

In This Issue:

1. Nine Wisconsin Dairy Companies Awarded \$121,000 in VADI Grants
2. DBIC Monthly Message: You Have to See It to Believe It
3. New Wisconsin Local Food Marketing Guide Available
4. Industry News
5. Upcoming Important Dates

1. Nine Wisconsin Dairy Companies Awarded \$121,000 in VADI Grants

Nine Wisconsin dairy entrepreneurs were recently awarded more than \$121,000 in the second round of processor grants through the Value Added Dairy Initiative, a federally-funded dairy reinvestment program administered by the Wisconsin Department of Agriculture, Trade and Consumer Protection.

The VADI program, which includes the Dairy Business Innovation Center, is funded through the leadership of Senator Herb Kohl and Rep. Dave Obey, and is matched by in-kind contributions of agencies and organizations within Wisconsin's dairy sector. Since its start-up in April 2004, the program has administered \$3.18 million in grants to 315 producers, processors and local dairy groups. New grant recipients include:

- **Grassland Dairy Products Inc., Greenwood, Wis. \$10,750**
Grassland dairy is developing a specialty butter with the intent to enter a new market segment and grow to a national brand, with the potential to expand to the international marketplace.
- **Hidden Springs Creamery, Westby, Wis. \$12,500**
This farmstead cheese plant plans to unveil a new, expanded line of mixed-milk specialty cheeses in 2009. Grant funds will be used to modernize the company's marketing techniques including a new website.
- **LaClare Farm, Chilton, Wis. \$15,000**
This dairy goat operation is working with a local cheesemaker to create a high-end, artisan, aged raw milk cheese made exclusively with LaClare Farm goat milk.
- **Meister Cheese Co. LLC, Muscoda, Wis. \$20,000**
Meister Cheese is modernizing its existing plant to guarantee product consistency and to compete on a national scale.
- **Nordic Creamery, Westby, Wis. \$12,500**
Nordic Creamery, a new company already winning awards in national



competitions, plans to expand its marketing program to include in-store demos and increase market demand.

- **Snack Patrol LLC, Glendale, Wis. \$9,500**

Snack Patrol is working with a farmstead dairy to produce cheese jerky, combining farmstead cheese with quality jerky.



- **UW Provision Company, Middleton, Wis. \$16,750**

This company is partnering with the non-profit REAP (Research, Education, Action and Policy) Food Group to develop a local food distribution network and assist Wisconsin dairy manufacturers to distribute products with the help of a merchandiser.



- **Winona Foods, Green Bay, Wis. \$9,500**

Winona Foods intends to improve market placement of its Alejandro Cheese Products, focusing on competing in the nationwide ethnic marketplace.



- **Wisconsin Specialty Protein LLC, Reedsburg, Wis. \$15,000**

Wisconsin Specialty Protein will be the first company dedicated to specialty whey processing. This project will assist with segregating whey concentrate, such as organic, grass-fed and goat and sheep whey.

Additional grant funds are still available, with a final round of grants taking place now. Applications must be received by 4:30 p.m. Jan. 30. The maximum grant award per project is \$35,000. To request application materials, call Kelly Sime, 608-224-5115, or Mike Bandli, 608-224-5136. For more information, visit: www.datcp.state.wi.us/mktg/business/marketing/val-add/initiative

2. DBIC Monthly Message: You Have to See It to Believe It



This month, we hear from **Janet Ady**, DBIC Focus Study Director. Janet talks about what she's learned from moderating nearly 30 different concept tests for Wisconsin dairy entrepreneurs. She says: **"You Have to See It to Believe It."**

Over the past five years, I have had the honor of moderating the DBIC consumer focus groups. During this period of time, more than three dozen DBIC clients have conducted 29 concept tests, 87 different cheese labels, and taste tested 40 different products. Products have focused on cheese (47), but we have also tested eight fluid & related products and 10 other products. Many of these products are now on store shelves.

While I am bound by DBIC's client confidentiality and cannot share the specific results of any DBIC client test, I can share with you my general observations. The first is that no matter how big the company, nor how experienced the cheesemaker and the management team, everybody learns something new when participating in this program. And the best part is, the input is unique to each company and its product, with specific feedback on how companies can make their concept, product, label, or packaging better.

Here are some trends I've observed:

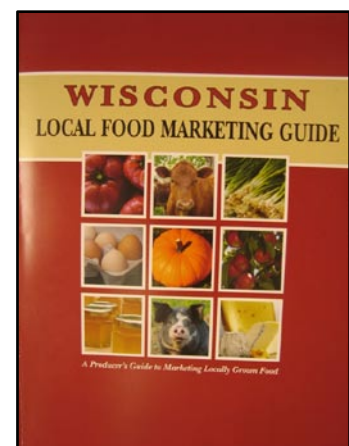
- **Consumers have become skeptical of many label claims.** Consumers are seeking more and more information – not only from labels, but from retailers, people at the farmers market, or anyone else who they may know – to try to verify the claims you make and ensure the product they are buying is made by a “good” producer.
- **The “organic” tide is on the way out, “rBGH free” is peaking.** This isn't because these labels are no longer important to consumers, it's because consumers don't believe these characteristics alone are sufficient to indicate a “good” producer.
- **The characteristics now in favor are “sustainable” and “local.”** These are both problematic for producers. “Sustainable” is very hard to describe, let alone ascertain, and everyone seems to have a different definition of “local.”
- **Packaging matters.** Packaging, now more than ever, needs to support a company's overall positioning. In other words, even if a company has the best artisan cheese out there, consumers won't believe it if it is packaged like a commodity cheese.
- **Serving suggestions are key for unique products.** Labels for unique cheeses, such as American Originals, need to include a description of the cheese and offer some very simple serving suggestions.
- **Use the label to tell a story.** Consumers love -- more than anything else -- a great story paired with a great cheese. (And if you need help figuring out what your story is, DBIC Marketing Consultant Andrea Neu is one of the best out there.)

Clients of all sizes and types have participated in the DBIC consumer focus group program – from Wisconsin's largest cooperative to private manufacturers to the tiniest of artisan producers -- from multiple-generation dairies to single family start-ups, and from traditional cheese products to all sorts of new and innovative concepts. If you're interested in participating in a future DBIC consumer focus group, contact your client manager or Norm Monson at DATCP at 608-224-5135 or email norm.monsen@wi.gov.

3. New Wisconsin Local Food Marketing Guide Now Available

The Wisconsin Department of Agriculture, in conjunction with a multitude of state trade organizations, agencies and the new Buy Local, Buy Wisconsin program, has published a new, 118-page Wisconsin Local Food Marketing Guide. The publication is designed to be a producer's guide to marketing locally grown food, including everything from fresh fruit and vegetables to artisan dairy products to grass-fed meats.

Topics include how-to's on direct marketing, selling to restaurants, grocery stores, institutions, distributors, as well as detailed information on licensing, labeling, regulation requirements, food safety, food liability and farm insurance. An extensive resource section lists exactly which regulations and requirements are needed for which kinds of processed foods. The new guide also features more than 30 detailed profiles on successful businesses,



giving tips to producers on marketing techniques, building relationships with buyers and educating customers.

To order your free copy, contact the Wisconsin Dept of Agriculture at 608-224-5101 or email datcpblbw@wi.gov. The publication is also available online at www.datcp.state.wi.us – search “Buy Local”.

4. Industry News

- ❖ **Cheese Cupid:** What cheese loves your libation? What libation loves your cheese? The Wisconsin Milk Marketing Board has answered these age-old questions with a cool new website: www.cheesecupid.com. Make sure you turn on your sound to get the full effect of this new tool, being touted by food writers across the country. Just choose a drink and the website will match it with the perfect Wisconsin cheese. Yum.
- ❖ **Two New Cheese Magazines Debut:** Two new publications, dedicated to educating consumers about artisan and specialty cheeses, hit newsstands at the end of December. *Culture Magazine*, co-founded by the DBIC’s Kate Arding, features Wisconsin cheesemaker Bob Wills in its premier issue, while *Cheese Connoisseur*, published by Deli Business, features Wisconsin cheesemaker Sid Cook in its first issue. Congratulations to all the cheesemakers highlighted in these new glossy publications! To learn more, or order your subscription, visit www.culturecheesemag.com and www.cheeseconnoisseur.com



5. Upcoming Important Dates

- **Jan. 8-9: Third Annual Wisconsin Local Food Summit. Wisconsin Rapids. Wis.**
Producers, consumers and advocates of local food are invited to network and discuss their visions for the local food movement in Wisconsin at the state's third annual local food summit, to be held at Mead Hotel in Wisconsin Rapids. Kate Clancy, one of the nation's leading authorities on food systems, with expertise in sustainable agriculture, food policy, food systems planning, organic food, and related topics will be the keynote speaker More info: <http://wisconsinlocalfood.wetpaint.com/page/3rd+Annual+Wisconsin+Local+Food+Summit,+January+2009>
- **Jan. 22-23: 11th Annual Midwest Value-Added Conference. Rochester, Minn.**
Plan now to spend two days filled with agricultural and business information, education and networking at the Midwest's largest value-added conference. Visit the tradeshow, exhibit your products, and attend two action-packed days of speakers and break-out sessions. For a complete list of all events and to register, go to <http://www.rivercountryrcd.org/valad.html>

- **Feb. 4–9: Wisconsin Buy Local Regional Workshops. Statewide, Wis.**

Farmers will receive practical advice on pricing their farm products during the morning session and spend the afternoon collaborating on options for promoting local foods in local communities. A local food lunch will be offered and participants will receive a new Local Food Marketing Guide. Dates and locations are as follows:

- February 4th, Eau Claire
- February 5th, Phillips
- February 6th, Oconomowoc
- February 7th, Platteville

Cost is \$20 per person. The workshops are sponsored by the Wisconsin Department of Agriculture, UW Extension, REAP Food Group and Local Fare. For more information or to register, visit: <http://www.dbicusa.org/planningoptions/calendar+of+events/default.asp>

- **March 17–19: U.S. Championship Cheese Contest. Green Bay, Wis.**

Create your own winning legacy: Enter your cheeses and butters in the nation's largest and longest-running cheese and butter competition. The 2009 United States Championship Cheese Contest® offers cheese and butter makers from around the United States the opportunity to vie for prestigious awards in 65 classes. This year's contest will be held in the stunning new Atrium of Lambeau Field in Green Bay, Wisconsin. Learn more at: www.wischeesemakersassn.org

- **April 22 – 23: Wisconsin Cheese Industry Conference. La Crosse, Wis.**

The 2009 Wisconsin Cheese Industry Conference will be held April 22-23, 2009 at the La Crosse Center. The WCIC, co-sponsored by the Wisconsin Cheese Makers Association and the Wisconsin Center for Dairy Research, will be the largest cheese industry show in 2009. Learn more at www.wischeesemakersassn.org

The Dairy Business Innovation Center offers technical assistance to dairy producers and processors in developing value-added dairy products, business planning and market development. For more information, visit www.dbicusa.org or contact Jeanne Carpenter at 608-358-7837, email: Jeanne@wordartisanllc.com.