Farmstead Cheesemaking

Today

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Key Factors

• US Cheese Stats 2016/2018
  (From the American Cheese Society’s State of the US Artisan/Specialty Cheese Industry reports)

• Market Concerns

• Business Model Choices

• Regulatory and Food Safety Concerns

• Growth in Agritourism
Primary Identification

Identify as only farmstead:
2016: 17%
2018: --- %
2016 Production by Volume

PRODUCTION VOLUME

- 10,000 lbs or less, 43%
- 20,000 - 10,000 lbs, 31%
- 50,000 - 100,000 lbs, 16%
- 100,000 - 500,000 lbs, 11%
- 500,000 - 1 mil, 7%
- Above 1 mil, 27%

CLOSER LOOK AT SMALL SCALE

- 5,000 lbs or less, 27%
- 5,000 - 10,000 lbs, 16%
- Above 10,000 lbs, 57%
Gross Revenue under 50,000.00
2016: 24%
2018:
2016 Average Profit Margin Based on Gross Sales

2018 numbers show same trends
From the 2018 Study

• A continued negative relationship between the number of products made and the profit margin.
• The number of cheesemakers with a food safety plan increased to 81.5% in 2018 (from 59% in 2016)
• Cheesemakers doing pathogen testing increased from 39% in 2016 to 45% in 2018.
• 63% of cheesemakers reported being audited or inspected by the FDA in both years.
Market Concerns

• Imports and Tariffs
  – How the retailer spreads the cost
  – Boom and Bust cycles
• Consolidation of retailers
  – Whole Foods, Kroeger, etc.
• Distribution Reality Check
  – GTINs
  – Brokers
  – Margins
• Insurance
Business Model

• Lifestyle vs Growth
  – Mission/vision summary is essential
  – Exit Strategy
Regulatory Concerns

• State Standard
  – Great variability
  – Consider future direction of your business AND of the industry

• Federal Standard
  – A must for growth model
  – A must for broad product footprint
Regulatory and Food Safety Concerns

• FSMA
  – The small scale exemption is not a complete exemption from FSMA
  – Even when not required, not having a food safety plan is a bad idea

• Product Testing
  – What does the FDA really expect?
  – Budget estimates 5,000.00 a year for the smallest producer
Product Diversity?

• Focused
  – Based on demand
  – Based on skills
  – Based on terroir

• Broad
  – Based on demand
  – Value added
  – To develop brand
Agritourism

- A huge growth segment in the US
- Possibilities
  - Farm stands
  - Farm Stays
  - Classes
- Balancing the work
- Liability
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