



Executive Brief

Volume 6 Issue 1
Year 2007



Southern
Region

Leadership

Existing
Industry

Downtown

Quality
of Life

Education

Infrastructure

Labor

Land

Buildings

Summer Issue

Not Just The Big Guys

Exporting in Georgia

“One of the biggest misconceptions among business owners is that exporting is just for the big guys,” explains Kathe Falls, Director of International Trade at the Georgia Department of Economic Development (GDEcD).

Small companies in Georgia are finding it profitable to broaden their horizons. Take Holt’s Nut Wizard in Douglas. As a seven-person operation, Holt’s Nut Wizard did not have the personnel resources to spend time researching information on the details of negotiating a deal with a company in Malaysia. Holt’s experience had been confined to exporting individual orders to customers in various countries shipping through the U.S. Post Office.

The Douglas-Coffee County Chamber contacted the GDEcD to assist. The staff counseled Holt’s Nut Wizard on patent

and trademark registration, freight forwarding, reducing shipping costs and use of attorneys.

The business relationship with the Malaysian company is successful and Nut Wizard is exploring the expansion of its operations to accommodate the new demand for its product.

The growing desire to export is due in part to the fact that it is easier and more cost efficient, thanks to the Internet and Georgia’s advantageous sea and air links. Trade pacts and business-friendly overhauls by many governments have reduced tariffs and other barriers to trade. Recent weaknesses in the dollar against the euro and other currencies has U. S. goods more affordable abroad.

Top Five Georgia Trading Partners
(imports and exports)

| country | exports |
|----------------|---------------|
| China | \$2.9 billion |
| Japan | \$2.3 billion |
| Germany | \$2.2 billion |
| South Korea | \$1.3 billion |
| United Kingdom | \$2 million |

“There are numerous reasons for a company to consider exporting,” explains Falls.

“Financial performance can be steadier. An economic downturn in one market may be balanced by another market. Also you may breathe new life into a mature product life cycle in untapped markets.”

While international trade is intimidating to a lot of small businesses, 96 percent of the world’s consumers who command two-thirds of its purchasing power are located outside the U.S. That can be a strong inducement.

Georgia has become home to the country’s 10th most important gateway for international trade when ranked by the value of trade handled. Combined imports and exports reached nearly \$82.5 billion in 2006. The Savannah Customs District has played its hand well, carving out a niche as the new East Coast gateway for Asia.

So how does a Georgia company know if its product is “exportable?”

“We can help it assess that. A recent manufacturer wanted to market its house shoes overseas. After exploration, the cost points just didn’t work. But you might be surprised at some unlikely exports. Companies have exported sand to Saudi Arabia and salsa to Mexico,” reports Falls.

In Fiscal Year 2006, export assistance from GDEcD generated 116 export successes by small Georgia businesses.

Companies that export average 13% higher wages than those who don't.

\$1,000,000 To Local E.D. Efforts

Leading economists agree that while government can help foster favorable economic growth, it is up to the community as a whole to achieve and sustain a competitive advantage. That advantage usually takes the shape of private/public partnerships. Coffee County entrepreneur, Francis Lott, raised the bar for philanthropy with a \$1,000,000 donation earmarked for economic development in Coffee County.

According to Bob Porter, chairman of the Coffee County Community Foundation, “We are honored that Francis chose to make this unique gift to the Community Foundation. This fund will award grants to charitable or governmental organizations for the purpose of bringing new jobs to our area through industries.”

Another Private Sector Contribution

In Sylvania, the Timken Foundation, a private foundation of the same family associated with the Timken Company, has made grants to various city entities, including a most recent \$100,000 contribution to the school system for technology upgrades. The foundation makes it a practice to donate to communities in which it has plants.

More Yellow In Fort Valley

“When our citizens look around and find a sea of yellow buses, all is right with the world,” asserts Charles Sims, Executive Director of the Development Authority of Peach County. And the Fort Valley vistas are looking more yellow than ever.

The Blue Bird Corporation announced this spring that all its bus operations would be in Georgia and that it was bringing its Micro Bird line to the Fort Valley facility. The Micro Bird is a small 20-passenger bus that had been produced in Ontario Canada.

Mike McCurdy, Director of Human Resources, for the 80-year-old company, says “It is a real positive that the company has a lot of faith in the Fort Valley operations.”

As well as bringing a new line, Blue Bird is expanding its popular Vision line of buses. The line features a sloping hood that allows the driver to see children crossing in front of the bus.

In the course of expanding its bus business, Blue Bird opted to sell its recreational vehicle line, the Wanderlodge, a high-end motor coach. It was sold to Complete Coach Works who will modernize the 32-acre Fort Valley plant.

Blue Bird was founded in Fort Valley by the Luce Family and the existing plant employs 1,300 people.

Counties With Companies Involved in International Trade (shown in green)



Xella International, a leader in the European construction materials market, located its first U.S. plant in Adel, creating 100 new jobs and a \$20 million investment. Xella markets autoclaved aerated concrete under the Hebel name. Its North American headquarters is in Atlanta.

Supplying The World

Until February 2007, the small town of Sylvester supplied the world its Peter Pan Peanut Butter. For six months a salmonella contamination forced a plant closure, but Peter Pan is back.

“Consumer and retailer demand for Peter Pan has been very strong,” said David Palfenier, President, Grocery, ConAgra Foods.

According to continuous consumer tracking data conducted by ConAgra Foods, nearly 80 percent of consumers who previously purchased Peter Pan Peanut Butter plan to purchase the brand again and retailers - many of whom have held shelf space open specifically for Peter Pan’s return - are committed to carrying the brand.

ConAgra has done due diligence to earn this customer loyalty. Measures to ensure food safety include state of the art renovations with a new roaster and levels of sterilization unique to the peanut butter industry. The new layout of the plant also puts raw ingredients further away from finished product.



“We have taken measures to correct the probable cause for contamination and addressed every possible cause,” explains the ConAgra Foods spokesperson.

“The company and the community of Sylvester are very loyal,” says Mayor Bill Yearta.

“This plant is a point of pride for our citizens and to ConAgra’s credit none of the 130 employees have been furloughed during this plant renovation time.”

Peter Pan Peanut Butter was first produced in 1928 and joined ConAgra Foods in 1990. Prior to the recall, Peter Pan sales were \$150 million annually.

WORKFORCE DOWNTOWN

Employers Must Respond to 50+ Age Workers



ABAC On The Square in Moultrie

The town and gown economy is flourishing in downtown Moultrie. Abraham Baldwin Agricultural College (ABAC) has outgrown its facilities on the square but is moving across the street in the former Friedlander retail space. The space that served 400 students will be replaced with a facility to serve 1200. A federal intermodal grant will assist with downtown parking to accommodate the larger student body.

“The downtown location is great for the local merchants, but the economic impact is felt throughout the region. Plus, workforce development is such a critical effort for successful economic development,” explains Darrell Moore, President of the Moultrie-Colquitt County EDC.

What is a college worth for a hosting community? Dr. Jeffrey Humphreys, Director of the Selig Center for Economic Growth, estimates the short-term impact of a college by the total output impact, the equivalent of business revenue. On average, every dollar of initial spending generates 50 cents for the region’s economy. As for employment impact, for each campus job, 1.4 off-campus jobs exists because of spending related to the institution.

The new ABAC facility faces the town square and its famous landmark, the Colquitt County Courthouse.



Manufacturing Innovation

“This is a very sophisticated piece of technology,” explains Timken Plant Manager John Kain.

“This is a Cadillac of presses.”

A product line relocation to Sylvania from a South Carolina plant sparked the plant retrofit in the manufacture of bearings for the automotive industry.

“This expansion is a credit to the Sylvania plant - its 33 years of existence and our employees’ acceptance of change.”

Kain expects the new equipment and new personnel to be in place by the end of the year.

Timken invests nearly \$77.5 million in research and product development operations annually, operates in 26 countries and has four plants in Georgia. Its Cairo plant is also expanding.



Photo courtesy of Sylvania Telephone News

A state of the art press weighing 125 tons and standing 25 feet tall, arrives at the Sylvania's Timken plant on a 20-axle, 200-foot truck. The press is part of a \$15 million expansion at the bearing manufacturer. The Timken Company is the world's largest manufacturer of tapered roller bearings.

Take Her, She is Mine

Unlike Jimmy Stewart in the 1963 film of an overprotective father, Thomasville bid farewell to long time corporate citizen PFG Powell to neighboring community Cairo. But they will quickly tell you they didn't lose.

“We are delighted this industry is staying within 25 miles of us,” explains Don Sims, Executive Director of Thomasville-Thomas County Chamber of Chamber.

W. J. Powell Company began distributing produce in Thomasville in 1932 and in recent years Performance Food Group purchased the plant and retained the Powell moniker to honor the local tradition. Now as PFG Powell needs to expand, there just isn't the 25 contiguous acres in Thomasville that matched their needs. Alabama was the out-of-state alternative.

“We anticipate our associates will make the commute and of course some of our employees live in Grady County already. We believe we will retain 100 percent of the workforce,” says Plant Manager Buddy Parrish.

“PFG Powell wanted 25 acres to accommodate its distribution facility, parking and truck access, as well as future expansions. It will have three acres under roof,” says Rick McGaskill, Executive Director of Grady County Joint Development Authority.

“South Georgia is a good location for PFG. It is centrally located to its customer base. Approximately 6,500 products including fresh and frozen food, cleaning supplies and disposable products will be delivered to markets in Georgia, Florida and Alabama.”

“We know the PFG workforce will still spend money and contribute to the economy in Thomasville,” Sims says. In fact, he might conclude - “PFG, she is still ours.”

PFG Powell in Cairo will be operational by the end of the year.

Cairo Was Ready

The community knew it needed large sites for future development. Just months prior to the PFG project, they purchased a 200-acre farm to develop. When the opportunity presented itself, Grady County was prepared.



Special Focus

Exporting

The Adel-Cook Chamber of Commerce introduced Peripheral Mower, a manufacturer of agricultural equipment in Lenox, to the resources of GDEcD and its federal and state agency partners known collectively as the U.S. Export Assistance Center.

The company attended a Basics of Exporting workshop. GDEcD staff also recommended the company exhibit at the International Poultry Show which revealed a buyer from Venezuela. The first deal garnered a sale of almost \$10,000. Since that time, Peripheral Mowers negotiated an exclusive distributorship in Venezuela.

The export assistance experts offered advice on international distributor agreements, and export financing.

Sales have subsequently grown and the company has added two employees.

National Recognition

This spring, the Georgia Department of Economic Development (GDEcD) received the Presidential E-Star Award for excellence in exporting. President George W. Bush presented the award in the Oval Office of the White House to GDEcD International Trade Division Director Kathe Falls and Assistant Director Rick Martin.

GDEcD is one of only three entities nationwide to receive the E Star award this year, and the only public agency.

Buildings and Parks



View available Georgia buildings at www.locationgeorgia.com. For more information call Oleta Herron at 800-946-4642.

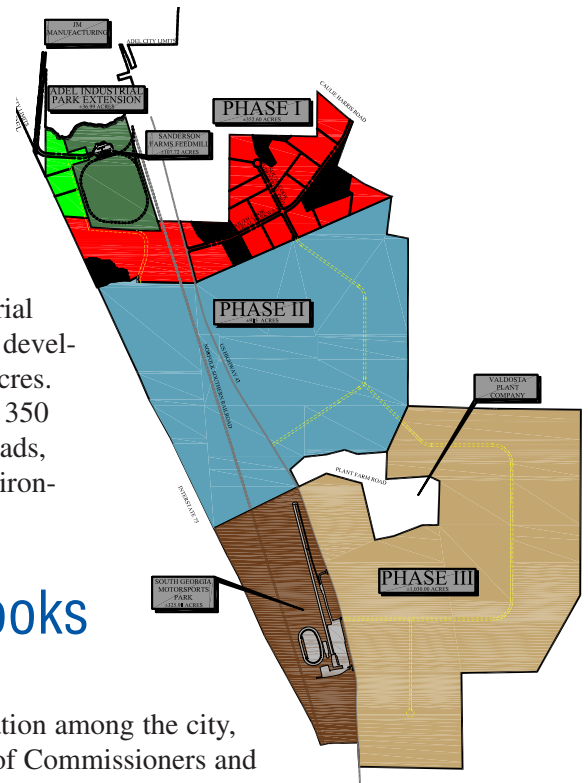


B.F. Goodrich Building - Thomaston, Upson County



Thomaston, Upson County speculative building

- **Thomaston** -In the summer of 1925 a group of B.F. Goodrich officials chartered a Pullman car from Akron, Ohio scouting a place to locate a tire cord mill. The B. F. Goodrich Building of metal and masonry was built in 1926. The facility has 1,148,800 sq. ft. and ceiling heights of 18/30 ft. It was renovated in 1979. It is on 36.55 acres. It has five truck doors.
- **Speculative building** -This masonry building is in the Central Georgia Business and Technology Park with 78,300 sq. ft. and ceiling heights of 25 ft. It includes 13 acres and was built in 2004.



Adel

The South Cook Industrial Corridor is a three phase development covering 3,000 acres. Phase one encompassing 350 acres is complete with roads, utilities, and Phase 1 environmental requirements.

Quitman/Brooks County

“The spirit of cooperation among the city, Brooks County Board of Commissioners and the Development Authority is making economic development work in our rural community,” explains Tina Herring, the new Executive Director of the Development Authority. The city and county purchased 250 acres to create the Brooks County Industrial Park. Much of the preparation work has been completed including Phase 1 environmental, wetland delineations, and preliminary engineering. Local investors are exploring construction of a speculative building.

The Pay Off

A 100,000 square-foot speculative building in Douglas-Coffee County turned into gold when Premium Waters, Inc announced the building would be its first Georgia facility. The company is expanding the facility to 200,000 square feet, creating 100 jobs over three years and investing \$30,000,000.

Premium Waters is a private label water supplier for Wal-Mart, Kmart and others. This is one of eight facilities, and will ship product in January 2008.

Agri-Products, Inc., headquartered in Tallahassee Florida, plans to be operational in the Colony City Industrial Park in Fitzgerald in the first quarter of 2008. Two buildings are under construction, one is 50,000 sq. feet and the second is 10,000 sq. feet. They market under the name suncoast bedding, a bedding product made from wood pulp for horses and other animals. The company exports most of its product to Europe.

Make A Note

- In Georgia in 2005, business owners by gender were: 55.8% male, 29.3% women and 14.9% businesses were equally owned.
- In 2007, Georgia ranks 3rd in the U.S. for highest rate of entrepreneurial activity.
- According to the small business administration, in 2006:
In a 10-year study, 23% of technical college graduates start their own business – 78% were still in business 10 years later.
There were an estimated 29,547 new Georgia employer businesses in 2004, 22 percent more than the previous year – higher than the U.S. rate of 4.9 percent.

MEAG Power is a public generation and transmission corporation providing wholesale electricity to Georgia's public power utilities. MEAG Power is Georgia's third largest power supplier

Contacts

| | |
|---|---------------------------------------|
| Walter West Director of Marketing | 770.563.1250 wwest@meagpower.org |
| Daryl Ingram Managing Director of Economic Development | 770.563.0321 dingram@meagpower.org |
| Michelle Cooper Economic Development Project Manager | 770.563.0435 mcooper@meagpower.org |
| Don Yates Sr. Economic Development Project Manager | 770.563.0319 dyates@meagpower.org |
| Sharyn Finney Market Research Analyst | 770.661.2806 sfinney@meagpower.org |
| Oleta Herron Sr. Administrative Assistant | 770.563.0003 oherron@meagpower.org |

Location Georgia offers statewide economic development services to expanding businesses. We also provide communities economic development support in aerial photography, advertising support, strategic planning facilitation and various other services through strategic alliances.



MEAG Power
Economic Development
75 Fifth Street NW
Suite 850
Atlanta, Georgia 30308

For an electronic copy of
this newsletter contact
oherron@meagpower.org

Newsletter designed by
Underwood & Co.
Debra Underwood
229.221.9335