

TO: Iowa Newspaper Association Member Editors  
FROM: Iowa Department of Economic Development  
DATE: October 17, 2007  
RE: "Iowa Innovators"

The "Iowa Innovators" series is a joint project of the Iowa Newspaper Association and the Iowa Department of Economic Development (IDED). The series is an outgrowth of an idea from member INA publishers. "Iowa Innovators" articles describe initiatives that Iowa communities have used to improve their ability to attract business and industry and demonstrate community innovation. The articles also describe Iowa companies on the leading edge of technology, business expansion, workforce development and recycling.

It is hoped that these article ideas will be published locally and spark community and business initiatives statewide. If you have community or business success stories to share, contact IDED, 200 East Grand Ave., Des Moines, IA 50309, 800.245.IOWA (4692) or e-mail: [business@iowalifechanging.com](mailto:business@iowalifechanging.com).

The following is a list of companies and communities featured in this round of "Iowa Innovators" articles:

1. In the northwest Iowa community of Cherokee, two entrepreneurs have started a new manufacturing operation to produce high-capacity grain augers that will help farmers move their grain from field to end use more efficiently. **Byron Friesen and Jeff Sivinski founded Harvest International** to produce the augers. According to Friesen, "Every Harvest International auger is the result of precision engineering, quality laser cut parts and durable Powder Coat Plus™ finishes." Harvest manufactures 10-inch and 13-inch auger models in lengths up to 82 feet. The augers can move 5,000 to 10,000 bushels of corn, soybeans or wheat every hour.
2. The phenomenal growth continues at the **Iowa Bioprocessing Center**. Located between the Iowa communities of **Eddyville and Albia**, the IBC is a collection of businesses associated with Cargill's grain-milling plant. Cargill has announced plans to expand ethanol production by 110 million gallons per year at its IBC location. With construction set to begin in early 2008, the expansion will increase the facility's ethanol capacity from 35 million gallons per year to 145 million and create 31 new jobs. On the heels of this announcement came word that chemical distributor Midwest Chlor-Alkali, LLC is building a \$68-million manufacturing facility in the IBC.
3. A growing manufacturing company in the north central Iowa community of **Ruthven** is expanding. **Farmers Corrugated Solutions, a subsidiary of Farmers Co-op Elevator Co.**, makes shipping pallets from recycled cardboard and corrugated materials. Farmers Corrugated is planning to create 116 new jobs paying an average wage of \$12.47 per hour. According to John Steinkamp, general manager of Farmers Co-op, the pallets are environmentally and ergonomically friendly. "Corrugated pallets are lighter in weight, just as strong and easier to configure and dispose of than wood pallets," he says. Made from recycled paper and cardboard, Farmers Corrugated standard 48-by-40 inch pallet holds more than 7,000 pounds.

## Harvest International Gets Grain Moving

They are called Iowa's prairie sky-scrapers, those concrete and metal grain storage elevators that dot the Iowa landscape.

It's where the bounty of Iowa's fertile soil is stored before becoming a plethora of products for the food and beverage, chemical, pharmaceutical, nutritional and agrochemical industries.

In the northwest Iowa community of Cherokee, two entrepreneurs have started a new manufacturing operation to produce high-capacity grain augers that will help farmers move their grain from field to end use more efficiently.

Byron Friesen and Jeff Sivinski founded Harvest International to produce the augers.

According to Friesen, "Every Harvest International auger is the result of precision engineering, quality laser cut parts and durable Powder Coat Plus™ finishes."

Friesen and Sivinski met while working at Friesen USA in Storm Lake.

Friesen USA began in Storm Lake in 1988 as a manufacturer of agricultural storage bins. The company grew to employ more than 200 Iowans and its storage bins set the industry standard and were sold throughout North America.

Following its sale to the Meridian Manufacturing Group, Sivinski decided to look for new opportunities and asked Friesen to join him in the new venture.

"The Friesen family has been a manufacturer of agricultural implements since 1963," says Friesen. "Jeff and I spent time looking at the marketplace and feel strongly that our grain auger will enhance a farm operator's efficiency, safety, and profitability."

Harvest manufactures 10-inch and 13-inch auger models in lengths up to 82 feet. The augers, which can move 5,000 to 10,000 bushels of corn, soybeans or wheat every hour, are made in its 44,000-square-foot state-of-the-art facility in Cherokee.

The company currently employs 13 but Friesen expects that to double within the year.

As a locally owned and managed company, Harvest International will

be creating not only manufacturing jobs, but administration, sales and support jobs.

"We've already seen several employees move back to Cherokee to take positions with us," says Friesen.

The company's start-up and move into its manufacturing facility were facilitated by a series of tax credits and benefits from Iowa's Enterprise Zone program, administered by the Iowa Department of Economic Development.

Harvest augers are currently sold through a dealer network that continues to expand.

"We currently have more than 10 dealers throughout the Midwest,"

says Friesen. "We are generating a lot of interest with implement dealers, grain bin manufacturers and dealers and other agricultural equipment dealers in our product line."

And why not?

Every Harvest auger is designed and engineered by Sivinski, who is also a farmer.

"Jeff designs our augers with features he wanted for his own farming operation," says Friesen. "We think we know what farmers want—simple, straight forward design, ease of operation and dependable, labor-saving performance."

Friesen believes on-farm storage will continue to grow, as will the need for auger systems that move grain from field to storage.

"The 2007 growing season will see more than 13 billion bushels of corn and 2.6 billion bushels of soybeans produced," says Friesen. "That's a lot of grain that needs to be transported."

"When you focus on one product, you better be good at it. We feel we've developed and refined the finest grain augers on the market. We're excited about the future."

With the start up of Harvest International, the fertile soil of Iowa shows it can grow more than just corn and soybeans: it can also grow entrepreneurs.

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## Transforming Iowa's Corn into Gold

The phenomenal growth continues at the Iowa Bioprocessing Center—a collection of businesses associated with Cargill's grain-milling plant.

Recently, Cargill announced plans to expand ethanol production by 110 million gallons per year at its IBC location. With construction set to begin in early 2008, the expansion will increase the facility's ethanol capacity from 35 million gallons per year to 145 million and create 31 new jobs.

Even then, says Cargill spokesman Bill Brady, the majority of Cargill's production capacity at IBC will continue to be devoted to food-related manufacturing.

On the heels of this announcement came word that chemical distributor Midwest Chlor-Alkali, LLC is building a \$68 million manufacturing facility in the IBC.

A newly formed affiliate of Indianapolis-based Harris & Ford, the company will produce sodium hydroxide, hydrochloric acid, and bleach.

All of Midwest's products are used in the ethanol making process, and Midwest will supply Cargill's eight North American ethanol plants as well as other customers.

The Iowa Bioprocessing Center is located between the southeastern Iowa communities of Eddyville and Albia and is anchored by Cargill's massive corn wet-milling operation. Together with five multi-national companies the IBC produces a myriad of value-added products from Iowa corn and soybeans.

Since 1985, when Cargill opened its corn wet-milling operation, companies such as Ajinomoto Food Ingredients, Wacker Chemical Corporation, EPCO Carbon Dioxide Products, and Ajinomoto Heartland LLC have poured nearly \$1.75 billion in new capital investment and employ more than 800 Iowans.

According to Dave Johnson, executive director of the Albia Industrial Development Corporation, the economic development arm for Monroe County where IBC is located, these and other recent developments are making the IBC truly a self-servicing business cluster.

"Each day, more than 350,000 bushels of corn are being

transformed by Cargill and the other IBC companies to make products such as dextrose, high fructose corn syrup, citric acid, feed-grade lysine, CO<sub>2</sub>, monosodium glutamate, natural vitamin E, cyclodextrins, and glucosamine," says Johnson.

"With Midwest's expansion, Cargill has a vendor co-located on site to provide needed supplies," he says.

"With this project, our company moves beyond distribution into manufacturing," says Tim Harris, president of Midwest Chlor-Alkali. "It's a major move for us, and we couldn't ask for a more respected partner than Cargill to help us take this step forward. As we grow, our central focus remains

providing our customers the highest standard of service in the industry."

As with the other companies co-located at IBC, Midwest will receive its water supply and wastewater treatment from Cargill.

Cargill will also invest in pipelines to connect the two companies.

Midwest's expansion, which will create 13 new jobs, and Cargill's ethanol plant expansion project were awarded a series of tax benefits from the High Quality Job Creation (HQJC) program, administered by the Iowa Department of Economic Development.

Biotechnology, biofuels, and value-added agriculture continues to shape and define new technologies for the chemical, pharmaceutical, nutritional and agrochemical industries.

And Iowa—as the nation's No. 1 corn and soybean producer—continues to reap benefits from this growing phenomenon through increased new business capital investment and increased employment opportunities.

Proof can be found at the Iowa Bioprocessing Center, where more than 800 Iowans and six international businesses extract ever increasing value out of every kernel of corn and soybean.

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## Ruthven's Pallets Are No Lightweights

A growing manufacturing company in the north central Iowa community of Ruthven is expanding.

Farmers Corrugated Solutions, a subsidiary of Farmers Co-op Elevator Co., makes shipping pallets from recycled cardboard and corrugated materials.

The company was awarded \$410,000 from the Economic Development Set-Aside (EDSA) program, as well as tax benefits from Iowa's Enterprise Zone program to expand into a new building and purchase equipment that automates the pallet-making process. Both programs are administered by the Iowa Department of Economic Development.

In return, Farmers Corrugated has pledged to create 116 new jobs paying an average wage of \$12.47 per hour.

According to John Steinkamp, general manager of Farmers

Co-op, the pallets are environmentally and ergonomically friendly.

"Corrugated pallets are lighter in weight, just as strong and easier to configure and dispose of than wood pallets," he says.

Made from recycled paper and cardboard, Farmers Corrugated standard 48-by-40 inch pallet holds more than 7,000 pounds.

"Our lightweight pallets are ideal for exporting, as well as domestic shipping. At one-fifth the weight of a wooden pallet, they are by far the cheapest way to ship," explains Steinkamp. "Why use a 50-pound wooden pallet when you can ship with a corrugated pallet that weighs only 12 pounds on average?"

Steinkamp says community leaders in Ruthven, like many other Iowa communities, were looking for manufacturers or other employers to come to the area. Around the same time, he became aware of an Arkansas company that was selling its corrugated pallet manufacturing division.

"The more we researched the industry, the more we became convinced that this type of operation would thrive in Ruthven," says Steinkamp.

"Shipping pallets are used in virtually all industries where products are physically transported," he says, adding that companies in the automotive, chemical, consumer goods, food, paper, retail and metals

industries use more than 810 million pallets in a year.

"No matter what mode of transportation is used—trucking, freight trains, overseas ships or air carriers—pallets carry the load," Steinkamp says.

"Wood pallets need to be heat or chemically treated for use in international shipping," continues Steinkamp. "And unlike corrugated pallets, wood pallets aren't considered sterile and cannot come in direct contact with food in food-processing operations."

With the North American pallet industry generating an estimated \$10 billion in revenue annually,

Steinkamp is optimistic that the new venture will meet its aggressive business goals.

"We'll be focusing on selling to companies located throughout the Upper Midwest," he says.

Right now, the company is beginning construction on its new 18,000-square-foot manufacturing facility and adding workers to its 17 employee operation.

However, Farmers Corrugated isn't the only northern Iowa company making corrugated packaging material from recycled post-consumer paper and cardboard.

Clarion Packaging, a wholly owned subsidiary of Canada-based Urban Forest Recyclers, is transforming 100 percent recycled paper and corrugated material into egg flats, fruit trays, utility trays and specialty bottle packaging.

The Clarion location's egg cartons are being distributed to grocery stores all across the country and are also being utilized by area egg producers.

Lightweight, environmentally and ergonomically friendly, pallets made from recycled corrugated materials are being embraced by shippers around the globe.

And Ruthven's newest manufacturer, Farmers Corrugated, is creating new jobs to take advantage of this growing trend.

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