

Wisconsin Economic Development Corporation: Awards \$750,000 grant for new beverage innovation center of excellence

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MADISON, WI. - The Wisconsin Economic Development Corporation (WEDC) has awarded a \$750,000 grant to the Center for Dairy Research (CDR) to establish the Beverage Innovation Center, a new center of excellence that will provide resources to small businesses to test and develop new beverage products.

“This grant will allow us to purchase specialized equipment as well as provide technical assistance to dairy producers and entrepreneurs in Wisconsin,” said CDR Director John Lucey. “When the Beverage Innovation Center is up and running, there will be no other facility quite like it in the United States.”

The Beverage Innovation Center will be a modular pilot plant with an aseptic processing and bottling system for small businesses to produce small batch amounts of packaged beverages that can be used as prototypes in testing and optimizing formulas. The pilot plant will provide entrepreneurs access to CDR expertise, licensed space and equipment. With this access, clients will be able to test and fine tune the scalability of their prototypes in a production environment.

One of the advantages of the center is that it will provide entrepreneurs with the

opportunity to run small-scale trials. Most aseptic processing and bottling systems run large-scale quantities, which are cost prohibitive for most entrepreneurs.

The project also includes the creation of the Client Development and Growth Program for qualified clients of the Technology, University, Research, Business, Opportunities (TURBO) program. This program will provide access to consultants for technical advice in identifying new markets, ensuring regulatory compliance, evaluating production costs and return on investment, packaging design and grant-writing assistance. Consulting services will be specifically targeted to Wisconsin companies that have fewer than 50 employees and are located in rural areas.

The Beverage Innovation Center is WEDC's latest partnership with TURBO, which is housed and operated within CDR. The TURBO program provides companies with access to several product development and business planning resources, including regulatory and financing assistance, economic development financing programs and workforce development information. Between 2013 and 2016, WEDC and TURBO awarded \$200,000 in equipment reimbursement grants to 11 small Wisconsin dairy manufacturers that resulted in more than \$2 million in public and private investment. In 2018, WEDC approved a second round of equipment reimbursement grants totaling \$200,000, which TURBO is currently awarding.

WEDC's investment in the CDR is part of the organization's long-term strategy of advancing targeted, high-growth business clusters to develop high-quality jobs and significant job growth in Wisconsin. WEDC-supported centers of excellence—including the Global Water Center and the Energy Innovation Center—serve as cluster "anchors" around which academic R&D, corporate R&D and commercialization, external investment and company attraction connections are made.

"The Beverage Innovation Center will serve as an important resource to entrepreneurs and small businesses throughout Wisconsin," said Vincent Rice, WEDC vice president of sector strategy development. "At a time when Wisconsin is experiencing a milk surplus, this center of excellence will provide dairy farmers with new avenues to pursue innovation in the beverage industry."

This center of excellence is also being supported by a \$250,000 grant from Dairy Farmers of Wisconsin.

"CDR is the crown jewel of Wisconsin dairy, and we are proud to support its

initiative to innovate dairy beverages,” said Chad Vincent, CEO of Dairy Farmers of Wisconsin. “The center’s proven innovation and execution excellence are unparalleled, and this partnership between the Wisconsin Economic Development Corporation, the University of Wisconsin and the Dairy Farmers of Wisconsin will be vital to industry growth in our state.”

Founded in 1986, the Center for Dairy Research is located within a licensed, operating dairy plant on the UW-Madison campus and is one of the premier dairy research centers in the U.S. Building on Wisconsin’s tradition as the “Dairy State,” CDR supports the foremost scientific expertise in dairy research, technical support and education, with more than 30 researchers and scientists involved in conducting basic and applied research.

To learn more about the Center for Dairy Research, please visit www.cdr.wisc.edu.