

## Red Barn Farms Giving Life To 'Terminal' Farms As Well As Making Award-Winning Cheeses

Pulaski, WI—The traditional dairy farm as the dairy industry knows it has changed considerably over the years.

At the beginning of this century, there were still more than 84,000 dairy farms in the United States that milked fewer than 100 cows.

Today there are 44,000 dairy farms milking fewer than 100 cows, and those farms account for less than 14 percent of the total US milk supply.

Not many expect that trend to change anytime soon.

Red Barn Family Farms was established four years ago to preserve some of the smaller dairy farms in Wisconsin

"I like to believe that these Red Barn Farms are producing the July garden-ripened tomato of the milk world."

—Terry Homan, Red Barn Family Farms

Red Barn is the vision of Terry Homan, DVM and his wife, Paula.

As a doctor of veterinary medicine, Terry Homan saw, firsthand, the number of farms exiting the industry.

"When I graduated from college, others vets told me to choose a practice that wasn't dependent on terminal dairies," Terry Homan said.

He describes "terminal dairy" as a farm run by a someone who will retire without the next generation taking over. "When the farmer retires, that's the end of the farm."

During his 16 years in the vet business, as he got to know his clients more, Homan would ask questions about the quality of the milk once it leaves the farm.

His conclusion: healthy cows produce the best milk.

Homan admits that isn't earthshattering news to anyone, but it did provide him the "ah ha" moment that became the impetus for Red Barn.

Homan came to see that the small family farms excelled at an individualized style of animal husbandry and that directly affected the quality of the milk.

"I don't think I believed when I first started this company the full spectrum of differences there were in milk," Homan said. "Yet, for the most part, the farmer was paid a commodity price no matter the quality." Red Barn Family Farms pays their patrons in a way that is sustainable, they believe. "It's higher than the commodity price and separate from the organic system," Homan said.

#### **Red Barn Rules Set Standards**

The farmers are paid a premium for their performance relative to a set of standards that "significantly exceed industry standards for cleanliness, milk quality and animal health," standards devised by Homan.

Homan said the stringent minimum requirement of the milk quality indexes places each Red Barn Farm in the top 25 percentiles across the industry for each index.

Homan likened Red Barn and its rules to the difference of the tomato picked out of the backyard vegetable garden versus the tomato you get out of the supermarket in January.

"There isn't a soul that would debate which one is better in quality, Homan said. "We had some pushback from others in the industry. That, I think, comes from the commodity view that if milk is white, it's all the same. It makes logical sense to me. I like to believe that these Red Barn Farms are producing the July garden-ripened tomato of the milk world."

Other Red Barn Family Farms rules include:

- Milk must be rBGH-free
- Farms must be inspected and approved by the American Humane Association for their facilities and animal husbandry practices
- Each farm must be familyowned and the farm must be their primary source of livelihood.
- No less than half of the farm labor must be performed by family members

Currently, Red Barn has eight Appleton-area family farms, handselected by Terry Homan, that fit the rules and criteria.

None of their patrons have over 70 cows.

Bob Nett is a Red Barn dairy farmer located just south of Bonduel, WI. All of his milk from 40 cows goes to Red Barn. He uses a rotational grazing system for his cows.

"Terry approached me because of the way I handled the animals," Nett said. "I felt good that they recognized the way I treated the cows. I always did do that anyway. I didn't have to change anything."

It feels personal because it's small. You get a sense of personal pride, Nett said.

Homan said Red Barn has put a unique twist on the farmers pay price.

"We put objective measures on the results of excellent animal husbandry," Homan said. "We put objective measures on the quality of milk and we tied more of their pay price to those premiums. Their pay check is more dependent on their ability to achieve that excellence than to produce volume."

#### The Leap Of Faith

To support a cause is one thing, but to actually act upon it is entirely different

Being a veterinarian doesn't really qualify you as someone who can manufacture and market dairy products.

"We just thought, if the marketplace had the opportunity to understand the on-the-farm industry like I did, they would support us," Homan said. "That was a leap of faith we took."

While the company has many success stories, its initial endeavor into fluid milk now can be chalked up to inexperience.

Still, Red Barn bottles quite a bit of fluid milk in sizes from half-pints to 5-gallon dispenser bags.

The varieties consist of whole milk, 2%, reduced fat, lowfat, skim and chocolate milk. All of their milk is bottled at Lamers Dairy in Appleton.

"Naively as a veterinarian, and not well-versed in the industry, we found out quickly fluid milk sales weren't going to get us to our mission," Homan commented.

## Red Wax Bandaged And A New Cheese Hitting Stores Soon

Less than six months into their venture, the Homans made their first batch of cheese.

"I realized that these small family farms, the terminal dairies, could be a perfect match for the small cheese factories in our areas," Homan said. "Why not pair up and do something really powerful to support our state's dairy farming heritage?"

Red Barn produces two different types of red wax bandaged Cheddars.

It's Heritage Weis is a 13-pound midget Cheddar that is the younger of the two cheeses. It is a full cream, hand milled white Cheddar.

Heritage Weis Reserve is aged at least 12 months and has a sharp flavor.

"They are both kind of the old world way of making cheese. The way cheese was preserved before plastic was invented," Homan said.

The cheeses also come in European-style cuts, where the wheel is cut open-faced and packaged in wedges.

Both cheeses also come in 40 pound block; 5 pound loaves and retail blocks; as well as in random weight and exact weight cuts up to one pound each.

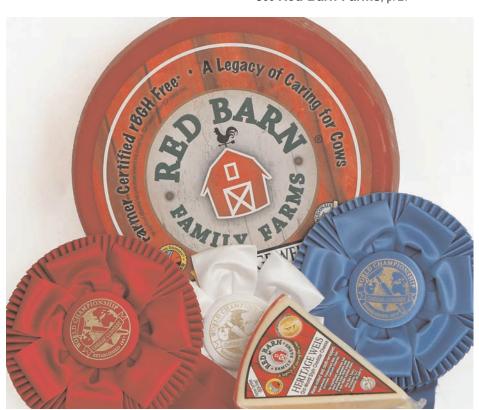
Both of the cheeses are made by Springside Cheese Company in Oconto Falls, WI by cheese maker Wayne Hintz.

The newest addition to the Red Barn cheese family is a raw milk Cheddar.

"John Jaggei of the (Wisconsin) Center for Dairy Research thought it would be a great pairing with what Red Barn is, to let the flavors of the premium quality milk shine through in the cheese".

This cheese will be made at Willow Creek Creamery by Jon Metzig

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and has yet to hit the market.

## Validation Of Mission Comes From Awards, Sales, Response

Paula Homan said the company was going to have to think big if they were going to be successful.

"If we are going to preserve farms we had to think big, we couldn't just do farmers' markets, alone," Paula Homan said.

She said that they found customers who firmly grasped Red Barn's mission of preserving the family farm and wanted to be part of that. They wanted a closer connection to the source of their food.

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> —Paula Homan, Red Barn Family Farms

"They saw it coming," Paula Homan said. "They said consumers want to share in the preservation of the small dairy farm. Consumers believe smaller, closer is better."

But you still need to make a qual-

ity product, right?

"Healthy cows make the best milk. The best milk makes the best cheese," Homan said. "It's simply a belief of ours and it's been validated."

In 2011, the Heritage Weis Reserve took the Best in Class and Second Award at the United States Championship Cheese Contest's Bandage Cheddar class.

In this year's World Championship Cheese Contest, Red Barn swept the Mild Bandaged Cheddar Class and took the top two spots in the Sharp Bandaged Cheddar Class.

"We were two-tenths away from sweeping both categories," Terry Homan said. "In just our first year of entering the contest. Quality milk makes quality cheese."

Homan says that making a quality product opens up areas of cheese buyers.

"Our cheese attracts a wide spectrum of people," he said. "We get people that are ambivalent about the concept of Red Barn and its mission of preserving the family farm. But the cheese is great so they buy it for that reason. And then we have the enthusiastic fans who identify in what Red Barn stands for."

Paula Homan said the cheese is available nationwide with many retail locations in Wisconsin and Minnesota. However, orders from distributors in Oregon, California, Arizona, New Jersey and Massachusetts may take Red Barn to the next level.



On the range with the Homan's: Paula and Terry Homan of Red Barn Family Farms stand on Bob Nett's rotational grazing pasture. The Homan's believe this type of farm providing optimal animal husbandry techniques, produce the best milk.

"Our existing cheese customers are retailers, grocery stores, cooperatives, natural food stores. We also sell to foodservice customers — higherend restaurants, colleges and universities—places that want to tout their use of our sustainable, humane-certified products."

When selling to customers and potential customers, we always lead with what Red Barn is, Terry Homan said. We lead with our mission most of the customers want it. "It's really heartening. It validates why we started this."

The future isn't nearly as daunting as what the Homans already have accomplished. They hope to continue to focus on premium, artisanstyle cheeses like their current lines of Cheddar. And to continue on with the mission.

"Our future goal is always one more farm," Terry Homan said. "If we can find a home for the milk from one more family farm, that meets our Red Barn rules; that is, one more farm sustained." FR

For more information on Red Barn Farms, visit www.redbarnfamilyfarms.com.

# PepsiCo CEO, New York Governor Celebrate Construction Of New Muller Quaker Dairy Yogurt Manufacturing Facility

Batavia, NY—New York Governor Andrew Cuomo on Thursday joined Indra Nooyi, chairman and CEO of PepsiCo, and Theo Muller Group CEO Heiner Kamps to celebrate the construction of a new yogurt manufacturing facility by Muller Quaker Dairy.

Muller Quaker Dairy LLC, a joint venture between PepsiCo and the Theo Muller Group, is building the facility on an 82-acre parcel of land in the Genesee Valley Agri-Business Park in Batavia. The first phase of construction is scheduled to be completed in 2013.

Muller Quaker Dairy entered the US dairy market last month with several new yogurt products that will be produced in Germany until the New York plant opens.

This marks the first entry by both PepsiCo and Muller into US dairy aisles

The new yogurts are initially being sold through supermarket and club retailers in the Northeast and mid-Atlantic.

"PepsiCo is proud to call New York home, and this new Muller Quaker Dairy venture increases our presence in this great state, while providing a tremendous opportunity to build our portfolio and capture the significant growth in the US dairy category," Nooyi said. PepsiCo is headquartered in Purchase, NY.

"We're excited to introduce US consumers to the types of products that have made Muller a household name in many countries around the world," said Stefan Muller, board member, Theo Muller Group.

To mark the construction of the more than 350,000 square foot state-of-the-art facility, Cuomo and Muller joined Nooyi for the signing of a ceremonial steel beam in front of state and local government and community dignitaries, representatives of local and national dairy organizations, and members of local community organizations and groups.

"Muller Quaker Dairy's yogurt plant will offer our dairy farmers one more outlet to sell their milk, support a rural economy with 180 new jobs and help feed the growing consumer demand for yogurt," said Dean Norton, president of the New York Farm Bureau.

Headquartered in Luxembourg, the Theo Muller Group is a holding company whose subsidiaries include a multinational dairy business.

The Muller brand originates in Bavaria, Germany, and has been producing popular yogurt and other products for more than 100 years.

The Theo Muller Group companies generate annual revenues of approximately \$5 billion.



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