Get More from Your Milk:
Increasing Profit through Value-Added Products

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Background

• Dairy farmers are starting or exploring the possibility of value-added enterprises

• As a way to:
  – Increase profits
  – Provide an opportunity for the next generation to join the business
Background

• Team from Penn State and Cornell received a RME grant in 2007
• Developed a publication on value-added opportunities for Northeast dairy farmers
  – Choosing a product
  – Marketing
  – Resources needed & available
  – Financial analysis
Utilization of publication

• Mailed in response to inquiries
• Basis for a webinar series
• Part of material set given to workshop participants
• Guide during individual/group discussions
Utilization of publication

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Dairy Basics
for Farmstead and Artisan Processors

• 2 day workshop
  – New Holland, PA
• 18 attendees
• Attendees
  – Already processing VA products
  – Producing fluid milk only
  – Not currently farming
Dairy Basics
for Farmstead and Artisan Processors

Day 1 Agenda
• Milk Composition
• Milk Microbiology
• Cleaning Chemicals & Use
• Good Manufacturing Practices
• Hygienic Milking Practices
• Milk Processing Breakouts
  – Raw – Regulations, Facility cleaning
  – Pasteurized – Regulations, Facility cleaning
• Intro to Value-Added Products

Day 2 Agenda
• Sales & Marketing
• Milk Composition & Product Manufacture
• Milk Microbiology & Product Manufacture
• Value-Added Product Breakouts
  – Cheese
  – Ice Cream
• Entrepreneur Experience
Post Workshop Survey

• Mailed in late March (2009)
  – Eight returned
• 5 not processing a value-added product at survey time
• Question: Do you still plan on starting a VA enterprise?
  – Yes = 5
  – No = 1
  – 2 didn’t answer
• 4 planned on making changes to their operation as a result of the workshop
Post Workshop Survey

• Workshop met participants’ need for:
  – Raw milk handling
  – Processing
  – Bottling
  – Learning the cheese making process
  – Networking with others

• Most felt that their knowledge/awareness of marketing issues increased
Interest in Topics for Future Value-Added Dairy Educational Programming

# of Respondents indicating interest

Topics

- Marketing
- Financial analysis
- Risk management
- Processing/Production
- Equipment
- Regulations
- Labeling
Interest in Program Formats by Survey Respondents

- Day-long workshop
- Multiple day workshop
- Field day event
- Web-based seminar
- Farm/business tour
- Other

# preferring each format
Insights

- Value-added dairy still in growth stage
- Need to present more info on marketing
- Web-based extension education increasing in popularity
Thank You!

Webinar recordings can be found at http://farmbusiness.aers.psu.edu