

Leprino studies future of dairy

The firm wants to be sure local farms supply the milk it needs for a Greeley plant.

(Denver Post, CO)

By Steve Raabe

Cheese giant Leprino Foods is analyzing Colorado's distressed dairy industry before deciding to proceed on a proposed new mozzarella plant in Greeley.

In a related issue, Denver-based Leprino is dealing with the disposal of a 20-acre, 15-to-25-foot-high pile of waste lime that sits on a 94-acre site pegged for part of the plant's operations.

Though the company is optimistic that the \$140 million facility will break ground soon, that won't happen until the dairy evaluation is complete, Leprino senior vice president Mike Reidy said Monday.

A steep slide in milk prices and the failure of Greeley-based farm lender New Frontier Bank have left the dairy industry in turmoil.

Analysts say northern Colorado milk production is likely to suffer in coming months as dairy farmers liquidate herds to beat back the economic slump.

"One of the most important factors in situating a cheese plant is the quantity and quality of the local milk supply," Reidy said.

Long-term prospects for the dairy industry are good, but there could be shorter-term production glitches as the sector contracts, said Bill Wailes, head of the animal-sciences department at Colorado State University.

"There will be a shake-up with some of these dairies," he said. "But a lot of them are sound operations, and if they depopulate herds, they eventually will repopulate them."

The plant's first phase could open by 2011 with about 260 jobs. It would employ a total of 400 to 500 workers when subsequent phases are completed, Reidy said.

Meanwhile, the waste-lime-disposal issue apparently has a solution in sight, Greeley officials said.

About 650,000 cubic yards of lime — enough to fill the Pepsi Center to the rafters three times — has accumulated on the site over the past century as a byproduct of Great Western Sugar's former sugar-beet processing facility.

Leprino has an agreement to mix the lime with dirt from adjacent land, making it suitable as a base layer for development of the site, said Becky Safarik, community-development director for Greeley.