

Empire State Development News

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ESD ANNOUNCES FRIENDSHIP DAIRIES TO EXPAND IN UPSTATE NEW YORK

Producer of "All Natural" Dairy Products Pledges to Retain and Add New Jobs

Empire State Development today announced that Friendship Dairies LLC, a manufacturer of cultured dairy products, will expand and renovate its existing facilities in Friendship, New York to accommodate a 35 percent increase in production. The expansion project will help retain 218 jobs and pledge an additional 40 jobs in Upstate New York.

A leading producer of "All Natural" cultured and pasteurized dairy products, Friendship Dairies was privately owned for 80 years before being acquired by Dean Foods Company in March 2007. The planned expansion at Friendship is part of Dean Foods' overall strategy to drive efficiencies throughout its business.

"New York is a leader in the dairy industry, ranking third in the nation for amount of milk produced," said Governor David A. Paterson. "This highly-competitive business is a cornerstone of Upstate New York's economy, with New York dairy farms contributing more than \$1.9 billion each year to the state. We have made a commitment to Friendship Dairies and in turn the company is making a commitment to the community with its expansion and continued success."

"Since its founder first crafted an old-world style cheese called Farmers Cheese over 90 years ago, Friendship Dairies has been an integral facet of Upstate New York's agricultural industry," said ESD Upstate President Dennis Mullen. "I'm pleased that the state supports industries, such as this, that revere excellence and quality of product. Friendship's commitment of capital and employment, coupled with ESD's financial contribution, will be a significant factor in strengthening the local economy."

Greg Knapp, General Manager of Operations for Friendship Dairies, said: "This is an exciting time for Friendship as our business grows and additional jobs are created in the region. The support of Empire State Development is a seal of approval for our ongoing hard work in upstate New York. ESD's affirmation of our efforts will help Friendship continue to provide the best dairy products to our customers."

The expansion project, which includes the addition of 27,000 square feet, renovation of 7,000 square feet and investments of more than \$3 million in machinery and equipment, will allow Friendship to extend the operation to two full shifts, five days a week. Empire State Development provided a \$200,000 capital grant toward the company's investment.

Friendship Dairy processes up to a million pounds of Grade "A" milk each workday at its manufacturing facility in Friendship. The milk is delivered fresh and used within hours of its arrival to make a wide variety of all natural dairy products including cottage cheese, sour cream, farmer's cheese, buttermilk and select yogurt products.

In addition to being a major employer in the area, Friendship purchases \$36 million worth of milk annually from approximately 150 dairies within a 60 mile radius surrounding the plant. The increase in volume resulting from the expansion will add an additional 130 million pounds per year to the plant's milk

intake from surrounding dairy farms. The plant also purchases more than half of its packaging and corrugated materials requirements from facilities within New York State and utilizes trucks from private over-the-road carriers, based primarily in-state, to deliver its products throughout the East Coast.

Senator Catharine M. Young said: "New York's dairy industry is one of the driving forces behind the state's economy. If we are to succeed in revitalizing Western New York, we must promote a strong dairy sector. These new jobs will boost the region's well-being. Friendship Dairy's expansion will strengthen family farms and their profitability while preserving Allegany's agricultural legacy."

Assemblyman Joseph Giglio said: "I am excited that Friendship Dairies is receiving funds to assist them in expanding their operation in Allegany County. It is important that we work to retain and support our industry that has contributed to the improvement of our local economy. I'm hopeful that the funding from Empire State Development will be helpful to Friendship Dairies. It's a great opportunity for the Friendship community and all of Allegany County."

Dean Foods Company is the largest processor and distributor of milk and other dairy products in the United States. The company sells milk and a full range of other dairy products under more than 50 well-known local and regional brands and a wide array of private labels. The company's WhiteWave-Morningstar division produces a variety of nationally branded dairy and dairy-related products, such as Horizon Organic® dairy products, Silk® soymilk and International Delight® coffee creamers. The division's Rachel's Organic® brand is the largest organic milk brand and second largest organic yogurt brand in the United Kingdom.

Empire State Development is New York's chief economic development agency, encompassing business, workforce and community development. ESD also oversees the marketing of "I LOVE NY," the State's iconic tourism brand. For more information, visit www.nylovesbiz.com.

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