On Farm Processing and Marketing of Dairy Products

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Value Added Dairy Production

• Has been a growing area of interest for the last 15-20 years
• Driven by consumer demand for local products
• Supported by farm desire to create a greater farm-to-retail price spread and increase next generation opportunities.
Dairy Pioneers

• Farms interested in value-added processing and marketing need to embrace learning new skills and new systems of action.

• With an entrepreneurial spirit, it is important to remember there is much risk and little is guaranteed!
Opportunities

• Variety of products can be created
  – Cheese, fluid milk, ice cream, soft products-yogurt, quark, feta, spreads

• Wide variety of marketing avenues
  – Direct retail, wholesale, commodity
Specialization Taglines

• Grass fed, High CLA, Organic, Raw, Non-homogenized (Creamline), Local, High quality
Milk Sources
Local Resource

- Washington County, NY is unique with a high concentration of value-added dairy businesses calling it home.
Current Businesses

- 8 Cheesemakers and 1 Fluid processor
  - 3 cow dairies (6,50 and 350 cows)
  - 4 goat dairies (16, 25, 45 and 100 goats)
  - 2 sheep dairies (100 and 150 sheep)
3-Corner Field Farm

• A dairy sheep operation
• Making a variety of fresh and aged products that are marketed primarily in NYC through the Greenmarkets.
Argyle Cheese Farmer

• A 55 cow dairy
• in business since 1850
• processing milk into yogurt, soft and hard cheeses.
Battenkill Valley Creamery

• Black Creek Valley Farms 350 cows
• Fluid milk and ice cream
• On-farm store as well as shelf space in 6-8 Hannaford Supermarkets, small mom & pop grocery stores and natural food stores.
Consider Bardwell Farm

• A goat dairy producing both goat and cow cheeses.

• Sell in NYC and at farmers’ markets as well as specialty shops with their distinctive label.
Dancing Ewe Farm

- Dairy sheep farm
- producing Italian style cheeses
- Sold mostly at the Greenmarkets in NYC and to restaurants and specialty shops.
Gillis Acres

- A goat dairy with an on farm retail cooler
- Sells at farmers’ markets with some in further distribution.
- Wide selection of soft products and aged cheeses including a blue cheese and kefir.
Longview Farm

• A goat dairy
• A variety of soft and hard cheese.
• Marketing channel is almost exclusively farmers’ markets in the greater Saratoga area.
Sweet Spring Farm

- A goat dairy
- Buttons of chevre at several farmers’ markets and 2 stores.
- Soft blue cheese and has a mold ripened cheese that only ages 2 weeks.
On-Farm Sales
Retail Sales - Local

- Farmers markets generally attended by 1000-4000 people/day seasonally
Retail Sales – non-local

• Larger venue farmers’ markets such as New York City have tens of thousands of customers passing through in a day.
Wholesale opportunities

- Farm to Chef
- Gourmet Distributors
- Gourmet food shops
- Restaurants
- Retail stores
Special Events

• Tour of the Battenkill
  – Special Edition bottle and chocolate milk

• Washington County Fair
  – Display, sample and sell to fairgoers
The Cheese Tour

Free drive it yourself tour

3rd year 2000 people

In 2009, 30-40% increase in sales

$80,000 impact on surrounding area – food, gas, lodging, shopping
Success Factors

• Maximizing marketing opportunities
  – Get listed on the menu of restaurant
  – Articles in newspapers using product
  – Food Network mention & promotion
  – ‘Farm to Table’ – extension and public television series educating consumers on healthy eating using film shot at local businesses.
• Post stories in newspapers, on blogs, web
• Host a farm tour or product tour
• Work with local tourism association – selling a local ag product really is promoting tourism.
Challenges

- Time!
- Packaging and prep for market
- Distribution
- Drive time/set up and delivery
- Regulations
- People Skills
Risk tolerance and Risk management
What can happen?

• Most of the businesses are growing faster than anticipated and are charging more than they expected.

• They are still challenged financially to get into the black while paying off loans for the investment.
• The ultimate goal is to have substantial name recognition and respect for the products.
  – And make money!
And the business continues..

• Make sure that you enjoy what you are doing, and long term success becomes more of an option!
Questions?

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