

TO: Iowa Newspaper Association Member Editors
FROM: Iowa Department of Economic Development
DATE: September 10, 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. A partnership between two Iowa-born manufacturers—a family owned operation in one of Iowa's smaller rural communities and a Fortune 500 company known worldwide by its iconic logo—is bringing much needed manufacturing job opportunities to the **west central Iowa community of Paton. Deere & Co.** is Iowa's largest manufacturing employer with 12,000 Iowans working in four urban Iowa facilities: Ankeny, Dubuque, Ottumwa and Waterloo. Bauer Built began in 1979 as a three-person operation. Today, **Bauer Built Manufacturing** and Deere & Co. have a partnership agreement in which Bauer manufactures and assembles eight models of seed planters exclusively for John Deere dealerships.

2. The latest chapter in the story of seed corn companies investing millions of dollars in Iowa to supply the seeds that will help feed and fuel the globe can be found in the **northeast Iowa community of Independence**. It is there that **Monsanto** recently broke ground to construct a new seed corn production facility. "We believe Independence best meets our business needs," says Kent Martin, Monsanto director of seed corn production. "Buchanan County has a rich tradition of growth and success and we welcome the opportunity to add to that tradition by locating this new facility in Independence." Once complete, the new \$90-million production facility is expected to employ approximately 47 full-time employees and more than 1,000 seasonal workers.

3. With its completion earlier this spring, the **eastern Iowa community of Durant** is now home to a Nebraska-based steel supplier. "With our new facility, **Norfolk Iron & Metal** will be able to broaden our services to Wisconsin and Illinois customers and expand its delivery capabilities in Minnesota, Iowa and Missouri," says Richard Robinson, Norfolk Iron & Metal president. The Norfolk, Neb.-based wholesale steel distribution company, one of the top 30 carbon steel suppliers in the U.S., had been considering locations in Iowa and nearby states for the distribution center. According to Robinson, the \$16-million, 250,000-square-foot facility not only distributes a full line of carbon steel products, but also provides value-added services for its customers.

Built Better by Bauer

A partnership between two Iowa-born manufacturers—a family owned operation in one of Iowa's smaller rural communities and a Fortune 500 company known worldwide by its iconic logo—is bringing much needed manufacturing job opportunities to the west central Iowa community of Paton.

Internationally known Deere & Co. is Iowa's largest manufacturing employer with 12,000 Iowans working in four urban Iowa facilities: Ankeny, Dubuque, Ottumwa and Waterloo.

Family owned Bauer Built Manufacturing was founded in 1979 by Vaughn Bauer and his father Verne.

In the late 1980s, Vaughn Bauer built a 60-foot, 30-row planter for use in his corn and soybean farming operation.

"Farmers sit in the cab of their tractor pulling a planter or in a combine and think," Bauer says. "We watch as we plant or combine row upon row of crops and come up with ideas for new implements and other devices."

In Bauer's case, he developed planter innovations that would help farmers more quickly plant their fields in the spring, when time is at a premium.

Other farmers in the area noticed and asked if he would produce a planter for them. By 1989 Bauer was manufacturing some unusually large planters of his own design for ag equipment dealers.

In 1995, Bauer redesigned his original planter with lift-wheels on the front side of their heavy-duty frames.

"We built five units, two were 14-row planters with 30-inch spacing; the others were 36-row planters with 20-inch spacing," he says. "After that, we started getting calls from farmers and dealers throughout the corn belt."

His innovative design also caught the eye of John Deere's Seeding Group management who approached him about building large-frame planters for Deere.

Since 2002, Bauer Built and Deere & Co. have had a partnership agreement in which Bauer manufactures and assembles eight models of seed planters exclusively for John Deere dealerships throughout the U.S.

Today, more than 60 employees are employed in Bauer's state-of-the-art 150,000-square-foot manufacturing facility in Paton producing planters,

which vary in length from 44 to 90 feet, with row spacing from 15 to 38 inches.

He is also quick to note that Bauer Built is a partner with Deere & Co, and not a supplier.

"As well as manufacturing eight planter models sold exclusively for Deere dealers, we also build customized planter frames in other sizes and configurations," Bauer says.

"We supply the frame, the hydraulic system, and the markers for the DB Series planter," says Bauer, who continues to farm with his son and son-in-law. "Our employees then assemble Deere's row units, seed drive, vacuum systems and monitoring components

on the frame prior to shipping the finished units."

DB Series planters are produced and recommended for planting acid-delinted cotton, corn, soybeans, sorghum, small edible beans, sugar beets and

other small seeds.

DB Series planters are also finding use in agricultural operations around the world with shipments going to Russia, Kazakhstan, Ukraine, Argentina and Brazil.

"Exports only account for a small percentage of our annual output, but it's an important and growing part of our business," Bauer explains.

Bauer is quick to credit much of his company's success to its employees. "There is no way we could be doing this without them. We're very fortunate to have a highly skilled workforce in our area."

Bauer adds that high commodity prices, spurred by rising worldwide demand for food, coupled with rising ethanol production and increasing export sales, keeps him optimistic about his company's future growth.

And Bauer isn't alone in that optimism. Deere & Co. has announced that its Waterloo tractor assembly plant—the world's largest—is getting even bigger. The company says it is investing \$187 million and adding 103,000 more square feet to increase manufacturing capacity of its large, high-horsepower tractors

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Monsanto Finds Independence

As worldwide demand for corn becomes insatiable, three multinational companies continue to invest millions of dollars in Iowa to supply the seeds that will help feed and fuel the globe.

Iowa born and grown Pioneer Hi-Bred, Monsanto and Syngenta are three multinational seed corn companies using Iowa talent and Iowa facilities to produce new corn and soybean varieties that will result in larger annual yields.

As research continues to find more ways to squeeze every drop of ethanol out of a kernel of corn, or to build drought tolerance or insect resistance into corn plants or to make a healthier oil out of soybeans, Iowa

stands poised to reap the benefits of this research and the investments to commercialize the new seeds.

The latest chapter in this story can be found in the northeast Iowa community of Independence. It is there that Monsanto recently broke ground to construct a new seed corn production facility.

"We believe Independence best meets our business needs," says Kent Martin, Monsanto director of corn seed production. "Buchanan County has a rich tradition of growth and success and we welcome the opportunity to add to that tradition by locating this new facility in Independence."

Once complete, the new \$90-million seed corn production facility is expected to employ approximately 47 full-time employees and more than 1,000 seasonal workers.

It will have two high-capacity dryers and green corn receiving lines, bulk storage, 175,000 square feet of warehouse space and a conditioning tower capable of packaging 1,200 bags of seed corn per hour.

According to Darren Willis, a Monsanto spokesperson the company evaluated 15 locations in north central Iowa before selecting Independence.

"We looked for a site with easy access to roads, electricity and natural gas and close proximity to our growers," says Willis.

The new facility is part of a more than \$230 million investment in Iowa by Monsanto, which operates two other Iowa corn seed production facilities in Boone and Grinnell.

In addition to building the new facility, the company is expanding three existing seed corn production facilities as well.

Monsanto is also investing in its facility in Ankeny, where the company employs more than 100 research geneticists and is the company's global hub for plant breeding research.

The Independence facility, with a completion date of 2010, was awarded a series of tax credits and benefits from the High Quality Jobs Creation (HQJC) program, administered by the Iowa Department of Economic Development.

According to Independence City Manager Allan Johnson, landing the seed corn production facility validates the extensive infrastructure improvements the community has made in the past several years.

"We've finished a \$7-million project to upgrade

our airport so it will now accommodate small cargo and jet traffic," he says, noting that companies today need all types of transportation access.

"We've also invested in our water and sewer capacity. We are extending water mains to the new Monsanto site as well as improving truck access."

Along with the infrastructure improvements, the City of Independence is awarding the project a \$1-million Tax Increment Financing (TIF) grant once the project is completed.

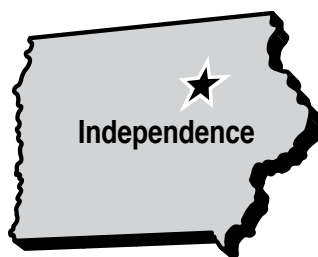
"As we implement the transportation infrastructure to Monsanto's facility, we fully believe it will help Independence recruit economic development projects in the future," says Johnson.

In a world hungry for food, livestock feed and greener energy, the importance of Iowa's two most abundant renewable resources—corn and soybeans—are vast and growing.

As Iowa's farmers, research scientists, life sciences companies and agricultural equipment manufacturers wrestle with these challenges, the opportunities these challenges bring are just as vast.

With Monsanto's selection of Independence for its seed corn production facilities, Iowa is poised to take advantage of these new opportunities.

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Norfolk Iron & Metal Forges Ahead in Durant

With completion of a new distribution center in early 2008, the eastern Iowa community of Durant is now home to a Nebraska-based steel supplier.

"With our new facility, Norfolk Iron & Metal will be able to broaden our services to Wisconsin and Illinois customers and expand its delivery capabilities in Minnesota, Iowa and Missouri," says Richard Robinson, Norfolk Iron & Metal president.

The Norfolk, Neb.-based wholesale steel distribution company, one of the top 30 carbon steel suppliers in the U.S., had been considering locations in Iowa and nearby states for the distribution center.

According to Robinson, the \$16-million, 250,000-square-foot facility not only distributes a full line of carbon steel products but also provides value-added services for its customers.

"We provide first stage processing services such as sawing, shearing, breaking, and laser and plasma cutting," says Robinson, a third-generation manager of the family owned company founded in 1908. "Durant becomes the fourth distribution center including Norfolk, Greeley, Colorado, and Emporia, Kansas."

The facility, which according to Robinson, carries an inventory of 15,000 tons of steel, will employ more than 135 Iowans within three years.

"Steel distribution is a very competitive industry and our bread and butter is servicing small to mid-sized manufacturers as well as other steel distributors and fabricators," explains Robinson.

In fact, he adds, in many cases Norfolk Iron can take a several ton order and deliver it to the customer the next day.

"We have a fleet of 125 tractors and 250 trailers so we can deliver product when our customers need it," Robinson says.

Access to transportation infrastructure was one reason Norfolk Iron was attracted to Durant's industrial park.

"We are located in an area with rail access and we are only two miles from Interstate 80. Add to that a very deep pool of highly skilled workers and we are just thrilled with our Iowa location," Robinson explains.

And the feeling is mutual, says Steve Lacina, executive director of Cedar County Economic Development.

"We are enormously grateful to the people of Norfolk Iron & Metal Co. for choosing Durant as the location for their new distribution facility," says Lacina. "Norfolk Iron has been a tremendous company to work with and we are very excited about the job and industry growth they will bring. This is a solid company with a top-notch management team."

Leveraging construction of the facility were a series of tax benefits from the Iowa Department of Economic Development-administered High Quality Jobs Creation (HQC) program, and a \$470,000 award from the Economic Development Set-Aside (EDSA) program.

Lacina believes Norfolk Iron could be a big supplier to Iowa's growing wind power industry, including the new Acciona Energia plant in West Branch.

"Norfolk Iron sells reinforcing bars that are used in the poured footings of wind turbine towers, and plasma-cut steel plates with bolt holes that distributes the immense weight of the towers over the footings."

Lacina is proud of the Norfolk Iron expansion, and notes that two other nationally known employers are expanding in Cedar County as well.

"Spain-based Acciona is expanding its wind turbine manufacturing plant to produce its proprietary 3-megawatt turbine as well as its 1.5-megawatt turbine generator. When the West Branch location hits full capacity and creates all of its 110 jobs, Acciona will produce 400 turbines annually in Iowa," he says.

"Procter & Gamble is also in the midst of expanding its West Branch distribution center. When complete, P&G will have more than 1.3 million square feet of distribution space under one roof."

By aggressively marketing its advantages, Cedar County and Durant are forging ahead, recruiting quality employers and providing high-wage job opportunities to its citizens.

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