



SPECIAL

FROM THE IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT

\$81 MILLION UPGRADE AT FARMLAND FOOD'S IOWA PLANT

After qualifying for tax benefits from Iowa's Enterprise Zone program, Farmland Foods announced an \$81 million expansion of its pork processing facility in Denison, Iowa. When construction is completed later this year, 219 new jobs will be added to the 1,500 member workforce producing fresh pork, hams and bacon. Construction is underway on a 165,000-square-foot addition to the state-of-the-art Denison facility, which will allow for additional processing capacity for smoked sausage, ham slicing and hot dogs. The expansion also will provide space for the processing of an additional 1,150 hogs per day, raising the plant capacity to 10,350 from the current 9,200 hogs per day.

"Demand for Farmland products has steadily increased. Our customers appreciate the difference in quality – this has a lot to do with the people we have in Denison," said George Richter, president and chief operating officer of Farmland Foods.

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Great beginnings in Iowa for Caremoli USA

Caremoli USA Inc. has opened its first U.S. plant in Ames to produce cereal-based ingredients for the pasta industry. The joint venture of Italian food ingredient companies Caremoli and GEOVITA plans to expand into the U.S. market from its Iowa base in the years ahead.

"We think Ames, Iowa is a great location for us to enter the U.S. market because of its central location near Interstate highway and rail systems," said Barry Nadler, Caremoli chief counsel. "As the concentration of other food manufacturing in Ames shows, this is a wonderful location for U.S. distribution. Our plan is to start serving food companies in the Midwest and then expand our base to both coasts and to the south."

"While our primary customer is the U.S. pasta industry, Caremoli USA also plans to develop ingredients for dairy, meat and bakery goods industries and flavorings," said Nadler.

Assisted by the Iowa Department of Economic Development and Ames Economic Development Commission, Caremoli USA moved into an available building last year with 45 acres of land for additional expansion. The project received a financial award from the state of Iowa as well as qualifying for a tax benefit program.



"We're very pleased with the workers we've hired," Nadler said about the new operation which will have an initial workforce of five persons.

"We buy high

quality raw materials from an Iowa distributor to produce our ingredients, primarily using grains, fibers and egg products in our production."

"We plan to introduce the abilities of Caremoli USA for the first time on a national basis when we exhibit at the Institute of Food Technologists show in Orlando, Florida in June," said Nadler.



GEOVITA Functional Ingredients Srl of Italy developed the technology to produce a unique cereal-based product for bakery goods, pasta, bread and pizza. Caremoli S.p.A. is one of the leading Italian food ingredients and additive distributors. In addition, Caremoli develops and produces blends of food ingredients used in ice cream, confectionaries, other dairy products and bakery goods.

Caremoli USA will merge the unique knowledge of each company to provide new cereal and vegetable based products for the United States food industry, using the technology developed in Italy. These products will be used in ice cream, bread, bakery goods, pasta, pizza and other food products.

For more information on an Iowa location for your next manufacturing investment, visit the Iowa Department of Economic Development Web site at www.iowalifechanging.com. For a confidential consultation with an IDDED project manager, call 800.245.4692.

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"This expansion will contribute to the economic stability of Denison, and we're very pleased about that," Richter said. "We're proud of the workforce here, and Farmland looks forward to being a part of the Denison community for a long time to come."

"Smithfield Foods is proud of its presence in Iowa and its contributions to the state's economy," said C. Larry Pope, president and chief operating officer of Smithfield Foods. Smithfield is Farmland's parent company.

"We have 3,884 employees in the state and a payroll last year of \$116 million. With our acquisition of Farmland Foods and strong internal growth, in just the last three years we have added 1,787 employees and \$54 million to our Iowa payroll," he said.

"Farmland Foods is our largest employer and a valued member of our business community. We are very excited about the prospect of another 219 jobs in

Denison," said Mayor Ken Livingston. "Farmland has made major contributions to a better quality of life in our community and this announcement is great news for our economic development efforts and the economic health of our community as a whole."

Farmland Foods, founded in 1959, is a subsidiary of Smithfield Foods Inc., of Smithfield, Va. Farmland is headquartered in Kansas City, Mo., and has about 6,300 employees at its operations in Denison and Carroll, Iowa as well as in Nebraska,

Illinois, Kansas, Ohio, Utah and Massachusetts.

Farmland processes fresh and frozen pork products for national retail and foodservice markets, with a strong concentration in the Midwest. Farmland serves an international commodity, foodservice and retail market in Asia, Central America and Eastern Europe.



Evaluating new food processing technologies

Using the Crop Products Pilot Plant at Iowa State University is a cost effective way for companies to test new products and processes without interrupting their own full-scale production systems. The 5,000 square foot Wet Pilot Plant (shown left) is equipped with corn wet-milling, brewing, milk, cheese, soy foods and fruit and vegetable processing equipment. Contracting with the Center for Crops Utilization Research (CCUR) provides access to the Center's pilot plants, laboratories and expertise. Forty-eight scientists and 40 graduate students are actively involved in more than 50 research projects. For more information, phone CCUR at 515.294.2342 or email ccur@iastate.edu.

Expertise in food...top ranking companies

Food products are a specialization, an industry of excellence, and the largest sector of manufacturing employment in the state of Iowa. All of the top five food companies have operations in Iowa. According to Harris InfoSource, manufacturing of foods and ingredients in Iowa employs 58,826 people at 775 plants. Processing and value adding enterprises are fed by nation-leading agriculture. Iowa is the top producer of corn, soybeans, hogs and eggs in the United States.

Top 100 Food Companies with Operations in Iowa

Rank	Company	Food Sales (\$ Billions)
1	Tyson Foods Inc.	24.8
2	Kraft Foods Inc.	22.1
3	PepsiCo Inc.	19.4
4	Nestle	13.8
5	ConAgra Foods Inc.	11.9
8	Sara Lee Corp.	10.7
10	Smithfield Foods Inc.	10.3
11	General Mills	9.5
12	H.J. Heinz	8.9
13	Swift & Co.	8.0
15	Cocoa-Cola Co.	6.6
18	Cargill Inc.	5.5
19	Pilgrim's Pride Corp.	5.4
23	Hormel Foods Corp.	4.8
26	Land O' Lakes Inc.	4.0
30	Interstate Bakeries Corp.	3.3
38	Dairy Farmers of America	2.3
53	Foremost Farms USA	1.4
61	Associated Milk Producers	1.3
75	Wells' Dairy Inc.	.9
76	Birds Eye Foods	.8

Source: Food Processing, 2005

New baking yeast technology deployed in Iowa

Red Star is the first yeast manufacturer in the world to move to a corn sugar based production model. The company's new \$50 million plant in Cedar Rapids, Iowa, utilizes state-of-the-art technology — developed by Lesaffre's international research teams — to produce corn sugar fermented fresh bakers yeast.

This unique facility is situated immediately adjacent to Red Star's joint venture partner and nutrient source, Archer Daniels Midland, which supplies corn syrup directly via pipeline. This arrangement guarantees reliable and consistent raw material.

Within the Red Star plant, advanced cooling and packaging operations provide quick and reliable stabilization of yeast, and enable a true and consistent "born on" shipping date stamp. Environmentally controlled cream loading bays function to keep liquid cream yeast loads sanitary.

The central location of the new plant affords access to major shipping routes that provide efficient product distribution throughout North America.

The new plant received a \$500,000 investment from the Iowa Values Fund as well as state tax benefits from the Iowa Department of Economic Development to employ 80 workers. Located on 21 acres, the new facility is a key part of Red Star's continuous effort to provide greater value to the baking industry.

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Project managers from the Iowa Department of Economic Development travel Iowa, the United States, and the world to assist food companies with new Iowa investments. Let us know if you would like to arrange a meeting to discuss your next expansion. Private meeting times are available at these 2006 trade shows:

Bio Convention

Chicago, Illinois
April 9-12
Iowa booth #2524-2545

Food Marketing Institute (FMI) Show

Chicago, Illinois
May 7-9

International Food Technology (IFT) Show

Orlando, Florida
June 25-27
Iowa booth # 3203

Health Ingredients

Europe
Frankfurt, Germany
November 14-16

Food & Beverage Projects Lead Iowa's 2005 Industrial Growth

Of the \$1.2 billion in industrial projects begun in Iowa in 2005, over one-third are in the food and beverage industry. Just a few of the reasons the food and beverage industry gave for major investments in Iowa are:

- Superior Quality and Access to Raw Materials
- Access to Customer Base
- Exceptional Business Climate
- Highly Trained Workforce

To learn how Iowa can position your company for success – contact us at a location near you:

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