

**“Presently, Yankton’s exports are 20 percent of our sales, mainly to Finland and Japan. Corporate-wide, we export around 20 percent of total sales, also.”**

**TONY CAREY (L&M Radiator)**

# A World View

## Yankton Companies Enjoy A Global Reach

**BY NATHAN JOHNSON**  
nathan.johnson@yankton.net

While it’s easy to think of Yankton as a remote outpost on the Great Plains, its not as isolated as its geography might suggest.

In fact, manufacturers here have a global reach.

Access to markets outside of the United States can make them more competitive and help keep sales afloat when this country’s economy sputters.

One example of a local manufacturer that depends on the global market is Kolberg-Pioneer, Inc. (KPI), which is a member of Astec Industries. KPI builds equipment for the aggregate, construction, paving and recycling industries.

“International business is extremely important to KPI and all of Astec Industries,” said Joe Vig, president of KPI. “In Astec’s long-range plan, their goal is to ship 50 percent of our equipment overseas (which includes Mexico and Canada). At Kolberg-Pioneer, the percentage varies year to year. The high water mark was possibly three or four years ago, at about 30 percent, which included Canada. In the global environment of business today, we feel there is no way to appreciably grow the company unless we deal with international business.”

Astec Industries has shipped equipment to more than 140 countries, according to Vig, and KPI has shipped to a good portion of those countries.

“Presently, our biggest international market is Latin America,” he said.

Brazil, Chile, Colombia, Venezuela, Mexico and Panama — approximately in that order — record the biggest sales.

Many Yankton residents might have trouble locating on a map some of the countries to which KPI ships its products.

“These include countries such as Mali, Azerbaijan, Myanmar and Cypress,” Vig said. “We also ship equipment to many of the troubled Mideast countries, when U.S. regulations allow, such as Libya.”

L&M Radiator also ships a significant portion of its large radiators overseas, according to Yankton plant manager Tony Carey.

“Our exports from Yankton vary,” he said. “Presently, Yankton’s exports are 20 percent of our sales, mainly to Finland and Japan. Corporate-wide, we export around 20 percent of total sales, also.”

Some of L&M’s biggest clients are Komatsu Japan, Hitachi Japan, Hitachi Canada, Komatsu Germany, Liebherr France, Caterpillar Mongolia, Sandvik Finland and Atlas Copco Wagner Sweden.



Baldwin Filters, a member of the CLARCOR organization, also depends on the global market for sales of its filtration products aimed at commercial trucks and off-highway heavy equipment that can be found in sectors like mining, agriculture and construction.

“Baldwin Filters operates manufacturing and distribution centers in Mexico, the United Kingdom, Belgium, China, Morocco, Australia and South Africa,” said Yankton plant manager Monte Gulick. “Additionally, Baldwin has expanded its distribution throughout South America, Russia and the Middle East through the efforts of dedicated sales managers and independent distributors. The majority of Baldwin’s sales are through independent distributors.”

He said that roughly 45 percent of Baldwin Filters’ sales are generated by international demand.

When it comes down to it, Yankton isn’t so remote that people in these foreign markets don’t know where the community is on a map.

“We have international visitors here at least one to two times per month,” Vig said of KPI.

## Balancing Industry In Vermillion Essential

**BY STEVE HOWE**  
Vermillion Chamber Director

Historically, the community of Vermillion has not been a hub of manufacturing. Manufacturing has always had a small role in our economy, but never to a degree that would define us as an industrial community. Whether consciously or otherwise, our economy has been built around education and our business growth has traditionally been in those sectors that serve students and educators, primarily service, retail, and government.



**Howe**

This focus has been a double edged sword. The Vermillion economy has been very stable over the years due to the consistency of government funding and increased demand for higher education. On the other hand, stability does not necessarily mean growth, and we haven’t seen the growth of incomes and employment opportunities as other communities with a more diverse industry mix have seen. The result has been higher poverty rates, fewer housing starts, and flat population growth as compared to the region.

Whether in a personal mutual fund, or in a regional economy, the key to long term growth is diversity, and it could be said of Vermillion that our portfolio was too heavy into bonds. Stable, but lacking the growth component needed to meet our goals. To balance our business portfolio with the goals to raise wages, reduce poverty, and provide new opportunities for residents, Vermillion has engaged in a conscious effort to diversify our industry mix.

Over the last three years Vermillion has been actively pursuing and providing incentives for target industries, with manufacturing being one of those targets. Our objectives are not to have manufacturing become the dominant industry in Vermillion, but we do want to make sure this sector has a meaningful representation in our economy.

Manufacturing is less cyclical as compared to the nine month education economy, injecting more year round dollars to the community. Manufacturing employs a diversity of skill sets that provide opportunities for the non-college bound resident and for those with college or other specialized degrees who may want to return to Vermillion. It provides options for the trailing spouse of the new employees of our other businesses which aids the workforce recruitment efforts for all employers. And manufacturing contributes to the development of community pride in that we can point to a product used by the rest of the country, or the rest of world for that matter, and say “that was made in Vermillion.”

Our recent efforts have been successful. An Alaska company, Builder’s Choice, has expanded to Vermillion which created more than 60 new jobs in the manufacturing sector. We’ve also seen an existing business, Masaba Mining Equipment, grow to over 200 jobs, add a 50,000 square foot facility, and be named SBA Exporter of the Year. Manufacturing is looking up in Vermillion and we’re getting the diversity we have been seeking.

But what we realize is that growing a business sector in a community is more than just having available land, incentives, and a good sales pitch. You have to make sure that the businesses you are recruiting and growing can be successfully sustained in the community. Sustainability requires a ready and able workforce. The successful growth of the manufacturing sector in Vermillion, or frankly any community, is not without its challenges.

## NE Nebraska Manufacturing Growing

**BY CATHERINE LANG**  
Nebraska Department of Economic Development

Nebraska continues to fare considerably better than the U.S. overall in most economic measures, including labor force employment, industry employment, wages, income and cost of living, and housing.

According to the Nebraska Department of Labor, the state’s 4.5 percent unemployment rate in June 2011 decreased to 3.8 percent by June 2012, compared to 9.2 and 8.2 percent for the nation in June 2011 and June 2012, respectively. Northeast Nebraska’s unemployment rate for June 2012 was 3.9 percent.

According to the Nebraska Department of Economic Development, the manufacturing industry continues to be Nebraska’s second largest industry, only behind agriculture. Agriculture-related fabrication, food products, chemicals and fuels, plastics, medical devices, and finished goods continue to dominate Nebraska’s manufacturing expertise, with a high percentage of manufactured



**Lang**

products sold to outside markets. Nebraska’s top-producing manufacturing sector is food products, which adds value to the state’s agricultural production. A significant amount of food processing also occurs in non-metropolitan Nebraska, helping diversify rural communities.

Statewide, manufacturing industries employed 94,731 workers; 885 more people than last month and 364 more than in June 2011. Average hourly earnings in manufacturing industries were \$16.62 in June 2012, \$0.06 more than in June 2011.

The manufacturing industry in northeast Nebraska remains a huge contributor to both Nebraska’s workforce and its economy. The industry accounts for 21 percent of total employment in the region, and 10 percent of Nebraska’s total non-farm employment.

Manufacturers in the northeast region con-

**The manufacturing industry in northeast Nebraska remains a huge contributor to both Nebraska’s workforce and its economy. The industry accounts for 21 percent of total employment in the region, and 10 percent of Nebraska’s total non-farm employment.**

**CATHERINE LANG**

tinue to grow, including, but not limited to:  
• Brehmer Manufacturing, Inc. in Lyons, specializing in the production of truck, tire recycling, and livestock equipment for domestic and international markets, recently

**NEBRASKA | PAGE 18B**

**VERMILLION | PAGE 18B**

# TRUXEDO

TONNEAU COVERS

**“Proud to be growing with Yankton for over 12 years.”**

2209 Kellen Gross Dr. • 605-664-8200 • www.truxedo.com

