

Business Models for Artisan Cheesemakers

Sue Conley, Cowgirl Creamery
and Tomales Bay Foods
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Introduction

Help is here. Fourteen years ago, when Tomales Bay Foods began marketing cheese from the region, there was little political support from the county, no recognition in the marketplace and minimal technical support from the University of California system.

Today, the region has been identified as one of America's premier milk producing area, the county enthusiastically supports agriculture and the University of California is expanding its technical support in the area of artisan cheesemaking. We are at a moment in time where the infrastructure is in place to support the growth of cheesemaking in our region.

Most importantly, consumers are demanding unique, big flavored cheeses from the north coast. Distributors, chefs and retailers, across the country, are eager to add new handmade cheeses to their artisan cheese list.

There are at least a half a dozen cheesemaking projects in the works in the Tomales Bay region, each of them with the potential to contribute to the strength of our collective identity.

It's a fine time to think about entering the cheesemaking business.

Farmstead Cheese Operation

Micro production

Goat's Leap
Napa, California

Goats Leap is a micro-dairy and cheesemaking operation in the heart of the wine country. Rex and Barbara Bachus have been managing a small 40 goat herd and making cheese with their own milk for 15 years. They sometimes have an intern on the farm to help with milking and management of the cheese, but most of the work is done by the owners themselves. Barbara makes all of the cheese, Rex manages the books and deliveries and they share milking responsibilities.

Investment

The Bachus' have built their business slowly, investing in capital improvements a little bit at a time. Their first cheese vat was a 10 gallon pasteurizer/vat combination. About six years ago, they purchased a 20 gallon vat to double production.

Marketing

Because the business has grown with the winemaking industry in Napa Valley, the cheese has been promoted with wines from the region. Over the years, Rex and Barbara have attended events at the CIA, farmers markets and special dinners in the region. They were early members of the American Cheese Society and the American Dairy Goat Association. Their cheese has won many awards and are sought after by chefs throughout the Bay Area for their unique style, flavor and appearance.

Distribution

Barbara and Rex sell almost all of their cheese locally. Rex delivers their cheese to wineries, shops and restaurants in Napa Valley and uses Tomales Bay Foods as a distributor if there is any left over.

Farmstead Cheese Operation

Medium size production

Point Reyes Farmstead Blue
Point Reyes, California

Investment

The Giacominis made a large initial investment by hiring an experienced cheesemaker. This minimized the expense of developing and perfecting their cheese. Facilities have been improved incrementally over time.

Marketing

Bob and Dean's daughters signed on as the marketing team, early on. They are a tireless group of outgoing, talented and enthusiastic promoters of their dairy and their cheese as part of the larger West Marin agricultural region. The daughters serve on various boards including Marin Agricultural Land Trust and the California Artisan Cheese Guild. The company participates in the Ferry Plaza Farmers Market and has a great website with an e-commerce component. The Giacominis have cultivated customer loyalty by inviting visitors from culinary schools, media, restaurants and farm groups to tour the dairy.

The California Milk Advisory Board (CMAB) helped to bring national attention to the cheese. A presence at The National Association of Specialty Foods Trade (NASFT) conventions on the east and west coast helped to solidify a national presence.

Distribution

Because Point Reyes Original Blue was a well-crafted cheese from the very beginning, the Giacominis had lots of cheese to sell, right out of the gate. They worked tirelessly to develop a national distribution network that could assist in delivering cheese to a variety of markets. The distributors arranged in-store staff trainings, drive-alongs and NASFT convention sampling tables to help sell the cheese.

Artisan Cheese Operation

Small production, collaboration with a dairy

Cowgirl Creamery
Point Reyes Station, California

The company is not a “family business”, but was founded by two individuals, Peggy Smith and Sue Conley, who came from the restaurant industry. Cowgirl Creamery processes 2,000 gallons of milk per week to make six kinds of cheese. Though there is no written contract between Straus and Cowgirl, all of the milk used in the production of Cowgirl Creamery cheeses comes directly from the Straus dairy. We have begun to purchase organic cream from Clover because of shortages at Straus.

Investment

Sue and Peggy purchased a building in downtown Point Reyes Station, which made the project more desirable to banks. The building was used as collateral to support equipment and working capital financing from the bank. Over the years, as the business expanded to include retail and wholesale operations, equity investors have helped to fund growth.

Marketing

From the beginning, Cowgirl Creamery has marketed the milk from Straus Family Creamery as the key component in the quality and flavor of the cheese. The two companies have co-marketed in many ways over the years, including sharing a booth at area farmers markets.

Cowgirl Creamery has been active in programs sponsored by ACS, CMAB and the NASFT. We define our cheese as part of a larger family of cheeses from the Tomales Bay region and get a lot of attention through area agricultural organizations including MALT and Marin Organic. Our organic certification helps to distinguish our cheese from the pack and is a great marketing asset. Our biggest (and most expensive) marketing tool is our three retail stores. We also manage a website that allows customers to order cheese on line.

Distribution

In the beginning we tried to sell through area cheese distributors, but our cheese was not well known and was a hard sell, even in San Francisco and Marin County. It didn't take long to realize that we would only succeed if we delivered the cheese to the customer ourselves. Over time we have provided distribution services to many of America's best artisan and farmstead cheesemakers. We encourage new cheesemakers to use our company as a sounding board when developing new cheeses or exploring new markets.

Artisan Cheese Operation

Medium production, collaboration with several dairies

Beecher's Handmade Cheese
Seattle, Washington

Beecher's Handmade Cheese opened in 2003 at Seattle's Pike Place Market. A businessman, Kurt Beecher Danneier, who had a love of great cheese and beer, founded the company. He also possessed a willingness to invest his resources and expertise to create unique, full flavored cheese. The company makes cheddar style cheeses in a small creamery (behind glass windows) in a bustling urban setting.

Investment

Kurt invested in a high-rent production space and hired a skilled cheesemaker so that he could make very good cheese, right away. The experienced cheesemaker, Brad Sinko, was able to design and build the facility using older equipment, welded skillfully in place. In a search for quality milk, Kurt found a local (170 cow) family dairy, Cherry Valley Farms, which could provide high quality, rBST- free milk.

When demand increased, Kurt invested in Cherry Valley Farms, enabling the dairy to increase their herd size. Three years later, two more dairies were added to handle expanding markets for the cheese.

Marketing

By opening in a high profile setting, Beecher's received national attention immediately. Beecher's is active in programs sponsored by ACS, NASFT and the Oregon Cheese Guild. The artisan cloth bound cheddar won a first place ribbon at the ACS competition this year. Beecher's has built an entertaining website with an e-commerce feature.

Distribution

Beecher's signed on with local distributors when they had enough cheese to sell and over time, developed a network of national distributors. They operate a retail store on site and sell lots of cheese, direct to consumers.

Regional Collaboration

Medium size farmstead production with grand aging facility

Jasper Hill Farm
Greensboro, Vermont

Two brothers, Andy and Mateo Kehler, began making cheese in 2002 with the milk of their own Ayershire cows. They produce three varieties of raw milk cheese including Bayley Hazen Blue, a clothbound cheddar and a small soft cheese called Constant Bliss.

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Marketing

From the very beginning, the Kehler brothers have seen their dairy as a model for Vermont farmers who are interested in transitioning to value-added production. Their mission is to encourage consumers to purchase Vermont agricultural products to “ensure the long-term viability of the farms that keep Vermont beautiful”. Their proximity to the New York City marketplace provides more than enough customers for the amount of cheese that can be made on the farm. So Jasper Hill has become a consolidator for farm cheeses from Vermont and will soon become affineurs of those same cheeses.

Distribution

Jasper Hill collects cheeses from surrounding farms and prepares them for consolidation for distributors from across America. This program creates efficiencies for cheesemakers throughout the state and enables them to get cheese to markets that have been off limits because of the complexities and costs of shipping. Currently, the brothers and their families are supervising the construction of a 24,000 square foot aging facility on the farm, where cheese will be finished for market.

Regional Collaboration

Small size production, large cooperative

Comte Fruitières
Jura, France

Comte is a large gruyere style cheese produced in the Jura Mountains of France by 190 cheesemaking operations known as fruitières. Each fruitières acts as a coop, purchasing milk from small local dairies. Everybody makes the same cheese.

After the cheese is formed and cured, it is sent to the aging facility where an affineur finishes the cheese and brokers the sale of the final product. This system has been in place for eight centuries.

Investment

It takes 100 gallons of milk to make one cheese and they are aged for 10 mos.-2 years, so all parties involved from the dairy to the retailer, have a large investment in inventory. Because this cheese has been in production for so long, there is not a lot of capital investment required to maintain the infrastructure.

Marketing

Marketing is coordinated by the consortium of fruiters and affineurs and is supported by public funds. Comte cheese has a government regulated AOC designation, (Appellation d' Origin Controlee), which controls everything about the cheese including the animal feed, breed of cow, make-procedure, size, weight and affinage. The AOC mark on cheese and wine is a sign to the consumer that the product has a pedigree of quality and demands a higher price in the marketplace.

Distribution

The dairies and the cheesemakers are not responsible for distribution. The affineurs hold tastings for cheese buyers from all over the world. The huge wheels are selected and purchased by the buyers when they are very young and released to the specifications of the buyers when they are ready, sometimes two years later. There is a great demand for the best of these cheeses.