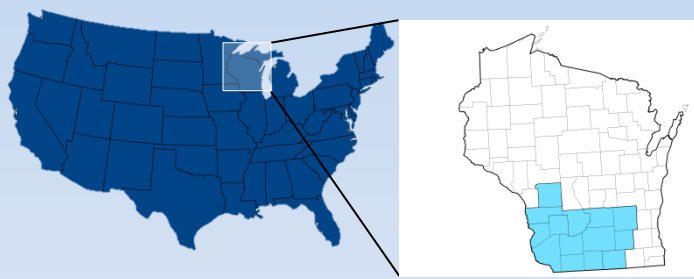


# Investing in Manufacturing Communities Partnership



## Madison Region Economic Partnership (MadREP)

### The Community

The Madison Regional Economic Partnership (MadREP) is comprised of a 14 county region in Wisconsin that is focused on agriculture, food and beverage (AFB) manufacturing as their key technology sector (KTS). These rural and semi-urban counties have a natural competitive advantage in climate, soils, water resources, and rainfall, as well as a superior infrastructure. Historically, the first economic wave came in the form of dairy and cheese making, ranking the region as a top national dairy producer and manufacturer. The dairy industry experienced a steep decline in early 2000, but recently turned around due to the development and growth of the artisan cheese market. The specialty cheese market now represents 22% of the state's cheese output. The second wave was the rise of organic farming and processing, which continues to thrive. Farms and agricultural business contributed \$88.3 billion in economic activity and 413,500 jobs in the state's economy in 2012. The sector is growing, with sales from farm-related activity and food processing combined increasing 49.3% from 2007 to 2012.

### The Vision

A key target of their effort will be to take advantage of the growing trend toward "local foods". Communities around the country are looking to local food projects to increase food security, as well as support small farmers and rural economies. Their priority area is infrastructure and site development, where they emphasize "asset based economic development investments" over recruitment strategies, including plans to expand the Wisconsin Innovation Kitchen, upgrade an existing kitchen incubator, build a Madison public market, and construct a training center and trucking logistics center. Their plan predicts creating an additional 2,499 jobs in AFB businesses, \$822.8M in new KTS revenues, and \$1.5 billion in total direct and indirect financial benefit to the region. Using innovative techniques developed at the University of Wisconsin Madison, the region is prepared to create its third economic wave in "local and sustainable foods".

### The Strategy

**Workforce and Training:** The agriculture industry has many challenges in attracting and retaining new hires and the increasing need for advanced workforce skills to keep pace with the use of technology, such as computerization, automation, new packaging, transportation, and storing technologies. To meet this challenge, MadREP plans to provide employers in the KTS with skilled labor, and provide the workforce with useful skills that can lead to a career path. This includes, but is not limited to, creating a

certificate program in dairy processing, implementing an instrumentation associate's degree program, and founding a Reedsburg Farm Business Management Program that is sufficient for current needs. Local university and business partners will assist in transforming training to meet workplace goals through the formation of new programs or the updating of old ones based on modern demands.

**Supplier Networks:** The region has access to a large number of trade associations and non-profits seeking to advance the industry in the marketplace, as well as research facilities at University of Wisconsin Madison and four technical colleges. There will be the continued promotion of vertical coordination and business synergies between supply segments in an effort to reduce the cost of obtaining inputs and delivering products. Additionally, projects will be developed which shorten the supply chain for local foods and increase cost efficiencies in moving raw materials and finished goods throughout the supply chain.

**Research and Innovation:** MadREP is able to heavily rely on the quality research produced by the University of Wisconsin Madison to develop innovative practices in AFB manufacturing. This strong relationship between university and industry will continue to be built upon. Specific programs planned include the renovation and expansion of the Babcock Dairy Plant, the growth of research, education, and outreach to specialty crop growers and fermenters, and development of an innovative field water monitoring technology.

**Infrastructure and Site Development:** Infrastructure and site development is a priority for MadREP. Projects driven by this partnership seek to develop asset-based economic investments, driven to improve productivity, sustainability, and financial return on investments, in turn creating jobs. Currently, there are no inter- or trans-modal facilities in the region and AFB products are predominantly trucked out of state for foreign markets. There is a strong interest for trans-modal facility investments throughout the region. Rail lines and bridges will be made to allow for heavier car loads at higher speeds, improving the ability of roads and railroads to operate efficiently and increase global competitiveness. They will study the feasibility of developing a Trucking-Logistics Cooperative which could be designed to reduce less than full truck load deliveries. The partnership also wants to establish a food technology center with programs to provide energy efficiency, food manufacturing and food processing education, training, and technical assistance to food preparers or the food manufacturing industry. This would move them a long way in addressing gaps in their KTS ecosystem.

**Trade and International Investment:** MadREP recognizes that business growth is increasingly dependent on global markets. They will promote growth in international trade by building more global relationships. In addition to transforming the workplace to be more globally-minded, infrastructure changes must meet the needs of transporting perishable products. Current highways and railways are not adequately fit for meeting the short deadline of transporting dairy products, so they need improvement. A Regional International Trade Development Program will be created to enhance international competitiveness, and the World Dairy Expo will be expanded as well.

**Operational Improvement and Capital Access:** The region is home of key industry clusters that can help support innovation in the KTS: information technology, life sciences, advanced manufacturing, etc. The combined power of the region's research and business sectors, including the region's rapid advances in its information technology sector, could combine to make the KTS a leading food innovation region. There are a diverse group of lenders in the region who are able to assist with capital availability. To improve operations, MadREP and its partners will improve technical assistance designed to both increase operating efficiencies of KTS businesses and position KTS businesses for financing and investment, as well as expand existing low-interest gap financing programs for businesses operating in or near the valley of death.

### **The Partnership**

The MadREP partnerships are extensive and include: **Government Agencies:** Wisconsin Economic Development Corporation (WEDC), Capital Region Regional Planning Corporation, Dane County, Dodge County Planning and Economic Development, Rock County Economic Development Agency, City of Madison, Wisconsin Department of Agriculture; **Higher Education Institution:** Blackhawk Technical College, Madison Area Technical College, Southwest Technical College, Moraine Park Technical College, University of Wisconsin, University of Wisconsin Madison Center for Freight and Infrastructure Research and Education, University of Wisconsin Madison Center for Integrated Agricultural Systems; **Workforce Development Board:** Workforce Development Board of South Central Wisconsin; **Utility Private Sector:** Alliant Energy, Madison Gas and Electric; **Economic Development Organization, Nonprofit:** Prosperity Southwest, Crawford County Economic Development Corporation, Grand County Economic Development Organization, Green County Development Corporation, Jefferson County Economic Development Corporation; **Economic Development Organization, Private:** Sauk County Development Corporation, Vernon County Development Association; **Private:** Midwest Food Processing Association, Willy Street Co-op, FEED Kitchen, Innovation Kitchen LLC, Southern Wisconsin Agriculture Group, First Business Bank; **Nonprofit:** REAP Food Group, Organic Processing Institute, Wisconsin Women's Business Initiative Corporation, Forward Community Investments, Southwest Regional Planning Commission, Hodan Community Services; **Manufacturing Extension Partnership:** Wisconsin Manufacturing Extension Partnership.