

Cedar Grove, Clock Shadow Creamery Confront Different Pandemic Challenges

Sister Companies Located In Different Rural, Urban Locales

Plain, WI and Milwaukee, WI—Two Wisconsin sister cheese operations - one rural and the other urban - are facing different challenges from the coronavirus pandemic due to different locations and business models.

Cedar Grove Cheese, located in the heart of Wisconsin's driftless region, has challenges unique to its rural location. Sister company Clock Shadow Creamery, in the heart of downtown Milwaukee, is facing a different set of problems because of its urban address.

As usual, our two cheese factories provide a study in contrasts, said owner Bob Wills.

Cedar Grove Cheese, Plain, WI, has been relatively fortunate, he said.

"We initially were concerned that demand for upscale and organic products would disappear as the economy collapsed," Wills said.

Cedar Grove informed its organic milk suppliers that the company might not be able to get them full price for their milk, starting in the second half of March.

We told them we didn't know how bad it could get, but as much as half of their milk might be at conventional price, he said.

"We knew that another plant had been soliciting our producers, offering a price below what we normally pay," Wills said. "A few producers did decide to transfer."

"As it turned out, we were wrong about the market and there was only a very small discount for a couple weeks," he continued.

"Since then, the organic market has been very strong and we have been supplementing our milk supply from outside sources."

I think I know why I was wrong, Wills said.

"Initially, consumers bought a lot of highly processed products from the grocery store and bought familiar brands. Some of these may have had attractive pricing. But, once that period was over, people who still have income started buying upscale," he said.

"Buying healthy and delicious cheese to serve the family makes them happier," Wills said. "And, by not spending money in restaurants and on entertainment, many consumers have the ability to pay a little more to make their meals special. So the mix moved in our direction."

Cedar Grove still has a small surplus of conventional, rBGH-free milk that is forcing the company to seek new outlets. Increased mail orders have been some help, but the company has shuttered its retail store in Plain and instead sells cheese for curbside orders.

Wills' second cheese company, Clock Shadow Creamery in downtown Milwaukee has been through a totally different experience.

Clock Shadow has relatively small sales through grocery outlets, and does not sell as much into ingredient markets, Wills said. Most of the cheese is typically sold to restaurants and tourists, with sales dropping 95 percent in just one week.

The majority of the Clock Shadow employees have been laid off, except a few who are working now at Cedar Grove. The company consolidated production at the Plain factory, and transports

most of the cheese needed for Milwaukee.

"Because we're in a relatively low income neighborhood, we refocused our retail on offering very low prices and mail orders," Wills said. "On the upside, we've had time to work through inventory and discover what has been stashed away."

"This has been welcomed, especially by the service industry employees who are really struggling to make ends meet," he said. "Gradually, some of the restaurants and breweries have begun to do carry-out and are ordering small, but growing, quantities of cheese."

A major concern now is the viability of farm patrons, Wills said. We set a floor price on our cheese sales so that we'll be able to get some more money back to the producers.

Cedar Grove has had a few employees with extended absences because of undiagnosed illnesses or voluntary quarantine.

"We're still having a hard time finding employees in spite of the huge unemployment," Wills said. "That's probably due to some people not wanting to work with exposure to other people, although we have instituted policies to help mitigate risk."

It also may be because the government is offering relatively attractive unemployment benefits, he said. We're hopeful people will eventually appreciate the prospects of working in essential, non-seasonal, clean working conditions.

Being able to adapt to rapidly and radically changing market conditions has helped Clock Shadow and Cedar Grove.

However, several projects and prospects that we have been working on for a long time have gone on the back burner, Wills said. Customers have more important concerns than adding new products at this time.

"We're not really sure how long it will be before those opportunities return," he continued. "We're working with others to fill their immediate needs, but not managing our own growth or starting projects with partners the way we would prefer."

Good For Wisconsin: Tourists May Favor Quiet Countryside

Wills' "best case scenario," magical thinking sees a cure for the virus, everyone goes back to work and eats lots of good cheese.

"People appreciate the real thing, and frivolous ideas like analog dairy products fade away," he said.

"My crystal ball is less sanguine. I'm not sure that lenders and property owners and utilities will forgive all the debt. I'm not sure that small independent restaurants will all make it through," he said.

I'm also not sure that consumers will quickly return to going to

crowded places like bars and restaurants, Wills continued.

I really hope that a lot of the small restaurants in Milwaukee will reopen, he said. They have exceptional quality and value compared to anywhere I have traveled.

Home delivery and carry-outs will likely continue to be a big thing, and I'm hopeful that Clock Shadow Creamery will continue to be a significant part of that, he said. I also think that we can continue to build mail order sales.

Efforts we're making to build our local clientele will hopefully result in more customer loyalty and strengthen people's commitment to buying locally, Wills said.

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Cedar Grove Cheese and
Clock Shadow Creamery

Once grilling season starts, we'll push Chees-E-Que and the bratwurst flavored variety. Those products had mostly been going to restaurants, but there should be new opportunities with more eating happening at home, he said. Those changes can help offset the reduction in tourist business in Milwaukee.

Once people do start traveling again, Wills predicts visitors will be looking for quiet places.

"Rather than going to the big cities and popular tourism attractions, I expect to see more people seeking out rural Wisconsin and places like Cedar Grove Cheese," he said. "I think there will be a pretty quick resurgence of roadside cheese stores that we supply."

At a bigger level, people will put more emphasis on broad healthfulness and active living, Wills added.

"As a result, I think that the organic food market will stay strong," Wills continued. "I'm hopeful that artisan foods will reclaim and maintain their momentum."

For more information, visit www.cedargrovecheese.com or www.clockshadowcreamery.com.

This is the first in a weekly series on how cheese companies are coping with coronavirus, including their biggest challenges and hard-fought victories in this new and insecure manufacturing environment.

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