

Wisconsin remains tops in cheese competition with California

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MILWAUKEE—Cheeseheads don't need to be bleu: Experts say predictions that California will soon overtake Wisconsin as the nation's top cheese producer are unlikely to come true.

The Golden State and its happy cows gained quickly on Wisconsin in the past decade, but plants in California are maxing out, while efforts to boost production in Wisconsin are paying off, said Dick Groves, longtime owner of the Madison-based trade publication, Cheese Reporter.

Groves helped spark the friendly competition between the states 10 years ago with an editorial predicting California would overtake Wisconsin in cheese production by 2005. He later amended it to 2010 and then, last month, to "not anytime soon."

New numbers showing a growing gap between Wisconsin and California prompted Groves to abandon his earlier prediction.

"Cheese production in the two states moved in opposite directions—Wisconsin's went up and California's went down," he said.

About half of the 9.7 billion pounds of cheese made in the U.S. comes from the two states, according to the National Agricultural Statistics Service. Production has grown much more rapidly in California in the past decade as large plants opened there year after year.

Wisconsin's lead in annual production shrank to about 164 million pounds in 2007, according to NASS. Last July, California came within less than 6 million pounds of Wisconsin in monthly production.

But then the gap started growing again, reaching 30 million pounds in March. The quick shift is partly due to two plants closing in California in 2007, while two opened in Wisconsin this year, Groves said.

Dairy Farmers of America closed an American cheese plant in Corona, Calif., saying it wasn't profitable, and Lactalis USA Inc. closed a specialty cheese plant in Turlock, Calif. Lactalis officials declined through a spokeswoman to discuss that plant closing.

Meanwhile, Foremost Farms USA idled a plant in Waumandee in western Wisconsin in January 2007, retooled it to make a premium type of cheddar and reopened it in March. The temporary shutdown was "not insignificant" in terms of the state's cheese production, Foremost Farms spokeswoman Joan Behr said.

Also in March, BelGioioso Cheese Inc. opened its fifth plant in Wisconsin.

California now has 61 cheese plants compared to Wisconsin's 124. The Golden State's plants are larger, but they're pretty much operating at full capacity while Wisconsin's could probably make a bit more, federal and state agricultural officials said.

That means California would have to add plants to move ahead in the race for the title of Big Cheese. But more new plants are opening now in places such as Idaho and the Texas panhandle, which have growing dairy farms and lower costs, said economist Don Blayney, of the Economic Research Service in the U.S. Department of Agriculture.

Companies have struggled in recent years to build new plants in California, where the permit process can take four to six years, said Michael Marsh, chief executive officer of the Western United Dairymen, which represents milk producers there.

Cheesemakers also contend with opposition from environmental groups and, if they get a plant open, high workers compensation costs, Marsh said.

"It is a challenge for us," he said. "The state of California really has to make our state attractive to businesses to locate here."

Wisconsin has worked to increase the state's milk supply after cheesemakers said they needed about 15 percent more milk than they had, said Will Hughes, agricultural development administrator. The state has recruited farmers, encouraged them to add cows and provided incentives for them to install newer, more efficient equipment.

The effort has paid off with renewed investment from companies such as BelGioioso.

The company based in Denmark, a village about 100 miles north of Milwaukee, has chosen to expand here because there's an ample milk supply and it's equally easy to ship from the Midwest to both coasts, marketing manager Jamie Wichlacz said. The plant in Freedom is the second new one the company has opened in about five years.

"I think the milk supply is there, I think the farmers grow as the companies grow, as the cheese producers grow," Wichlacz said.

Wisconsin cheesemakers and agricultural officials also emphasized they weren't looking to make more cheese but better cheese. While California's plants tend to make large quantities of a few kinds of cheese, Wisconsin companies have focused on developing a wide range of specialty cheeses, such as pesto Jack or Asiago, that command higher prices.

The state recently announced that specialty cheeses now account for 16 percent of Wisconsin's production and two more specialty cheese plants will open in the next few weeks.

"I always say this is not a race with California to be No. 1 in producing cheese," Hughes said, "although not anyone in Wisconsin is going to want to give that up."

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