

# **MARKETING FARMSTEAD CHEESES - THE VERMONT SHEPHERD EXPERIENCE**

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This talk covers three elements in our experience marketing farmhouse cheese at Vermont Shepherd and Major Farm: how we market now, and a brief history of how we got here, lessons we have learned about the nature of today's markets, and a description of the tools and tricks we use to sell our cheese.

## **Vermont Shepherd Today**

Currently we market about 30,000 lbs of cheese per year. Half of this is Vermont Shepherd Cheese made from the milk of our own sheep. The other half are two cows' milk cheeses we make together with a nearby cow dairy. These cheeses we call Putney Tomme and Timson. Our three cheeses are aged natural rinded wheels that ship well.

Except for a few "Open Caves" per year, we tend to discourage on-farm purchases. Instead we ship almost all our cheeses, most via UPS. 20% of our sales are retail sales to mail order customers, 60% of our sales are wholesale sales direct to stores and restaurants, and the remaining 20% are to distributors who then resell the products.

While we do almost no advertising, we do participate in a number of state, regional, and national promotional events run by the Vermont Cheese Council, Great Cheeses of New England, The American Cheese Society, Slow Foods, and others. In addition, we work with individual accounts for special promotions. Also, we run mail order or email promotions to all our customers maybe 3 times per year.

Depending on our market - retail, wholesale or distributor - we receive between \$18.50 and 11.00 per lb for the sheep cheese, and \$15.50 and 8.00 for our cow cheeses. We sell all we make, though the wheels shrink about 15% in maturation and between 2% and 20% wind up spoiled, depending on the variety and the year.

Our markets are far and wide, with 17% sold within state, 63% sold across the rest of the northeast, and 20% sold elsewhere in the country, all the way to the West coast.

## **A Brief History**

We started making cheese in the late 1980's in order to add value to our sheep's milk and find some way of getting it to the marketplace. In our first experiments we attempted to market at the local farmers market. The feedback was sufficient to let us know we should continue experimenting. Our break came in 1993 when we received an award from the American Cheese Society for the best farmhouse cheese in the country. Since then our accounts have increased gradually to

include stores and restaurants around the country, so that we now have over 200 active accounts. In 1999 we attempted to shift most of our accounts over to distributors. That turned out to be a disaster. In 2000 we went through a dismal period when the quarantining of two flocks in Vermont for possible mad cow disease - flocks unrelated to and hundreds of miles from our own - caused enough publicity to have a huge impact on our sales. Also in 2000, we put up a website with the ability to take credit card sales. It took over a year, but now the website is responsible for the bulk of our retail sales.

### **Lessons from the Marketplace**

- 1) The market is divided into retail, wholesale, and distributor accounts, with retail paying the highest for your product and distributor paying the least. Be sure you have at least three different prices on each product you sell, even if you do not see why from a cost-to-produce point of view. In an ideal world, the distributor price is the price you need to get for your cheese; the wholesale price is the distributor price plus 20%, and the retail price is close to twice the distributor price.
- 2) To start, market small and market local. Farmers Markets, Food Co-ops, and local groceries (if you have any left) are excellent for this. Your product must be able to sell well locally if it is to stand a chance elsewhere.
- 3) The scale of the market must be on the same scale as your farm. Just as a pedestrian cannot walk on the interstate and trucks cannot travel on the sidewalk, a farmhouse cheese cannot be marketed to Walmart or any other big food retail chain. This presents a problem for us small farmers, since most of the population spends most of their food dollar in international chains owned by a very few companies. Recent retail consolidation has eaten up most of our markets. As an example, we used to sell regularly to Dean and DeLuca in NYC. They've merged and expanded to become a couple of dozen stores in the US and Japan with central distribution in Kansas City. They no longer buy from us regularly. We tried to work with a national distributor. They sent us a letter saying that they were building a new warehouse to service us better. But it was expensive to build, therefore they were taking 10% off of all our overdue invoices. Another distributor sent us a bill in September for half of a large order of our cheese they received the previous year, saying it had gone bad in May. They deducted the amount from outstanding invoices and to top it off, billed us for previously unknown promotional events they claim to have staged on our behalf. The lesson we learned is: it takes a staff of lawyers and accountants to deal with the shenanigans of the large scale, increasingly consolidated retail and distribution world. If you haven't got that kind of staff and the volume of product to support it, then do not bother pedaling your product to the large scale chains and distributors. Stick to the farmers markets, food co-ops, neighborhood groceries, delis, and general stores, and independent restaurants.

## Tools and Tricks

Over the years we have discovered several tricks that help us market our cheeses. First off, we had to get to the point where our cheese was high quality and consistent. And we needed an identity. Our identity comes in part from the story of how we came to make Vermont Shepherd. It's a love story. My family has sheep. Cindy's family has a dairy. We fell in love and made a sheep dairy. Until we had the quality and identity, our biggest market was the manure pile.

Quality and identity are prerequisites to successful marketing. Beyond them, we found several other things to be helpful.

- We participated in the state and national cheese organizations, like the American Cheese Society (ACS) and the Vermont Cheese Council. With support, these organizations can provide excellent opportunities for showing your product to restaurateurs and shop owners.
- We enter our cheeses in cheese contests sponsored by ACS and the Wisconsin Cheesemakers Assoc. The feedback from the contests is usually very good, as is the exposure your product gets if it is of reasonably good quality.
- For us, marketing is personal. We try to get to know the buyers, keep track of their names, support them in their promotional projects, offer to do cheese tastings for them, and invite them to visit us.
- Make a big deal of the farm artisan nature of the product. The type of product we are marketing is a very very rare thing these days. We do this by keeping track of the pasture, the weather, and any other relevant facts about the milk, animals, and cheese. We write this up on what we call Batch Cards, and we send out one with every wheel. This helps the restaurateur or shop keeper with his or her own story. Also, we use hay or washed wool as packing material. These materials are relatively cheaply produced on our own farm, they smell good, are biodegradable, and convey the right image.
- We have found it important to have a supply of pictures - ideally digital ones - and written descriptions of our cheeses for stores and trade publications when they want to promote our product.
- The internet has been a good tool for us to link directly with our retail customer. Our secure website provides us with hundreds of dollars a week in retail sales, The trick here is getting your name and identity out there so that customers know to type in your name on their computers.

We've been marketing our Vermont Shepherd Cheese for over a decade. It is a challenge in the increasingly consolidated world of food retail, but it can be done with the right combination of quality product, identity, and persistence