area food manufacturers benefit from access to three of the top 25 wholesale grocers located here, including the corporate headquarters of Roundy's Supermarket, Inc.

FOOD SERVICE:



WHOLESALE GROCERS:



URBAN AGRICULTURAL

Milwaukee has become a center for urban agriculture with the acclaimed work of Growing Power, Inc. and others working to reclaim old factories and urban land for growing food and using aquaponics for raising fish.



WATER TECHNOLOGY

Milwaukee is at the forefront of water technology development. Five of the world's eleven largest water technology companies – Siemens, ITT, Veolia, Pentair and GE – have major operations here. The United Nations has designated Milwaukee a world center for freshwater expertise.



HIGH QUALITY WORKFORCE

Our food manufacturing industry boasts the highest concentration of workforce among the U.S. 50 largest metros and the 13th lowest average wage. From food scientists to production workers, this Region delivers the people food manufacturers need to be locally and globally competitive.

Location Quotient (LQ) is a measure used by economists to assess the concentration of an occupation in a geographic area. LQ of "1.00" indicates that concentration of a particular occupation in a locale is identical to the concentration in the U.S. as a whole. An occupation is considered significantly concentrated if the LQ exceeds 1.20.

FOOD INDUSTRY OCCUPATIONS

	LQ
Inspectors, testers, sorters, samplers, weighers	2.86
Food scientists and technologists	2.08
Chemists	1.78
Industrial engineers	1.72
Team assemblers	1.62
Industrial production managers	1.56
Production workers	1.46
First-line production supervisors/managers	1.36
Sales representatives, wholesale & manufacturing	1.34
Packers and packagers, hand	1.31
Mixing & blending machine setters/operators	1.29
Packaging/filling machine operators and tenders	1.20
Food cooking machine operators and tenders	1.10
Helpers - production workers	1.07
Industrial truck and tractor operators	1.05
Industry machine mechanics	1.02
Food batchmakers	1.00

CONNECTING EDUCATION AND RESEARCH TO INDUSTRY NEEDS

The Region's food industry benefits from the close proximity, just a one-hour drive, to the University of Wisconsin-Madison – the state's flagship research university. Madison's School of Agriculture and Life Sciences offers a premier food science program and is home to numerous industry research institutes, including:

- Food Research Institute
- Center for Meat Science and Muscle Biology
- Wisconsin Center for Dairy Research

The close ties between industry and research has placed Wisconsin 7th for the number of food product and process patents.

Six universities within a one-hour drive of Milwaukee graduate food and animal scientists, microbiologists, chemists and engineers to support food industry growth and innovation.



Wisconsin was the first U.S. state to establish a technical college system and it continues to serve our large manufacturing base today. This well-developed system is the primary feeder of production talent – machinists, welders, CNC operators, quality technicians – to serve our industrial base. The Milwaukee Region is home to four technical colleges.

In response to food industry growth, Milwaukee Area Technical College is working with industry leaders to develop diplomas in urban agriculture, food science and food manufacturing.



LOWER COST OF DOING BUSINESS

Our food industries benefit from a robust value chain, central access to consumer markets, top talent and industry leadership. They also gain advantages from competitive electricity, real estate, abundant water and a safe operating environment. And Wisconsin's corporate tax rate was recently ranked 4th best in the nation by Ernst & Young.

COMPETITIVE ELECTRICITY RATES

Electricity in the Milwaukee region is supplied by We Energies. For the sixth time in the past eight years, We Energies in 2010 won the *ReliabilityOne* award for superior reliability of its electric system. For industrial users, Wisconsin electricity rates are in line with the U.S. average:

CENTS (USD)/kWh	
U.S. Average	6.81
Wisconsin	6.74

LOW-COST REAL ESTATE

The Milwaukee Region's industrial real estate market is highly competitive.

RENT PER SQUARE FOOT (USD)		INDUSTRIAL LAND PER ACRE	
Kansas City	\$3.11	Pittsburgh	\$52,790
Atlanta	\$3.13	MILWAUKEE	\$54,118
Cleveland	\$3.20	Cleveland	\$63,484
Denver	\$3.67	Kansas City	\$71,380
MILWAUKEE	\$3.92	Atlanta	\$82,554
Pittsburgh	\$4.44	Denver	\$115,449
Los Angeles	\$5.28	Los Angeles	\$202,567
San Diego	\$8.55	San Diego	\$206,106

WATER RATES

The Milwaukee Region offers the lowest water rate and the lowest wastewater treatment rates among the nation's 50 largest metro areas. Municipalities, like the city of Racine, drawing water from Lake Michigan have excess capacity with Milwaukee Water Works operating at 1/3 its capacity.



QUARTERLY WATER BILL FOR HIGH VOLUME INDUSTRIAL CUSTOMER

MILWAUKEE	\$41,151
Kansas City	\$90,544
Denver	\$110,717
Cleveland	\$121,430
San Diego	\$157,557
Pittsburgh	\$172,367
Atlanta	\$251,984
Los Angeles	\$274,000

A SAFE OPERATING ENVIRONMENT

Ranked No. 1 in the U.S. for our water supply, the Milwaukee Region is also the No. 1 safe haven against a natural disaster (Source: Sustain Lane 2008). Whether it your main operation or additional facilities, fewer weather disruptions equals fewer operational disruptions and fewer associated expenses.



The Milwaukee Region is the

#1

best metro location
from natural disasters

EFFICIENT ACCESS TO WORLD MARKETS

Domestic Air Service

Milwaukee's Mitchell Airport offers 200 daily departures to 90 North American destinations, with direct service to all major U.S. business locations. In 2010, Mitchell was named one of the fastest-growing airports in the U.S. by the Air Transport Association (passenger traffic at Mitchell increased more than 40%). Milwaukee is a hub for both Frontier Airlines and Southwest Airlines.

International Air Service Through Chicago

Chicago's O'Hare International Airport, a short 75-minute drive from Milwaukee, is an international hub airport offering daily direct flights to most global business destinations. Milwaukee companies find it an attractive option for staff traveling overseas, and advantageous when bringing in international customers and suppliers.

Highways & Railways

The Region's Interstates I-94 and I-43 are newly rebuilt and result in our having the 4th lowest metro congestion in the nation and the 3rd best commute, making it easier for your product and workforce to get around. Additionally, both the Union Pacific and Canadian Pacific railways pass through the Region for easy rail access.

NEED MORE INFORMATION ON MILWAUKEE?

Our team of business specialists is here to support you, ready to assist with site selection and other business needs. (See back cover for more information.)

Learn more about Milwaukee at ChooseMilwaukee.com.



Milwaukee's Mitchell Airport offers service to

90

North American destinations



INVESTMENT IN THE MILWAUKEE REGIONAL FOOD INDUSTRY

Growing jobs, payroll and capital investment

MILWAUKEE 7 FOOD INDUSTRY NETWORK

Milwaukee 7 – the seven county regional economic development collaborative of SE Wisconsin – has identified food and beverage manufacturing as a targeted industry for regional economic growth. The M7 has formed a Food Industry Network, led by an Advisory Council comprised of industry executives. The network is designed to connect and engage food industry leaders to improve the Milwaukee Region as a place to expand, locate or start a food business. We focus on three core competencies:

Develop a competitive food industry value proposition.

The Milwaukee Region offers a competitive location for food manufacturing and the network is always working to improve our industry value proposition, making it easier to do business here.

Support food industry expansion and attraction

The Milwaukee 7 team of specialists is ready to assist food manufacturers and food equipment manufacturers with their site selection or other business needs.

Conduct marketing and outreach to food executives and site selectors

Through regular meetings with industry executives and site selectors, Milwaukee 7 is able to uncover emerging issues and opportunities and promote the Milwaukee Region as a competitive destination for the food industry.



The network's first Executive Food Forum, attended by more than 40 industry leaders, was sponsored by MillerCoors and Milwaukee Water Works. (Left) M7 Network Co-chairs David Carpenter, president of Chr. Hansen and Eric Olesen, co-owner of O&H Danish Bakery.



M7 Network Advisory Council

Co-Chairs

Chr. Hansen
David Carpenter, President

O&H Danish Bakery
Eric Olesen, Co-Owner

Baptista's Bakery
Nan Gardetto, Owner & CEO

Benelact
Ed Salina, President

Birds Eye Foods
Tom Timm, Plant Manager

Butter Buds
Tom Buhler, Int'l Marketing Dir.

Cargill Regional Beef
Matt Leu, General Manager

Fred Usinger, Inc.
Fritz Usinger, President

Gehl Foods
Andy Gehl, President

Klockner KHS
Mike Brancato, President

Masterson
Mike Masterson, President

MillerCoors
Mike Jones, Vice President

Ocean Spray
Andy Gunniss, Plant Manager

Palermo Villa, Inc.
Giacomo Fallucca, President

Schreiber Foods
Mike Bown, Plant Manager

Slow Food Upper Midwest
Martha Davis Kipcak, Governor

Stone Creek Coffee
Steve Hawthorne, Vice President

Sysco Food Services
Cathy Henry, President & COO

Wixon
Peter Gottsacker, President

MILWAUKEE 7

MISSION: To grow, expand and attract world-class businesses and talent in the Milwaukee Region.



#6

Most Affordable U.S. Place
to Live Well

Forbes



Milwaukee 7

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Pat O'Brien - Executive Director

Shelley Jurewicz - Vice President of Economic Development

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