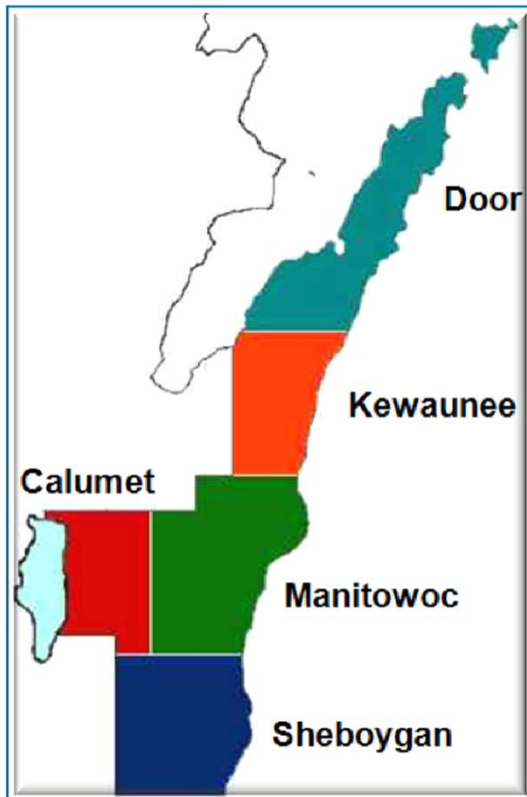




# *Lakeshore Industry Cluster Initiative*

## *Agriculture & Food Production Cluster Mapping*



Farm Market Kitchen  
Thursday, November 29, 2012  
2:00pm – 4:00pm

### **ViTAL Economy Alliance**

Jim Haguewood – [jim@onegroupconsulting.com](mailto:jim@onegroupconsulting.com)  
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## LAKESHORE INDUSTRY CLUSTER INITIATIVE

### Lakeshore Industry Cluster Initiative Sponsors—THANK YOU!

#### Diamond

-



#### Platinum



#### Gold Plant

Ben Cress

Wisconsin Public Service

NextEra Energy Point Beach Nuclear

#### Silver

Door County EDC  
Two Rivers Water & Light

Keller, Inc.  
Alliant Energy

Kewaunee County EDC  
Sturgeon Bay Utility Commission



## Concepts and Observations from Regional Asset Mapping Sessions

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- The region has robust assets, across multiple economic sectors, but limited due to lack of regional connections
- Dairy and cheese production is a dominant and growing economic driver, proven to be recession resilient
- High concentration of family owned, privately held companies with global reach
- Multi-dimensional opportunities linked to five world-class fisheries, potential \$100M+
- Unrecognized contribution of Quality of Place in respect to community economic development strategies
- Spatial relationships (sense of place and access to local services) between recreational assets and authentic small town Wisconsin (several Mainstreet & ethnic communities)
- Lakeshore Wisconsin has a unique and valuable micro-climate zone
- Abundance of fresh water resources for agriculture, recreation and industrial use
- Regional disconnect of tourism assets and strategies – potential for stronger alignment for stronger product offering.
- Healthy manufacturing sector, but limited awareness of capability and regional interconnectedness



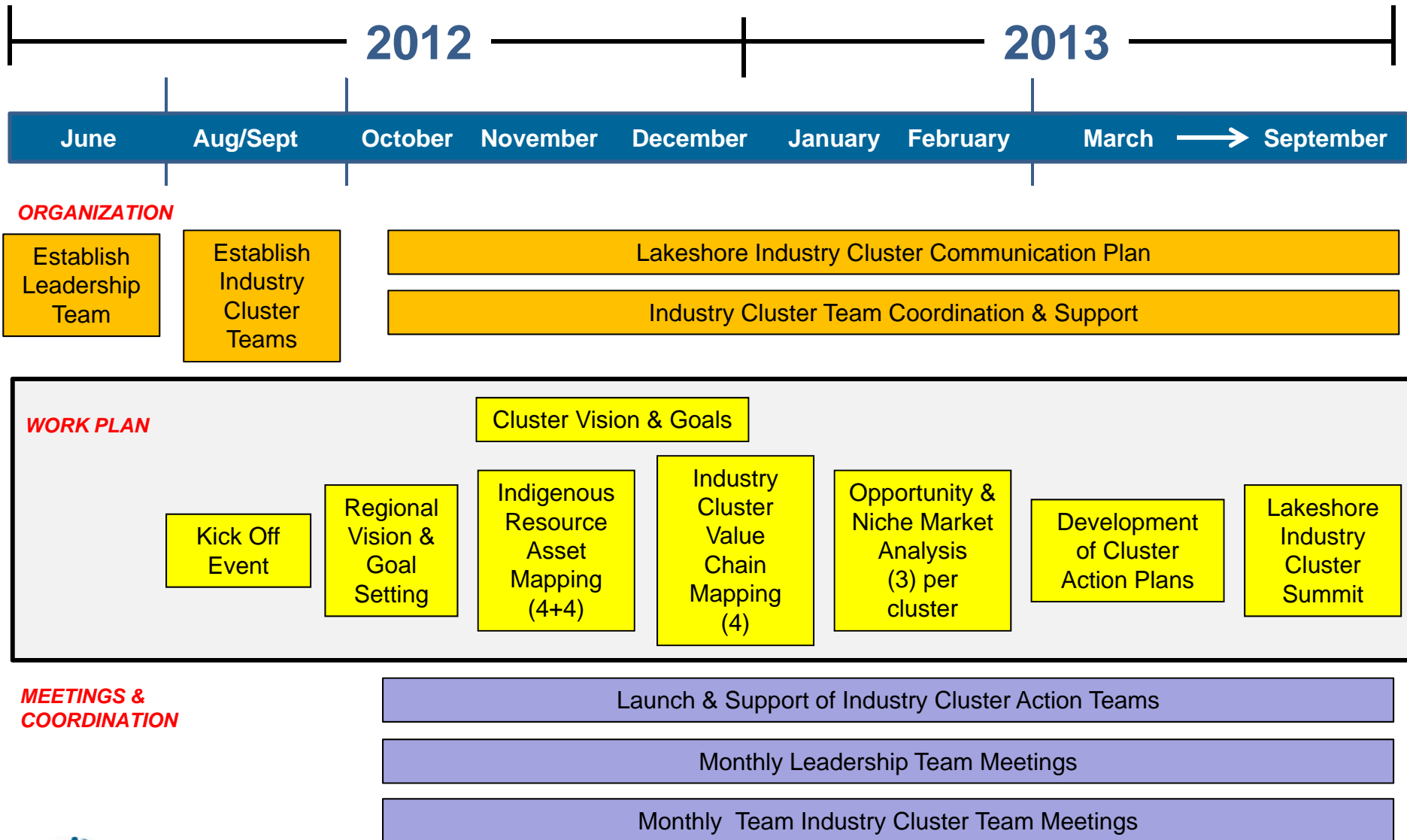
# *Industry Cluster Mapping Session Agenda*

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- I. Welcome & Introductions
- II. Objectives of the industry cluster mapping session
- III. Define the regional industry sector using economic data
- IV. Examine the teams identified high value asset/opportunity
- V. Asset map the primary industry sector drivers
- VI. What is the industry cluster mapping telling us?
- VII. Actions and assignments



# Initiative Plan and Schedule



## *Industry Cluster Session Objectives*

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1. Use economic data sources to define the regional industry sector
2. Describe the linkage between economic data and an industry cluster
3. Establish the industry sector competitive advantages
4. Prioritize the primary industry sector drivers
5. Analyze our first industry cluster high value asset/opportunity
6. Asset map the primary industry sector drivers
7. Identify the valuable relationships that make the “sector” a “cluster”
8. Inform the focus of the industry cluster value chain mapping in January
9. Update the industry cluster team work plan and timeline



## Manufacturing Industry Sector, Establishments & Employment

NAICS	Establishments	%	Employment	%
31	167	18%	4,089	13%
32	265	29%	8,418	27%
33	494	53%	19,017	60%
Lakeshore Total	926		31,524	

### NAICS 31

- Food manufacturing
- Beverage and Tobacco products
- Textile Mills
- Textile Product mills
- Apparel Manufacturing
- Leather & Allied Products

### NAICS 32

- Wood products
- Paper manufacturing
- Printing and related support
- Petroleum and Coal Products
- Chemical
- Plastics and Rubber Products
- Nonmetallic Mineral Products

### NAICS 33

- Primary Metals
- Fabricated metal products
- Machinery manufacturing
- Computer & Electronic products
- Electrical equipment, appliances and components
- Transportation Equipment
- Furniture and related products
- Miscellaneous

Note: Food manufacturing has been included in the following slides for information only. Food manufacturing will be analyzed by the agriculture industry cluster team.



## Manufacturing Industry, NAICS4 Employment by County

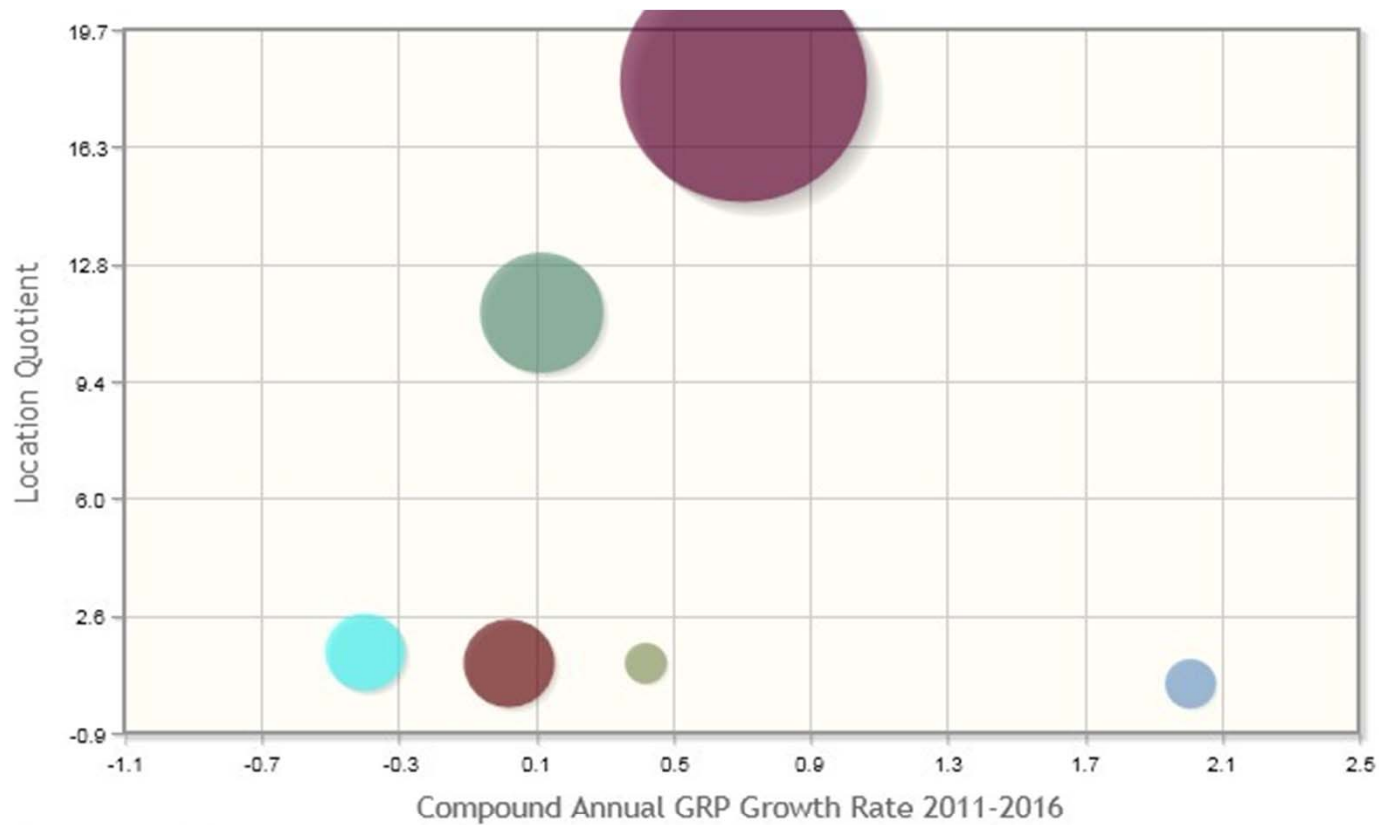
### NAICS 31

County	Animal Food (3111)	Grain and Oilseed Milling (3112)	Dairy Product (3115)	Bakeries & Tortilla (3118)	Other Manf. (3119)	Beverage (3121)
Sheboygan	81		1,503	95	81	
Manitowoc		55	559	169		
Calumet	420		188			
Door				20		109
Kewaunee				21		39
Grand Total	501	55	2,350	305	81	148





## NAICS 31 Lakeshore Concentration and Growth Rate





## Agriculture Industry Cluster NAICS4, Establishments

Business Summary 2012 Establishments: Establishments by NAICS						
	Calumet	Door	Kewaunee	Manitowoc	Sheboygan	Total
Agriculture, Forestry, Fishing and Hunting(11)	263	209	248	552	331	1,603
Oilseed and Grain Farming(1111)	44	23	28	44	36	175
Vegetable and Melon Farming(1112)	1	1	0	3	3	8
Fruit and Tree Nut Farming(1113)	1	26	1	4	5	37
Greenhouse, Nursery, and Floriculture Production(1114)	2	5	8	4	7	26
Other Crop Farming(1119)	40	48	42	159	70	359
Cattle Ranching and Farming(1121)	148	81	155	277	162	823
Hog and Pig Farming(1122)	1	1	2	2	2	8
Poultry and Egg Production(1123)	0	0	0	2	1	3
Sheep and Goat Farming(1124)	2	1	0	1	2	6
Aquaculture(1125)	1	5	1	2	3	12
Other Animal Production(1129)	12	4	4	23	11	54
Forest Nurseries and Gathering of Forest Products(1132)	0	0	0	0	0	0
Support Activities for Crop Production(1151)	2	5	5	7	10	29
Support Activities for Animal Production(1152)	4	4	1	14	15	38
Animal Food Manufacturing(3111)	2	1	2	1	3	9
Grain and Oilseed Milling (3112)	3	0	0	3	1	7
Fruit and Vegetable Preserving and Specialty Food Manufacturing(3114)	0	4	1	4	2	11
Dairy Product Manufacturing(3115)	6	1	3	5	11	26
Animal Slaughtering and Processing(3116)	1	0	2	4	6	13
Bakeries and Tortilla Manufacturing(3118)	4	6	4	9	13	36
Other Food Manufacturing(3119)	0	2	1	5	4	12
Beverage Manufacturing(3121)	0	3	2	1	0	6
Pesticide, Fertilizer, and Other Agricultural Chemical Manufacturing(3253)	1	2	0	0	0	3
Farm Product Raw Material Merchant Wholesalers(4245)	5	4	3	5	4	21
<b>Total By County</b>	<b>543</b>	<b>436</b>	<b>513</b>	<b>1,131</b>	<b>702</b>	<b>3,325</b>



## Agriculture Industry Cluster NAICS4, Employment

Business Summary 2012 Employees: Number of Employees by NAICS						
	Calumet	Door	Kewaunee	Manitowoc	Sheboygan	Total
Agriculture, Forestry, Fishing and Hunting(11)	946	545	945	1,475	1,012	4,923
Oilseed and Grain Farming(1111)	65	34	42	79	60	280
Vegetable and Melon Farming(1112)	1	1	0	7	8	17
Fruit and Tree Nut Farming(1113)	2	83	1	5	23	114
Greenhouse, Nursery, and Floriculture Production(1114)	4	45	262	52	59	422
Other Crop Farming(1119)	52	73	77	214	163	579
Cattle Ranching and Farming(1121)	403	233	529	920	513	2,598
Hog and Pig Farming(1122)	1	2	3	3	3	12
Poultry and Egg Production(1123)	0	0	0	16	1	17
Sheep and Goat Farming(1124)	8	2	0	1	2	13
Aquaculture(1125)	2	11	2	3	6	24
Other Animal Production(1129)	34	10	15	67	14	140
Support Activities for Crop Production(1151)	360	20	6	29	54	469
Support Activities for Animal Production(1152)	7	6	5	22	100	140
Animal Food Manufacturing(3111)	36	2	18	0	5	61
Grain and Oilseed Milling(3112)	96	0	0	90	14	200
Fruit and Vegetable Preserving and Specialty Food Manufacturing(3114)	0	89	10	177	100	376
Dairy Product Manufacturing(3115)	286	33	104	145	795	1,363
Animal Slaughtering and Processing(3116)	2	0	13	148	1,042	1,205
Bakeries and Tortilla Manufacturing(3118)	12	24	12	47	113	208
Other Food Manufacturing(3119)	0	34	1	138	233	406
Beverage Manufacturing(3121)	0	41	27	0	0	68
Pesticide, Fertilizer, and Other Agricultural Chemical Manufacturing (3253)	7	4	0	0	0	11
Farm Product Raw Material Merchant Wholesalers(4245)	8	8	5	57	12	90
<b>Total By County</b>	<b>2,332</b>	<b>1,300</b>	<b>2,077</b>	<b>3,695</b>	<b>4,332</b>	<b>13,736</b>



## Lakeshore Region Raw Agricultural Production & Value - 2011

County	Corn (bushels)	Soybeans (bushels)	Oats (bushels)	Winter Wheat (bushels)	Hay Alfalfa (tons)	Cattle & Calves (head)	Milk Production (1,000 lbs)	Organic Farms
Calumet	4.74M	1.05M	83,100	951,000	43,000	66,000	705,050	7
Door	2.03M	289,000	165,000	868,000	34,600	22,000	132,480	5
Kewaunee	3.83M	444,000	367,000	543,000	42,300	80,000	1.02M	5
Manitowoc	6.72M	1.09M	-	1.38M	78,800	105,000	1.27M	9
Sheboygan	5.15M	1.21M	84,300	899,000	42,900	60,000	614,800	3
<b>Total</b>	<b>22.47M</b>	<b>4,083,000</b>	<b>699,400</b>	<b>4,641,000</b>	<b>241,600</b>	<b>333,000</b>	<b>3,742,330</b>	<b>29</b>
2011 Price	\$6.00	\$14.00	\$4.00	\$7.75	\$104		\$18.97	
Value	\$134.8M	\$57.1M	\$2.7M	\$35.9M	\$25.1M		\$71M	

Table to be completed with cluster team input



## 2011 UW Cooperative Extension Agriculture Statistics

County	Jobs	Business Sales	# Farms	Direct Marketing (Farm) Sales	Top 3 Ag Commodity Products (2007)
Door	2,098	\$288M		(119) \$1.2M	Milk - \$27.7M (9.6%) Grains - \$8.7M Cattle & Calves - \$7.6M
Calumet	4,093	\$1.17B		(46) \$234,000	Milk - \$117M (10%) Grain - \$24.3M Cattle & Calves \$17.5M
Kewaunee	2,620	\$488M	890	(78) \$461,000	Milk - \$141M (28.8%) Cattle & Calves - \$15.8M Vegetables - \$2.2M
Manitowoc	4,871	\$1.4B	1,444	(117) \$642,000	Milk - \$191.3M (13.6%) Grains - \$25.3M Cattle & Calves - \$23M
Sheboygan	8,464	\$3.3B	1,059	(104) \$768,000	Milk - \$104M (3.1%) Grains - \$25.8M Other animal & products - \$13.9M
Totals	22,146	\$6.64B		(464) \$3.3M	Milk - \$581M (8.75%)

Source: 2011, US Extension, Cooperative Extension,

### Direct Marketing Sales

- 35% of direct sales done in Door County
- Direct marketing sales .05% of total sales

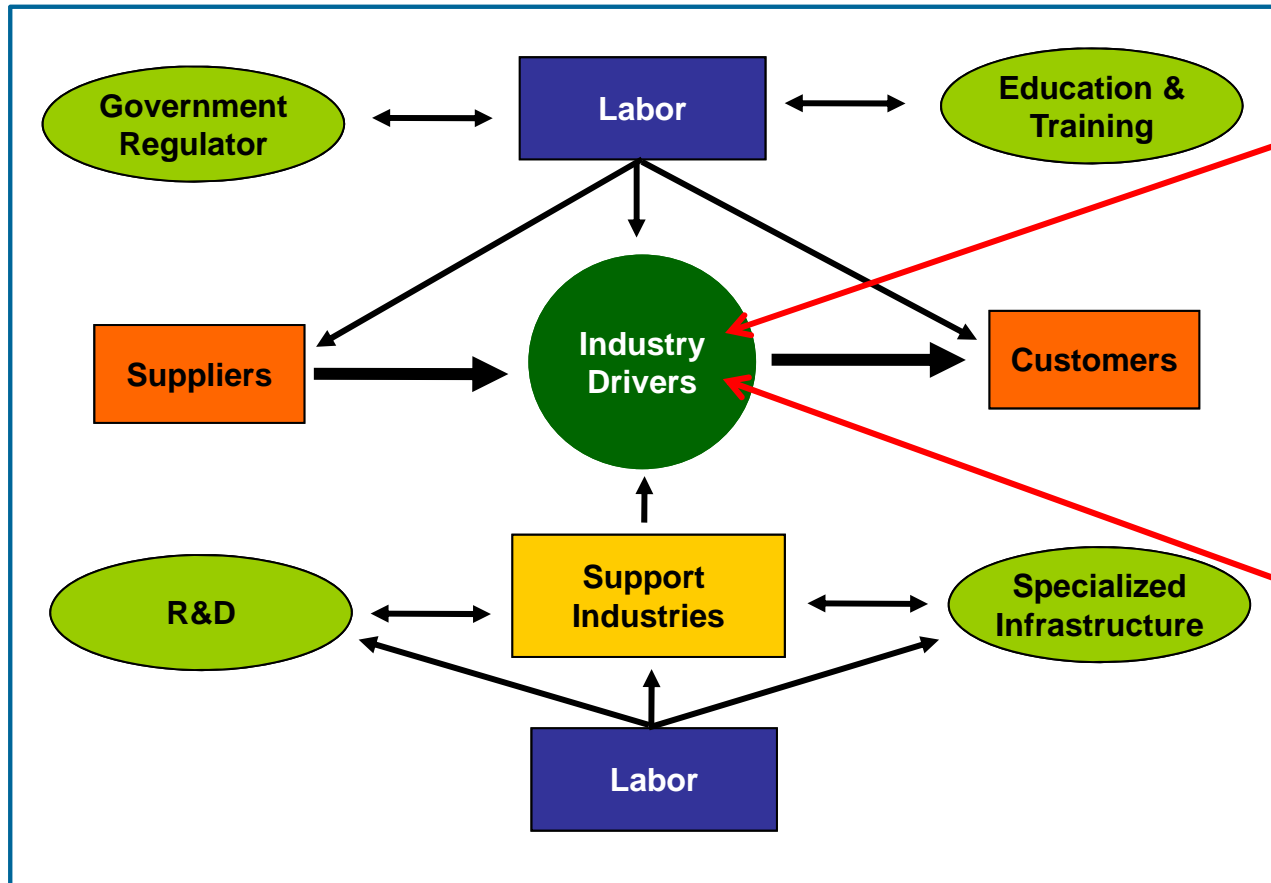


## *What are the Lakeshore agriculture sector competitive advantages?*

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## Prioritize the Agriculture & Food Production Sector Drivers



Lakeshore Agriculture  
Sector Drivers

- Beef Production
- Dairy
- Corn
- Soybeans
- Fruits & Vegetables

Lakeshore Food  
Production Drivers

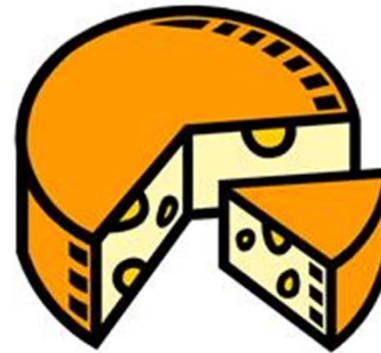
- Cheese
- Sausage
- Wine
- Jams & Jelly's

Source: Purdue Center for Regional Development



# Early High Value Regional Indigenous Assets

Dairy → Milk → Cheese



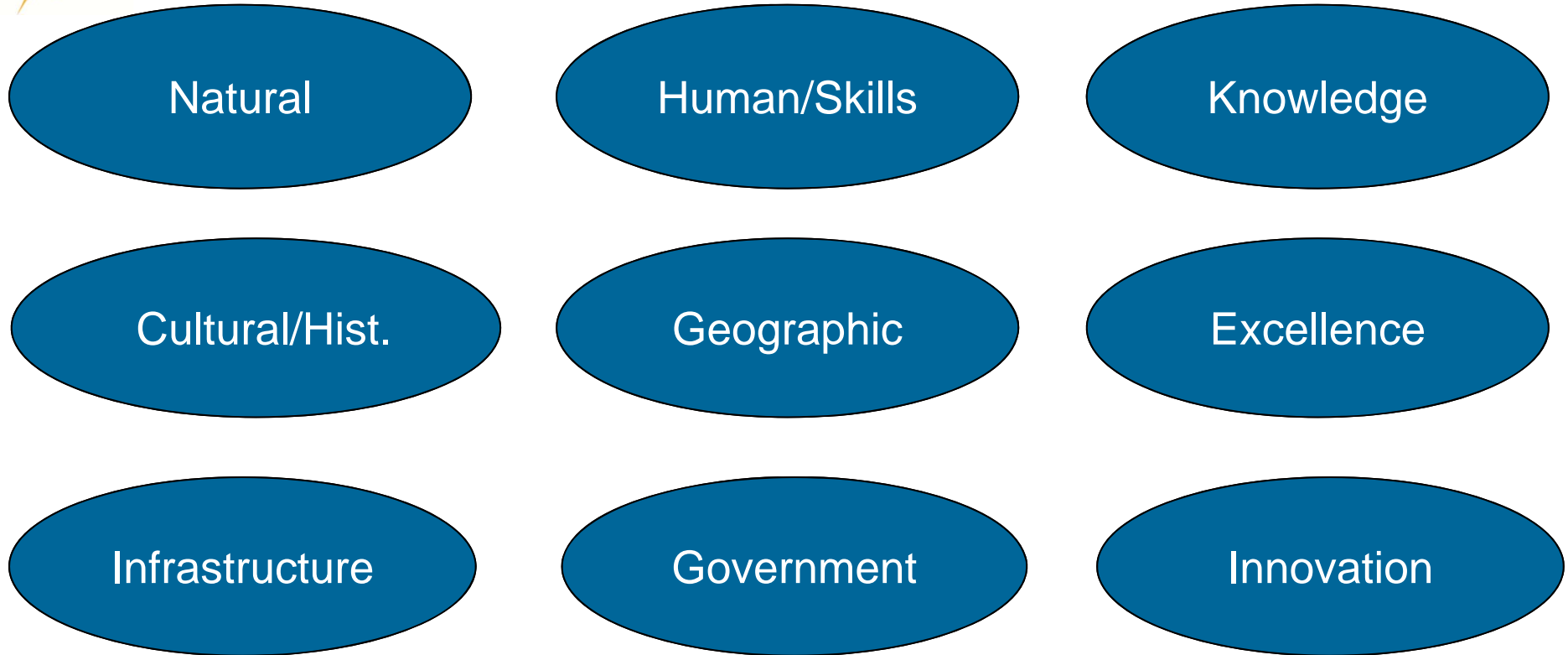
Consumer  
Retail Markets

Wholesale  
Commodity  
Markets





## Asset Analysis Framework for Dairy → Milk → Cheese



Industry Relationship?	How can the resource be leveraged?	What is the value of the leverage?	Who will benefit from the leverage?	What resources are missing to fully leverage?
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*What makes the Lakeshore agriculture “sector” a “cluster”?*

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## Industry Cluster Work Plan – 90 days

1. Preliminary planning for the Industry Cluster Asset Mapping Forum ✓
  - Confirmation of agenda, meeting objectives and cluster leadership role
  - Recruitment strategy
2. Industry Cluster Asset Mapping Forum(s) ✓
3. Determine a consistent Industry Cluster meeting schedule
4. Refine the industry cluster primary issues of challenge & opportunity
5. Define the regional industry cluster ✓
  - Primary drivers, products and sub-sectors
  - Related products & services
6. Quantify the current economic size of the industry sector ✓
  - Jobs, average wages, total wages, economic value, other metrics
7. Develop a measureable 2017 Industry Cluster economic vision
8. Establish Industry Cluster goals linked to regional SMART goals
9. Analysis and prioritization of regional Industry Cluster assets
10. Preliminary planning for the Value Chain Mapping Forum
11. Evaluation and actions regarding immediate high value asset opportunities



## Targeted Industry Cluster Teams Action Plan Template

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Each Cluster Team Action Plan should include:

- I. Cluster Team Vision
- II. Cluster SMART Goals (May be broke-down by Sub-Sectors, if appropriate)
  - I. Short Term (Low Hanging Fruit)
  - II. Long Term
- III. Action Strategies Implementation Plan to achieve SMART Goals

Also include: List of Cluster Team Members – and who needs to be added to the table and who will invite them

Action Plans due to be completed by March 31, 2013



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## Backup Slides



- **Agriculture sub-sectors & products?**

- Beef production
- Dairy
- Fruit & Vegetables
- Cheese
- 60-70 organic products
- Wine
- Pies, jelly, cider
- Sausage

- **Challenges**

- Weather on the fruit and vegetables, 2-3 years of impact
- Food safety regulations
- Barriers to entry
- Organic fields & crop land – loss of 25% of cropland
- Qualified employees, knowledge workers, 300 jobs \$8.50-\$15.00
- Fertilizer price
- Manure handling

- **Opportunities**

- Beef production
- Goat production and cheese
- Additional value added
- More cows



What would it mean to your company if the Lakeshore Region energy industry cluster becomes,

1. high performing,
2. regionally collaborative, and
3. globally more competitive?

- Greater connection to major independent research university
- Greater land production
- Greater sharing of ideas and opportunities



## Lakeshore Region 2017 S.M.A.R.T. Goals

<b>Regional Benchmarks</b>	<b>Baseline 2010</b>	<b>2017 Goal</b>	<b>Change</b>
Population	294,279	324,300	30,021
Employable Population (16 and older)	237,005	254,300	17,295
Labor Participation Rate	70.40%	70%	
Total Employment (Line 3 X Line 2)	166,946	179,000	12,054
Total Jobs (BEA CA30 Line 240)	167,832	180,000	12,168
Total Wage & Salary Jobs (BEA CA30 Line 250)	128,291	140,000	11,709
Average Wage	\$37,995	\$45,000	2.5% per year
Total Region Wages	\$7.313 Billion	\$8.084 Billion	\$775 Million
Bachelors and Graduate Degrees 25 & over	43,986 (21.7%)	45,500	Same ratio
Gross Regional Product	\$9.294 Billion	\$11 Billion	+1.706 Billion
<b>Regional Strategic Metrics</b>	<b>Baseline</b>	<b>2017 Goal</b>	<b>Change</b>
Associates Degrees	19,800	22,850	3,050
Tech Diploma Certificates	?	?	
Prime workforce Age – 18-44	92,261	98,750	+7%

	<b>Jobs</b>	<b>Wages</b>
New Jobs Above New Average Wage	1,218	\$49,500
New Jobs at New Average Wage	10,958	\$45,000
Improve 10% of existing jobs by \$5,000	16,685	\$5,000