

## South Texas Artisan Cheese Company Faces Obstacles In Fight For Niche

### New Company Competes With Illegal Cheese, No Real Milk Supply

Edinburg, TX—A new cheese company in the Rio Grande Valley is fighting to create a niche for Hispanic-style artisan cheese with the disadvantage of no real milk supply and competition from illegally imported Mexican cheeses.

The South Texas Artisan Cheese Company, headquartered here, began operations just three months ago, according to partner and CEO Hector Sanchez.

**“We’re living in the Rio Grande Valley, and the Hispanic population is about 92 percent and growing.”**

—Hector Sanchez,  
South Texas Artisan  
Cheese Company

“I used to work for a cheese plant in Mexico, so we started to look for a niche here,” Sanchez said.

His investigation uncovered a demand for carefully made, artisan, Hispanic-style cheeses. The Edinburg factory is also conveniently located next to urban centers like San Antonio, Houston and Dallas. The Hispanic population is growing, Sanchez said. We found there was a lot of people looking for Mexican cheeses.

“We’re living in the Rio Grande Valley, and the Hispanic population is about 92 percent and growing” he

said.

About two million people now reside in the area, which includes 20 major cities, according to Sanchez.

Sanchez and his partners settled on the 2,500 square-foot facility in Edinburg. After buying the necessary equipment from Wisconsin and completing the requisite experimentation phase, the plant began operations three months ago.

A major and expensive hurdle continues to be the inadequate milk supply. Extreme weather conditions in the area make milking a challenge.

“There’s a lot of empty land around here,” Sanchez said. “We can’t find enough milk here, so we bring in milk from Wisconsin.”

However, plans are in place for South Texas Artisan Cheese to start up its own goat dairy, supplementing the company’s milk supply.

Cheese is made three times a week, totalling roughly 1,000 pounds per week. Milk is shipped every two or three weeks from Wisconsin.

“The supply of milk around here is very poor,” Sanchez said. “Sometimes, we can get some from here.”

The company’s product line includes Panela, Asadero, Oaxaca and Queso Fresco, one of the most popular fresh cheeses in Mexico, which is mild, white, crumbly, and will not melt when heated.

The South Texas line of fresh cheese is also available in flavors like chipotle, Italian-style, chive and jalapeno.

“Since we started the Queso Fresco, that’s what’s selling the most right now,” said Adrian Melendez, sales director, South Texas Artisan Cheese.



At the South Texas Artisan Cheese Company in Edinburg, TX, operators need to import milk all the way from Wisconsin due to an inadequate milk supply. In the above photo, cheese makers drain the whey from a vat of hispanic cheese.

We started the line a couple of weeks ago and the different flavors have been very well received, Melendez said.

Cheese is made for the retail and restaurant sectors, and the business is powered by nine employees.

Products are available in 10-ounce and 16-ounce vacuum bags, and 10-pound tubs for foodservice.

Companies making Hispanic-style cheese in the Rio Grande Valley total only three or four, and their products are “not the best quality,” according to Sanchez.

“We found there was a niche to have a better product,” he said.

### Thousands Of Pounds Of Illegal Cheese Cross The Border Weekly

South Texas Artisan Cheese doesn’t suffer much in the way of competition from other licensed Hispanic-style cheese companies. However, the plant continues to fight against the illegal importation of cheese

from Mexico.

“It’s more like contraband or illegal cheese,” said sales director Adrian Melendez.

“They’re putting it in ice coolers and getting it across the border,” Melendez said.

About 10,000 pounds of illegal cheese makes its way across the border each week, according to Sanchez.

Basically, they’re driving prices down so that we’re trying to stay competitive, but unfortunately with that type of quality, we can’t beat their prices, Melendez said.

“Pricing is very low if they do it like that,” Melendez continued.

If something happens, they don’t have to pay a bond, and they don’t have to pay taxes, Sanchez said.

Here, we are all US citizens, but the labor in Mexico is cheaper, the milk is cheaper, and they don’t have to have all the necessary stainless steel equipment, he said.

“It’s much cheaper to produce cheese in Mexico,” Sanchez said.

The company is currently receiving support from the US Department of Agriculture (USDA) to keep area restaurants from buying the illegal cheese. But there’s still a lot of independent retailers buying the cheese, Sanchez said.

If all goes according to plan, the South Texas Artisan Cheese Company will include “a big house in Beverly Hills,” Sanchez joked.

In all seriousness, Sanchez would like to start a goat dairy cooperative for a reliable, local milk supply and embark on a marketing blitz promoting Mexican-style artisan cheese.

I’d like to hunt down traditional recipes for authentic cheeses made with wine and olive oil derived from goat, cow and sheep’s milk, he said.

I don’t think we’ll be able to do this all by ourselves, Sanchez said. To do it successfully will involve the whole community.

For more information, contact Hector Sanchez at (956) 720-4256 or visit the company’s website at [www.startisancheese.com](http://www.startisancheese.com).

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