

TO: Iowa Newspaper Association Member Editors
FROM: Iowa Department of Economic Development
DATE: May 14, 2008
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.

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

1. Two German entrepreneurs—whose food products are taking the European market by storm—have formed a partnership to construct a manufacturing facility in the **Amana Colonies**. When complete, area officials believe the operation will bolster the area's employment opportunities, stimulate the local agricultural economy, and enhance the area as one of Iowa's leading tourism destinations. **A & B Foods & Beverage Inc., a joint venture of Bionade International and Alb-Gold Teigwaren**, is building a 121,500 square-foot production facility on 65 acres. The \$40 million capital investment is expected to create 99 jobs in production and management. The facility will produce Alb-Gold's egg-based pastas and Bionade's fizzy, fruity all-natural drink that's become a national sensation in Germany.
2. **Dubuque** city leaders and local economic developers are excitedly awaiting completion of one of the biggest economic development projects that northeast Iowa has seen in the past few years. **Hormel Foods** is building an \$89 million, state-of-the-art food processing facility to support the growing demand for its Hormel® Compleats™ microwave meals line. "Consumer demand for shelf-stable microwave meals is exploding. This investment will allow us to increase our production capacity and continue our leadership position through innovation and new products," said Jeffrey M. Ettinger, chairman of the board, president and chief executive officer, Hormel Foods. The project—a 327,000-square-foot facility with two lines producing the packaged food—will be operational in fall 2009 and will bring 196 new jobs to the north-east Iowa river town.
3. With the launch of GenerationIowa.com—the Web site by young Iowans for young Iowans—members of the Iowa Careers Consortium and members of the Generation Iowa commission are hoping the one-stop Web site will become an important tool for businesses in recruiting young adults to the state. With the 85 million strong baby boomers set to retire, the first wave of Generation Y or "Millenniums" are embarking on their own career path. "To recruit young workers these days, you need to know how to reach them," says Rachel Judisch, Generation Iowa Commission vice chair, who with her husband returned to Iowa from Chicago in 2003 to work and start a family. "Instead of using mainstream media to conduct job searches and to find entertainment options, young Iowans are actively involved in social networking Web sites and are more likely to search for information online."

German Firms Find a Home in Amana

Two German entrepreneurs—whose food products are taking the European market by storm—have formed a partnership to construct a manufacturing facility in the Amana Colonies.

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The facility will produce Alb-Gold's egg-based pastas and Bionade's fizzy, fruity all-natural drink that's become a national sensation in Germany.

The complex—with two state-of-the-art production facilities, a restaurant and visitor center, an herb- and spice-garden, and a large cooking studio—will offer visitors live tours of the production facility and other activities.

According to Klaus Freidler, Alb-Gold CEO, production is scheduled to begin in early 2009.

"While we've been exporting our spaetzle and egg noodles to the U.S. for more than 10 years, we want to grow our North American marketshare," says Freidler. "With the growing demand for healthier and organic foods, we feel this is a great time to expand."

Bionade International's Peter Kowalsky agrees, noting that his company has been looking for a U.S. location that closely fit the Bionade philosophy.

"Amana is logistically ideal and reflects the requirements we've been looking for: a natural landscape, educated workforce and friendly people," says Kowalsky, the inventor of the organically fermented Bionade soft drink.

Bionade, which has experienced an eye-popping 300 percent growth rate since 2003 and is available in elderberry, lychee, herb, and ginger-orange flavors.

Kowalsky and Friedler met several years ago at an organic agricultural

products event in southern Germany.

It was then that the two entrepreneurs realized they were both interested in establishing North American operations. Following successful collaborations in several European countries, the two friends are now setting their sights on the U.S. market.

And Iowa and the Amana Colonies are central to their growth plans.

"The Amana Colonies has a long-standing reputation for German tradition and high-quality products," says Freidler. "The people of Iowa are friendly, open-minded and very supportive of local businesses. This makes us confident that our decision to settle in Amana is the right choice."

And Iowa's central location means a closer supply of raw materials such as durum wheat, barley and hops.

Kowalsky and Freidler have calculated that their noodles and Bionade can reach two-thirds

of the U.S., the large coastal markets in particular, within 24 hours.

"We had offers to set up shop throughout the U.S.," says Freidler. "However, the concept for both the Alb-Gold and Bionade brands is based on remaining authentic and intimately connected to cultivating our own raw materials."

In order to do that, Alb-Gold and Bionade have secured 1,200 acres of land to cultivate spelt, brewer's barley and elderberry bushes.

The land was initially settled by German commune members of the religious movement called Pietism in 1855, when the Amana Colonies was one of America's longest-lived and largest religious communal societies.

What's more, Freidler says that Amish farmers in the Kalona area will supply the organic eggs needed for its spaetzle and noodles.

For more than 150 years, the Amana Colonies has been valued for its handcrafts, German food, and the quality of its products. With the Alb-Gold and Bionade expansion, a piece of Germany now returns to the area. "You know," laughs Freidler. "Even noodles need a home."

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Hormel Finds 'Compleat' Package in Dubuque

Dubuque city leaders and local economic developers are excitedly awaiting completion of one of the biggest economic development projects that northeast Iowa has seen in the past few years.

Hormel Foods is building an \$89 million, state-of-the-art food processing facility to support the growing demand for its Hormel® Compleats™ microwave meals line.

"Consumer demand for shelf-stable microwave meals is exploding. This investment will allow us to increase our production capacity and continue our leadership position through innovation and new products," said Jeffrey M. Ettinger, chairman of the board, president and chief executive officer, Hormel Foods.

The project—a 327,000-square-foot facility with two lines producing the packaged food—will be operational in fall 2009 and will bring 196 new jobs to the northeast Iowa river town.

Dubuque will join Algona, Bondurant, Eldridge, Fort Dodge, Knoxville, Mitchellville, Nevada and Osceola as Iowa communities with a Hormel Foods presence.

In the ultracompetitive food industry, Hormel Compleats is the fastest-growing product in the company's cadre of well-known brands that includes SPAM, Dinty Moore, Chi-Chi's Salsa and Jennie-O.

"The \$452 million microwave meal segment is growing at double-digit rates. Hormel Compleats fills an underserved, but growing category niche," says Brett Asay, Hormel Foods product manager.

"With the strong Hormel brand name and heritage in quality meats, we are in a unique position to meet customer demand for speedy, portable and filling meals."

According to spokesperson Julie Craven, Hormel Compleats utilize shelf-stable technology pioneered by Austin, Minn.-based Hormel Foods since 1987 and provide quick, protein-rich meal solutions for today's busy families.

"Hormel Compleats are convenient meals available in more than 20 meat-filled varieties," says Craven. "These are full meals which don't require refrigeration and are ready to eat in 90 seconds."

Craven adds that Hormel Compleats also includes four new

meals that meet USDA guidelines for a "healthy lifestyle."

"Dubuque is an excellent location. It offers a talented work force and a vibrant cultural environment," said Russell C. Potter, vice president of grocery products operations for the company. "The proximity of Dubuque to our main grocery products distribution center was an important logistical consideration."

Mike Blouin, president of Greater Dubuque Development, says the city will sell 40 acres of land to Hormel in the Dubuque West End Industrial Park for the new facility.

"Hormel was looking at sites throughout the upper Midwest," says Blouin.

"Their executives like the site, but more importantly, they liked Dubuque. They liked our amenities, our transportation infrastructure, our available and qualified workforce, our school systems and our quality of life."

The expansion was awarded a series of tax benefits from the Iowa Department of Economic Development's High Quality Jobs Creation (HQJC) program.

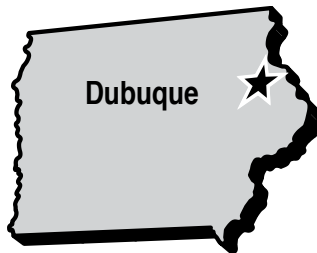
But then, Hormel isn't the first major employer that's brought jobs to Dubuque.

The Milken Institute "Best Performing Cities" listed Dubuque with a 5.26 percent job growth in 2007, ranking it 11th nationally among all U.S. metropolitan areas for job creation.

The Milken ranking only adds to Dubuque's growing reputation for job growth. Forbes, Inc. Magazine, and Moody's/Economy.com all have placed Dubuque in the top 25 U.S. metro areas for job growth.

The Hormel philosophy of "Innovate, don't imitate" has served the company well since its founding in 1891. And when the company needed a location to produce its newest product, Hormel Compleats, the company found the complete package in Dubuque and Iowa.

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www.GenerationIowa.com Targets Workers

With the launch of GenerationIowa.com—the Web site by young Iowans for young Iowans—members of the Iowa Careers Consortium and members of the Generation Iowa commission are hoping the one-stop Web site will become an important tool for businesses in recruiting young adults to the state.

GenerationIowa.com offers social networking opportunities, career advice, job search databases, links to upcoming events, festivals and young professionals groups, and the latest Iowa news.

The site will also encourage young Iowans to submit their own photos, upload their own videos and tell their own real, unfiltered, unadulterated Iowa stories.

The launch of the Web site is the first initiative undertaken by the Generation Iowa Commission.

The commission was established in April 2007 after legislation HF 617, known as the Generation Iowa bill, was signed into law by Governor Culver.

The Commission advises and assists in the retention and attraction of young adults to Iowa.

“Iowa and its labor market is facing a unique set of opportunities and challenges in the upcoming years, primarily because of the changes in demographic trends and the demand for workers with higher skill sets,” says Kyle Carlson, Generation Iowa Commission chair. “As members of the baby boomer generation prepare to retire, Iowa and the country as a whole will begin to experience tightness in the labor market.”

With the 85 million strong baby boomers set to retire, the first wave of Generation Y or “Millenniums” are embarking on their own career path.

There are about 80 million Millennials. Born between 1980 and 1995, these 20-somethings have grown up with personal computers, BlackBerrys, Ipods, MySpace, Facebook, and text messaging.

Millenniums have been described as smart and brash, who want to work but don’t want work to be their life. And the first challenge for Iowa companies wanting to hire them is getting them in the door.

“To recruit young workers these days, you need to know how to reach them,” says Rachel Judisch, Generation Iowa Commission vice

chair, who with her husband returned to Iowa from Chicago in 2003 to work and start a family. “Instead of using mainstream media to conduct job searches and to find entertainment options, young Iowans are actively involved in social networking Web sites and are more likely to search for information online.”

And that’s where GenerationIowa.com comes into play.

“With the launch of GenerationIowa.com, for the very first time, everything young Iowans want will be in one spot,” said IDED Director Mike Tramontina. “Young people will be able to connect to Iowa events, recreation, careers and each other.”

This one-stop Internet shop, “will coordinate all social events and career opportunities in Iowa through a unified, statewide Web site for young Iowans,” says Judisch.

The Generation Iowa Commission, the Iowa Careers Consortium and IDED are promoting the site at future Generation Iowa Commission meetings, to interns and young employees working at Consortium companies, on social networking Web sites including Facebook and MySpace and within Iowa young professionals groups.

The Commission has developed a sweeping list of recommendations to take advantage of Iowa’s “brain gain” and making Iowa a destination and a home for future generations.

“We’ve identified that Iowa is sixth in the nation, and No. 1 in the Midwest, in “brain gain” migration,” says Judisch. “This means while just over 4,000 Iowa high school students leave the state for college, more than 12,200 out-of-state students come to Iowa for college – a ‘brain gain’ of 8,200 young people. We will continue to look for ways to help businesses and the state recruit and retain these talented people.”

To learn more about the commission, or ways to recruit and retain young Iowans, visit: www.iowalifechanging.com/generation.

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