



Official Cheese Curds of the MN State Fair

If you attend the Minnesota State Fair, please be sure to patronize the deep fried cheese curd vendors there! While it's true that the Original Deep Fried Cheese Curd Booth will no longer be there because of Dick Mueller's retirement, you'll still find our deep fried curds at the fair, and lots of 'em! Despite the absence of the Mueller family, we expect demand for curds to be as strong as ever!

As in the past, the Minnesota State Fair expects nothing but the best and we gladly step in to supply the majority of the curds to the 12-day festival. Patronize and thank these vendors for proudly serving up our product:

The Best Cheese Curds in MN: The Mouth Trap

Big Cheese

Duke's Poutine

And when you're enjoying your corn on the cob from **The Corn Roast**, it's going to taste even better knowing it's Ellsworth Creamery Butter slathered on it!

Are Milk Prices Crazy? (Continued from Page 2)

the price. This would then allow us to have a true futures market to balance to.

What is the Ellsworth Cooperative Creamery doing? We started 8 years ago by making a commitment to move as quickly as possible away from barrel cheese. At one-point barrels were 98% of cheese sales. With Comstock and curds we have cut that to less than 75%, with more expected.

In the month of May alone, this change added \$1.20 /cwt to your milk check. If we were selling only barrels the price would be \$14.10 per cwt vs the \$15.10 we were able to pay.

We continue to move away from barrels as the markets develop and our space allows. I have been asked why we don't just convert to blocks. This is a great question, and we could do this, but we would need to find new customers for our cheese, we would need to reduce milk volume by 20%, and finally, we would need to find a home for our whey. We get a premium for white unbleached sweet whey and if we moved to blocks, we would lose those sales.

Yes we are in crazy times and I am concerned it will continue. With record amounts of cheese in storage it is hard to understand why block prices continue to go up or even remain at the levels they are. So to get out of this price issue we need a couple of things to happen.

1) First, milk needs to decline. 2) Exports need to take off and stay there. 3) Blocks and barrels need to come to alignment. If these things don't happen we could have a sharp drop off in milk prices as the non-producer money that is propping up the futures market goes somewhere else.

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How Our Wisconsin-Made Curds Earned the Title, Best Cheese Curds in Minnesota

Of course we've known all along, and we're sure you have too — it's hard to beat our cheese curds for taste, quality, freshness and squeak! But when you're on top, defending your title is an ongoing battle.

In the ultimate blind taste test, Wisconsin's best cheese curds are now also the best in Minnesota! How could that be? Well, it's the thing legends are made of. Here's the story...

In June, Minnesota's CBS station WCCO-TV put out the call to their Facebook followers and viewers to help them find the best cheese curds in Minnesota. The suggestions came rolling in and many of our fans threw our name into the hat (thanks folks!). Since the contest was to find the "Best in Minnesota" I'm sure those votes were disqualified from the start. That's okay, WCCO; we get it.

Sorting through all the comments must have been a job, but the WCCO team did it and came up with 5 finalists. Competition was tight. The voting began and a winner was declared. Now here's where the story gets really good...

The Mouth Trap, a deep fried cheese curd booth familiar to Minnesota State Fair goers, took the title. Dave Cavallaro, Mouth Trap's Big Cheese, says the secret to the best fried cheese curds starts with the curds. And where does Dave find cheese curds to meet his high standards? Ellsworth Cooperative Creamery, of course!

We've been working with Dave for years, and he puts out a great product! Each year 60 tons of our delicious all natural cheddar cheese curds go to the Minnesota State Fair and every last curd (and crumble) is devoured during the 12 days of the event. So while those other crazy foods on a stick seem to get all the attention, when the novelty wears off it's the deep-

fried cheese curds from our creamery in Ellsworth that are still everyone's favorite.

Dave Cavallaro invited Amelia Santanielo, WCCO News, to Ellsworth to show her first-hand why he chooses Ellsworth's curds for his booth. They toured the facility and put the highlights of their visit into a segment that aired on WCCO last month. You can view the video at EllsworthCheese.com (under News).

And there you have it; the story to hand down to your kids. Although, better yet... don't just tell your kids about the legend, let them taste it for themselves.

The Minnesota State Fair will be held August 24 through September 4, 2017. Take the kids and pay the Mouth Trap booth a visit. You'll have to wait in line, but it's worth it! Give our regards to Dave Cavallaro, and be sure to tell him about the role you play in providing the milk that makes our cheese curds, and his business' main ingredient, so great!



Amelia Santanielo, WCCO News, met up with Mouth Trap owner, Dave Cavallaro, at the Cheese Curd Capital, for a tour of our production facility and retail store. To view the entire segment, visit EllsworthCheese.com and click on News.

News Bites...

CHEESE WINS! The American Cheese Society (ACS) held its annual conference in Denver, CO, last month. One of the highlights, the competition naming the best cheeses of the Americas.

This year the competition broke all records with 2,024 entries from 281 companies, a 10% increase over last year. With so many entries, would we still have a shot at ranking in our categories?

In the end we took home 2nd place (Blaser's Hot Pepper Jack) and 3rd place (Blaser's Ghost Pepper Jack) in the Flavored Monterey Jack Category, and a 2nd place for our Red Rind Muenster in the Brick Muenster Category! A big thank you and congratulations to our entire organization on the great showing!

NEW WEBSITE! A new Ellsworth Cooperative Creamery website, with a more organized feel and modern look, was launched this past June. Feedback from consumers has been extremely positive.

A more organized recipe section, News area, and expanded retail store information pages are just a few of the most visited areas of the site by web traffic.

Patron-owners still have a page dedicated to the information you want and need. This can now be accessed via the footer of the homage page.

Visit EllsworthCheese.com and scroll to the bottom of the page. Under Pages (in gray text), click on Members. Here you will find important links, contact information for your Field Representatives, and more!

Are Milk Prices Crazy, or is the Milk Plant?

By Paul Bauer, CEO, Manager
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Rest assured, the milk plant isn't crazy; rather the milk market is not normal. It's the national and international milk markets that are creating huge changes to how milk is priced, even from just a few years ago.

First up, the cheese market for blocks and barrels. For 40 years the average has been a difference of 3 cents. At times, one is higher or lower but for the year it consistently snaps back to 3 cents — so consistent is this spread that it is used to calculate class III milk price by using the average sold price of blocks and barrels plus 3 cents.

As I write this, the spread is .2975 cents or 2.975 per cwt of your milk check. The reason it comes out of your milk check is because barrel cheese is still a large part of revenue used to pay your check. We have no other sources to get money to pay members other than the revenue we get from selling products. So, this has a huge impact on your income. It would be wise to pay attention to this by following changes in the market. A website I would recommend is DailyDairyReport.com.

Second up is butter with two ways it impacts your check. The value of butter is up, so that makes the component value of butter higher and is reflected in the federal order calculated values of butterfat. Cheddar cheese is over 50% fat so when the price is \$1.41 for cheese, and component value for butterfat is estimated at \$2.9719, that means the fat in the cheese is worth \$1.485 per pound of cheese sold at \$1.41. As I write this, protein and other solids should be worth a negative value. The markets are crazy.

Butter has another technical issue, as well. The market value of butter is \$2.6256 based on the survey, and the estimated value is \$2.9719. The difference is how the FMMO formula uses butter multipliers. In the past, the multiplier was 1.20 or higher. The lack of butter marketers has dropped that to below 1.18. So again, farmers can only get paid on the revenue that is coming in and with less butter revenue the premiums or base price gets smaller.

There are still more issues impacting milk price but they are not new: 1) The lack of fluid milk sales decreasing the amount of the PPD. 2) The lack of stable forward pricing limits international sales to balance the market. 3) Over dependence on the international market to clear surplus products, leading to low prices and limits on the upside by the value of the dollar.

How does the craziness stop? I am not sure. The first thing needed is less milk. All the plants are full so switching to blocks is not possible when it slows production by 20%. Where will the surplus of milk go if more plants switch to blocks?

Additionally, the order system needs to update its formulas — this will take time (3 to 10 years). The market needs to have a single point to base cheese on not two. No other commodity that I am aware of has two markets. A cheese price should be a cheese price.

The only product priced off the barrel market is barrels so barrels are at an extreme disadvantage. It should be market cheese plus or minus to find...

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The End of an Era

This spring cheese curd fans from across the region shed a tear when they heard the news... and the news was all over television, radio, print and social media. Dick Mueller, owner of The Original Deep Fried Cheese Curds booth at the Minnesota State Fair, announced his retirement. It was hoped that Dick could pass the business on to his son, Tom, who would continue the tradition at the fair.

It was not to be. After a diligent "Save the Curds" campaign and meetings with fair officials, it was eventually announced that The Original Deep Fried Cheese Curd space would be offered to another fair vendor.

If you've ever attended the Minnesota State Fair, then chances are you've visited The Original Deep Fried Cheese Curds booth. Dick and his family were the first to introduce deep fried cheese curds to the event back in 1975. For 39 out of their 42 years at the fair, they proudly served their loyal customers none other than Ellsworth Cooperative Creamery's cheese curds!

Considering we only began making cheese curds in 1968, this was significant. Our curds were still in their in-

fancy, so you can imagine that being at the Minnesota State Fair was a pretty big deal to us in those days.

This development marked the end of a cheese curd era at the Great Minnesota Get Together. But we couldn't let the story end this way...

The State Fair Board's final decision was announced the week prior to our annual Cheese Curd Festival. We invited the Muellers to join us at the festival grounds so we could acknowledge them for their hard work and advocacy on behalf of our cheese curds.

On the evening of Friday, June 23, we celebrated Dick and the family at Ellsworth's East End Park. Many of their extended family, friends, employees and fans made the trip.

We presented them with a certificate of appreciation to acknowledging their contributions and hard work over the years. Paul Bauer, CEO, and Joe Hines, Dick's contact these many years at Ellsworth Cooperative Creamery, led the presentation. We then invited the Muellers to join our fry crew behind Cheese Curd Central, where they fried up our cheese curds as only they can — It was quite a show!



Congratulations and thank you to Dick Mueller and family for introducing our product to the Minnesota State Fair all those years ago, and for 42 years of cheese curd magic! Best wishes to you!

New! Breaded Curds Head to Market

Ellsworth Cooperative Creamery's newest value-added product line is ready to hit the market. Breaded (in Natural and Hot Buffalo flavors) and beer-battered (in Natural flavor) frozen cheese curds will be the newest offering for our foodservice division.

The curds have been in research and development for nearly a year. Taste and flavor were main considerations in development of the product. Additionally, we needed to be sure the coatings transported well.

From the time they come off the line, are frozen, packaged, boxed and transported, to the time they arrive at their final destination, we had to be sure the breading and batter could hold up to the trip. After several tries we found a combination of ingredients that offers the right amount of coating to cheese curd ratio, tastes great, and transports like a champ!

Watch for these beauties to begin appearing on restaurant menus this fall and winter. You'll want to browse the entire menu, and not just the appetizer section! We've got customers considering curds for salads, sandwiches and more!



One last test fry... These Breaded Hot Buffalo Curds are now ready for market!