Department of Agriculture, Trade and Consumer protection

Division of Marketing

Agricultural Development and Diversification (ADD)

1999 Grant Project Final Report
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Grant Project Title: Building An Artisan Sheep Cheese Industry In Wisconsin
(Year Two)

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Name of Principal Contact Person: David and Mary Falk

Address: 12413 Cty Rd Z, Grantsburg, WI 54840

Telephone: 715 488 2966 Fax Number: 715 488 3957

Web Address : lovetreefarmstead.com

Submitted by: Mary Falk Date: August 1, 2000

Department Contact:

DATCP - Marketing - ADD Grants
PO Box 8911
Madison, WI 53708-8911
Tel: (608)224-5137
Fax: (608)224-5111

Our original intent of our grant project was to accelerate the product - market development of the sheep dairy industry in Wisconsin through new artisan cheese production. During Year Two of the grant project, we felt that it was most important to focus on solidifying our market with our buyers by focusing on improving and stabilizing the quality of our cheeses. We felt that it would be a more solid financial move to increase the strength of our already established accounts, by maximizing our quality and customer service to work towards magnifying on their ordering potential and to focus on a regional (upper Midwest) customer base. By doing so, we would create a market that would have more intense customer loyalty and the price of the cheese could be kept lower due to greatly reduced shipping costs, which would gain us a distinct edge in the cheese case with a lower priced product than our competitors. By following this altered strategy, we would reduce the need to compete with extremely inexpensive subsidized sheep milk cheese imports which are extremely prevalent on the East Coast and Mid Atlantic Region.

The very expensive shipping costs to buyers in California has greatly reduced our ability to hold a competitive edge in the cheese case, although we feel that if we sell exclusively to one distributor on the west coast which would partake in air freight receiving, we could gain a competitive foothold through reduced shipping costs.

With the benefit of the grant funds we were able to intensify our marketing approach with our buyers and potential buyers. We were able to travel to different locations to talk with retail customers and store buyers about our cheeses and repeatedly demo our cheeses to our customer base. These in store demos and meetings with store buyers greatly helped to establish the rapport that is very much needed in establishing a young small business and industry. By repeatedly being able to "tell our story", we were able to put faces with our product and develop a familiarity that fostered customer loyalty. Not only were more customers able to taste test our product, but they were able to learn about the farmstead cheese movement in Wisconsin and the plight of the small family farmers...again developing customer empathy and loyalty to our products. By being "out and about' in the public eye, we attracted the attention of multiple different forms of media coverage...we were honored with being published in a wide assortment of newspapers...including the cover of the Chicago Tribune, along with multiple lengthy interviews on National Public Radio's culinary programs, and even a 1/2 hour national t.v. program that was dedicated to showing the American public what the farmstead cheesemaker's life is all about. We even garnered a bit of internet advertising by having a link to our home page on the Martha Stewart web site. All of the publicity greatly helped to validate to our customers that they were indeed purchasing something very special

The grant funds also enabled us to hire two employees that assisted in production enabling us to be able to focus on customer relations and research and development of new cheeses. We were able to create a line of eight more cheeses that have been very successful in the marketplace.

We were most challenged by developing a mentoring program with patrons that could supply us with the amount of milk that we needed for production. What we felt should happen much more quickly, has been a long and tedious process. One patron finally completed her milking parlor this year, but then due to family problems, only milked one month. Another one of our patrons that we mentored last year was having ongoing financial difficulties and could not milk this year. Another very serious prospective patron decided that they wouldn’t be ready in time to milk this year, but they are proceeding on establishing their dairy parlor and plan on milking in spring of 2001. Jon and Becky Gray have followed through with purchasing a farm 10 miles south of us and plan on milking 100 sheep in the spring of 2001.

And John Mayer has for the second year in a row...produced absolutely fantastic sheep milk. One of the stumbling blocks for the mentoring program is that the cash flow in this industry for new patrons is very difficult to establish...much more so than with the already established cow dairy industry.

The procurement of quality sheep milk has been our most challenging hurdle...but we do see it falling into place, it is just taking more time than we had anticipated. The folks that did milk with our guidance did a beautiful job and delivered excellent quality milk. We have been able to "share " John Mayer's milk with Bass Lake Cheese factory in Sommerset, WI. They have the freezer space to store large amounts of frozen milk, in exchange we agree to sell a specific amount of milk to them for their new line of sheep milk cheeses. We hope to have our own walk-in freezer operating next year so we do not need to rely on Bass Lake for storage, but we still intend to supply them with sheep milk.

During Year Two of our grant project, we were able to attend a diverse selection of public events to "get the word out" about our cheeses...they included:

- the KBEM Jazz Festival Extravaganza (non profit fund raiser),
- THE FOOD SHOW, Minneapolis,
- Artisan Foods and Wine Presentation at Whole Foods in Madison,
- New Year's Eve Gala Tasting at Seven Pines Lodge,
- Regional Foods and Wine presentation at Whole Foods in Madison,
- Trout Festival, Star Prairie, WI,
- The Gala Event at Whole Foods in Minneapolis
- The American Cheese Society Conference in Vermont,
- The Farmstead Dairy Value Added Conference in Mosinee, (on site cheese production)WI,
- The Upper Midwest Organic Conference (sustainable sheep production and sustainable dairy sheep production)
- The Wisconsin Sheep Producers Annual Conference, ..(marketing of sheep products and sustainable sheep production.),
- the Farmstead Dairy Value Added Field Day (held on site),
- and weekend attendance at the St Paul Farmers Market

Through the last year we received publicity in numerous publications they included:

- The Chicago Tribune one full page along with a photo insert on the front page
- The Ag Review (full page)
- The Country Today (twice)full page
- Sheep! Magazine (4 page article)
- Dairy Goat Journal (4 page article)
- Pioneer Press (Front page of the Food Section)
- Featured on the t.v. commercials for the St Paul Farmers Market
- Featured half hour presentation on the national t.v. show The Good Life on HG TV (will be replayed approximately 8 times during the next year)
- City of St Paul TV documentary featuring three farmers at the St Paul Market
- Induction into the "Ark" of the Slow Food Society..(An international society that publishes to its members nationwide the names of the Ark inductees, and the chefs pledge to use the inductees' products.)

- A seven minute interview on the Splendid Table , a nationally aired program on National Public Radio
- Isthmus Magazine (Madison)
- a one page story in the Burnett Cty Sentinel
- 1/4 page in the Inter Cty Leader
- House and Garden Magazine
- Featured on Connecticut Public radio with Ken Scovran of Darien Cheese and Faith Middleton(nationally renown food critic)
- Two pages with color photos in the recently published New American Cheese book by Laura Werlin
- Channel 11 Morning Show (Twin Cities)
- Link on Martha Stewart's web site

The Grant Project far exceeded our expectations in marketing development and public exposure by many fold. We feel that the traveling and exposure to buyers nationwide was an integral part of the process of refining our products and developing customer loyalty. We were able to evaluate the quality of our products much more quickly with an increased input base (especially from notable chefs) which greatly helped in perfecting our products. When a high quality product such as ours is presented to the marketplace along with educational product information and demonstrations it is much easier to develop solid accounts and customer loyalty.

With the aid of the Grant Project funds, we were able to create 8 new cheeses that have been extremely successful in the marketplace, posturing us for expansion in product line when the sheep milk becomes more readily available.

We learned during this Grant Project, that there is "No Place Like Home". That the best profit margin lies in selling as local as possible, keeping within our Upper Midwest Region. I do not regret at all developing the ties that we have with buyers on the East and West Coast, they have garnered us much needed publicity that actually was responsible for helping to get the attention of the customers in the Twin City and Madison region Our national accounts have helped to build our bridges to our local accounts in a backward sort of way...when we first started to market our cheeses, the Twin City area wasn’t quite sure how to perceive us...the national accounts allowed for our market base to develop while the Upper Midwest started to "get the news".

We now have plans to slowly strengthen and expand our regional accounts with the plan on being primarily regional in the next 3 years. We have also learned to increase our retail accounts and decrease our wholesale accounts, thereby enabling us to garner more money for less product.

The Grant results have affected our business by greatly expanding our rapport with nationally known buyers and friends of the industry (talk show host, restaurateurs, cheese mongers, food critics, and chefs). Being able to network with these people and educate them about our industry has enabled us to increase our visibility and help to posture ourselves as leaders in our field. It has also helped to establish the name **LoveTree Farmstead Cheese** as being synonymous with the highest quality artisan cheese, and leaving in it's wake, a list of customers that have reserved our cheese...we can not keep up with demand...a very nice problem to have.

We feel that this Grant Project will affect the Wisconsin family farm by demonstrating that there is a vast potential for value added products such as artisan cheese in the marketplace. We envision that through the spirit of competition that other cheesemakers will also gear their production towards high quality sheep milk cheeses and thereby increasing the market demand for sheep milk...we see this already with Bass Lake Cheese increasing their purchases of sheep milk, and Carr Valley Cheese is also adding sheep milk and sheep milk blends to their product line. An increase in demand will in turn generate more interest in the dairy sheep milk production thereby fueling more sheep dairies being established.

We have learned that in talking with many farmers that they are interested in on site value added production, but many fear the unknown world of marketing. In order to address this issue, we re developing an "expanded label" program in the near future which would open up the LoveTree Farmstead label to other high quality farmstead cheesemakers that might need help getting their products in the marketplace, or who just don't want to bother with the marketing and just want to focus on cheese production.

We are very optimistic that the future of artisan cheese production in Wisconsin is much closer than a dream, and is now becoming a viable reality. We feel that it is realistic to envision northern Wisconsin becoming the "Napa Valley" of cheese within the next 20 years.