

<p>New York State Environmental Investment Program <i>Capital Project Summary</i> Upstate Farms Cooperative, Inc.</p>

Project Background

Upstate Farms Cooperative, Inc. is a food and beverage cooperative owned by Western New York dairy farmers. Upstate has been making high-quality dairy products since 1965. The cooperative makes and sells a variety of products, including milk, “chip-dip” ice cream mix, yogurt and flavored-milk based beverages under the Upstate Farms[®], Bison[®], and Intense[™] brands.

In 1983, Upstate acquired the Bison Foods plant in Buffalo. The former Bison plant served as Upstate’s cultured products manufacturing facility until it could no longer meet the cooperative’s capacity needs. Expansion at the Bison location was not feasible due to a variety of factors, so instead Upstate determined to build a new, state-of-the-art manufacturing facility in West Seneca, NY, just south of Buffalo.

Already facing regular wastewater discharge surcharges at the Bison site and knowing that expansion would only worsen the problem, Upstate saw the move as an opportunity to install equipment that would reduce the waste generated and wastewater discharged by the new facility. Taking this action would reduce costs, and improve competitiveness by improving yields.

Project Description

As part of its expansion, Upstate had identified several existing vessels (various tanks and vats) used to manufacture cultured products (chip-dips, yogurt, etc.) that created significant levels of waste. Product residuals tended to stick to the inside of the older vessels, which would then be washed down the drain between batches. For this project, new tanks and vats were custom designed for Upstate’s operation that would not leave residual product behind to be wasted. Instead, that product could be processed and sold.

Although capacity at the new facility was doubled, due to this fundamental design change within its process tanks and piping designs Upstate would be able to reduce the wastewater it discharged to the municipal treatment plant

Project Results

This investment yielded savings that exceeded Upstate’s expectations. Raw materials, which had been wasted at the old plant, are now conserved at the new plant and used to make saleable product. By not wasting this material, the company is able to sell an additional 600 tons of product per year, and is keeping the same volume out of the wastewater treatment system. Sales revenues have increased by more than a million dollars annually while treatment costs actually decreased.

Contractor:	Erie County IDA	NYS EIP Investment:	\$500,000
County:	Erie	Contractor Match:	\$2,169,593
ESD Region:	Western Region	Total:	\$2,669,593
ESD Contact:	518/292-5340	Completion Date:	February, 2007