

Tompkins County Industrial Development Agency

ADMINISTRATION PROVIDED BY 

Dairy One – Community Benefits Overview 11/21/13

Project Overview

The mission of Dairy One is to create and deliver data and information that will be used to make profit enhancing decisions for members of the agricultural community. Dairy One Cooperative was formed in 1997 as a joint venture between farmer driven cooperatives, Dairylea and Northeast DHIA. Since then, Dairy One has quickly risen to the top of the herd management information industry in the United States. With a customer base exceeding 7,000, and through pioneering information technology efforts and support, Dairy One is in a prime position to lead the herd management information services marketplace.

The company's success is directly attributed to its progressive efforts in herd management information technology and support. They have the ability to tailor their products and services to the overall needs of the dairy industry, as well as ensure that each individual customer's needs are serviced efficiently. They also continue to look at ways they can apply their innovative strategies to promising new markets.

The "project" for which IDA assistance is sought will remodel the existing 30,000 square foot facility located at 730 Warren Road in the Village of Lansing and add a 17,000 square foot building. Half of the new building will house the expansion of Dairy One's existing milk lab services. The remaining half will be leased to Chestnut Labs, a Missouri based company that provides value added food testing, research, and consulting and education services. Chestnut Labs plans to serve a growing customer base in the Northeast, and capitalize on synergies with Dairy One and Cornell University. The facility will be named the "Northeast Dairy and Food Testing Center" and will have resources to meet the testing needs of all parts of the food chain from farm to store shelf.

Following is a summary of the costs and benefits as a result of this project.

Financial Cost/Benefit

	Costs (value of abatement)		Benefits	
Property Taxes	Village	\$3,707	Village	\$3,796
	Town	\$5,432	Town	\$5,563
	County	\$26,537	County	\$27,176
	School	\$80,736	School	\$82,680
		\$116,412		\$119,215
Sales Tax	Local	\$107,560	Local	-
	State	\$107,560	State	-
		\$215,120		-
Mortgage Recording Tax	Local	-	Local	\$15,000
	State	\$5,000	State	-
		\$5,000		\$15,000

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Other Benefits

Job Retention and Creation – The company has 255 employees, 90 of which are in Ithaca. Between Dairy One and Chestnut Labs, the project will create 15 new jobs.

Quality Jobs – Dairy One provides industry competitive salaries and a comprehensive benefit package that is valued at \$2.55 an hour. 90% of employees earn more than \$11 an hour, and 72% earn more than \$12 an hour. The employees earning the lowest salaries (\$10-\$11 an hour) are new, entry-level employees and are at that salary for less than one year while they are being trained. Employee retention and advancement trends clearly indicate a commitment by management to their workforce.

Commitment to Diversity – Women occupy 45% of positions at Dairy One. The company has met with Julia Mattick at the Workforce Investment Board and is developing ways to ensure diversity in retention and hiring.

Business Attraction – Chestnut Labs, a Missouri based company, will open an office here to meet demand, and build on synergies with Dairy One and Cornell University.

Enhanced Services for Farmers – The new Northeast Dairy and Food Testing Center will streamline and enhance services for farmers that enable them to make better decisions about herd management that ultimately drive revenues.

Commitment to Community – Dairy One (through its parent organization DairyLea) has been located in Ithaca for over 50 years.

Need for IDA Assistance – While Dairy One has consistently made investments in new equipment on an annual basis, the scale and scope of this project far exceeds anything they have done in their history. The IDA incentives are critical to making this project financially viable.