



TO: Battle Creek City Commissioners

FROM: Battle Creek Unlimited

DATE: December 22, 2017

RE: Prairie Farms Industrial Facilities Exemption Application

Battle Creek Unlimited is pleased to support the Industrial Facilities Exemption application for Prairie Farms. Below is additional information and a highlight of their project.

Highlights of the Project:

- **History:** Prairie Farms is locally owned and has been locally producing goods since 1938. They started their operations in the Fort Custer Industrial Park in December 2003. Prairie Farms is a part of one of the most successful co-op's in the country. The Company is also debt-free.
- **Capital Investment:** The Company's total investment equals \$28,703,901 (\$4,081,465 in real property and \$24,622,436 in personal property.) An additional 14,000 sq. ft. state-of-the-art facility will be built to house their new process.
- **Jobs:**
 - This project will help retain the 150 employees currently employed at Prairie Farms, as the addition of the Ultra High Temperature bottle line will insure jobs well into the future. The current payroll is approximately \$7,000,000 per year. Employees are offered a career not just a job.
 - In addition, this project will create an additional 16 full-time jobs. The average wage for the new jobs will be \$18.31 to \$24.75 per hour. The total additional annual payroll will be approximately \$700,000 per year. The new jobs will generate an estimated \$30,000 (4.25% tax rate) in individual withholding tax on an annual basis for the State of Michigan.
 - The Company offers benefits such as health, dental, optical insurance and a retirement plan.
- **Competitive Advantage:**
 - The Battle Creek Management team was influential in successfully landing this project in Battle Creek. They had to compete with other Prairie Farm locations, such as: Southern Illinois and Missouri. There are 44 production plants in their network.
 - The Battle Creek plant will be the ONLY Prairie Farms bottling plant that has the capability to produce Ultra High Temperature pasteurized dairy products in plastics bottles. The additional shelf life will allow Prairie Farms – Battle Creek to produce many different, cutting edge products, as well as, doubling the volume of pounds of milk leaving the state.
 - These new products will be distributed through Prairie Farms' distribution system into 16 states and throughout warehouses to all 48 contiguous states.
 - The raw milk will be supplied by Prairie Farm members and Michigan Milk Producers Association. When fully developed, Michigan raw milk will be sold across the country helping local farmers.