



## GLOBAL FOOD INGREDIENTS COMPANY EXPANDS IN WISCONSIN

In 1987, Kerry, a division of Tralee, Ireland-based Kerry Group plc and the leading supplier of taste and nutrition solutions for the worldwide food, beverage and pharmaceutical industries, was looking to open its first overseas dairy ingredients and manufacturing plant, and it had its sights set on Wisconsin.

Kerry was drawn to the state for its distinct similarities to Ireland. Andrew Lynch, director of research and development for nutritional beverages at Kerry, believes that from the beginning, Wisconsin was a natural fit for Kerry.

“There is a natural affiliation between Ireland and Wisconsin,” Lynch said. “With its rolling countryside and strong dairy industry, Wisconsin is another home for Kerry.”

### BUSINESS NEED

Over the years, Kerry has established a global processing and technical network with an industry-leading portfolio of taste and nutrition systems for food manufacturers and foodservice customers in over 120 different countries. In 2013, the company reported \$6 billion in revenue.

With manufacturing facilities located in 25 different countries and international sales offices in 20 countries across the globe, Kerry was looking for a way to enhance its operations to keep up with industry demands.

To meet that goal, the company set out to further optimize its production footprint by investing in the expansion of two facilities, one focused on its seasoning business and the other on its dairy and culinary business.

The company ultimately selected Jackson, Wisconsin, as the first location for its dairy ingredients manufacturing plant in the U.S. Kerry’s footprint in Wisconsin has been expanding ever since.

In 1988, Kerry acquired Beatreme Food Ingredients, a division of Beatrice Foods, in Beloit. The Beloit location eventually became the company’s regional headquarters for the Americas. In 2001, the company expanded again in Wisconsin, opening a seasoning facility in Sturtevant. Today, Kerry employs around 1,200 people in the state.



James Egan, director of employee communications and engagement at Kerry, explained that the company was looking to streamline operations and consolidate facilities by selecting locations that were large enough to accommodate added production, packaging and warehouse space. He said the facilities selected would also need to have the ability to expand to support future growth.

## SOLUTION

After conducting a company-wide evaluation of facilities under consideration for expansion, Kerry chose to invest in both the Sturtevant and Jackson facilities to meet its business needs.

“The Jackson and Sturtevant locations provide Kerry and our customers with value-added benefits, including a strong talent pool, robust transportation infrastructure and central proximity to our North American customers and suppliers,” Egan said.

Throughout the decision-making process the company collaborated with the Wisconsin Economic Development Corporation (WEDC) and local officials to ensure a smooth process for both projects.

After discussing project details with WEDC and county officials, Kerry decided to move its out-of-Wisconsin seasoning facility into the Sturtevant location. Kerry also will be relocating a spice warehouse from Illinois and merging it with the existing seasoning facility. The current Sturtevant location will be expanded by 76,320 square feet, allowing enough space for this consolidation and future seasoning acquisitions and growth.

The total Sturtevant facility project costs are estimated at \$7.1 million. Project funding for the Sturtevant location includes:

- \$300,000 forgivable loan from WEDC to assist with the building expansion
- \$300,000 in tax increment financing assistance from the Village of Sturtevant
- \$100,000 forgivable loan from Racine County

The project will help retain 78 existing positions with average wages of \$18.68 per hour and will create 25 new full-time positions with average wages of \$12.72 per hour.

When merging the 10-12 production and packaging lines from two other Kerry locations, the company zeroed in on its Jackson facility to house the operations. Again, Kerry worked with WEDC and local officials to help fund the expansion project, which is estimated to cost around \$18 million. Funding for the Jackson project includes:

- \$597,000 WEDC tax credit to expand the facility
- \$480,000 forgivable loan from Washington County
- Up to \$2 million in tax increment financing district from the Village of Jackson

The Jackson project will create 60 new full-time positions with average wages of \$16.80 per hour. The project will retain 125 existing positions.

Throughout the entire collaboration, Kerry experienced a pain-free process while sorting out details with WEDC and local officials.

“The counsel and support received from WEDC and local organizations were significant contributing factors to our decision to make further investments in Jackson and Sturtevant. We have a long-standing positive relationship with WEDC, partnering with the organization on several projects, and again it was really easy to work with them to meet our business needs.”

—James Egan, Director of Employee Communications and Engagement at Kerry

## SUCCESS

In October 2013, construction began on the expansion of Kerry's Jackson facility. The project will add about 119,000 square feet of space to the company's existing 165,000-square-foot facility, which is used to convert liquid food ingredients into powder ingredient products. The project includes purchasing new equipment, expanding the building and relocating equipment.

Shortly thereafter, in November 2013, Kerry broke ground on the expansion at the Sturtevant plant. The additional space will allow for potential growth of up to 40 million additional pounds. The production facility will also require modifications in order to install the out-of-state production lines. The project includes building expansion, infrastructure for four additional blenders, and racking and warehousing infrastructure. The additional blenders will have the capacity to produce up to 17 million pounds of product each year.

For now, Kerry is focused on the successful expansion of the two Wisconsin facilities. Egan said after construction is complete in late 2014, the company will direct its attention toward filling the newly added capacity to meet forecasted customer demand. He also said the company is leaving the door open to future collaboration with WEDC.

“We value the strong working relationship we've built, and look forward to future discussions as we continue to review and optimize our manufacturing presence in North America and across the world.”

—James Egan, Director of Employee Communications and Engagement at Kerry

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The Wisconsin Economic Development Corporation, the state's lead economic development agency, partners with a network of more than 600 regional and local entities to help businesses start, grow and locate In Wisconsin.



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