

**Department of Agriculture, Trade and Consumer Protection**  
**Division of Marketing**  
**Agricultural Development & Diversification Program (ADD)**

**1999 Grant Project Final Report**

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Grant Project Title: Farmstead Creameries – Building Strength in Rural Communities – Phase 2

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## **I. Project Summary**

This project was designed to test the hypothesis that farmstead creameries benefit both small dairy farmers and the surrounding community to the extent that they:

Provide consumers with wholesome products that are locally produced

Build economic strength through the addition of value added products

Assist the local community by adding to its unique rural charm through the addition of tourism dollars and possible job growth

Our project focused on the expansion of our farmstead creamery to include added cheeses, as well as providing educational opportunities to others wishing to pursue similar ventures. The plan of work was threefold; 1. increase our creamery capacity through the addition of aged cheeses, 2. continue marketing efforts of farmstead cheeses through national exposure, 3. provide educational materials on the creation of farmstead creameries.

## **II. Projected Economic Benefits for Wisconsin Agriculture**

As evidenced by the growth of Community Supported Agriculture (CSA's), segments of the population are demanding wholesome local products, which utilize sustainable agriculture practices. Our direct experience at farmer's markets has shown us over and over again that there is a need to provide a link between consumers and their food source. This project will enable us to expand our product base available to consumers. It will help expand our county's tourism. It will continue to assist the sheep dairy industry by providing a growing market source for their milk supply. Through this project's educational component, it will have the potential impact of creating other viable farmstead creameries. This project will also have the potential for providing other local farmers in our area with a value added product by contracting with our creamery for the production of milk products with their own milk source.

## **III. Project Results**

Grant funds have enabled us to increase the output of our farmstead creamery operation by expanding our cheese line to include aged cheeses. Our farm's original stone milk house (circa 1910) was converted to an aging room for cheeses. Market research was then done at farmer's markets to determine consumer preference for product development. The first cheese that was developed received a good response, however, over time we discovered that it was difficult to achieve consistency in the cheese. We therefore shifted

to a mold ripened cheese which has also received favorable responses by consumers. It appears also to be a more suitable cheese for our new aging facility. Grant funds enabled us to have the time to carefully look into these issues.

Grant funds were also used to promote local and farmstead production of dairy products. Through our contacts with consumers, food brokers and distributors, the following appears to be evident:

1. Consumers value and will display loyalty to a producer with whom they have developed a personal connection to.
2. Consumers value products that display an artisan touch, i.e. hand crafted, and may be willing to pay a premium price for these products.
3. Consumers value organic production and will pay a premium price for those products.

This can be useful information for Wisconsin family farmers, particularly those who are interested in having a value added product help their revenue flow. One component of our project is to compile useful information for other farmers who are interested in beginning their own farmstead operation. Although we have not had media events in the past year, we will be making this information available to people who contact us with questions.

#### **IV. CHALLENGES**

In the past few years, the shape of Wisconsin dairying has continued to change. It has been a disappointment to us that despite some interest from other local producers to make their own products in our creamery, most have since decided that dairying is not a viable option for them. Therefore, we have not fulfilled the objective of continuing to build the farmstead products available to our local consumers. We have been contacted by some dairy producers who are interested in starting their own creamery, and we will continue to share with them our experience.

Another challenge to our project has been that we have not been able to buy milk from other Wisconsin producers. We have not found another certified organic milk source, and have therefore not assisted the industry by being an outlet for the sheep dairy industry. We hope that in the future other producers will make the decision to go organic.

#### **V. SUCCESSES**

We have gained some nationwide exposure through the addition of aged cheeses to our operation. This has in turn enhanced our farm's total profitability and has also helped

promote Wisconsin farmstead creamery operations. We were written up in the new book, *The New American Cheese*, by Laura Werlin and this has been a boost to local sales as well. We have also had our products displayed in the new green city market in Chicago, and we will be featured at one of their Winter Pantry markets in February.

We have continued to be part of the Trempealeau County Tourism's Bus tours, helping promote economic growth in our part of the state. It is our hope that small but vibrant farm operations will continue to prosper. Not only are they an important part of our rural communities because of their economic value, but also because of the stabilizing influence they have on all of our cultural values.

### **Addendum:**

The impact that a small scale creamery has on the surrounding community can be difficult to measure. One of the ways we have attempted to assist our community's economic health is to be a part of its tourism. We have participated in bus tours over the past few years. In the past two years we have had approximately 10 tours of our farm, with each tour consisting of about 30-50 people. The tours of Trempealeau County take in a number of different stops, including farms, shops and museums. We have received a great deal of positive feedback from the people who have visited us.

One of the goals of our project was to assist other local farmers in making their own dairy products. We believe that one of the difficulties in making this goal a reality is the state of dairy farming in our current economy. It is a difficult lifestyle and one with many economic hardships. Some of the factors that might make it possible for this goal to become a reality would be, location of the facility (i.e. close to other producers), and the ability to share resources and work together.

# **Establishing a Farmstead**

## **Dairy and Creamery**

We hope the following pages will be helpful in a number of ways. Bill and I do not pretend to be experts in the field of establishing a farmstead dairy and creamery, but perhaps our experiences may prove useful to you. We have made many mistakes along the way, as well as meeting many people who offered us their helpful advice. In our turn, we would like to share this with others. Good luck.

Janet Butler

## Getting Started

There are many reasons for considering a career in farming. Some of our biggest considerations were the idea that we could help in providing people with wholesome products that are organically produced. We also considered the lifestyle that farming affords; being home to raise our son in a rural community. We also considered the amount of hard work that farming would entail, and felt that it would again offer our son a role model in seeing firsthand the benefits of hard work, and the real rewards doing something meaningful provides.

Equally important, however, is realistically weighing the amount of work that will be necessary? When we first began buying sheep to begin a dairy operation, a cow dairy farmer that we met asked us if we were prepared to go without a vacation for the next 20 years. We thought he was exaggerating, and that of course we would do it differently. Although we have been able to take vacations since dairying, the fact that we are tied down to a lifestyle we choose is unavoidable. In the last 10 years we have seen many people consider farming, and start farming, only to quit a year or two later because they had underestimated how much work would really be involved. One new farmer told us he kept track of his hours on his computer, and was amazed to see he put in 80 hours a week. He quit one year later.

The best thing we did before getting into farming full time, was start small. We milked on a part time basis, with only a few animals to see how we liked it. Another way to judge this is to milk for a local farmer if possible. The idea of milking and actually doing it can be two different things. Also, having animals and milking animals are two very different things. You may be able to skip a feeding, but you can never skip a milking.

The same holds true for starting a creamery. The best thing I did was to work in a creamery before starting my own. Not only can you get invaluable experience, you get the opportunity to see what it will really be like. There is quite a thrill in producing your own dairy product, but there is also a tremendous amount of tedious work that is involved, including a great deal of cleaning.

We offer these suggestions, not to talk people out of their dreams, but to really consider if farmstead production is for them. When we began milking sheep, we got involved in meetings and organizations that were promoting the industry. With hindsight, it seems that many times the hardships and costs involved were understated. We have never regretted our decision to farm for a minute, but we were certainly naïve and ill informed when we started.

## Financial Considerations

When we made the decision to begin farming, we looked for estimates of what it would cost to begin a dairy and creamery. We started milking first, and so built a parlor, got our animals and bought milking equipment. Costs of all the above vary greatly. See Appendix A for a list of some of the suppliers that we used for our dairy equipment.

We have been lucky that we could rely on our savings and loans from family to finance most of our beginning costs. Because of this we did not have to develop detailed business plans. With hindsight, this may have not been the best thing, as a business plan will greatly assist you in being realistic. County extension offices can be very helpful in pointing you in the right direction.

In establishing a creamery, again the costs of equipment will range wildly. Many people we talked to when starting out had picked up used equipment for very minimal costs. We were not usually that lucky. For example one mistake we made was to buy a used pasteurizer that was square in shape. It imploded in the first run, and we learned that a square pasteurizer is not nearly as stable as a round one. We then had a round one built for us using some of the parts from our first pasteurizer. In Appendix A are some of the dealers we have found useful in finding equipment.

The equipment that we needed in order to start our creamery included the following:

1. Pasteurizer
2. Steam boiler for heating pasteurizer
3. Bulk tank for cooling pasteurizer
4. Bulk tank for milk storage
5. Milking equipment
6. Semi automatic filling machine for yogurt
7. Incubators for yogurt
8. Stainless steel tables for cheese draining
9. Walk in cooler (6' x 8')
10. Walk in freezer (8' x 10')

# Working with Your State/Federal and Local Regulators

Prior to beginning our creamery we had heard horror stories of working with state agencies who will be regulating/monitoring our operation. We have found, on the whole, the opposite to be true. Our state inspector has not only been easy to work with, he has also provided us with invaluable expertise and advice.

The first thing we did, prior to setting up our operation was contact the state, in Wisconsin the Department of Agriculture, Trade and Consumer Protection. We informed them of what we wanted to do, and they sent our inspector out to meet us. We had made a rough drawing of what we had in mind, where we wanted to set up the parlor and milk house and creamery. His first reaction was one of skepticism. He was unsure if we really knew what we were getting into, and he was right. From there he offered suggestions on what to change in the plans, mistakes we had made (for example where to put floor drains), and advice on where to go from there. When we began looking at machinery, we sent all our possible choices for a filler machine to Madison, where DATCP's expert gave us advice on which one would be acceptable to them, as well as easy to clean and operate. When we began looking at how to incubate our yogurt, our local inspector suggested bread proofers that are used to bakeries as an inexpensive alternative.

We have found that involving the state early, and asking for their suggestions, saved us time, money and gave us the help we needed. We have done all the things they have requested, including getting licensed as a cheesemaker, milk hauler, milk tester as well as getting our farm and creamery licensed as a Grade A facility with an Interstate Milk Shippers license.

In order to better understand all the regulations that you will fall under, ask your local state inspector for the regulations that you will be required to follow. In Wisconsin, there are detailed booklets that will tell you everything you will need for your setup. Another invaluable tool is the US Department of Health and Human Services book titled Pasteurized Milk Ordinance, referred to as the PMO. Its purpose is to set the standard for milk and milk products that are in interstate and intrastate commerce. Again, your inspector can help you with these rather detailed standards.

## Cheesemaking

Learning from experienced cheesemakers is we believe the best first step in starting your own creamery. In Wisconsin, in order to be licensed as a cheesemaker you need to do an apprenticeship with a licensed cheesemaker. It is extremely helpful to learn this way. Another great thing to do is take the short course on cheesemaking at the University of Wisconsin. In this one week course you learn an amazing amount of material.

Books have also been a valuable tool for us. See the appendix for more information. The American Cheese Society is also a great resource, as they offer much to artisan cheesemakers.

## Marketing

This has been our biggest challenge. We began with making yogurt alone. It was difficult for us to get stores to think about carrying our product when we were not represented by a distributor. We were not big enough at first however, for a distributor to consider carrying our product. We began by driving to each store with a small delivery of yogurt. Within the first year, we had enough stores carrying our product that we convinced a distributor to take us on. We were then able to expand our consumer base because of the wider sphere a distributor is able to use.

The other way we began marketing our products was at farmer's markets. Although this is very time consuming, and not always financially rewarding, we have found that it is the best way we have been able to build consumer loyalty. People have stuck with us year after year, because of the relationship we have developed with them at markets. People have so little contact with their food source in today's world, that many are very grateful to get to meet the person who is feeding them. It is also very rewarding to meet the people who are buying the efforts of your hard work. There have been many days where I have felt discouraged, only to be motivated by people's kind comments.

## **Appendix A- Materials and Supplies**

New England Cheesemaking Supply Company, Ashfield MA, 413 628-3808. A wonderful catalog of supplies from cultures, to molds to books.

Nelson Jameson- 1 800-826-8302. Supplies for food and dairy industry. A great catalog to have on hand.

Chr. Hansen. <http://www.chr-hansen.com/hansen.htm>. Suppliers of cultures. They supply the only yogurt culture that I use currently. Unfortunately, they have changed their policy to have a \$250 minimum order, and this has been a considerable hardship for me.

Diary Connection. 1-800-810-0127. Cultures.

The Supply Corporation, Lake Geneva, WI 1-800-558-2455. Multiple purpose catalog, I get many cleaning supplies here.

EXTECH Instruments, 781-890-7440. I get a Ph meter from this company.

Ullmer's Dairy Equipment- Pulaski, WI 920-822-8266. We bought most of our used equipment from Fran Ullmer. He has a huge supply, and reasonable prices.

Neos, Inc. 1-888-441-6367, MN. Packaging machinery. We bought our filling machine from this company, and they were very helpful to work with.

## **Appendix B- Books**

Cheese and Fermented Milk Foods, by Lfrank V. Kosikowski and Vikrm V. Mistry. The bible of cheesemaking, an expensive two books but worth it.

Cheesemaking Made Easy ;by Ricki and Robert Carrollk. A favorite with many recipes.

French Cheeses, an Eyewitness Handbook, by Kazuko Masui and Tomoko Yamada. A nice visual book of all different cheeses.