



# Star of the West Milling Co.

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## HOUSE AGRICULTURE COMMITTEE

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- ★ Thank you for the opportunity to tell you a little bit about STAR OF THE WEST MILLING COMPANY
- ★ We starting milling wheat into flour in Frankenmuth in 1870
- ★ Today we have operations in 5 states including 5 flour mills in 4 states and 10 country elevators scattered throughout the Thumb of Michigan.
- ★ We're are in the:
  - flour milling business
  - edible bean business
  - the plant food business
  - the corn and soybean business
  - the seed business
  - the trucking business
  - and a few other things
- ★ Our 209 employees average 49 years of age and average nearly 20 years of service with us
- ★ We are completely focused on adding value to everything we do and to everyone we work with
- ★ The backbone of our business continues to be flour milling
- ★ We have mills in
  - Frankenmuth, Michigan in Saginaw County
  - Quincy, Michigan in Branch County
  - Churchville, New York
  - Kent, Ohio and
  - Ligonier, Indiana
- ★ We continue to invest in each of these facilities
- ★ We finished a 1.5 million dollar project expanding our New York mill last year and are currently in the middle of a \$5.7 million dollar expansion project at our mill in Frankenmuth
- ★ Our mills are still running at capacity so we'll have more capital projects each year
- ★ We grind a large percent of the soft white winter white wheat grown in Michigan for our customers throughout the country
- ★ Our Frankenmuth mill has a special relationship with Michigan's cereal industry supplying them with the flour, bran and whole wheat products they need for their customers
- ★ Soft White Winter Wheat that only grows well in a few regions of the U.S. has certainly evolved into a true specialty crop. That has been intentional and has included the support of great customers such as Kellogg's, General Mills, Ralston, Sara Lee and others
- ★ As management practices have intensified at the farm so have the premiums paid for milling quality white wheat
- ★ We have been very intentional about getting Michigan's soft white wheat growers a price reflective of the extra effort and costs associated with producing this specialty crop while at the

same time working hard to help keep our wheat and flour customers competitive on the grocery shelf

- ★ Michigan produces 20 to 30 million bushels of soft white winter wheat annually. Over the past ten years the premium paid for milling quality soft white wheat might average about \$1.00 per bushel so you can see the significant dollars this has pumped into our economy
- ★ We're also heavily involved in the Plant Food business. I believe we were the 46th largest plant food dealer in the U.S. in 2009
- ★ In addition to supplying our growers with their basic Nitrogen, Phosphorus and Potassium and weed control needs we jumped head first into the site specific business in 1997
- ★ Our efforts to keep our growers competitive while being the best possible stewards of our natural resources have allowed us to grow to be the 9<sup>th</sup> largest site specific dealer (GPS) in the U.S.
- ★ We've invested millions in the people, software, grid sampling and the application equipment needed to grow this area of our business while at the same time helping our growers maximize their potential and meeting our goals in the area of land stewardship
- ★ We have GPS sampled in excess of 160,000 acres to date which is the first step in site specific agronomy.
- ★ We can substantiate a 5 to 28 percent yield increase with this management tool
- ★ A few years ago we got involved in the food grade soybean business – again trying to add value to every acre of production with a premium for food grade
- ★ Food grade soybeans (which are not genetically modified ) are grown under contract mainly for tofu manufacturers in Japan
- ★ We receive, store, process and ship these special soybean varieties at our facility near Fairgrove, Michigan
- ★ Our experience processing edible beans has certainly been an asset as we've grown this area of our business
- ★ Growers receive premiums of \$0.50 to \$2.50 per bushel depending on the variety they produce
- ★ So, on a fifty bushel yielding crop that means anywhere from \$25 dollars per acre to \$125 dollars per acre depending on the variety grown

Thank you for letting me share a little bit about Star Of The West Milling Company with you this afternoon!