

MMPA Ovid Plant Expansion Groundbreaking Ceremony



MMMPA broke ground June 30 on an expansion project to improve throughput and efficiency at the plant which will allow MMPA to remain competitive and viable in the marketplace.

“This is an exciting day for us and all of Michigan’s dairy industry,” said MMPA president Ken Nobis. “The Michigan dairy industry contributes over \$5 billion to our state’s economy. Increasing the capacity of our Ovid facility further strengthens our state’s dairy industry and our overall state economy.”

The expansion, supported by an Agricultural Processing Renaissance Zone designation approved in May by the Michigan Strategic Fund Board, is expected to generate private investment of \$35 million capital and create 510 jobs for the state, including retaining the 86 current full-time positions and adding 10 new positions directly to the Ovid plant. According to a study completed by the MSU Product Center, the Ovid expansion project could have an economic impact of

over \$183 million to the state of Michigan.

“Michigan’s food and agriculture industry plays a key role in helping to diversify and grow our state’s economy,” said Governor Jennifer Granholm, who was present at the groundbreaking. “Agricultural Processing Renaissance Zones are enhancing this important sector by attracting new investment and creating jobs in communities across the state.”

To make the expansion possible, an existing rail-to-trail linking Ionia and Owosso needed to be rerouted. MMPA management worked closely with local, county and state government to acquire railroad property for the expansion and easements around the development for the rails-to-trails project. Working with the Michigan Department of Transportation, MMPA entered a purchase and rental agreement rerouting the corridor and paving the way for the expansion to take place.

The agreement has led to a 41-mile Rails to Trails corridor that will connect 16 local communities

in Clinton, Ionia and Shiawassee counties, bringing new recreational and tourism activities and spurring economic growth and new business in the area.

The Governor recognized the efforts of Representatives Judy Emmons, Richard Ball and Paul Opsommer for their efforts for making sure that Michigan has Agricultural Processing Renaissance Zones. Agricultural Processing Renaissance Zones are geographical areas designated as tax free for eligible agricultural processing companies that plan to build a new facility or significantly improve an existing facility within the zone. This design-

Above photo, left to right: John Dilland, MMPA General Manger; Rep. Paul Opsommer (R-93); Rep. Judy Emmons (R-70); Debra Dansby, Michigan Economic Development Corporation; Governor Jennifer M. Granholm; Ken Nobis, MMPA President; Rep. Richard Ball (R-85); Gordon Wenk, Deputy Director, Michigan Department of Agriculture; William Lasher, President, Village of Ovid.



Gordon Wenk, Deputy Director, Michigan Department of Agriculture, presented a Commission of Agriculture resolution presenting MMPA the ag renaissance zone to MMPA President Ken Nobis.

nation provides the framework to allow for the expansion of MMPA's Ovid plant.

"Investing in the Ovid manufacturing facility helps ensure our members a market for their milk

and jobs for our employees," said MMPA General Manager John Dilland. "Milk processing facilities are currently at their capacity in Michigan. Milk production in excess of our manufacturing capacity is being transported out of state at a cost to our members. Expanding our Ovid facility ensures a local market for our members' milk and also strengthens the vitality of the Ovid community and the dairy industry."

The Ovid manufacturing operation is currently capable of processing 3 million pounds a day, 7 days a week, 365 days a year. Sales from the Ovid plant exceeded \$200 million in 2007. The expansion will increase Ovid's processing capacity by 2 million pounds a day.

The expansion project may also include a dryer for nonfat dry milk powder that would encompass an additional investment of \$18 million. The MMPA board of directors will make a decision on the proposed dryer in the next few months.

Products made at the Ovid facility include cream, condensed milk, butter and powdered milk which are sold as dairy ingredients to a wide variety of food manufacturers.

"You don't see the MMPA label in the store, but when you eat pudding, yogurt, cookies, ice cream and many other foods, chances are you are enjoying ingredients made at MMPA manufacturing facilities," John said.

Financing for the expansion project is provided by a combination of MMPA member equity capital retains and a finance package through JPMorgan Chase Bank and CoBank.

Governor Visits Green Meadow Farms

Prior to the groundbreaking ceremony, Governor Jennifer Granholm visited Green Meadow Farms in Elsie. MMPA Treasurer Velmar Green and his family gave the Governor a tour of the facility, including the farm's methane digester.

