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**Empire State Development Announces O-AT-KA Has Completed
Major Expansion of Batavia Milk Cooperative**

*Project adds 24 new jobs and ensures a market for milk produced by more than
400 farms in the region*

Empire State Development (ESD) today announced that O-AT-KA Milk Products Cooperative, Inc., a dairy cooperative based in Batavia, New York, has completed its expanded warehouse and material handling functions at its Batavia site. O-AT-KA is majority owned by Upstate Niagara Cooperative, Inc., which is headquartered in Buffalo, New York and also by Dairy Farmers of America, a cooperative with a strong presence in Central New York. O-AT-KA helps to ensure there is a market for milk produced by more than 400 farms in the Western, Finger Lakes and Central New York regions. The new warehousing facility and equipment room will allow the cooperative to continue to grow its production and create 24 new full time positions within three years, raising total employment to more than 350 positions.

“O-AT-KA is a dairy industry leader,” said Empire State Development President, CEO & Commissioner Howard Zemsky. “With agriculture and food processing identified as top Finger Lakes REDC strategies, O-AT-KA’s project aligns with the council’s goals to optimize business retention and expansion and supports the growth of food processing companies in the region.”

“With the ribbon cutting on the building components of Project Rubicon, O-AT-KA has advanced its ability to serve customers efficiently while also increasing focus on employee safety and product quality, strengthening O-AT-KA’s foundation for future growth” said Michael Patterson, O-AT-KA’s Chief Financial Officer and project manager. “The project came to completion through O-AT-KA’s strong relationships and support with New York State, the Batavia community, key vendors and our dairy farmer owners.”

The economic support and assistance from local and state agencies was a critical factor in undertaking this project. New York State, through Empire State Development, provided a \$400,000 capital grant to O-AT-KA.

By building a 200,000 square foot warehouse and a 35,000 square foot equipment room to O-AT-KA's existing facility, this project brought off-site warehousing back onsite. The company also purchased new material handling equipment and re-purposed existing equipment. The new space allows the company to be more efficient, provides safety for workers, allows for cost savings and helps O-AT-KA with its competitive edge in the market place. The growth of on-site warehousing also allows the company the ability to grow its production of shelf stable dairy-based beverages.

OAT-KA has a goal of increasing its export business by 10 percent over the next several years, which will result in approximately 25 percent of the total production being exported. O-AT-KA has long-term business relationships with many Fortune 500 listed manufacturers, retailers and wholesalers. As the largest manufacturing employer in Batavia, O-AT-KA strives to foster productive, long-term relationships with its employees. The cooperative, which produces dry, condensed and evaporated dairy products, and ready-to-drink shelf stable dairy based beverages was established in 1959 with five employees and has grown to over 350 employees.

"Over the years, we have seen O-AT-KA milk products grow their product lines and offerings to fully maximize their plant and serve several competitive markets with much-needed dairy products," said Paul Battaglia, Board Chair, Genesee County Economic Development Center. "The company has adapted and adjusted to the demands of their industry through the effective and successful leadership of each and every employee which truly exhibits a culture of openness and input that maximizes its ability to be a global leader."

"Congratulations to everyone at O-AT-KA on the completion of this expansion," said State Senator Michael H. Ranzenhofer. "In addition to being an industry leader, O-AT-KA has always prided itself on being an active member of the community and this project only further demonstrates their commitment to their employees and the entire region. I once again would like to commend CEO Bill Schreiber and the entire O-AT-KA team for making this investment in our community."

"I am pleased to see the growth and expansion of an important Western New York agricultural staple such as O-AT-KA," said Assemblyman Steve Hawley. "As a small-business and farm owner for over four decades, I realize the integral part O-AT-KA plays in New York's dairy industry and Western New York's economy. Having grown up in Batavia, I have seen the company grow from just a few employees to over 300 people – truly epitomizing the American dream of entrepreneurship. As lawmakers we must continue to protect small businesses such as these and take measures to grow New York's economy."

About O-AT-KA

Headquartered in Batavia, NY, O-AT-KA's name was taken from the Seneca Native Americans, and means leaving the highlands or approaching an opening. The "highlands" refers to Wyoming County, New York and the "opening" refers to the Genesee River flowing into Lake Ontario. The cooperative opened in 1959 with only five

employees and has since grown to provide employment to over 300 people in the facility; contributing to growth in the local economy. O-AT-KA's 'customer centric' approach to business, continuous investment in capital equipment, and responsive R&D expertise has earned them an excellent reputation among major Fortune 500 companies. The promise of quality combined with our versatility will certainly make us the best choice for your dairy based production needs. O-AT-KA is proud to be owned by two highly respected dairy cooperatives; Upstate Niagara Cooperative, Inc. and Dairy Farmers of America. For more information, visit www.oatkamilk.com

About Empire State Development

Empire State Development is New York's chief economic development agency. The mission of ESD is to promote a vigorous and growing economy, encourage the creation of new job and economic opportunities, increase revenues to the State and its municipalities, and achieve stable and diversified local economies. Through the use of loans, grants, tax credits, and other forms of financial assistance, ESD strives to enhance private business investment and growth to spur job creation and support prosperous communities across New York State. ESD is also the primary administrative agency overseeing Governor Cuomo's Regional Economic Development Councils and the marketing of "I Love NY," the State's iconic tourism brand. For more information on Regional Councils and Empire State Development, visit <http://www.regionalcouncils.ny.gov> and www.esd.ny.gov.

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