South Dakota State University

CICEP | INNOVATION AND ECONOMIC PROSPERITY UNIVERSITIES AWARDS PROGRAM

CASE STUDY 2014

Targeting and Timing

The Brookings community economic development strategy includes business and industry recruitment that leverages regional comparative advantages and the assets of the University. Collaboratively, the Brookings Economic Development Corporation (BEDC) and University leadership match regional strengths and University assets to target industry sectors for business and industry recruitment efforts.

This case study portrays the successful recruitment to Brookings, S.D., of the marquee U.S. plant of the Chicago-headquartered Bel Brands USA, a subsidiary of Paris-based world leader in cheese processing, Fromageries Bel. The growing international company operates 27 manufacturing facilities worldwide with 10,600 employees. The company estimated that 33 million pounds of its cheeses are consumed each day around the world. The successful recruitment was a classic play of leveraging regional strengths and University assets that enabled Bel Brands to quickly build a manufacturing plant to produce product for a fast-growing U.S. market.

Milk production and processing is a regional strength that is aligned with a University asset, specifically the faculty, staff, students and programs of the Department of Dairy Science. This Department is one of only two academic departments in the U.S. that has programs, research and outreach in both dairy manufacturing and dairy production.

Davis Dairy Plant

The alignment of the University asset with this regional strength is illustrated by the $9 million modernization and expansion of the dairy processing facility in 2011 to create the modern Davis Dairy Plant. The plant itself and how it came to be played a determining role in the successful recruitment of Bel Brands USA to Brookings.

Leadership in planning, designing, funding and constructing the new expanded teaching, research and pilot plant facility came from the University-sponsored Jackrabbit Dairy Council. The group is comprised of supply chain industry partners from producers and dairy product manufactures to processing and testing equipment suppliers to specialized design and engineering firms. Engineers from industry partners were on site throughout the construction of the plant, assuring the Davis Dairy Plant, a 17,900-square-foot facility operated primarily by dairy manufacturing students (as shown in photo at right), was completed to industry-leading design specifications, on time and on budget.

Products produced at the plant include fluid milk (skim, chocolate, 2%), more 60 flavors of ice cream and sherbet, several cheeses and butter. The plant also can produce yogurt and dried dairy products. Products are sold at the Dairy Bar, a retail operation associated with the plant, and at retail outlets around the region. In addition to being a first-class teaching and learning facility, it is used by industry partners for pilot-plant experiments, training seminars, and product testing and evaluation. Dairy Science faculty members now have an expanded portfolio of industry partnerships that includes sponsored research and development and product testing and evaluation because of the unique capabilities of the new plant. The goals of enhanced industry collaboration on problem-solving research and product development and testing and well-trained graduates motivated the Council to create the modern Davis Dairy Plant. Those goals were achieved.

THE CHALLENGE

The challenge is to compete successfully and through the BEDC attraction recruitment strategy exploit the region's strengths that are aligned with assets of the University. Interests of companies are to maximize their position in their market place. Interests of the BEDC are to enhance job growth and increase economic prosperity in the greater Brookings region. Optimal success enhances long-term economic prospects because a successful recruitment is aligned tightly to regional strengths and exploits the assets of the University. The University becomes a more powerful engine for economic development because of the feedback from the successful recruitment, which, in turn, enhances the University asset.

THE SOLUTION

Bel Brands USA had been exploring sites throughout the U.S. for a year to construct a marquee plant as its third U.S. manufacturing facility. Brookings submitted an application, but was not on the initial list of finalists. A presentation to reconsider Brookings was made by BDEC leadership in fall 2011. The main points of the presentation were the regional strength of milk production, familiarity with dairy production and the Department of Dairy Science, including the Davis Dairy Plant, as a University asset. According to Bel Brands Project Manager Francine Moudry, the presentation was perfect and the location optimal. The three main factors in the Bel Brands location decision were milk availability, workforce/talent/know-how/education, and the economic environment. Moudry noted several key aspects that influenced the location decision—the University's assets for milk production and manufacturing research and education; the University's strong culture for industry partnering, as demonstrated by the Davis Dairy Plant; the pilot-plant capabilities of the Davis Dairy Plant; and the ability to leverage the plant for training seminars and product development, testing and evaluation. The culture of collaboration across the University, the city of Brookings, the BEDC and the South Dakota Governor's Office of Economic Development impressed Bel Brands leaders.

THE PROGRESS

The University assets engaged with Bel Brands extend beyond the talent, research and know-how in the Department of Dairy Science and include engineering disciplines, operations management, human nutrition and food science, and modern languages and global studies. An extensive internship program is now in place. Modern Languages and Global Studies graduate students helped transition the families of Bel Brands management, who relocated from France, assisting children with translations and adjustments to English as a second language as they onboarded into the local public schools.

THE IMPACT

Bel Brands USA in July 2014 opened its Brookings plant, described on the company's website as "a flagship facility in terms of automation, equipment, processing and efficiency." The $100 million cheese manufacturing facility—covering 170,000 square feet—employs more than 250 people. When fully operational after a second building phase, it will employ more than 400 people, will process more than 500,000 pounds of milk daily and will turn out 22 million pounds of Mini Babybel cheese. The economic impact of the plant is estimated to be $6.09 billion, including direct, indirect, and induced effects in the South Dakota economy.