

**Northern Michigan and Eastern Upper Peninsula
Knowledge Economy Strategies Project Co-Learning Report #3**

**Eastern Upper Peninsula
Manufacturing Companies
Exporting Survey Results and Analysis**



**Michigan State University
Center for Community and Economic Development**

in cooperation with the

Northeast Michigan Council of Governments

Alcona, Alpena, Cheboygan, Crawford,
Montmorency, Oscoda, Otsego, Presque Isle

Northwest Michigan Council of Governments

Antrim, Benzie, Charlevoix, Emmet, Grand Traverse,
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**Eastern Upper Peninsula
Regional Planning & Development Commission**

Chippewa, Luce, Mackinac

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A digital version of this report is available at
KnowledgePlanning.org

EDA Northern Michigan and Eastern Upper Peninsula Knowledge Economy Strategies Project Co-Learning Report Series

In October 2008, the Michigan State University Center for Community and Economic Development (CCED) initiated a project with the support of the U.S. Department of Commerce Economic Development Administration (EDA) to develop innovative economic development strategies with three Northern Michigan regional planning partners: the Eastern Upper Peninsula Regional Planning and Development Commission (EUPRPDC), Northeast Michigan Council of Governments (NEMCOG), and Northwest Michigan Council of Governments (NWMCOG). The goal of the project is to create new knowledge-based economic opportunities in the regions and to successfully compete in the global knowledge economy.

An assessment of each region's Comprehensive Economic Development Strategy (CEDs) identified strengths, weaknesses, and opportunities, and helped each region to develop their collaborative learning (co-learning) plans. Co-learning plans are designed to provide regional planners and their stakeholders with relevant new knowledge, focus, and capacity. This new knowledge and capacity serves as a platform for regional planners and stakeholders to create innovative regional economic development strategies focused on competing in the global knowledge economy. By understanding the dynamics and demands of global knowledge economy forces, regional leaders can better align their regional investment priorities with those demands.

This report was produced as part of the development of a co-learning plan in response to a request for information on exporting opportunities by the EUPRPDC.

Disclaimer

This report was prepared by the Michigan State University Center for Community and Economic Development under award 06-86-05322 from the Economic Development Administration, U.S. Department of Commerce. The statements, findings, conclusions, and recommendations are those of the authors and do not necessarily reflect the views of the Economic Development Administration or the U.S. Department of Commerce.

Eastern UP Manufacturing Companies Exporting Survey Results

Introduction

This report builds on our earlier EDA Project co-learning plan study, “Exporting Companies and Companies Interested in Exporting in the Eastern UP: Exporting Resources for Small and Medium Businesses.” This report describes the objective, methods, and analysis of this study, and includes listings of Eastern Upper Peninsula exporting companies and companies interested in exporting, respectively.

Objective

Develop a comprehensive list of exporting companies and companies interested in exporting in the eastern Upper Peninsula.

Methods

Preliminary data was obtained for two companies from the Michigan Economic Development Corporation (MEDC). An inquiry to the MEDC regarding the age and methodology of the data revealed that their data was last updated at least three years ago. As a result of this inadequacy in the MEDC data, the CCED team designed and conducted a brief survey of EUP companies to identify exporting activity and interest in exporting.

The EUPRPDC provided lists of companies occupying the Luce County (Newberry) and Chippewa County (Kincheloe) Industrial Parks, in addition to a list of 11 Soo-area manufacturers provided by EUPRPDC with assistance from the Sault Ste. Marie EDC. Based on Web research, the project team identified a total of 17 total manufacturing companies. These companies represent a diverse range of manufacturing applications.

CCED staff designed a brief survey instrument (see Appendix I) to identify companies currently engaged in exporting, what products they export, and what countries or regions they export to. For the companies that do not export, survey questions were designed to determine whether those non-exporters are interested in seeking exporting markets, and whether they need any assistance to enter export markets.

Based on MEDC data and the CCED survey, CCED obtained data on a total of 19 companies: two from MEDC data and 17 from EUPRPDC and Sault Ste. Marie EDC data. A summary of the data obtained for these companies may be found in Appendix II. Companies identified by MEDC data are not included in Appendix II.

Analysis and Findings

In total, CCED conducted a survey of 17 manufacturing companies in the EUP to generate current exporting data, in addition to the two companies identified by the MEDC. Findings include:

- 9 (53%) companies currently export products;
- 5 (29%) companies are interested in entering exporting markets; and
- 3 (18%) are uncertain about having a future interest in exporting.

Only two of the ten non-exporting companies indicated no interest in exporting. One of these, Kretz Lumber, ships unfinished wood products to customers that export their finished products.

Exporting companies and companies interested in exporting, respectively, are listed in alphabetical order following the analysis and findings. Data is incomplete for three companies.

The eight companies either interested in entering exporting markets or unsure if they would like to export suggests tangible potential for the expansion of exporting in the EUP. A workshop describing exporting resources and current exporters telling their stories about their experiences in exporting may attract participation by non-exporting companies. Such a workshop could be held in the Soo with CCED support and EUPRPDC providing well-targeted outreach to attract companies that could result in expanding EUP exporting activity.

Anecdotal information indicated that two unique products were being exported out of the Upper Peninsula: hay and sand. However, further research showed that while hay is being exported to the Caribbean, no manufacturers currently export sand.

At least two EUP exporters produce highly-sophisticated medical/surgical supplies. Both exporters collaborate with their end-market customers in designing products tailored to meet their customers' needs. This high-end medical/surgical niche market may represent an expansion opportunity.

Four companies currently exporting or interested in exporting produce wood-based products, representing another small cluster in the region. The remainder of the companies manufactures a wide variety of products.

Final Note

CCED collected exporting-related data to the extent possible based on information provided by the Michigan Economic Development Corporation, Eastern UP Regional Planning and Development Commission, and the Sault Ste. Marie Economic Development Corporation. However, other manufacturing companies may exist outside those listed in this report. We look forward to any feedback that can increase the accuracy of this inventory of Eastern UP manufacturing companies or improve the quality of any information in the report. Readers may visit our Web site (KnowledgePlanning.org) to provide direct feedback to our project team.

Exporting Companies in the Eastern UP

Bunker Manufacturing, Inc

Sault Ste. Marie, MI 49783
(906) 632-3829
Approx. 15 employees, est. 1960
Currently interested in exporting to all countries
Exports dies, stampings, weldments
Export sales as % of sales: N/A

Detroit Die Cutting

Sault Ste. Marie, MI
(906) 635-1553
Approx 10 employees, est.
Currently exporting to Canada, Mexico
Exports foam rubber gaskets
Export sales as % of sales: <25%

Haske Post Company

Cedarville, MI
(906) 484-2603
Approx. 8 employees
Family-owned and operated since 1968
Currently exports to Canada
Exports cedar wood products; finished products for homes
Export sales as % of sales: 5-10%

Hoover Precision Products

Sault Ste. Marie, MI
(906) 632-7310
Approx 42 employees, est. 1913 in Ann Arbor
Currently exports to Japan, England, Germany, Spain, Belgium, Netherlands, China,
Poland, Hungary, others
Exports precision balls
Export sales as % of sales: ?

JAS Veneer and Lumber

Sault Ste. Marie, MI 49783
(906) 632-0710
Approximately 25 employees; started in 1978.
Annual sales approximately \$4.5 million
Provides hardwood veneer manufacturing services and produces approximately 30
million sq. ft. of veneer. Wood types include hickory, ash, maple, cherry, oak, and
mahogany (answers.com, manta.com). Exports to Far East customers in addition to US,
and also imports various woods to offer exotic species.

McDowell Hay, Inc

Rudyard, MI 49780

(906) 478-3511

Approx. 3 employees, est. 1948

Currently exports to Bahamas, Greater Antilles, Haiti, Jamaica, Lesser Antilles, West Indies

Exports hay compress

Export sales as % of sales: 20%

Precision Edge Surgical Products

Sault Ste. Marie, MI

(906) 632-4800

Approx. 100 employees, est. 1989

Currently exports to Ireland

Exports surgical equipment

Export sales as % of sales: <25%

R&B Electronics

Sault Ste. Marie, MI

(906) 632-1542

Approx. 53 employees, est. 1985

Currently exporting to Canada, Europe, Great Britain, Middle East, Israel, Czech Republic

Exports boards, grounding straps, jumpers, grounding products, small engine parts

Export sales as % of sales: <25 % (about 20%)

Superior Fabrication

Kinross, MI

(906) 495-5634

Approx. 49 employees, est. 2004

Currently exporting to (many countries)

Exports forklift mast parts

Export sales as % of sales: <25%

Companies in the Eastern UP Interested in Exporting

Gitchie Gume Wood Pellets

Kincheloe, MI
(906) 630-2874
Approx. 8 employees
Manufactures wood pellets

Innovative Composites

Sault Ste. Marie, MI
(906) 632-0232
Approx. 6 employees
Manufactures laminated plastic, sheet plastic

Louisiana Pacific Corporation

Newberry, MI
(906) 293-4512
Approx. 120 employees
Manufactures wood products: I-joists, floor systems, siding/trim, molding

Tech-Optics

Sault Ste. Marie, MI
(906) 635-7170
Approx. 40 employees
Manufactures toner cartridges for laser jet printers

ZD Metal Products

Newberry, MI
(906) 293-9416
Approx. 15 employees
Manufactures metal castings, die-casting foundries

Appendix I

Survey Questionnaire to Identify EUP Exporting Companies or Interest in Exporting

Company Name _____
Company contact name _____
Contact phone number _____
Contact email _____

1. How many employees are there at this facility? _____
2. Does your company currently export products? YES ___ NO ___ Don't Know ___

If yes, go to Questions 3-5. If no, go to Questions 6-7.

3. What products does your company export?

4. What countries or regions does your company export to?

5. How much of your company's business (by percentage) is in exporting?
_____ <25%
_____ 25-50%
_____ over 50%

If they're not exporting:

6. Would your company be interested in exporting products? YES ___ NO ___ Don't Know ___
If yes, go to 7. If no, end interview.
7. Does your company need any outside assistance to get started in exporting?
YES ___ NO ___ Don't Know ___

Appendix II

Summary of EUP Manufacturer Export Survey

Company Name	Location	Contact phone	No. empl.	Export	Export Products	Country/ Region	% Business in Exporting	Interest in exporting?	Need assist.?	Contact Person	Contact email
Cushman Fab & Machine	Kincheloe	906-495-5991	10	N				DK	DK	Mike Cushman	
Detroit Die Cutting	SSM	906-635-1553	10	Y	Foam rubber gaskets	Canada, Mexico	<25%			Jeanette Burelle	jeanetteburellenlong@detroitdie.com
Fritz Forest Products	Newberry	906-293-8040	4	N				DK	Y	Don Fritz	fritzforestproducts@yahoo.com
Gitchee Gumees Wood Pellets	Kincheloe	906-630-2874	8	N				Y	DK	Lyle Kelley	gitchiegumee@centurytel.net
Haske Post Co.	Cedarville	906-484-2603	8	Y	Cedarwood products-finished wood products for home	Sault Ste. Marie, Ontario	<25%			Charles Haske	charlie@haskepost.com
Hoover Precision Products	SSM	906-632-7310	42	Y	Precision balls	Japan, England, Germany, Spain, Belgium, Netherlands, China, Poland, Hungary, others	DK			Nicole Landerville	nicolelanderville@hooverprecision.com
Innovative Composites	SSM	906-632-0232	6	N				Y	N	Terry Ball	tballe@innovativecompositesinc.com
JAS Veneer and Lumber	SSM	906-635-0710	25	Y	Hardwood veneer manufacturing	Japan	5%			Jack Schikofsky	javeneer@sault.com

Kretz Lumber Co.	Quinnesec	715-632-5410		N				N		Diane	kretz@kretzlumber.com
Louisiana Pacific Corporation	Newberry	906-293-4512	120	N (have in the past)				Y	N	Kurt Chamberlain	
Northern Sand & Gravel	SSM	906-635-5151	17	N				N		Gladys Norris	nsg@lighthouse.net
Northern Wings Repair	Newberry	906-477-6176	14	N				DK	DK		
Precision Edge Surgical Products	SSM	906-632-4800	100	Y	Surgical instruments	Ireland	<25%			Tom Peters	tom.peters@precisionedge.com
R&B Electronics	SSM	906-632-1542	53	Y	Boards, grounding straps, jumpers, small engine parts	Canada, Europe, UK, Middle East, Israel	<25%			Wayne Olsen	raeacct@hotmail.com
Superior Fabrication	Kinross	906-495-5634	49	Y	Forklift mast parts	all over	<25%			Ferne Sherlund	fsherlund@supfab.com
Tech-Optics	SSM	906-635-7170	40	N				Y	DK	Steve Labinski	steve@techoptics.com
ZD Metal Products	Newberry	906-293-9416	15	N				Y	N	Pete Pallas	petep@zdmatalproducts.com