



**Dairy Industry Update:
Dairy Farmers Of America's Texas Plant To Receive \$45 Million Upgrade**

Source: Dairy Farmers of America news release

To keep pace with steadily growing production demands, the Dairy Farmers of America, Inc. (DFA) plant in Schulenburg, Texas, is undergoing a major renovation. The \$39.4 million project will include expanding the physical space and installing new equipment at the facility, and will add 70 jobs to the area.

A key component of the project is the addition of a complete packaging line, which will nearly double the plant's capacity. The plant also is upgrading and adding equipment for its waste water system. Construction began in early May and is slated for completion in early 2010.

Already prominent in Schulenburg, DFA will become one of the largest employers in the community following the expansion. The Schulenburg plant is a leading manufacturer for shelf-stable cheese dips and salsa. Originally built in 1929 by Carnation Co., it was the first milk plant in the state of Texas. Mid-America Dairymen (now DFA) bought the plant 45 years later and has owned and operated the plant since.

The City of Schulenburg has contributed substantial support to the project, including \$3.2 million in utility, street and waste water system upgrades. City officials also have actively worked to create an Enterprise Zone City, which allows for a lower sales tax rate on the project, and have supported rezoning needs, temporary variances for construction and grants.

"A strong focus on creating quality products and a positive work environment has allowed the plant to enjoy growth that benefits both the City and its residents," said Art Farris, chief operating officer of DFA's Ingredients and Contract Manufacturing division. "This expansion reinforces the Cooperative's commitment to the communities it serves, and to delivering a strong return for our members, who work hard every day to produce the wholesome dairy ingredients used in these products."

Additional project highlights include a new warehouse, boiler area and product cooling tunnel, expanded freezer space for raw materials storage, and a processing kitchen for raw material handling. Docks and parking facilities also will be expanded. In addition, employee support areas including break rooms and restrooms will be updated and expanded.

The Dennis Group, located in Salt Lake City, serves as project engineer and general contractor. Subcontractors include Houston-based Brandt Construction, Commercial Consolidated, Inc. and Fisk Electric Co.; Five Starr Steel in New Caney, Texas; Meyers Concrete Construction, LP in Wimberley, Texas; and Yantis Company in San Antonio. Consultants for the project are Austin, Texas-based Garrett-Ihnen Civil Engineers and Nucor Building Systems in Terrell, Texas.