

# CCML

## CEI Capital



## GRASSLAND DAIRY PRODUCTS, INC.

*\$60.2MM Total Project  
\$10MM CEI Capital New Markets Tax Credit financing  
Closed March 2023*

*Greenwood, Wisconsin*

**Grassland Dairy**, in Greenwood, Wisconsin, is a five-generation, family-owned and operated dairy products manufacturer and currently the largest family-owned butter creamery in the world.

Running a commodity-based business, whether wool, wheat, or wood, has always been a challenging proposition, as the cost and availability of raw materials can swing widely based on demand fluctuations, trade policies and supply chain issues. The dairy industry is no different.

One opportunity to reduce the volatility of the fluid milk market is to process it into more storable dry goods, like butter and dairy powders. Grassland Dairy has been producing butter since 1904 and was seeking the funds to strengthen its product base by doubling their dryer capacity, which would allow them to process 30-35% more raw milk and support local dairy farmers.

**“Grassland Dairy has a track record of creating good quality jobs, as well as supporting Wisconsin’s legacy of dairy farming. This investment will support the continuation of this multi-generational business, providing a more stable economic future for the region through increasing purchasing and employment opportunities in an industry that is vital to the local community.**

**- Traci Vaine, CCML CEO**

machinery operators, Grassland Dairy offers a range of manufacturing jobs, which are well-paying from the start and accessible to individuals with a high-school diploma or less. This provides a vital on ramp for career advancement and wealth building for workers who may otherwise face barriers regarding educational requirements and tenure.

New entry-level positions start at \$17.85, 16% higher than the Living Wage for a single adult, as calculated by MIT for Clark County, WI, and more than double the Wisconsin minimum wage.

But the Grassland Dairy expansion isn’t just a boon to farmers, it’s a key provider of quality employment in the Greenwood area. The company currently employs 376 at the existing facility, and the increased capacity will create 34 new full-time equivalent positions. Grassland Dairy is a “Good Jobs Employer,” one which meets all seven components of CEI’s Good Jobs Definition.

From inventory and shipping/receiving, to technicians and

### KEY BENEFITS

- Supports 376 existing Greenwood facility employees
- Creates 34 new Full-Time Equivalent direct jobs with an average wage of \$21.13/hour
- All jobs meet CEI Capital Management’s seven-part definition of a Good Job and are accessible to individuals with a High School Diploma or Less.
- Increased plant capacity will support an estimated 180 local farming jobs

# GRASSLAND DAIRY PRODUCTS, INC.

All new positions will pay an hourly wage in excess of the MIT Living Wage for 2 adults (both working) + 1 child. Employees earn an average merit increase of 3% annually. More than 90% of full-time employees work overtime, earning on average an incremental \$19,558 a year, enabling someone making the weighted average wage to earn 50% more than their annualized hired-at rate.

Grassland Dairy further supports individual and family stability for their workers through a robust benefits package that includes paid time off; medical, life and disability insurances covering 100% of premiums; and a 401(k)-retirement plan with an employer match. Grassland Dairy utilizes an in-depth, paid, training and onboarding program to help new employees succeed and is committed to promoting from within: in 2022, 100% of open supervisor positions were filled internally.

## NEW MARKETS PROGRAM ELIGIBILITY

- Non-metropolitan county
- Unemployment Rate 3.2%
- Poverty Rate 19.4%
- Income as a percent of Area Median Income: 76.1%

Though Grassland Dairy is an experienced producer, with a strong track record, the volatility of the dairy market, particularly following the COVID-19 pandemic, combined with the high cost of construction and the purchasing of specialized equipment, made securing the financing for this expansion challenging. The New Markets Tax Credit financing structure provides Grassland Dairy with the low-cost and long-term funds it

needs to make capital expenditures that support the company's long-term operations and improve production flexibility of the site during cycles of input, commodity, consumer, and trade volatility, all while supporting quality jobs in the community.

## FINANCING PARTNERS

**NMTC Co-Allocatees:** Waveland Community Development LLC, ImpactSeven, Inc.

**Investor:** US Bancorp Community Development Corporation

**Investment Consultant:** Hope Community Capital

*\* Unless otherwise noted, all jobs and impact data contained herein is taken directly from the Transactional Level Reports submitted by CCML to the US Treasury's CDFI Fund. All jobs data is reported by the project Borrower and is not independently verified by CCML.*

## FOR MORE INFORMATION

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## ABOUT CEI CAPITAL MANAGEMENT LLC

CEI Capital Management LLC works nationally to connect new and existing rural manufacturing companies with flexible capital through the federal New Markets Tax Credit and Maine New Markets Capital Investment Tax Credit programs. CEI Capital invests in companies committed to building accessible good jobs that provide living wages, comprehensive benefits and opportunities for training and advancement in alignment with CEI's Good Jobs Framework. Since 2004, CEI Capital Management has placed over \$1.02 billion in 97 different projects across the U.S.

CCML is a wholly owned subsidiary of Coastal Enterprises, Inc. (CEI), a Maine-based nonprofit community development financial institution.

*CCML is an equal opportunity provider.*