LAKESHORE INDUSTRY CLUSTER INITIATIVE

Agriculture-Food Production Cluster

Co-chairs: Toni Sorenson (GreenStone Farm Services-Sorens-Valhalla Orchards
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Andy Barta (Rio Creek Feed Mill - agbarta@riocreekfeedmill.com)

Asset Mapping Meeting Notes

November 29, 2012

Submitted by Connie Loden

In attendance: Toni Sorenson, Andy Barta, Kristin Abel -LTC, Jeff Sachse-DWD, Diane Lupke-Lupke Associates, Bethany Kappelman-CP Feeds, Sam Perlman-DCEDC, Dick Skare-The Cookery, Dean Volenburg-UW-Ext, Mike Ballweg-UW-Ext., Tim Reis-Manitowoc Company, Amy Kox-NWTC, Tim Treml-Bank of Luxemburg, Mike Gallenberger-Gallengerger Dairy Records, Vince Alber-Two Rivers City Council, Kisty Pagel-KCEDC, Diamond V, Amanda Kleiber-Calumet Co Resource Management, Mike Sipple-Agropur, Jim Smidel-Baylanke Bank, Scott Schneider, Keller Inc., Jennifer Brown-KCEDC, Peter Thillman-LTC, Jean Romback-Bartels –DNR (via phone), Connie Loden-EDCMC (if I missed someone, please let me know)

Vital Economies: Mark Madsen, Jim Haguewood,

I. Connie Loden asked all to introduce themselves
II. Toni and Andy, Co-Chairs of Agriculture Cluster, welcomed everyone and commented about the opportunity before us.
III. Introduction and Review of Agenda – Jim Haguewood recognized sponsors of the initiative
IV. Jim walked through the summary of the General Asset mapping sessions key discoveries. – Slide 6
V. Overview given of today's agenda and Initiative Plan - Slide 4 & 5
VI. Today's session objectives – Slide 6
VII. Mark Madsen (Vital Economies) Reviewed some of the current economic data for the manufacturing industry – Slides 7 -13
VIII. Competitive Advantages for Agriculture – Slide 14
    a. Lakeshore Micro-Climate – Extended growing period, quality of grains tend to be better – higher protein, latitude – longitude good for growing grapes, Climate provides early season protection from early budding – lake provides later frost in fall.
    b. ***Quality small grains – particularly with the specialty/micro-beer market – malt and barley and potential for hops (grown here in history) 80 craft breweries and 120 wineries in WI – need to find out what they need grown
    c. Dairy-Livestock
    d. Produce forages/feedstock at better prices -- more that stays in the region versus shipped out for Value adding
    e. Tech Colleges
    f. Early adopters of technology
IX. Drivers for the Agriculture Industry in this region – Slide 16
    a. Beef Production
    b. Dairy

c. Corn
d. Soybeans
e. Fruits and Vegetables
f. Small grains
g. Cheese
h. Sausage
i. Wine
j. Jam's & Jelly's

II. Example of Asset Mapping to Identify Value – Slide 17– Jim Haguewood reviewed the example of Metal Fabrication Skills for Compressed Natural Gas Transport Trailers as an asset opportunity that could be leveraged for new business growth.

III. Dairy
   a. High level of Dairy knowledge
   b. Early Adopters of technology
   c. Whey product is going out now as a waste product with value
   d. Knowledge – high level of Dairy knowledge resides here currently being exported to Eastern Europe and China
   e. Geographic - Proximity of forage and feed grains to the cattle
   f. Geographic – Land Cheaper than some other regions –
   g. Culture – Family owned, safety
   h. Culture – was cheese factory on every corner so knowledge is in the history
   i. Knowledge – raising of calves
   j. Historical - Mature industry – level of expected quality
   k. Government –UW – Extension, Research Station in Door Co. Dairy Innovation Center (DATCP)
   l. Infrastructure well developed – Strength of Co-ops
   m. Infrastructure – Packaging
   n. Infrastructure/Knowledge – Marketing
   o. Capacity is running to 100% -- as need to import milk to meet all the cheese making demand
   p. Competitive Advantage for this area is that we have all the dots (assets in place)
   q. Geographic – Logistics - Access to markets
   r. Knowledge – Technology (one of 48 labs in North America – one of only 2 in US for keeping cows health and producing high quality
   s. Innovation / Technology – Digesters / robotic Milers
   t. Human Skills - Language Links - Dairy Coach
   u. Knowledge/Innovation – Master Cheese Maker education in Wisconsin
   v. Innovation – more Goat cheese production
   w. Innovation – Managed grazing
   x. Innovation – aquaculture, hydroponics with Digester energy
   y. Innovation – education to connect farm to fork – Ag Education Center

IV. CNG Opportunity – Slide 17

a. 20 digesters in the region / opportunity for 60
b. 30 Biogas Plants – 10 LC Region – 1000 head – 100 million KW – 100 Million BTU/hr
c. Limited Electrical Market
d. Federal Credits for Transportation
e. 1 Million BTUs for diesel fuels- $28-30 cost
f. 1 Million BTUs from BioGas - $4 cost
g. Gap in infrastructure – no scubbing facilities
h. Government - Tax credits for renewables
i. Digesters paid for in 6-7 years with the cost savings
j. Natural Gas prices too low to make this effective
k. More cows on fewer acres if can manage the manure and use it for other uses versus spread on the fields.

V. What can we do that will be Valuable to participants (Small group table discussions)

a. Connect with other sectors - Diverse Ag System
b. Where is the education that goes along with growing the sector's value adding capabilities
c. Having a project at hand – coordinate with other clusters
d. Large, medium and small businesses in the area and the strength that they have - looking at the value supply chain will lead to uncovering new business / entrepreneurial opportunities
e. Farm succession support
f. Moderate farm size may make it easier to transfer ownership when succession time.

VI. Industry Cluster Work Plan for first 90 days – Jim Reviewed - Slide 21-22

a. Cluster Team Action Plan Template to be developed by March 31, 2013.

VII. Next Meeting –Agriculture-Food Production Cluster Value-Supply Chain Mapping – January 17 – 2 PM – Location to be announced.

VIII. Website for information access: www.lakeshoreinitiative.webs.com Also – Linked In Group: Lakeshore Industry Cluster Initiative http://www.linkedin.com/groups?home=&gid=4608897&trk=anet_ug_hm

IX. Adjourned