CHEESE MARKET NEWS®

4 CHEESE MARKET NEWS® — October 21, 2011

GUEST COLUMNIST



CMN Exclusive!



Perspective: Industry Innovation

Kevin Ponticelli is chair of the Dairy Research Institute and senior executive vice president of Dairy Management Inc. and the Innovation Center for U.S. Dairy. He contributes this column exclusively for Cheese Market News®.

New research facility builds upon farmer commitment to dairy growth

Global demand for dairy ingredients is strong, and dairy farmers remain committed to investing in the research necessary to drive dairy product and ingredient innovation — this creates a solid foundation for future dairy growth and sales. The grand opening of a new dairy research facility in South Dakota enhances the opportunity for innovation that will benefit the entire dairy industry in developing the next generation of dairy ingredients.

Unvoiled in Brookings, the Institute for Dairy Ingredient Processing, a component of the new Davis Dairy Plant at South Dakota State University, provides dairy ingredient manufacturers another resource to develop and commercialize new dairy-based ingredients. Work done at the Institute for Dairy Ingredient Processing and other centers in the National Dairy Foods Research Center program provides industry the science and technology it needs to drive innovation and demand, which is the overall mission of the Dairy Research Institute. Many supporters made the Institute for Dairy Ingredient Processing a reality — dairy farmers, dairy processors, dairy suppliers, the state of South Dakota, and South Dakota State University, its alumni and friends.

An important feature of the new research facility is the semi-commercial scale pilot equipment, the only resource of its kind, developed to help dairy companies commercialize manufacturing processes that help expand the portfolio of dairy-based ingredients produced for both domestic and international markets. Now, manufacturers can evaluate the commercial feasibility of full-scale production for a new dairy ingredient — without the disruption and cost of shutting down a production line. That's building a foundation for more dairy innovation.

It's an exciting time for research in our industry. As part of the Midwest Dairy Foods Research Center, the Institute for Dairy Ingredient Processing at South Dakota State University is one example of farmers' investment in research to advance dairy research and development capabilities ... and there are more. The center includes researchers and facilities at the University of Minnesota, Iowa State University and South Dakota State University and offers expertise in cheese, whey, milk and dairy ingredient processing and safety, and flavor and nutrition of dairy products.

This commitment to research is demonstrated across the country as well. In fact, the opening of the Institute for Dairy Ingredient Processing comes on the heels of our recent announcement of the addition of the Northeast Dairy Foods Research Center at Cornell University — as the Dairy Research Institute continues to leverage expertise and additional resources in the name of sound nutrition, product and sustainability research. In addition to the Northeast

Dairy Foods Research Center and the Midwest Dairy Foods Research Center, there are four other research centers located across the United States that make up the National Dairy Foods Research Center Network. Additional centers include the California Dairy Research Center, the Southeast Dairy Foods Research Center in North Carolina, the Western Dairy Center in Utah and the Wisconsin Center for Dairy Research.

The Institute for Dairy Ingredient Processing at South Dakota State University and the Northeast Dairy Foods Research Center at Cornell University provide opportunities for industry to leverage dairy research and development resources to meet the growing demand for dairy ingredients. Cornell University is recognized as a leader in milk powders, fluid milk, filtration and food safety. The new Institute for Dairy Ingredient Processing research facility will build upon that foundation by providing access to capabilities including state-of-the-art filtration, evaporation and drying equipment to develop valueadded milk powders for use in food and beverage formulations.

The collective resources available through the National Dairy Foods Research Center Network are helping to drive innovation across the industry and accelerate the momentum of U.S. dairy and dairy ingredient sales. Vikki Nicholson, vice president of the global ingredients program at the U.S. Dairy Export Council, has stated that the steady increase in demand for dairy

Turn to PONTICELLI, page 8 ⇒

PONTICELLI

Continued from page 4

ingredients as a whole, the new South Dakota facility, as well as the other dairy foods research centers across the country, will help drive the pace of category innovation and support market share growth of U.S. dairy products and ingredients.

The National Dairy Foods Research Center network will celebrate its 25th anniversary in 2012 with many impressive accomplishments, from taking a low-value byproduct like whey and turning it to a high-value ingredient in many food and beverages products such as beverages, bars and infant formulas, to providing the technology and training that spurred the growth in cheese, ranging from the familiar Mozzarella and Cheddar to the explosive growth in artisan and specialty cheeses. Yet, thanks to the strong foundation we are building today, the next 25 years could be even more exciting for dairy innovation.

For more information on the National Dairy Foods Research Center Program and its facilities, visit www.USDairy.com/National-DairyFoodsResearchCenters. CMN

The views expressed by CMN's guest columnists are their own opinions and do not necessarily reflect those of Cheese Market News®.