

## Irish Dairy Board Opens New \$12 Million Facility At Thiel Cheese & Ingredients

**With End Of EU Milk Production Quotas Less Than A Year Away, IDB Is Creating A Global Footprint For Irish Dairy Industry**

Hilbert, WI— Simon Coveney, Ireland's agriculture minister, on Wednesday officially opened a new \$12 million facility at Thiel Cheese & Ingredients here.

The Thiel development is a state-of-the-art facility which includes a Customer Innovation Center created to develop products and functional dairy solutions for Thiel's US food ingredients and foodservice customers. The facility also boasts some of the most advanced cheese processing equipment in the US dairy industry.

IDB acquired the Thiel business in 2011 and, since then, the business has grown strongly, with sales rising to \$80 million in 2013, up 13 percent. The IDB originally entered the US food ingredients market in 2008, with the formation of Meadow Ingredients, which has a plant in Byron, MN.

The new facility marks the completion of an \$80 million expansion investment made by the Irish Dairy Board (IDB) in its US Food Ingredients business. The investment expands the production capability of the business by more than 40 percent and continues to support the 135 jobs which exist in the business.

"This investment is good news for our US customers, and it's also very good news for our employees who make up the backbone of what we do here in the states," said Kevin Lane, the IDB's CEO. "And it's obviously very good news for Irish dairy farmers which are the shareholders that we represent."

Innovation is "very important" for Ireland, but in the dairy world it's "particularly important, because we are literally 10 months away from quota removal, where the Irish farmers and the Irish industry gets a chance to truly develop its great products into a much bigger marketplace of a much higher production."

"Wisconsin, like Ireland, has a proud tradition of producing some of the best dairy products in the world and has developed into a hub of innovation for cheese production," said Neil Cox, president of IDB's US Food Ingredients. "This new facility enhances our ability to create innovative food solutions that meet the evolving needs of our US customer base and their brands."

"We see Wisconsin as the Silicon Valley of the cheese business," said Aaron Forde, chairman of the IDB. "We're very proud to have invested in the successful Thiel business here."

The opening of the new facility is "strategically important" for the IDB, Forde continued. It enables the IDB's US ingredient business to increase capacity by 40 percent, and provide greater scale in the cheese ingredient business in the US for its customers.

The new facility is in line with the IDB's strategy of investing in profitable dairy businesses around the world, and the US "is a key part of that, as one of our four core markets," Forde continued.

The Irish Dairy Board exports 60 percent of all dairy volume that's exported out of Ireland, Coveney noted. That's well over 2.0 billion euros, or US\$2.5 billion, every year.

"We are creating, incrementally year on year, a global footprint for the Irish dairy industry," Coveney continued.

"Two years ago, we were in Algeria, opening a dairy packing plant there," Coveney said. "One year ago, we were in Saudi Arabia, opening a facility and an acquisition in Riyadh to manufacture soft cheese for the Gulf States market."

"And now here we are, 3,000 miles from Ireland," Coveney said. "And we have the completion of an 80 million euro investment program in two facilities," one in Minnesota and one in Wisconsin.

"This isn't just about selling Irish product anymore," Coveney said. "It's about the growth of an Irish industry, an Irish approach to dairy, to cheese, to innovation, to new technologies, to building a new customer base, to forging partnerships with the Thiel family and others here in Wisconsin who share our values as people who are passionate about this industry and its capacity for growth, not only in the United States but globally."

Today, the world has 140 million additional middle class consumers every year, many of them demanding the kinds of diets we take for granted, Coveney continued. These consumers are shifting from carbohydrate-based diets to protein-based diets, "which essentially means meat and dairy products and seafood."

Ireland, together with partners in the US, is "looking to take advantage of that consumption growth story internationally," he said.

Whether it is cheese or dairy raw materials sourced in Wisconsin, or casein coming in from Ireland, or whether it's Irish raw materials being sold in the form of butters and high-end cheeses, "we are creating an Irish footprint here, in partnership with US families, companies and people," Coveney said.

The "big drive" that Ireland as a country and a food producer is



Cutting the ribbon at the Irish Dairy Board's new \$12 million facility at Thiel Cheese & Ingredients in Hilbert, WI, Wednesday were, left to right: Aaron Forde, chairman, IDB; Neil Cox, president, US Food Ingredients, IDB; Simon Coveney, Ireland's agriculture minister; and Kevin Lane, the IDB's CEO.

on at the moment "is around the drive to premium quality and sustainability of product," Coveney said. Ireland's 15,000 dairy farmers understand that there is a "direct correlation and connection" between an efficiently run business and a sustainable business.

At this time next year, when EU milk production quotas have ended, "we plan on being a growing player in terms of trade in dairy products internationally," Coveney said. Currently, Wis-

consin produces twice as much dairy volume as does the entire country of Ireland, and "that has been because we haven't been allowed to expand" because of EU agricultural policies since the mid-1980s.

"We're planning for a 50 percent volume growth in five years," between now and 2020, he added. "And of course we plan on being an increasing global player because we export 90 percent of what we produce."

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