

Women of the Farm Luncheon

On Saturday, January 18, our patron farm women braved the weather to gather for our sixth annual "Women of the Farm" luncheon. Once again, we packed the Creamery's third floor and enjoyed production tours, conversation with other patron women and Creamery staff, chair massages, wine tastings, a "make and take" sugar scrub bar, along with a delicious buffet lunch!

The industry is cautiously optimistic when looking ahead to milk prices and the dairy industry in general. However, as an organization, Paul Bauer, Creamery CEO/Manager, explained why it's important for the board to look forward and plan ahead for our future success.

In keeping with that theme, our guest speaker for the event was Michelle Farner, Dairy Pilot Plant Manager in the Animal and Food Science department at UW-River Falls. Michelle shared about her early work in the industry at a time when few women were exploring ag-related careers. She began as an intern at an Amish-owned dairy production facility, an operation she eventually grew to manage.

In her current role she is overseeing renovations for the UW-River Falls dairy plant. UW-River Falls is committed to training the next generation of dairy industry leaders. The goal of the UWRF Dairy Pilot Plant is to be a recognized center of excellence for teaching, outreach, and applied research in dairy product manufacturing. How fortunate we are to have this facility in our region!



It's always great to see our friends again! Thank you to all who took time away from the farm to share a day of fun with us.



The food is always a highlight of the day and as you can see from these faces, this year was no exception!

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Brand Ambassadors: For the Love of Cheese

Considering that our most profitable products today weren't in existence 5 years ago, new-product development is an important focus within our organization. Bringing a new product to market is a challenge—it can take years, and once ready to launch, there is no guarantee retailers will sell it or that consumers will buy it.

After months of strategic thought and planning we embarked on an experiment just prior to the holiday season. Through our Brand Ambassador Program our goal was to streamline the process of launching a new product while utilizing existing production capabilities and workforce levels, building customer loyalty, and creating consumer-demand.

The Brand Ambassador Program was itself a product, marketed to our current social media following. This was important to ensure we were engaging with customers outside our local geographic market. The option of purchasing the program as a Christmas gift allowed us to reach new consumers unfamiliar with Ellsworth Cooperative Creamery or our current product lines.

For \$49, the cost of shipping a pound of cheese in four separate shipments to their home, customers bought into the program. The four products to be tested included: Bourbon Muenster, Chipotle Raspberry Colby, Cajun Jack, and Jalapeno Bacon Cheese Curds.

While the cheeses were at no cost, the Ambassadors had important responsibilities. After each shipment they were required to complete a survey about the product. They were also asked to test the products in their own kitchen, share their serving and recipe ideas, and share the products with family and friends for more feedback.

The shipping schedule commenced right after the new year with the Ambassadors receiving one pound of a new cheese product to test every two weeks. As you

are reading this newsletter, the last of their cheese is being shipped. Through a private Facebook Group our Brand Ambassadors have been sharing their product photos and feedback from family and friends. They have also been sharing about their experience as an Ellsworth Creamery Brand Ambassador through their personal social media channels. We've made a lot of new friends and influencers across the country!

The feedback and data being gathered is immensely valuable. At the conclusion of the program all feedback will be reviewed and the most promising products will be promoted to key national retailers for the 2020 holiday season. Having direct consumer feedback and data in-hand will help our sales team do their jobs.

With commitments from retailers, we can more accurately and efficiently schedule production times to make the best use of our human resources and equipment and better gauge inventory levels for popular products.

So far the program is showing great promise and may alter how we bring new products to market in the future.



It's humbling to see the enthusiasm for our products all across the country. Ellsworth Creamery Brand Ambassadors share their love of our products across social media and share our test-products with friends and family.

ECC Annual Meeting

Please mark your calendar and plan to attend Ellsworth Cooperative Creamery's Annual Meeting on Tuesday, March 24, 2020.

Lunch will be served and Milk Quality Award winners will be named.

This is also your opportunity to network with your fellow-patrons, hear about our organizations performance over the past year, and discuss current industry trends, challenges, goals and plans for the coming year. The program will include a presentation from a FARM Program representative.

In addition, board member elections will be held. Once again, this year's election process will be conducted using a "dual-envelope" system to ensure voting privacy and preserve confidentiality.

The ballot itself will not be signed—instead it will be inserted into a ballot envelope and sealed. This ballot envelope will be inserted into a second outer envelope that needs to be signed with your patron number.

The ballots and envelopes will be delivered via your hauler. Please complete and return your ballot promptly. Your ballot must be received at the Creamery by Friday, March 20, 2020, unless you plan to bring your ballot with you to the annual meeting.

Ellsworth Cooperative Creamery Annual Meeting
Tuesday, March 24, 2020
Lunch: 11:30am
Meeting: 12:30pm
CrossRoad Community Church
W7562 US Highway 10, Ellsworth

What is Your Farm Worth?

By Paul Bauer, CEO, Manager
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Is your farm worth more than the value of the crop land? What would make it worth more than the value of the land? Your farm basically takes feed and converts it to milk, the same as all the other members do. But what if you were able to take feed and make milk at half the cost of the other members--would your farm be worth more than the next dairy farm? Of course, it would.

Valuation of a business may look like a simple question, but it is not. Honestly answering that question is a great way to assess how you should operate your business. The same is true for your cooperative. Is it worth more than the land and value of the used equipment? The goal should be that it is worth more than its parts.

The cooperative takes your milk and converts it to cheese just like all the other plants. Where we gain value is that we turn it into products that earn more than just a commodity price. So, we take cheese and get more by turning it into products consumers are willing to pay more for. The coffee chain Starbucks takes a \$.25 cup of coffee you could make at home and turns it into a \$5 cup of coffee you get to stand in line for.

In the long term, the cooperative's task is to ask, how do we continue to do that in the future with changing shapes, flavors and packaging needs demanded by the consumer? The management and board regularly discuss how we can do this, which leads to what processes, people and equipment we will need now and in the near and distant future.

There is a balance, just like on your

farm. If I invest in a process, more labor, or additional equipment, will it add value to my business today and be worth something to the next person or buyer? Certainly if you had a son or daughter looking to come home to be part of the operations you look at the capital spending to make sure the profits generated will be sufficient to support the next generation.

The cooperative is looking at the same process, but we have a continually rotating group of members who are really the next buyers of the cooperative. Will the cooperative generate enough profits to pay out your ownership/equity? That is the task at hand for the cooperative's board members and me.

Social Media: Continued

producing cheese and have it ready to ship before the holiday rush. We keep production busy making cheese, and the packaging department going prior to the busy season. We gain a new customer and more profit that goes to your check. FACT: Most of our profit is from items that we did not produce five years ago. What will be the next thing to propel the creamery? The cheese that is part of this program may be it!

So again, be social on social media so we can make more from your milk. This includes your relatives and others for they are taking money away from you if they continue. Remember, your comments on social media are public and reflect on you, fellow-members, and our organization. If you don't know, ask—I'm always happy to share the strategy behind our campaigns.

Social Media: Do Not be a Jerk!

By Paul Bauer, CEO, Manager
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Stop being stupid on social media for it is costing you money. This includes family members and others posting on your behalf. If you have a question about the creamery and what we are doing, please call or email me.

Since joining Ellsworth Cooperative Creamery, I've always made my direct line available to you and I always welcome good questions on why, what, and where we are going. Social media is not the place to smart off, because it hurts your income.

Recently we started a Cheese Ambassador program. We send four new and different kinds of cheese to fans of the creamery throughout the United States. Through the process we collect feedback and key demographic information from them. We encourage different uses of the cheese with photos. We build a relationship with them to foster loyalty to our brand. In the end they get 4 pounds of cheese, the opportunity to engage in a social network of like-minded people, a wrap-up celebration, and the opportunity to win a few special prizes. All for \$49, the cost of shipping four times to their home.

One of our patrons made the incorrect "public" comment on Facebook, to the affect, "I should get the cheese for free". Not the correct thing to say. A better comment would have been, "I am proud to supply the milk and the cream and can't wait to try the new flavors, too." The first line shuts people down, and reflects poorly on all members, making you sound like a jerk. The second comment sounds like a partner in making good products

that others would want to try and buy.

Why is this important? IT TAKES MONEY OFF YOUR MILK CHECK WHEN YOU ACT LIKE A JERK.

Social media is social and when you are not social, people will not purchase from you. Second, it ruins a lot of planning and hard work our entire team is putting into the Cheese Ambassador program. We need people to participate to make it work so it can add money to your check. The days of "we make cheese they buy it" are gone. **We're in the business of creating experiences.**

So, how does this make money? Just to get a new cheese to distribution takes \$15,000 in packaging material and labor, and another \$50,000 in cheese to properly stock inventory. We need to get it right the first time. The information from the Cheese Ambassador program will tell us which cheese does well, by section of the country, by rough income level and education level.

We can take this information to very large national chains and say "Whiskey cheese does well with people in the mid-section of the country with an average income of \$90,000 a year. We recommend you make this part of your Christmas program." This data has the ability to convince the buyer to choose our product over another.

However, timing is everything--if our sales team is able to convince the buyer to purchase for Christmas, we start making cheese in June and July, a slower time for production to handle

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2020 Scholarship Program

We are currently accepting applications for the 2020 Scholarship Program! The goal of the program is to provide scholarships to members of our cooperative's families that wish to continue their post-high school education in agriculture at a two year technical school or four year university.

The scholarship criteria and the application form are available from the Ellsworth Cooperative Creamery in Ellsworth and can also be completed/downloaded online via the Creamery's website.

To download the application, visit EllsworthCheese.com. Scroll down to the very bottom of the page (white footer), and click on "Members". The application deadline is March 31, 2020.

Congratulations, Roslind Anderson!



Please join us in congratulating Roslind Anderson on being named 2nd runner-up in the Wisconsin Holstein Princess pageant. The competition consisted of; speaking, interview, group interview, and questions in front of an audience. Roslind is a member of our Ellsworth Retail Store team. Her parents are Ellsworth Cooperative Creamery members, Dulcie and Jeremy Anderson.