Seymour Dairy Sees Tremendous Blue Cheese Growth In Foodservice; Eyes Retail

Company Updates Packaging Technology; Increase Efficiencies With New Cheese Piercer

Seymour, WI—Armed with enthusiasm and the belief that the recession won't last forever, Seymour Dairy is aiming to jumpstart the company's retail Blue cheese distribution, a difficult task even in a good economy.

The overall US Blue cheese industry over the past five years has held relatively flat. There's roughly 80 million pounds of Blue cheese made in the US every year, 70 percent of which, says Mike Brennenstuhl, basically goes into foodservice.

"That's just the way Blue cheese is moved. 55 million pounds of Blue goes into foodservice," Brennenstuhl, president and CEO of Seymour Dairy, said.

Until recently, the four-year old company has focused primarily on the foodservice aspect of the business.

With 90 percent of their production going into foodservice, the company has been able to grow production from 40,000 pounds of Blue cheese in its first year, to almost five million pounds in 2008.

"With our capacity, we can compete both in foodservice and in retail," Brennenstuhl said. "Whereas some of these other Blue cheese manufacturers can only target one area, we can compete equally well in both."

Brennenstuhl thinks the third spot in the retail Blue cheese industry is up for grabs.

"We have made a major investment and focus on being a retail presence on a national level," Brennenstuhl said. "Are we there yet? No. But we have made a major commitment to do that. And we have seen our retail business grow. Now it's just a matter of getting retailers to know who we are."

The company has invested heavily into more eye-appealing and consumer-friendly packaging; developed packaging technology that, according to Brennenstuhl, increases shelf life to where the retailers expect Blue cheese should get to; and hired Mary Beth Hill as a new sales person to assist Brennenstuhl with national sales.

Brennenstuhl says major retailers are starting to take notice of the company's cheeses because of the success they've had in the specialty cheese industry.

"We are much better recognized in that specialty artisan cheese segment," Brennenstuhl said. "Supplying chefs, white tablecloth venues, etc. That's helped us. From a brand building viewpoint, the specialty cheese industry has helped us establish ourselves as a legitimate company in the retail world."

"We are able to network with the main players in the industry, because they have the confidence in our abilities as cheese makers."

Brennenstuhl and plant manager Rob Richter say their cheeses are a milder, more European style of Blue.

"Make no mistake, we let people know that we do make a different style Blue. If someone wants that real strong, traditional domestic Blue like a lot of the major manufacturers make, they probably will be a little disappointed at first when they try ours," Brennenstuhl said.

"When they try our Reserve and our Ader Kase they usually say that it is different than any Blue they've ever tried," he added. "Our niche is creating a niche."

Mike Brennenstuhl and Rob Richter of Seymour Dairy prepare their new Johnson Industries Blue cheese piercer for production. The cheese piercer has put an end to the bottleneck area of piercing and handling the blue cheese, Brennenstuhl and Richter said.

Five Styles of Blue

Seymour Dairy offers five different blue cheeses, with distinct flavor profiles.

Richter said the company's Ader Käse and the Ader Käse Reserve start as basically the same cheese. However, Richter hand-selects which cheese can go longer into aging, and that is what differentiates the two.

"Taking the Ader Käse Reserve further, into the next level of aging, the flavors change," Richter said. "Basically it becomes sweeter. The undertones become fruitier."

The Ader Käse Reserve took Best of Class in the 2008 World Championship Cheese Contest blue-veined cheese class, besting not only all other US entries but also entries from Denmark, Canada, Spain, Australia and New Zealand and other countries as well.

While the Reserve becomes sweeter, the Ader Käse becomes more creamy and is compared to a Cambozola or Montagnolo cheese.

"The Green Crest Gorgonzola is really a domestic Blue with a green mold and Gorgonzola flavor," Richter said. "It replicates a European Dolce Gorgonzola."

Richter said the Ader Käse Reserve, the Ader Käse and the Green Crest are the company's best selling retail cheeses.

"They have the distinct flavor profiles that the customer is looking for," Richter said.

The company also recently starting making an organic Blue cheese which has the profile of the company's foodservice product, the Blue Crest. Richter said the Blue Crest is the company's interpretation of the classic Danish Blue.

Recession Seems To Be Waning

In 2008, Seymour Dairy manufactured 4.8 million pounds of Blue cheese. Brennenstuhl says the company expects to manufacture roughly the same amount this year, which he feels is pretty good under the current economic conditions.

"We haven't lost any customers due to the recession," Brennenstuhl said. "Our orders may be down a bit, but we are retaining the customer base."

> "Those people who value us for our artisan ways, those techniques will never go away. We're just fortunate enough to have the capacity to make a greater amount, and be able to take directly to the consumers some of the best artisan cheese in the US."
>
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Brennenstuhl has actually been encouraged by recent trends.

"Since late April, early May, the floodgates have opened," he said. "We've been running virtually seven days a week. There seems to be no end in sight. We're making as much as we can possibly make right now."

Brennenstuhl thinks that once the economy recovers, the company will see a considerable spike in production.

"With our capacity, we can make seven vats of cheese a day. About 19,000 pounds of cheese a day, seven days a week," Brennenstuhl said. "For little investment we could work our way up to eight or nine vats a day and get total capacity up to 10 million pounds."

New Cheese Piercer Unclogs Bottleneck

To take the company to the next level of production, Seymour Dairy

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Support Prices Up

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support purchase prices, but not by as much as Vilsack ended up raising them. NMPF praised Vilsack's announcement.

"This step by USDA to raise farm-level milk prices comes at a critical time, and is yet another important effort the agency has made to help dairy farmers survive the worst recession in their lifetimes," said Jerry Kozak, NMPF's president and CEO.

DEIP Open For Cheese, Butter

Another action USDA has recently taken to shore up milk prices is to reactivate the Dairy Export Incentive Program (DEIP). USDA had announced 2009/10 DEIP year allocations in early July, and started accepting DEIP bids for nonfat dry milk on July 13. This week, USDA issued DEIP invitations for offers for both butterfat and cheese. CCC began to consider offers under the new invitations on Tuesday.

Eligible cheeses under the DEIP include Cheddar, Colby, Gouda, Monterey Jack, Mozzarella, Swiss and Emmenthaler, and processed American. The global allocation is 2,878 metric tons.

The CCC has accepted several DEIP bids for nonfat dry milk in the last two weeks. By far the largest was a bid, accepted Thursday, for 5,000 tons of nonfat dry milk to Asia and Eurasia, for delivery between September 1 and December 31. CCC's bonus, $133.00 per metric ton, was awarded to James Farrell & Co.

Other DEIP bids accepted by the CCC in the last two weeks have included:

- 396 metric tons of nonfat dry milk to Africa and the Middle East, for delivery between August 1 and October 31. CCC's bonus, $155.00 per metric ton, was awarded to DairyAmerica, Inc.
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- 308 metric tons of nonfat dry milk to Africa and the Middle East, for delivery between August 1 and October 31. Average bonus for the two awards was $173.25 per metric ton. CCC's bonuses were awarded as follows: James Farrell & Co., 200 tons; and P.S. International, Ltd., 108 tons.
- 200 metric tons of nonfat dry milk to Africa and the Middle East, for delivery between August 1 and September 30. CCC's bonus, $177.00 per ton, was awarded to P.S. International. r

Seymour's New Piercer

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realized it needed to resolve a few problems first.

One area that needed urgent attention was the cheese piercing.

"We needed to modernize our piercing. We had a lot of handling involved with the way we were doing it. It was just one of those spots that needed upgrading," Richter said.

The company sought the help of Johnson Industries International, known for its size reduction equipment, as well as Italian cheesemaking equipment.

One of the specific items Johnson is known for is its rotary molder chiller (RMC). Johnson used the RMC in the design of Seymour Dairy's new cheese piercer.

The Blue cheese is pulled from the brine, placed on a conveyor until it reaches a five-stationed compartmentalized wheel. A sensor recognizes and indexes the cheese into the first station.

The rotary wheel will take that cheese to the next station where it is pierced from the top. The next station pierces the cheese from the bottom up. The needles are properly aligned so the holes from the top and holes from the bottom do not hit.

"They really ended up designing the machine around the needles that we wanted and the rotary design that they were used to building," Richter said. "Between those two things we came up with this machine."

Johnson came up with a needle that is machined and cupped at the end.

"When the needle goes through the cheese it makes a bigger hole than the needle itself," Gary Nesheim of Johnson explained. "So when the surface of the needle is pulled back out of the cheese, it isn't pulling cheese back out with it."

"The biggest thing we wanted to do is pierce the holes and retract the needles," Richter said. "That's where the needle design comes into play. The needle reduces the friction on the cheese and the needles don't have the smearing that are on the other needles."

That cup design also keeps the needles from moving inside the cheese, providing a straighter pierce, said Ken Westby, also of Johnson. If the needles are moving around in the cheese, the Blue cheese will crack a little more than usual.

Richter said the machine has helped prevent cracks, provides better openings in the cheese and provides better airflow.

"Blue cheese manufacturers tend to break a lot of needles," Nesheim said. "During washing they drop, or they get brittle. With the type of stainless we've used, we don't suspect that they are going to be breaking a lot of these."

The handling of the product is greatly reduced, Richter said.

"We've gone from an 11 hour day to a seven hour day thanks to this machine. It's definitely made that much difference."

Both Richter and Brennenstuhl confirm the savings.

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> —Rob Richter, Seymour Dairy

"We've seen the difference, especially in the overtime savings, Richter said. "Most importantly we are getting the cheese out of the brine in a timely manner. If there was ever a bottleneck in the process, getting the cheese out of the brine and pierced was it. Now we're ahead of schedule."

Besides that, Richter said the company has also seen the benefits in maintaining brine temperature; keeping the company's salinity better; and "we're getting a better product because we're getting a mold growth at a faster rate. A more consistent mold growth throughout the wheel."

Brennenstuhl says the company is becoming more efficient in order to be more competitive.

"We still consider ourselves to be artisans. It's in the way we make the cheese. The techniques we use. Those people who value us for our artisan ways, those techniques will never go away," Brennenstuhl said. "We're just fortunate enough to have the capacity to make a greater amount, and be able to take directly to the consumers some of the best artisan cheese in the US." r