



## Agriculture-Food Production Cluster

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

### Value Chain Mapping Meeting Notes

January 17, 2013 - 2:00-4:00 PM

Pagel's Ponderosa Dairy, N4839 Hwy C, Kewaunee

Attendee list follows notes.

#### Session Agenda

- I. Welcome & Introductions – Toni and Andy welcomed attendees. Connie Loden provided background on the initiative and thanked the sponsors.
- II. Session premise and objective – Jim Haguewood of Vital Economies reviewed.
- III. Context setting, national and global trends - Jim Haguewood of Vital Economies reviewed.
- IV. Value chain discovery and opportunity analysis

#### **Jim Asked the group to identify Competitive Advantages**

- Ability to grow grass year-'round has effect on all of the value chain.
- High Tech and growing technologies
- Education and research
- Labor
- Self-supporting businesses and companies in the region

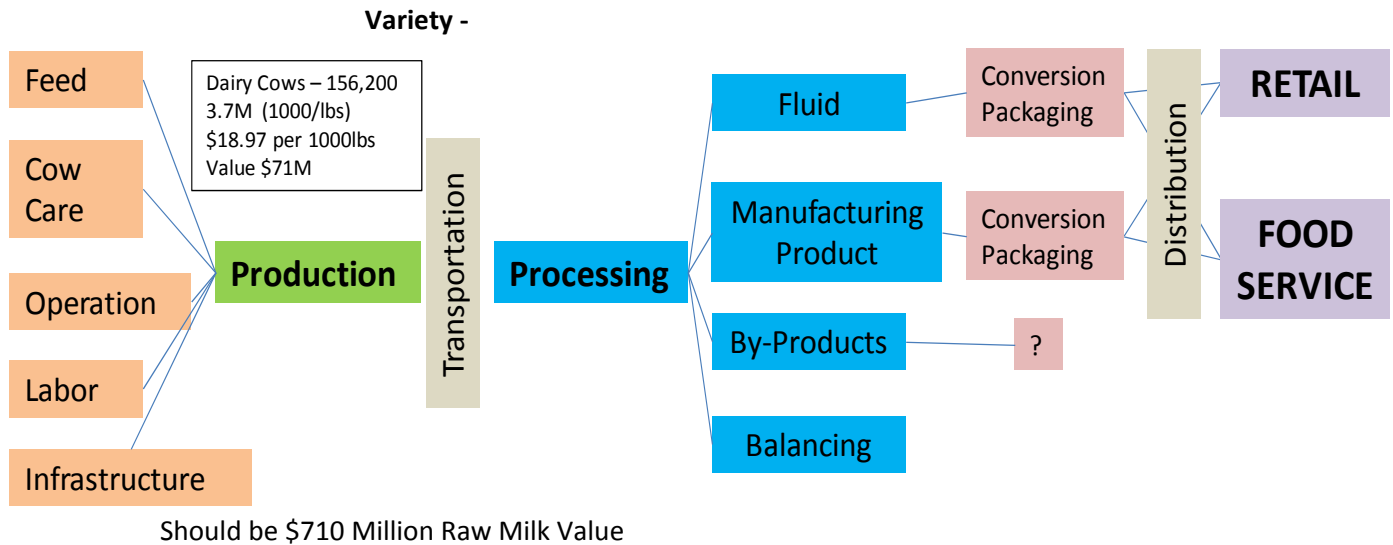
Attendees were asked what Supplies and services being sourced from inside or outside the area?  
Who is the primary providers of the supply or service?

See photo and slides for picture of Value chain for Dairy.

- V. Conclusions and takeaways –
  - a. Mature industry with all milk production being used in value adding within the region
  - b. Opportunities for value chain seem to be in Whey potential and supplies and services in farm operations and the waste product Manure
  - c. Manure feeds into Energy Cluster's intent to concentrate on Compressed Natural Gas
  - d. Co-opportunities for manure digesters for multiple farm use.
  - e. Whey has growing applicable uses – and increasing value.
- VI. Opportunity Analysis

See more notes on next page.

## Value Chain Structure from \$710 Mill production



### \$21 revenue / 100 lb wt of milk

**Feed** – 70% grown on the farm (grains -30% imported Corn /

**Cow Care** – Sourced Locally-Veterinarians, nutritionist services,  
supplies (some come from the outside)Detergents, tip dips, medicines

**Operations** – Sourced Locally -Crop Consultants , hoof trimmer  
Imported- some technical expertise , commercial fertilizers  
Wish was in the region – consultants on parlor efficiencies, milk quality specialists, Rotary milker repair technicians,

### Waste

Manure - less than the value of the fertilizer 3-5% of gross income - \$100 cow to handle the manure to spreading as fertilizer. Some maxing out due to not being able to handle manure.

### Labor

10% of 100/lbs of milk  
Shortage of labor

### Infrastructure

Bringing in from the outside: silos, herd and financial management software,

**Cost of Raising Animals** Out of area – raising heffers,  
Regulatory

13% of Milk in WIS for cheese is imported .

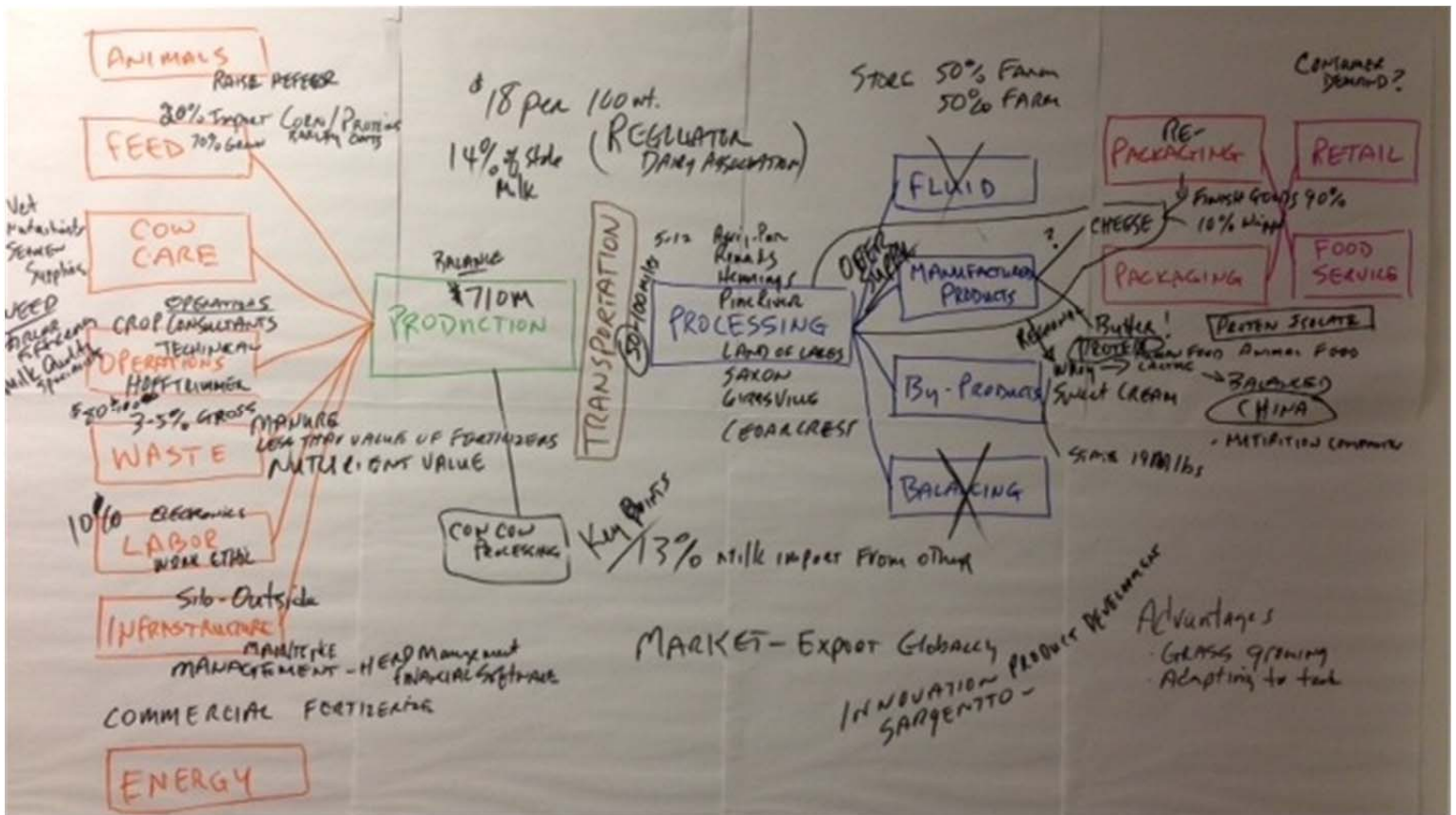
Cheese – Pine River, Saxon Farms, Hennings, Gibbsville, Cedar Crest (Ice Cream), Renards, Land of Lakes, Agripur, Bel Gioioso

Fluid – no one doing this - Based on price you pay at grocery store for gallon of milk – Half goes to farmer, half to producer-distributor. Milk transport does not go much more than an hour or 100 miles - Most within 50 miles.  
 Manufacturing Product – almost all goes to Cheese, some butter. Most of the Cheese leaves the area.  
 By – Products - sweet cream, whey-by-product of the cheese manufacturing (high value human foods, animal feed / Lactose is mainly being shipped to China) Most cheese makers find some way to process whey (Hennings sends theirs out of the region – but most processes at the producer) New product being produced locally from whey for liquid drink.

Meat – cow processing, rendering, ---- Key  
 Retail – Exporting – dependent on global markets  
 Sargento – market and innovation leader  
 Innovative Whey processing is taking place  
 Challenge is low milk margins  
 What does the consumer want? They want quality based on flavor and health  
 Cheese makers are not necessarily making this type of product.

**Primary Products**

- Cherries
- Apples
- Mushroom
- Flowers
- Christmas Trees



- Grapes/Wine
- Table Vegetables

Attendees

First	Last	Company	Email
Dean	Halverson	Leed Research	<a href="mailto:dean@leede.com">dean@leede.com</a>
Becky	Eernisse	Lakeside Foods	<a href="mailto:reernisse@lakesidefoods.com">reernisse@lakesidefoods.com</a>
Heidi	Heubauer	ERA Starr Realty	<a href="mailto:heidisellsre@gmail.com">heidisellsre@gmail.com</a>
John	Pagel	Pagels Pondersosa	<a href="mailto:johnt@pagelsponderosa.com">johnt@pagelsponderosa.com</a>
Cate	Rahmlow	WEDC	<a href="mailto:cate.rahmlow@wedc.org">cate.rahmlow@wedc.org</a>
Amy	Kox	NWTC	<a href="mailto:amy.kox@nwtc.edu">amy.kox@nwtc.edu</a>
Sam	Perlman	Door County Edc	
Barb	LaMue	WEDC	<a href="mailto:barb.lamue@wedc.org">barb.lamue@wedc.org</a>
Jeremy		Country Ovens	<a href="mailto:jeremy@countryovens.com">jeremy@countryovens.com</a>
Kevin	Kohlbeck	Ansay & Associates	<a href="mailto:kevin.kohlbeck@fv.ansay.com">kevin.kohlbeck@fv.ansay.com</a>
Sally	Surprise	Ansay & Associates	<a href="mailto:sally.surprise@fv.ansay.com">sally.surprise@fv.ansay.com</a>
Amanda	Kleiber	Calumet County Resource Management	<a href="mailto:kleiber.amanda@co.calumet.wi.us">kleiber.amanda@co.calumet.wi.us</a>
Victoria	Cerinich	DCEDC	<a href="mailto:cerinich@itol.com">cerinich@itol.com</a>
Peter	Wyatt		
Cheryl	Plitt	Plitt International	<a href="mailto:jplitt@plittinternational.com">jplitt@plittinternational.com</a>
Mike	Sipple	Agropur	<a href="mailto:mike.sipple@agropur.com">mike.sipple@agropur.com</a>
Don	Niles	Dairy Dreams	<a href="mailto:donniles@dairy-dreams.com">donniles@dairy-dreams.com</a>
Aerica	Bjurstram	UW Extension	<a href="mailto:aerica.bjurstrom@ces.uwex.edu">aerica.bjurstrom@ces.uwex.edu</a>
Jennifer	Brown	KCEDC	<a href="mailto:brownjk@kcedc.org">brownjk@kcedc.org</a>
Kristy	Pagel	Diamond V	<a href="mailto:kpapel@diamondv.com">kpapel@diamondv.com</a>
Jim	Smidel	Bay Lake Bank	<a href="mailto:jim.smidel@baylake.com">jim.smidel@baylake.com</a>
Randy	Ebert	Ebert Enterprises	<a href="mailto:ebertent@hotmail.com">ebertent@hotmail.com</a>
Terry	Sorenson	Sorens Balhalla Orchids	<a href="mailto:sorenson.terrance@gmail.com">sorenson.terrance@gmail.com</a>
Scott	Gunderson	Manitowoc County UW-EX	<a href="mailto:scottgunderson@co.manitowoc.wi.us">scottgunderson@co.manitowoc.wi.us</a>
Brian	Rueckl	USDA	<a href="mailto:brian.rueckl@wi.usda.gov">brian.rueckl@wi.usda.gov</a>
Toni	Sorenson	Green Stone Farm Credit	<a href="mailto:antonia.sorenson@greenstonefcs.com">antonia.sorenson@greenstonefcs.com</a>