

# FOOD INDUSTRY

IOWA HAS THE ESSENTIAL INGREDIENTS FOR BUSINESS





From ingredients and finished foods to processing and packaging machinery, Iowa is the birthplace of many food industry innovations. That leadership, paired with a productive workforce experienced in the food industries, makes Iowa the perfect location for ingredient and food processing, manufacturing equipment for the industry, and warehouse/distribution operations. The food industry is a major component of Iowa's overall economy, representing 17 percent of Iowa's manufacturing gross domestic product and employing over 50,800 Iowans. Iowa's food processors generated more than \$35 billion worth of food products and created over \$650 billion in capital investment in 2008, according to the U.S. Census.

## **IOWA'S BUSINESS ADVANTAGES**

In addition to Iowa's specific strengths in the food industry and its low cost of doing business, Iowa's business climate provides significant advantages to companies locating headquarters and facilities within the state. Iowa is a right to work state with a pro business government, central location and world class workforce and educational systems.

## **IOWA'S LOW COST OF DOING BUSINESS**

According to the Area Development's "23rd Annual Corporate Survey," the number one reason decision makers choose a specific site is cost. Iowa has the lowest cost of doing business in the United States based on a report by CNBC. The study compares each state's advantages in attracting and retaining businesses by measuring tax burden, electricity costs, industrial rent costs, office rent costs and wage costs.

## **IOWA'S CENTRAL LOCATION**

Iowa's central geographic location in North America is ideally suited for reaching customers in the U.S., Canada, Central America and abroad. Two major coast-to-coast interstate arteries (Interstate 35 and Interstate 80) pass through Iowa and are principal roads in America's transportation grid, while Interstate 29 provides direct access with the Canadian border. Trucks originating in Iowa can reach 83 million people within one day's drive and 252 million people within two days' drive, as illustrated by the map on the opposite page.

## **IOWA'S WORKFORCE**

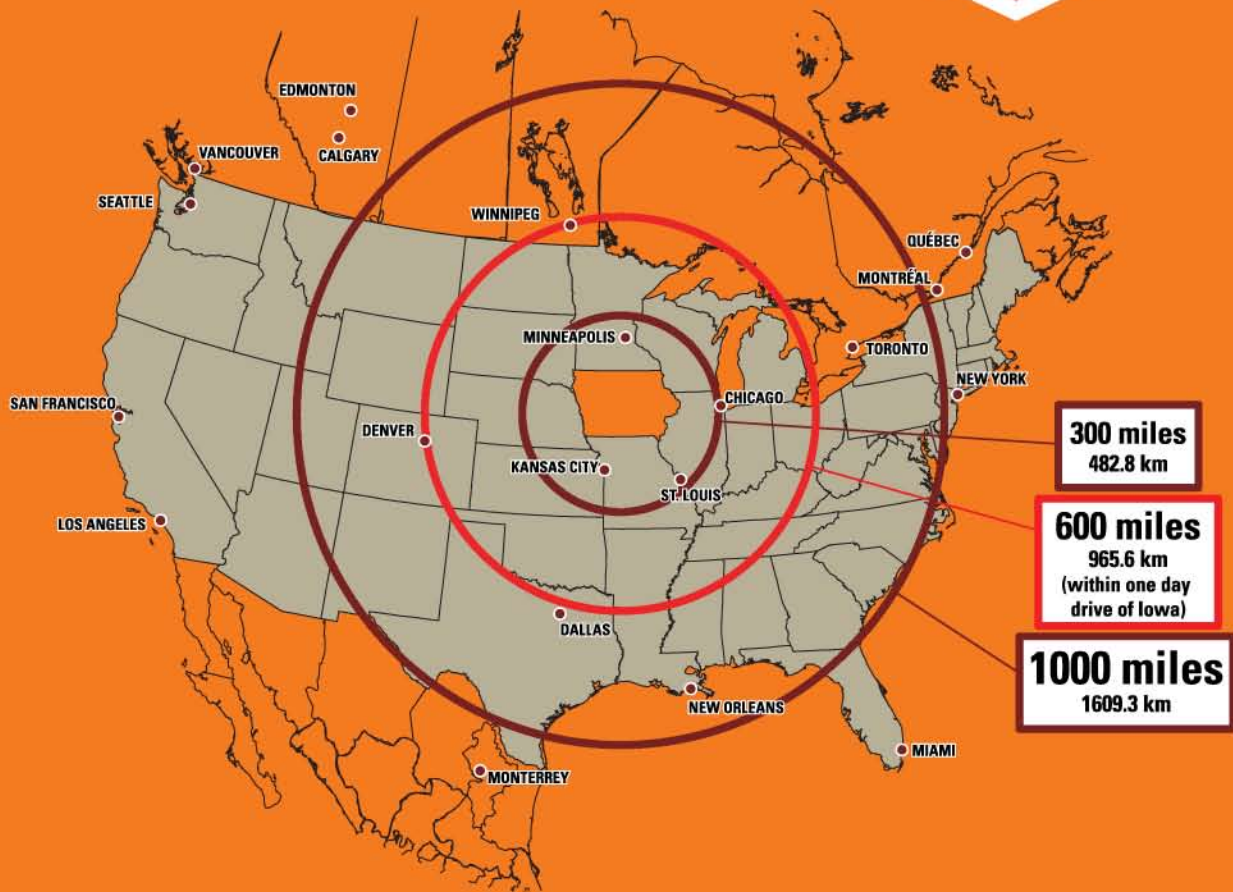
While Iowans take pride in the state's competitive and stable business climate, it is truly the people that make Iowa second to none. If you've worked with an Iowan, you already know that there's substance behind the expression, "Midwest work ethic." Many companies will tell you that the state's productive, reliable, skilled and consistent workforce makes their Iowa locations among their most profitable.

## **IOWA'S STRENGTH IN RESEARCH AND DEVELOPMENT**

Iowa recognizes the long-term success of any industry is often dependent upon the investments it can make in its future, specifically in research and development. Business divisions involved in research and development (R&D) activities within a company appreciate Iowa's R&D tax credit. Iowa is one of very few states to have continuously offered this tax credit and companies find this tax credit a huge advantage for its Iowa locations.

# IOWA PRODUCES ONE-TENTH OF THE NATION'S FOOD SUPPLY.

Iowa is the largest producer of corn, soybeans, pork and eggs in the United States. The state's rich soil supports major crops such as corn and soybeans used to produce high quality inputs (yeast, enzymes, sweeteners, flavors, proteins, fibers, gelatins and binders) that are critical to the world's food industry. Facilities throughout Iowa are continually developing new varieties, processes, and technologies. Iowa's ingredient innovators collaborate extensively with food processors and Iowa's research institutes to create solutions and new products.



## FINISHED FOODS:

With a worldwide reputation for agricultural productivity, it is no surprise that Iowa is home to many major food processing and finished food companies including General Foods, Barilla, Kraft, Heinz, ConAgra, Quaker Oats, Sara Lee, American Popcorn Company and Hormel. The primary reason global finished food processors continue to choose Iowa is its low business cost - both for accessing high quality ingredients and for transporting finished products.

## WAREHOUSING AND DISTRIBUTION:

There are 4,105 transportation and warehousing establishments in Iowa with \$5 billion in sales, employing 56,775 people, according to Iowa Workforce Development. And, according to the Bureau of Economic Analysis, the industry contributed \$5 billion to Iowa's gross domestic product. Target and Walmart have both selected Iowa as their food warehousing and distribution hubs, adding to the already significant refrigeration, cooling and freezer space available in Iowa.

# QUICK FACTS:

- Iowa leads the nation in production of corn, soybeans, pork and eggs.
- Iowa is home to 32 of the largest 100 food manufacturers/processors.
- Iowa is home to the largest cereal mill (Quaker Oats) and largest caramel color plant (Sethness) in the world, and the largest spice plant (Tone's) in North America.
- Iowa produces 14.5 billion eggs each year, double the second egg producing state. (U.S. Department of Agriculture)
- The World Food Prize, the foremost international award recognizing the achievements of individuals who have advanced human development by improving quality, quantity or availability of food to the world is headquartered in Des Moines, Iowa.



## FOOD PACKAGING INDUSTRY ANNUALLY:

- EMPLOYS OVER 5,300 PEOPLE
- PAYROLL OF OVER \$183 MILLION
- \$1.5 BILLION IN SALES

In Iowa there are over 70 companies directly involved in the food packaging industry. In 2009, Iowa exported over \$135 million in plastics and over \$33 million in paper and paperboard packaging.

An emerging industry cluster in Iowa is in corn-based plastics. Naturally Iowa, LLC is a company insistent on packaging its dairy products in containers that will not harm the environment. Partnering with Natureworks, LLC, they developed a revolutionary type of plastic made from corn that biodegrades in a commercial composting facility. Naturally, Iowa is the world's first and currently only dairy company to use Natureworks® PLA bottling.



**IOWA**  
*economic* DEVELOPMENT

Visit us online at [www.iowalifechanging.com/business](http://www.iowalifechanging.com/business) for more information, or call 515.725.3100 or 800.245.4692 for a confidential discussion about your business expansion needs.