ARTISANAL CHEESE IN EASTERN ONTARIO

FINAL REPORT

Public Release

Presented to:
ST-LAWRENCE COLLEGE
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December 30, 2009

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1. EXECUTIVE SUMMARY

In 2009, with support from Ontario's Ministry of Agriculture, Food and Rural Affairs, four Eastern Ontario colleges (Loyalist, La Cite collegiale, St. Lawrence and Algonquin) commissioned a study of the potential for: 1) the cheese market in Eastern Ontario; 2) support needs of existing cheesemakers; and 3) supports which the colleges could supply in cooperation to aid the fledgling industry. In keeping with the colleges' emerging applied research practice, a student at each college assisted the study by developing regional industry contacts and interview industry participants.

1.1 SUSTAINED MARKET GROWTH

The report shows that over the past 20 years, while the demand for cheddar cheese has been virtually unchanged, the demand for specialty cheese has increased by 24 per cent and is expected to continue growing in Ontario by 10 per cent each year going forward. Definition of "artisanal cheese" is open to some discussion and this study did not engage a singular definition. Artisanal cheese was generally taken to mean cheese which is created in relatively small batches and with relatively significant manual work and "attention to the cheesemaker's art". Government statistics do not distinguish between "artisanal" and other cheeses, posing difficulties for statistical assessment of this market's production and sales trends.

1.2 GROWTH OPORTUNITIES

Demand for artisan cheese currently outstrips the supply, showing potential for growth of the market with chain stores and other stores that do not currently carry Eastern Ontario artisan cheese. At the time of the study, none of the three major supermarket chains that serviced the canvassed Eastern Ontario market carried Ontario artisan cheeses. Of 143 medium and small sized outlets, only 17 carried artisan cheeses. Of the stores that did supply Ontario artisan cheeses, 50 per cent experienced regular shortages and back orders indicating a shortage of supply. Of the stores that did not carry artisan cheese, 73 per cent of the managers said that they would be willing to carry artisan cheese if certain conditions were met. In the stores that sold artisan cheese, about 56 per cent of consumers knew artisan cheese well, but just 41 per cent of these same consumers knew Eastern Ontario artisan cheese well. Store managers agreed that sales of artisan cheese could increase with improved promotional programs. There is no formal educational process to teach staff or store managers about optimal layout, display, or cheese education and there is little product awareness activity aimed at consumers in the region.

1.3 CHEESEMAKER SUPPORT NEEDS

There are currently 16 artisan cheesemaking facilities in Eastern Ontario and 12 of these took part in the study. Of the 12 facilities, nine have been in business for between five and 100 years and their plants and practices are well established. Participants were asked questions to examine: longevity of the operation, number of employees, milks used, products produced, product volume and cycles, certifications obtained, current facility needs, capacity status, packaging and labelling practices, distribution networks and sales, and the education and other support needs of artisan cheesemakers.

The cheesemakers were also asked about knowledge level of retailers, restaurateurs and the public with respect to artisanal cheeses. The producers' consensus about retailers and restaurateurs was that those who know about artisan cheese are well informed, but that there are many who are not knowledgeable. In the Eastern Counties of Ontario, the public relies on second hand information from under-informed retailers and restaurateurs for information about local cheeses.

1.4 FILLING THE SUPPLY GAP

Existing artisan cheese producers are, by and large, not interested in producing more cheese. The resulting gap between supply and increasing demand points to the need for more artisan cheesemakers in Eastern Ontario. Dairy farmers are the largest potential source of future cheesemakers and when polled about how best to receive technical assistance they suggested that they would prefer onsite visits, information on the internet and one- to-two-day seminars. Cheese producers felt that there was plenty of information already available about dairy farming practices (some cheesemakers also produce their own milk), but resoundingly agreed that there is a need for more technical cheesemaking skills, support for packaging and labelling, product development and market information. Cheesemakers also felt strongly that there is a need for public education about cheese.

1.4 A COLLABORATION OF COLLEGES

Based on the research, the colleges could draw on their individual and collective strengths and create a regional system to support the growth of the artisan cheese industry. The first step would be to create a collaborative agreement supporting a central contact to channel enquiries, advocacy, and to coordinate college-based initiatives across the region. Based on the market research and the current programming capabilities of the colleges, such initiatives could include:

- Consumer awareness through education;
- Collection and distribution of cheesemaking information;
- Delivery of specialized cheesemaking training;
- Pursuit of applied research in the field of cheesemaking and processing;
- Offering of business workshops ranging from production plant design to marketing
- Certification of cheesemaking skills and related product knowledge.

By supporting the fledgling cheesemaking industry in Eastern Ontario, the colleges will be filling a knowledge need of community and industry stakeholders: cheesemakers, distributors, retailers and consumers. This support through education and applied research can offer timely and effective help in developing a successful agricultural industry in the eastern Ontario region.

2 INTRODUCTION

2.1 CONTEXT

Some twenty artisanal cheese producers operate in Eastern Ontario with the majority concentrated in two regions: those located in the Four Counties Frontenac, Hastings, Lennox and Addington and Prince Edward and those found in the counties of Stormont, Dundas and Glengarry.

Artisanal cheese makers in Eastern Ontario are made up of plants that have been operating more than a hundred years; those who arrived more recently from European countries with a cheese making tradition, such as Italy, France and Portugal, and those who took up cheese making as an activity in their retirement.

In classifying the cheeses “artisan or artisanal” one usually refers to a small scale cheese operation that may or may not be located on a farm and may also use milk from more than one farm. By calling a cheese “artisanal”, one refers to its method of production as an art which often involves a time-honoured process or recipe. Artisanal production, however, is not necessarily limited to small scale operation.

Each licensed cheese-making plant receives at least one full, in-depth inspection each year to make sure that the product complies with food safety and quality standards and also to detect unfair marketing practices. Thus technical support is very important to this sector in order to make sure that it meets government standards.

A number of existing studies indicated that growth opportunities for artisanal cheese in sales and consequently production in Eastern Ontario are substantial. For the artisanal cheese making industry to grow to its potential, therefore, the following resources will be required: consumer awareness opportunities, concise marketing and regulatory information resources and certain research and development facilities.

A network of regional colleges and affiliates can offer a “one-stop shop” service that would assure a safe and proper growth of this sector in Eastern Ontario.

In this context, a consortium led by St-Lawrence College is looking at the artisanal cheese sector and its needs in order to offer the appropriate support for its long term development.

2.2 OBJECTIVES

Expansion Strategies Inc. was engaged to examine the situation of the Artisanal Cheese Production and Distribution in Eastern Ontario with three distinct objectives:

1. To assess the market awareness and demand for artisanal cheese in Eastern Ontario.
2. To determine the Eastern Ontario artisanal cheese producers' learning needs in order to satisfy those demands.
3. To determine the ideal college sector applied research and knowledge-delivery in response to those needs.

2.3 APPROACH

To achieve our objectives we took the approach that apart from examining pertinent Secondary Data on the subject, we also made a vigorous Primary Data search. To that end we undertook Surveys in the:

Retail Sector: Telephone and in-person interviews with store managers

Producer Sector: Telephone and in-person interviews with cheese makers

Academic Sector: E-mail and personal interviews

These three surveys provide us with a complete picture of:

a) How the Retail industry perceives and handles artisanal cheese

b) The general opinion of the public on artisanal cheese and what importance cheese plays in their everyday diet

c) How the Producer Sector operates and what its needs are both along technical and management lines;

d) What role the four colleges could play to support the development of the Producer Sector.

In addition we contacted governmental and para-governmetal agencies to obtain lists of licensed producers and requested help with finding potential cheese producers amongst the dairy farmers of Eastern Ontario.

2.4 EXPRESSION OF THANKS

The consultants wish to express their heartfelt thanks to the students Tina Burghgraef of Loyalist College, Gonzalo Rodriguez of Algonquin College, Sarah Arbour of St. Lawrence College and Catherine Guérin of La Cité collégiale for the outstanding work they performed.

2.5 DEFINITIONS

Artisanal Cheese

For the purposes of this study we have adopted the definition established by the Ontario Dairy Farmers' Association:

> ***< Artisanal cheese is cheese that is produced primarily by hand, in small batches, with particular attention paid to the tradition of the cheese maker's art. >***

The term "Artisan or Artisanal Cheese" is not considered a different category of cheese by any of the government agencies, but more of a promotional tool. In their opinion all cheeses are produced to the same standards regardless whether they are made manually or industrially by machines, hence there are no differences between them. It should be noted that this opinion is not shared by "Artisan Cheese" industry.

Industrial cheese

> ***< Industrial cheese is made in a factory using a blend of technology and traditional methods to produce cheeses that are unvarying in taste and texture. >***

Eastern Ontario

Eastern Ontario includes the counties of Prescott and Russell, Stormont, Dundas and Glengarry, Lanark, Renfrew, Leeds and Grenville, Frontenac, Lennox and Addington and Ottawa.

We excluded Haliburton, however, added the counties of Hastings, Prince Edward, Northumberland and parts of Peterborough as the producers in those counties are tied more closely to the afore mentioned counties. By the same logic we included Gatineau on the Quebec side of the border with its historical link to Ottawa.

2.6 SHORT HISTORY OF ARTISANAL CHEESE

Historically, Eastern Ontario always played an important part in the domain of cheese making as can be seen by the number of companies which existed already in the mid 1880s. Balderson, St Albert and Empire Cheese and Butter Co-operative are all producers who existed over a century ago.

In tracing the evolution of cheese making in Ontario we discovered not only the origin of artisanal cheese making but also why this type of cheese production managed to survive and even flourish to-day.

The roots of artisanal cheese production go back to the early 1700's when dairy farmers with milk surplus turned to cheese making. Each producer made cheese manually that had a unique characteristic.

By the time of Confederation (1876) about 200 such co-operatives in Ontario and by the early 1900's some 1000 co-operatives in Ontario were producing such unique cheeses. This time period could be considered the heyday of artisanal cheese production.

When in 1916 Kraft patented his processed cheese it heralded the industrialization of cheese production and the demise of the small time cheese producer co-operatives. Almost over-night, nearly all of the small producers disappeared for various reasons, ranging from inability to compete with industrially produced cheese, to their incapability to adapt to change, or up-grade their operations in order to meet new government standards, or simply lower profitability. In order to survive, they were forced to sell to the larger cheese companies and thus began the era of the mass-produced cheese. This situation did not change until after World War II, when a new wave of immigrant cheese makers arrived in Canada and settled in Ontario. These immigrants came from Italy, Greece, Portugal and Holland; they brought with them their native cheese making skills thus laying the foundation for a revival of artisanal cheese production.

3 DEMAND SITUATION

3.1 PRODUCTS

Cheese products can be classified either by Variety or by Category. Thus a consumer asking for a semi-soft cheese (the category) he/she may be offered a Bosconcini or a Monterey Jack (the variety).

Varieties of Cheese

All cheese varieties can be produced by the Artisanal Method of Production or by the Industrial Method. As a rule the most popular cheeses are tended to be produced the Industrial way, although there are always exceptions. The case in point is Cheddar or Mozzarella as we shall see and although these two varieties lend themselves best for Industrial Production; some of their sub-varieties are produced more in the Artisanal way. These sub-varieties aim at niche-market tastes and are often called Specialty cheeses. We selected as examples of Cheese Varieties that are consumed in sufficient quantities that are measurable by Statistics Canada:

- Cheddar*
- Mozzarella*
- Brick
- Colby
- Cream Cheese
- Farmer's skim
- Feta
- Fruilano and casata
- Gouda
- Havarti
- Monterey Jack
- Parmesan
- Pizza Cheese
- Provolone
- Ricotta
- Emmental and Swiss
- Cottage Cheese

* Both Cheddar and Mozzarella have a number of sub-varieties in quantities that were not measurable by Statistics Canada.

One might legitimately ask if there were a difference in the quality of cheese made the Artisanal way and whether one could really tell it apart from industrially produced cheese. Industrial Cheese is mass produced with cheaper ingredients to cost as little as possible while Artisanal Cheese is produced the old fashioned way, to be as good as possible, but in the final analysis both types of cheeses must come up to the same standards established by the Canadian government.

Type or Category of Cheese

The cheeses are categorized according to firmness and principle ripening characteristics.

According to Section 70 of Canada's Dairy Products Regulations, pre-packaged cheese must be labeled accordingly by:

Firmness

- Soft-white cheese: Cheese having 80% high moisture content with a short refrigerator shelf life of two weeks to a month. *Examples: cottage cheese, ricotta, quark.*
- Soft cheese: Cheese having a moisture content of more than 67% but less than 80%. Examples: Brie, Camembert, Chèvre and Crottin
- Semi-soft cheese: Cheese having a moisture content of more than 62% but less than 67% on a fat-free basis. Examples: bocconcini, mozzarella, Monterrey Jack, Oka and Limburger
- Firm Cheese: Cheese having a moisture content of 50% or more and not more than 62% on a fat-free basis. Examples: provolone and cheddar, Miranda, Gouda.
- Hard Cheese: Cheese having a moisture content of less than 50% (mostly 25-35%) on a fat-free basis. Examples: Parmesan, Kefalotyri, Leoni-Grana

Principal Ripening Characteristic

- Ripened : The ripening process develops within the whole body of the cheese
- Surface ripened: The ripening process starts from the surface and moves into the body of the cheese
- Blue-veined: Veins of mould occur within the body of the cheese.
- Unripened or fresh: The cheese has not undergone any ripening.

3.2 Market Size and Expected Growth Of Artisanal Cheese

3.2.1 Population Data

For the purposes of the survey of consumers and retail establishments we considered the expanded version of Eastern Ontario as laid out in the Definitions.

Thus, the natural market for Eastern Ontario Artisanal Cheese is the twelve counties indicated in the table below, plus Gatineau on the Quebec side of the border. This market has a population base of close to 1.8 million people and by adding the town of Gatineau on the Quebec side of the Ottawa River, it exceeds 2 million (Table 3.1).

Table 3.1

Population Eastern Ontario and Gatineau

Census Divisions	Population 2006	Growth (%) over 2001
Stormont, Dundas and Glengarry	110 399	0.8
Prescott and Russell	80 184	4.9
Ottawa	812 129	4.9
Leeds and Grenville	99 206	2.7
Lanark	63 785	2.1
Frontenac	143 865	3.8
Lennox and Addington	40 542	2.7
Hastings	130 474	3.6
Prince Edward	25 496	2.4
Northumberland	80 963	4.5
Peterborough	133 080	5.7
Renfrew	97 545	2.5
Sub total	1 817 668	
Gatineau	242 124	6.8
Total	**2 059 792**	**Av. 3.65**

Source: Statistics Canada, Census 2006

3.2.2 Overall Cheese Consumption

Based on data obtained from Statistics Canada, OMAFRA and the Ontario Dairy Commission, in 2007 Canadians consumed 12.49 kg of all kinds of cheese per capita per annum, of which 7.36 kg were Specialty cheeses. Records on Artisanal Cheeses are included under the Specialty Cheese heading as there are no actual records kept of the artisanal cheeses being sold. (Table 3.2)

We do know that Artisanal Cheese sells well, based largely on production figures, but it is a niche market product. Canadians have their dairy paradox: "While on the one hand consumers demand low fat for products they consume on a regular basis, low fat is the least of their concerns for products they consume only occasionally". All specialty cheeses and especially Artisanal Cheeses greatly benefit from this paradox.

Table 3.2

Per Capita Consumption of Cheese by Canadians

Type of Cheese	1990	1995	2000	2001	2002	2003	2004
Cheddar cheese (Kg)	3.81	3.89	3.91	3.85	3.78	3.88	3.78
Specialty Cheese (Kg)	5.64	6.12	7.16	6.87	6.99	6.99	7.36

Source: Statistics Canada; calculations by the Dairy Section, Agriculture and Agri-Food Canada

Although there is a clear preference to buy Cheddar Cheese among the rural inhabitants, there is no noticeable difference between urban and rural dweller when it comes to choosing specialty cheeses according to Statistics Canada figures.

3.2.3 Expected Growth in Artisanal Cheese Consumption

Inconsistent definition and tracking of data hinder a straightforward assessment of artisanal cheese market growth based on traditional statistics of production, sales, or exports/imports. The most recent overall assessment at the "Knowledge Impact in Society Showcase 2009" summarizes a variety of related data for specialized cheeses and points toward an annual growth rate of 20% in Canada and a 10% growth rate in Ontario. This outlook seems consistent with producer and retail outlooks explored in this study and, in any event, we know from our own investigations that growth opportunities for artisanal cheese in Eastern Ontario are substantial.[1]

1 Final Report on Artisan Cheese Industry Development & Investment Attraction Initiative by Natural Capital Resources Inc.

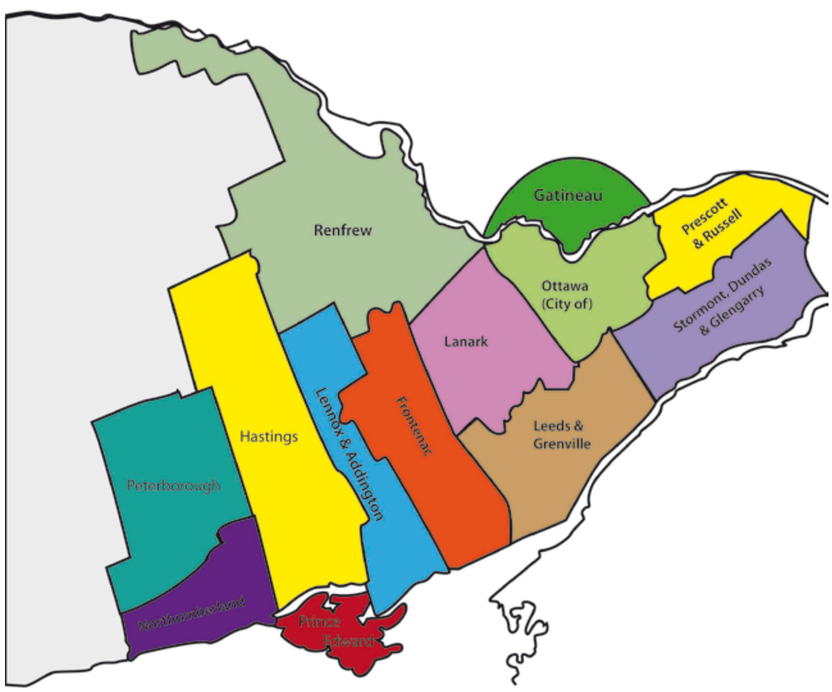
3.3 RETAIL NETWORK IN EASTERN ONTARIO

3.3.1 Categories of Stores

The retail network for the sale of cheese in Eastern Ontario is made up of Chain Stores both large and small and independent operators such as Cheese Stores, Delis and Restaurants, Groceries, General Stores and Farmers Markets.

3.3.2 The Grouping of the Eastern Ontario Counties

The methodology applied in undertaking the surveying of the Retail Sector was the following: Eastern Ontario was divided into four parts by grouping of the counties. Thus we had Group 1: Ottawa, Lanark, Renfrew; Group 2: Stormont Dundas and Glengarry, Prescott and Russell; Group; Outaouais; 3: Leeds and Grenville, Frontenac, and Lennox and Addington; and Group 4: Hastings, Prince Edward, Northumberland and Peterborough. The Region of Outaouais was included in the grouping as we considered it a natural market for Eastern Ontario Artisanal Cheeses for historical reasons. In each case a college student located nearest to the group of counties became responsible for doing the survey.



Source: Modified from Brock University Map Library.

3.3.3 Geographic Grouping of Stores

Chain Stores

In Eastern Ontario there are 3 major food Chain Stores operating under ten banners. They dominate the retail market in terms of serving the public at large. They account for 164 points of sales. The three largest banners A & P (Metro), Independent Grocer (Loblaw's) and Foodland (Sobeys) account for 50 % of the overall network (Table 3.3). Ottawa County has 65 stores (40 % of the Chains).

Table 3.3

Supermarkets in Eastern Ontario

County	Price Shopper	IGA	Sobey's	No Frills	Loblaw's	Food Basics	Ind. Grocer	Farm Boy	A & P	Foodland	Total
Ottawa, Lanark, Renfrew	4		3	2	12	9	16	7	23	3	79
Stormont, Dundas and Glengarry Prescott and Russell	1			2		3	5	1	2	4	18
Leeds and Grenville, Frontenac, Lennox & Addington	1	1		4	2	5	2		6	3	24
Hastings, Prince Edward, Northumberland, Peterborough	5	2	4	8		1	4		6	13	43
Total:	**11**	**3**	**7**	**16**	**14**	**18**	**27**	**8**	**37**	**23**	**164**

Source: Chains Internet sites

We excluded most of the Chains from our surveys with the exception of three, despite their dominance of the food market, as they do not carry artisanal cheese as yet and the consultants concentrated their efforts on medium and small stores and farmers' markets which outlets were more suited to serving the niche product shoppers.

Medium and Small Outlets

The different types of stores that may offer artisanal cheeses are the following:

➢ Independent Cheese Stores:	Specializing in cheeses of all types and varieties made locally, domestically and internationally.
➢ Delis:	Serving cheese of all kinds, cold cuts etc.
➢ Deli/Restaurant combination stores:	Such establishments usually offer a large selection and variety of cheeses and cold cuts and also serving sandwiches.
➢ Grocery Stores:	These stores may be selling cheese only as a sideline, but could carry speciality cheeses, depending upon the neighbourhood demographics.
➢ Ethnic Stores:	Grocery or general stores specializing in goods from the "old country", carrying only imported goods.
➢ Farmers' Markets:	Farmers' Markets offer an opportunity to the small and independent producer to display their wares directly to the consuming public. It is the only venue where producers actually come in contact with the ultimate users of their products.

3.3.4 Methodology

In order to identify stores that carry artisan cheese, we pre-selected all stores which were known to offer cheese in the area defined earlier in the population section. The decision to cut off the territory North of Highway 7 was due to the distance that would have to be covered by our surveyors relative to the limited number of stores found in those areas.

Selection of Stores to Be Surveyed

An internet search as well as a search through the Yellow Pages was made to arrive at an initial list of stores that sold cheese and were to be interviewed. In total, 143 stores (Table 3.4) were identified and were contacted to see if they carried any kind of cheese in general and artisanal cheese in particular.

The actual surveying was carried out either by:

- a telephone interview or by
- a field visit

In both cases the objective was to obtain the store managers' observations reflecting the opinion of those in the retail sector, as well as their perception of the consumers' awareness of artisan cheeses.

Table 3.4

Store (except Chains) by Geographic Location Selling Cheeses in Eastern Ontario

Counties	Shops Pre-Selected	Carry No Artisan Cheese	Artisan Cheese	Not Qualified
Stormont, Dundas and Glengarry	4	3	0	1
Prescott and Russell*	6	5	0	1
Ottawa	63	33	5	25
Leeds and Grenville	0	0	0	0
Lanark	13	3	0	10
Frontenac	21	16	3	2
Lennox and Addington*	0	0	0	0
Hastings	10	5	3	2
Prince Edward	6	1	4	1
Northumberland	12	8	2	2
Peterborough	3	3	0	0
Renfrew	0	0	0	0
Sub total				
Gatineau / Outaouais	5	5	0	0
Total	**143**	**82**	**17**	**44**

Source: Expansion Stratégies Survey

3.4 Cheese Shop Survey

Our hypothesis was that since the majority of the Chain Stores did not carry Artisanal Cheese as part of their selection of cheeses, we needed to concentrate on the middle and small size independent operators, as they were more likely to carry such items and know their clientele more intimately giving a better feel of the buying market.

The four participating colleges, St. Lawrence, Loyalist, Algonquin and La Cité collégiale, put at the consultant's disposal four students to help execute the surveying of the Retail as well as the Producer Sectors.

3.4.1 Stores Not Offering Artisanal Cheese

Methodology

The types of stores interviewed were Independent Cheese Stores, Delis, General Stores Farmer's Market Outlets and Groceries.

82 stores contacted did not or would not carry artisanal cheese. The geographic distribution of stores presented in Table 3.5 includes only the stores which had actually been questioned and indicated they did not carry artisanal cheese.

Table 3.5

Geographic Distribution of Stores Interviewed not Carrying Artisan Cheese

County	Indepen-dent	Deli/ Restaurant	General Store	Farmer's Market Outlet	Grocery	Total
Ottawa, Lanark, Renfrew	0	22	0	8	5	35
Stormont, Dundas and Glengarry Prescott and Russell	0	2	0	2	4	8
Leeds and Grenville, Frontenac, Lennox & Addington	1	12	0	0	3	16
Hastings, Prince Edward, Northumberland, Peterborough	2	7	7	2	0	18
Outaouais	0	5	0	0	0	5
Total:	**3**	**48**	**7**	**12**	**12**	**82**

Source: Expansion Strategies Survey

Store managers, in turn, were questioned on the spot to find out the reasons why they did not carry artisanal cheese and under what conditions they might be prepared to stock it.

Survey Results

➢ *Reasons Given for not Carrying Artisan Cheese*

85 answers were given to our questions with some of the store managers giving multiple answers. Their reasons for not carrying artisan cheeses were varied: 32% of the respondents stated that “the product was either not known or nobody asked for it”; and 27% responded that they either “were not interested in the product or served a different market”. For them Artisan cheeses were too limited to a “niche market” which their stores did not serve.

Table 3.6

Reasons Given for not Carrying Artisan Cheese

Reasons	Number of answers	Percentage
Product was unknown / nobody asked for it	27	32%
Served a different market / not interest in product	19	22%
Product too expensive	4	5%
Store manager not aware of product	5	6%
Never got approached by producers	7	8%
Other reasons*	23	27%

* The following answers were given under this heading:
- Only sell European products
- Never tried it before
- Too many regulations
- Too much competition
- No knowledge about the product
- Bad experience in the past with the product
- Buys cheese from one supplier only
- Not realizing that they were actually carrying artisan cheese in their stock

Source: Expansion Strategies Survey

7 managers mentioned that they never got approached by any of the producers to try their products. They stated that they did not have the time or the inclination to go looking for a product that was of no interest to the market segment they served. Interestingly, price did not seem to be a major factor as only 5% of the managers mentioned it as a reason for not carry those items. 5 managers actually admitted that they were not aware of artisan cheeses. 27% of the manager gave a litany of other divers answers (Table 3.6) ranging from “they only sell European products” to “too much competition”.

➢ *Have Tried Before*

To the question whether they had tried Artisan Cheese before, out of 42 answers 33 (79%) said that they had not and 9 (23%) answered “yes”. Two thirds of those answering “yes” indicated that they had tried the products a few years before but gave up as they were not selling too well.

➢ *Conditions Stated in Order for Them to Consider Offering Artisanal Cheese*

There were 41 answers to the question of conditions under which they would carry Artisanal Cheese (Table 3.7). 73% of the manager stated that they would carry artisan cheese products provided certain conditions would be met. Topping their list of conditions were “better accessibility 7 managers, “better price and better promotion” shared 5 answers each. Other conditions ranged from: better information”, “higher customer demand” to “better knowledge of the product”.

Table 3.7

Conditions for Offering Artisan Cheese

Conditions	Number of answers	Percentage
Under no condition would they carry	11	27%
If the price were better	5	12%
If the promotion were better	5	12%
If it were more available	7	17%
Other conditions*	13	32%

* The following Other Conditions were :
- Higher customer Demand
- Better knowledge of the product
- Better access to information
- Financial support

Source: Expansion Strategies Survey

- *Interest for Locally Produced Artisanal Cheese*

In total there were 30 responses with 67% inclined towards locally produced cheeses. This confirmed the earlier statement that 73% of the managers would carry Artisan cheese products under certain conditions (Table 3.8).

Table 3.8

Interest for Offering Artisan Cheese

Answers	Number of answers	Percentage
YES interested	15	50%
YES interested but with conditions	5	17%
NO not interested	10	33%

Source: Expansion Strategies Survey

The number of stores surveyed which indicated that they did not carry at present artisan cheeses was 82 (85% of the cheese stores surveyed) confirms that artisan cheeses are not very well known to the general public and even to the average store managers. However, the stores are generally well disposed toward artisan cheese products indicating a high potential for expansion in this sector. Such a potential could be converted into concrete numbers provided there were a sufficient amount of promotion and better communications between the producers and the retail outlets.

3.4.2 Stores Offering Artisanal Cheese

Methodology

Appointments were made with those store managers who said they carried Artisanal cheeses. The interviews lasted approximately 15 to 20 minutes each.

A total of 16 stores indicated that they were ready to be fully interviewed, however, one store backed out of the interview in the last moment (Table 3.9).

Table 3.9

Store Identification

Type of Store	Number of Stores
Independent Cheese Shop	2
Deli Store	5
Grocery Stores	3
General Stores	4
Farmer's Market Outlet:	2
Total Number	**16**

Source: Expansion Strategies Survey

Not all the questions were fully answered but we had a sufficient number of responses to be able to establish an overview of the retail picture and consumer awareness.

The stores included in the interviews by type represented 16% of all the stores questioned (Table 3.10).

Table 3.10

Geographic Distribution of Stores Interviewed Carrying Artisan Cheese

County	Indepen-dent	Deli/ Restaura nt	General Store	Farmer's Market Outlet	Grocery	Chain Store	Total
Ottawa, Lanark, Renfrew	2	2	0	0	0	1	5
Stormont, Dundas and Glengarry Prescott and Russell	0	0	0	0	0		0
Leeds and Grenville, Frontenac, Lennox & Addington	0	3	0	0	0	0	3
Hastings, Prince Edward, Northumberland, Peterborough	0	2	2	2	0	2	8
Outaouais	0	0	0	0	0	0	0
Total:	**2**	**7**	**2**	**2**	**0**	**3**	**16**

Source: Expansion Strategies Survey

Survey Results

➢ *Origin of Artisan Cheeses Offered in Eastern Ontario*

Cheese Retail Outlets in Eastern Ontario carry artisan cheeses from all over the world but the prime source of their supply comes from Eastern Ontario proper. Having a vibrant artisan cheese industry encourages the Retail Stores to carry all the locally made cheeses on a regular basis (Table 3.11).

Artisan cheese from Quebec and Other Canadian Sources figure quite prominently in the Eastern Ontario retail stores; seven and six stores respectively carried those items. European sources known for cheese making are equally well represented in the stores both on a regular and an occasional basis. Even though Eastern Ontario is geographically located nearest to one of the major U.S. artisan cheese production centres (Vermont) only one store carried cheeses from the USA on a regular basis, while two stores sold American cheese occasionally.

Table 3.11

Origin of Artisan Cheeses Offered (N=16)

Origin	Regularly	Occasionally	No
Eastern Ontario	16	0	0
Other Ontarian Sources	3	1	12
Quebec	7	0	9
Other Canadian Sources	6	2	8
Europe – UK	3	3	10
Europe – France	3	3	10
Europe – Holland	3	3	10
Other European Sources	3	3	10
USA	1	2	13
Other Countries	1	3	12

Source: Expansion Strategies Survey

- *Categories of Artisanal Cheese Offered*

Only Eastern Ontario cheeses were carried by all the stores on a regular basis. Five stores carried cheeses from Quebec and Other Canadian Provinces, while two Independent Cheese stores and one Deli carried cheeses of all origins.

Half the stores had multiple experiences with shortages of supplies, a couple of them even claiming that shortages occurred all the time. The shortages experience varied from store to store depending mainly on who their suppliers were.

This phenomenon suggests that Artisanal Cheeses were in great demand, as the reason for the shortages were due usually to lack of raw milk which occurred mainly in the Ewe or Goat sectors.

Independent stores carried the full range of cheese types from Semi Soft to Veined, while the remaining stores having a smaller selection, still offered a wide variety of choices. Goat and Sheep Cheeses were by far the most sought after cheeses, followed by Mozzarella and Cheddar.

- *Volume of Cheese Sold*

Volume Sold by Type and by Variety

Store managers were reluctant to disclose sales in absolute figures if they were ready to do so at all and preferred to talk of sales in percentages. Such figures only indicated the popularity of the cheeses as it was impossible to convert such figures to kilograms in absolute numbers.

The average percentage quantity indicated in Table 3.12 is based on the aggregate of sales of a number of stores expressed as a percentage of their total cheese sales.

The volume of sales of Soft Cheese varied from a low of 5% of total sales to 100% averaging 50% of sales figures of that type. (Table 3.12)

Volume of sales of Semi Soft type cheese with an average of 24% ranged from a low of 15% to a high of 80%. There were six companies which expressed their sales in percentage terms in this category.

Volume of Firm cheese averaged 22% based on the reports of six companies.

Thus from the data provided to the consultants all they could establish was that the most popular cheese by type was Soft (Sheep and Goat cheeses) with Fresh (Cream cheese, ricotta, cottage cheese) being the least popular.

In cross checking Table 3.12 and Table 3.13 this supposed correlation does seem to be borne out.

Table 3.12

Volume of Artisan Cheese Sold on a Yearly Basis

Type of cheese	Average Quantity	% Carried by individual stores
Semi soft	24%	15,30, 20, 25,35,80
Firm	22%	5,10,10, 20, 60,18
Soft	50%	5,15, 100, 100, 20, 30, 35
Hard	20%	5,10, 20, 30, 20,
Fresh	7%	3,5, 5, 10
Veined	17%	2,12, 15, 20, 20

Source: Expansion Strategies Survey

In attempting to establish sales quantities of cheese varieties by looking at the quantities expressed again in percentage terms the consultants could only determine which of the cheese variety was the most popular item and by cross checking with the table on cheese types to verify the conclusions based undetermined data. Sheep, Cheddar and Goat cheese varieties were the most popular by far having 40%, 38% and 33% average sales figures respectively. Sales of all the other varieties (Table 3.13) were in single digit Average Percentage numbers, with Cheese Curds barely sneaking across into 12%.

Table 3.13

Best Selling Varieties of Artisan Cheese

Variety of cheese	Average Quantity	%
Cheddar	38%	15, 20, 45, 50, 60
Mozzarella	6.7%	5, 5, 10, 5
Colby	2%	2
Brick	3%	1, 5
Monterrey Jack	3.5%	2, 5
Goat Cheese	33%	10,50, 20, 20, 35, 50, 45
Sheep	40%	10, 10, 50, 40, 25, 100, 35, 50
Cheese Curds	12%	5, 10,10

Source: Expansion Strategies Survey

- *Packaging*

Most stores offered their products “Cut-on-demand” ranging from 60% to 90% of the sales. About 30% of the products were pre-packed by the producers or 16% by the stores (Table 3.14)

Table 3.14

Breakdown of Artisan Cheese by Type of Packaging

Packaging Type	Average percentage	%
Prepacked by the producer	34%	3, 10, 10, 10, 100, 100, 30, 30, 20 (N=9)
Prepacked by the store	16%	2, 20, 25 (N=3)
Cut on demand	78%	90, 95, 70, 55, 60, 100 (N=6)

Source: Expansion Strategies Survey

➢ *Brand Popularity*

The most popular products came from Fifth Town Artisan Cheese, with four stores carrying it on a regular basis, followed by Black River Cheese at three stores. It should be noted that although only one store owned up to carrying Empire Cheese, in the previous section several retail stores which claimed not to carry Artisanal sold Empire or Wilton Cheese products, without realizing that both of those companies consider their cheeses artisanally made.

Table 3.15

Brands Carried From Eastern Ontario (N=8)

Origin	Regularly	Occasionally	No
Black River Cheese Company	5	1	2
Empire Cheese & Butter Co-op	1	0	7
Ewenity Dairy Co-operative	3	0	5
Fifth Town Artisan Cheese	7	0	1
Ivanhoe Cheese Inc.	0	0	0
Jensen Cheese (Wilton)	1	0	7
Pine River Cheese	3	0	5
River’s Edge Goat Dairy	0	1	7
Thorneloe Cheese	1	0	7
Upper Canada Cheese Company	3	1	4
Other: Glengarry	4	0	4
Other: Back Forty	2	0	6
Other: C’est bon Chevre	1	0	7
Other: St. Albert	1	0	7

Source: Expansion Strategies Survey

➢ *Consumer Awareness of Artisanal Cheese*

During the survey no consumers were questioned and all opinions expressed about consumer behaviour were based on the observations of the store managers.

The store mangers were well informed about their clients’ awareness of Artisan cheeses.

The shoppers at these stores were clearly more aware of artisanal cheeses, but even in such a well informed group a large number did not know much about the Eastern Ontario artisanal products (Table 3.16).

All stores indicated that:

- 40% to 90% of their customers were very aware of Artisanal Cheeses.
- Those having a vague idea ranged from 20 % to 50%.
- Surprisingly, however, three stores stated that 20% of their customers were not aware of them at all.

Table 3.16

Awareness of Artisan Cheese in Eastern Ontario Cheese

Meaning	**% of Awareness in General** **N=9**	**% of Awareness for Eastern Ontario Cheese** **N=6**
Not aware	15% average	35% average
Have a vague idea	29% average	24% average
They know very well	56% average	41% average
	100 %	**100 %**

Source: Expansion Strategies Survey

The picture was not that different when it came to awareness of Eastern Ontario Cheese.

- Only one store manager stated that 85% of his customers were not aware of Eastern Ontario Artisanal Cheeses. At none of the other stores were there any customers in that category.
- At seven stores the managers observed that those who had a vague idea about Eastern Ontario artisanal cheese ranged from 10% to 50%, while 50% to 80% of their customers at those same stores knew Eastern Ontario Cheeses very well.

➢ *Seasonality of Consumer Buying Pattern*

The public, even those vaguely aware of artisanal cheeses, considered Artisan cheese a treat that should be reserved for special occasions, such as Christmas or New Years celebration (Table 3.17). This attitude is reflected in the peaks in the sales of these products. Thus, 56% of all artisan cheese sales occur during the main holiday season, with a second peak in the summer when tourists came visiting Canada (26%). 18% of all sales took place evenly throughout the rest of the year.

Table 3.17

Seasonality in Consumer Buying Pattern

Seasonality	Average
Holiday Season (Christmas/New Year)	50 % N=7
Second highest peak: Summer Holidays	26 % N=5
Total consumption during the Rest of the year	15 % N=4

Source: Expansion Strategies Survey

➢ *Trends*

Based on data from the past three years, none of the store managers predicted a decreasing trend in Artisan cheese consumption; in fact 50% of the answers given was that a “Strong Growth Was Expected” (Table 3.18). Should some of the Chain Stores introduce even in a small way artisan cheese as part of their cheese section, there could be as much as 10 to 20% increase in across-the-board sales, raising concerns whether Eastern Ontario producers could rise to such a challenge or would they cede to Artisan cheeses from Quebec and Europe.

Table 3.18

Trends in Artisan Cheese Sales Over the Last 3 Years (2006-2008)

Type of Cheese	Decreased	Stable	Low Growth	Strong Growth
Artisan Cheese in general	0	3/12	0	6/9
Imported Cheese	0	4/12	0	0
Eastern Ontario	0	0	2/12	5/9
Other Canadian Cheese	0	0	0	6/10

Source: Expansion Strategies Survey

➢ *Impact of the Economic Down-Turn*

According to 2/3 of the store managers, the economic down turn has had no impact on Artisanal Cheese sales (Table 3.19). Some, however, did notice a change in the buying habits of their customers in that they somewhat reduced their purchases of Artisanal cheeses. Consumers reduced their purchases more of Imported Cheeses.

Table 3.19

Impact of the Present Economic Slowdown on Artisan Cheese Sales

Type of Cheese	No real impact	Clients reduced their buying of artisan cheese
Artisan Cheese in general	6/9	2/12
Imported Cheese	1/9	5/12
Eastern Ontario	4/9	2/12
Other Canadian Cheese	4/9	2/12

Source: Expansion Strategies Survey

➢ *Store Operations*

Information

The majority of store managers got their information about Artisan cheese from their distributors and/or the Internet (6/11), followed by Publications (5/11) and personal visits to production sites; 25% of them got it directly from the cheese makers.

Staff Training

10 out of 11 stores give on-the-job training to their staff. This amounts to teaching them about the differences between the various products and introducing them to the cheeses by letting them have a taste. Some of the stores even take their staff on visits to producers to get firsthand experience of how the cheese was made.

Suggestions for Future Improvements

The general suggestion for future improvements was that artisanal cheeses needed better promotion and 4/12 indicated that they would be prepared to engage in co-op promotions.

One outlet offered a viable suggestion as to how to go about it. This organization is doing an on-going promotion campaign by featuring each week a different variety of artisan cheese as well as an Eastern Ontario cheese maker. In addition it does radio promotions and distributes flyers about its artisan products.

Other suggestions were: Holding a Food Fest (2/12); Free Tasting (3/12) and Lowering the mark-up (1/12).

Store Displays of Artisan Cheeses

Depending on the function of the store the overall display of the cheeses were displayed in a manner that suited the store type best. All displays assured the maximum visibility for the different varieties of cheeses, and all were arranged in a tasteful manner.

In the majority of cases (6/12) the cheeses were displayed behind windows with service. The lay-out of the stores' cheese display varied from store to store from a serve yourself fridge (3/12) to a wall closet with service (2/12).

Although the surveyors never questioned the store managers as to how they arrived at the lay-out of their cheese displays, it seemed that one factor was the importance of how cheese products were displayed relative to the other items in the store, while another one was a question of space.

Stores which carried mainly cheeses organized their display according to product type and/or variety, with the producers' name and price of the item visibly shown. They also had serve-yourself-type fridges or behind windows with service.

In a General Store, the cheese products usually shared space with items such as other dairy products and juices or sometimes even with deli cold cuts in a cooler fridge.

3.5 MARKET OPPORTUNITIES FOR EXPANSION

Artisan Cheeses are marketed mainly to a niche market at present, as the product is considerably more expensive than the industrial type cheeses. However, the growth for expansion is great and there is a well established network of outlets present in Eastern Ontario that already serves the public. These opportunities exist on two levels: one, the Chains Stores and two, expansions into stores which at present do not carry artisan cheeses.

The Chain Store Sector

There are 10 Banner Chains with 164 points of sales present in Eastern Ontario, of which three already carry Artisan Cheese products, albeit mainly from sources outside the region and only at some of their locations.

One of theses Chain stores, however, has made a total commitment to carry Eastern Ontario manufactured artisan products at each of its outlets. Their commitment is reflected in the way it displays these products and the enormous promotion campaign in which it has invested. It fully expects to reach 2,500 kg per annum sales figures in the first year of their campaign.

The Retail Sector

The consultants found that 84% of the cheese retail stores interviewed did not carry Artisan cheeses at all, but on delving deeper into the reasons 73% of the managers indicated that they would do so under specific conditions.

Another definite indicator of possible growth was found when interviewing the stores carrying Artisan cheese products. There were two periods of peaks in the sales figures, one at major holiday times such a Christmas and New Year and the somewhat smaller up-tick during the summer season. Neither of these peaks can be explained without realizing that such large increases could not have been produced by the Artisan cheese's "usual" market, meaning that people outside the indicated "niche market" do buy these products occasionally, and it is only a question of getting them to buy on a more regular basis.

The store managers themselves suggested ways in which these expansions could be achieved, with most of them indicating that a better promotional program could turn these occasional buyers into regular consumers.

The analysis of the market indicated that the consumers who buy these products know these products very well and also know where to get them, thus to attract new consumers they need to encourage those who buy on an occasional basis.

The outlook, as expressed by the store managers is very bright for Artisanal Cheeses. This was reinforced by the fact that the present economic decline did not affect this market, which at this point in time relies mainly on customers with above average personal wealth.

4 SUPPLY ANALYSIS

4.1 INDUSTRY CHARACTERIZATION

Number of Enterprises in Eastern Ontario

The Eastern Ontario cheese producing sector is made up of 29 licensed and 5 unlicensed producers. The number of Artisan Cheese Producers including licensed and unlicensed is 16. We interviewed 12 of them.

Number of Years in Operations

The number of years in operations (Table 4.1) reflects the various waves of generations of cheese makers. Artisan Cheese making goes back to the pioneer days of Canada, and it seems to be revitalized with each new wave of immigrants coming from countries well-known for cheese making.

Table 4.1

Number of Years in Operation

Number of Companies	Number of Years
Five companies	100 year and over
Two companies	20 to 50 years
Two companies	5 to 10 years
Three companies	1 years and less

Source: Expansion Strategies Survey

Number of Employees

The number of employees of a company does not define whether that company is producing cheese the artisanal way. 40% of the Eastern Ontario companies have less than 10 employees (Table 4.2); in fact they could be considered family operations. Two of the five companies in this category is run either by a husband a wife team or a single individual.

40% have between 10 and 40 workers making them mid-size companies, while 20% can be considered large operations. Even though these companies have 100 employees or more, they assured the consultants that their operation still qualified as artisanal in their method of production.

Table 4.2

Number of Employees

Number of Companies	Less than 10 Employees	10 to 40 Employees	100 to 150 Employees
Five	X		
Five		X	
Two			X

Source: Expansion Strategies

Own their Own Animals and Volume of Milk Production

Only four of the companies owned their own animals and produced their own milk. All the others bought their milk.

Table 4.3

Own Their Own Animals and Volume of Milk Production

Company	Cows	Goats	Sheep	Total Number of Animals	Volume of milk Produced in the Calendar Year 2008
Comp. 5	No	1200	No	1200	700,000 liters
Comp. 6	40	No	No	40	250,000 liters
Comp. 7	No	No	380	380	30,000 liters
Comp. 9	No	No	40	40	6,000 liters
Comp 1 to 4 8,10 to 12	No	No	No	0	None

Source: Expansion Strategies Inc.

Type of Milk Used in Production

Cow milk was the preferred milk in the production of cheese as cow milk was more readily available. Sheep cheese producers especially had a lot of difficulties in obtaining milk and as we found in the Demand Section often were not able to keep up with demand.

Table 4.4

Type of Milk Used in Production

Companies	Cow Milk	Goat Milk	Sheep Milk
Seven	X		
Four		X	
Four			X

Source: Expansion Strategies Survey

Product Lines Carried

All 12 producers concentrated on cheese making and only a few of them carried other product lines such as dairy products or meat as well (Table 4.5).

Table 4.5

Product Lines Carried

	Cheese	Milk	Butter	Yoghurt	Cream	Meat	Other
Number of Companies	12	1	1	0	2	2	4

Source: Expansion Strategies Survey

Certification

Obtaining certification did not seem to be of particular importance to the producers.

Table 4.6

Certification

	Organic	Green	HACCP	CFIA	LEED	Kosher Halal
Number of companies	None	None	6	1	1	3

Source: Expansion Strategies Survey

4.2 ARTISAN CHEESE PRODUCTION

Total Production

- *Volume of Milk Used for Cheese Making in 2008 Calendar Year*

  The combined quantity of milk, own and purchased, used by the 12 companies in 2008 came to 47,800,000 liters, of which amount two companies used 40,000,000 liters, two more companies used 6,000,000 liters, leaving 1,800,000 liters for eight companies to share, proving thereby that artisan cheese making is by and large a small scale operation.

- *Annual Production Capacity*

  The total capacity of cheese production of ten of the twelve companies surveyed came to 2,324,000 kg. The two companies not giving their annual production either in kgs or liters, preferred not to answer this question.

- *Processes Applied*

  Nine of the twelve companies surveyed pasteurized or thermized their milk and only five of the companies used raw milk in the production of their cheeses.

Table 4.7

Processes Applied

	Raw Milk	Pasteurized	Thermized
No. of Companies	5	9	5

Source: Expansion Strategies Survey

Percentage of Artisan Cheese Production

Nine of the twelve producers made all their cheeses the artisan way, one with 80% artisan cheeses of their total capacity (Table 4.8). Two companies in the less than 50% category manufactured very little artisan cheese; in fact one of these companies was still in the research and development stage.

Table 4.8

Percentage of Artisan Cheese Production of Total Cheese Production

	100%	80%	50%	Less than 50%
Number of companies	9	1	0	2*

Source: Expansion Strategies Survey

Production by Type

Firm and Soft types of cheeses dominated the production (Table 4.9). Note should be taken of the fact that not all of the cheese makers agreed with regards to the definition of the types; one company rejected outright the type Firm claiming that there was no such type.

Table 4.9

Production by Type

Ent. No.	Semi soft	Firm	Soft	Hard	Fresh	Veined
1	93,600 kg	221,400 kg	0	0	0	0
2.	0	99%*	1% Some curds produced	0	0	0
3	15,000 kg (30 %) (soft ripened)	0	0	22,500 kg (45)%	12,500 kg (25%)	0
4	10% 30,000 kg	90 % 270,000 kg	0	0	0	0
5	0	0	450,000 kg unripened	50,000 kg	0	0
6	15,000 kg	0	5,000 kg	20,000 kg	5,000 kg	5,000 kg
7	X*	0	0	X*	0	X*
8	0	25,000 kg	0	100,000 kg	125,000 kg	0
9	4,000 kg	0	0	6,000 kg	0	0
10	0	0	0	4,264 kg	0	0
11	0	1,500,000 kg 100%	0	0	0	0
12	1,400 kg	0	0	0	0	400 kg
Total	159,000 kg	2,016,400 kg	455,000 kg	202,764 kg	142,500 kg	5,400 kg

2)* Preferred not to give absolute numbers for either volume of milk used in the production or the quantity of cheese produced.

7)* Unable to give absolute numbers as quantity varies from season to season and year to year. Production is geared to demand; people call them and ask for specific types of cheeses

Source: Expansion Strategies Survey

Production by Variety

Despite gaps in the data, due to the fact that some of the producers would not divulge them, it became clear that Cheddar was by far the most popular variety of cheese. Although by quantity Sheep cheeses were quite minimal compared to cheeses made with cow's milk, they were an extremely sought after variety and often were sold out. This shortage in the sheep cheese production was due to difficulties in obtaining sheep's milk.

Producers making cheeses that were characterized differently from the usual varieties, while willing to name them very proudly (see notes Table 4.10) and extolling their uniqueness guarded the actual quantities produced.

Table 4.10

Production by Variety

Ent. No.	Cheddar	Mozzarella	Colby	Brick	Monterey Jack	Goat cheese	Sheep cheese	Other (specify)
1	221,400 kg	No	93,600 kg %includes Brick and Curd	X*	No	No	No	Curd*
2	65 %*	34%	No	1%	No	In partner-ship with No 3	No	No
3	5 % goat milk cheddar made with No. 2	No	No	No	No	No	No	*
4	270,000 kg	30,000 kg	No	No	No	No	No	No
5	25,000 kg							
6	N.A.*	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
7	N.A.	N.A.	N.A.	N.A.	NA.	N.A.	1,500 kg*	*
8	150,000 kg	No	25,000 kg	50,000 kg	25,000 kg	No	No	No
9	No	No	No	No	No	No	1,500 kg	No
10	4,262 kg	No	No	No	No	No	No	No
11	Yes*	Yes*	Yes	Yes	Yes	Yes	No	No
12	No	No	No	No	No	No	1,800 kg	No
Total	**670,662 kg**	**30,000 kg**	**118,600 kg**	**50,000 kg**	**25,000 kg**	**N.A.**	**4,800 kg**	**N.A.**

2)* Unable to state absolute numbers as party refuse to divulge total cheese production quantity.
3)* None of the varieties of cheeses made at this company fit the standard patterns; all are original flavour and specialities that one cannot find in a regular store
6)* The owner mentioned that they did not produce any of the above varieties. She stated that they have different products, however, she did not give the names of her varieties.
7)* Original Greek Feta;Jebneh; Mountain Shepard; Orati Mountain Cheese; Unodeena; Pecorino alpino; Pecorino Tomato, PecorinoPepato, Pecorino Pepato Verde; elderberry Cheese; Pine Bud Cheese; Stinging Nettle Cheese; Calinza; St. Laurent Bleu cheese.
11)* Mozzarella and Cheddar subcontracted for someone else

Source: Expansion Strategies Survey

Production Cycles

- *Cheese Varieties Produced All-Year-Round*

  All cheese varieties based on cow's milk are produced all all-year round. Cheeses based on goat and sheep's milk are tied more closely to the gestation cycle of the animals, however, since sheep's milk can be frozen, some producers stock up for the "off" period enabling them to producer all-year-round also.

- *Producers Unable to Meet Demand*

  Only one producer of cheese made with cow's milk stated that occasionally could not meet demand but added that this was due more to their timing in the manufacturing process rather than to peaks in the market demand.

  Running short, especially in peak periods such as Christmas and New Years, was most likely with goat cheese producers and to a lesser extent with sheep cheese producers. One sheep cheese producer's main complaint was that at peak times demand was higher than his capacity to produce.

- *Where The Producers or Their Cheese Makers Received Their Training*

  Eleven of the twelve companies have someone on staff that received training either at a college or at a university in cheese making (Table 4.11) followed by Self-taught with 5.

Table 4.11

Where the Producers or Their Cheese Makers Received Their Training

Source of training	Number of persons
Family	1
College (Kemptville)	4
University	7
On-the-job training	2
OMAFRA	0
Self taught	5

Source: Expansion Strategies Survey

4.3 EQUIPMENT, STORAGE FACILITIES

Major Equipment

None of the companies lacked any major equipment for their productions (Tables 4.12a and 4.12b).

Table 4.12a

Major Equipment

Ent. No.	Steam system (capacity)	Cheese Vat (capacity)	Batch pasteurizer (capacity)	Pasteurizer on-going process (capacity)	Cheese press (capacity)	Vacuum Pack Machine (capacity)
1	Yes	Yes	Yes	Yes	Yes	Yes
2.	Yes Boiler 50hp	Yes 3 to 5000L	No	Yes 5000L size	Yes 18kg wheels; some hand packed	Yes hand fed
3	Yes	Yes 2 X 100L 3 X 500L 2X 1000L	No	2500L/ hour	No	No
4	Yes boiler 49hp	Yes 3 x 5,500 kg	No	Yes	Yes	Yes *
5	No Use hot water at 1 million BTU	Yes 5 (total 35000l /day)	No	Yes 5000L / hour	Yes Presses 250kg	Yes 2 1 single & 1 db chamber
6	Yes	Yes	No	Yes	Yes	Yes
7	No	Yes 400L	No	No	Yes 28-32 wheels wat	No
8	Yes	Yes	No	Yes	Yes	Yes
9	No	Yes	No	Yes	No	No
10	No	Yes	No	No	Yes	Yes
11	Yes High pressure steam	Yes 2X 10000 liter vats	Yes High Temp. Short Time	No	Yes 8 X 1000kg pneumatic	Yes 8
12	No	200 liters	No	No	No	Yes Counter top model
No of co.	6	11	2	8	9	9

4)* Vacuum pack machine: processes 8 pieces on each side of the machine at once

Source: Expansion Strategies Survey

Table 4.12b

Major Equipment

Ent. No.	Packing machine (capacity)	Specialized scale (labelling)	Refrigerated counter	Other important equipment
1	No - Done by hand	Yes	Cooler	Separator (for whey) Chiller (for whey
2.	Yes Shrink wrap tunnel; some hand wrapped	Yes	Yes Warehouse kept at 4.4° C with 40% humidity	If needed they use a cold storage business located in Belleville
3	No Everything is hand wrapped	Yes Labeling by hand	Yes 6ft dairy case	Walk-in storage for finished cheeses, underground aging caves
4	No By hand	Yes	No	Curing room before cutting Large cooler to hold 18 kg wheels Smaller cooler that holds small packages to fill orders
5	Yes 3 40pc/min 70pc/min	Weights are fixed	No	Portioning Equipment – vacuum portion the artisan cheese within a specified weight range Mixers
6	No	Yes	Yes	Different sanitizer machinery
7	No	Yes	No	Walk in cooler and walk in freezer, temp. controlled, aging equipment, grainage table
8	Yes	Yes	Yes	None
9	No	No	Yes	Aging room
10	No	Yes	Yes	Walk in cooler
11	Yes Cryovac vertical	Yes*	No	Hand weighted and computer prints out label which is hand placed
12	No	No	No	Walk-in freezer
No of co.	4	10	7	

Source: Expansion Strategies Survey

Size of Storage Facilities

Not all the companies had Fresh Cheese Room or Aging Room facilities at the plant (Table 4.13). Some companies expressed the cooling facilities in square feet, others in cubic feet and some in tons.

Table 4.13

Size of Storage Facilities

No. of Companies	Fresh Cheese Room	Number of Companies	Aging Room
1	3000 squ.ft.	1	Sends away
1	Preferred not to answer	1	1600 squ. Ft.
6	Do not have storage rooms	1	2 rooms each 200 squ.ft.
1	1755 squ. ft.	1	24 ton
1	2 ton	1	1000 cub. Ft.
1	* 20,000 squ. ft. cold storage	1	4800 squ.ft.
1	* The whole warehouse was 3000 squ.ft*	1	3000 kg
		1	20,000 lbs
		2	* Included in Fresh Cheese Room square footage
		1	No breakdown given
		1	Preferred not to Answer

Source: Expansion Strategies Survey

Packaging and Labelling

➢ *Packaging*

The use of plastic bags was the most preferred way of wrapping the final products whether they were wheel, pre-cut or grated, followed by vacuum packing and the use of cellophane and carton boxes (Table 4.14)

The least advanced aspect of the production was labelling. One company was still doing this function by hand. (See Chapter 4.8 Table 4.21 section updating technical aspects.

Table 4.14

Packaging

Wheel	Pre-cut	Grated	Other
Vacuum pack with plastic bag	Vacuum pack with plastic bag	Vacuum pack with plastic bag	Vacuum pack with plastic bag
Carton box	Plastic bags, curds	Plastic bags	Laminated plastic is used for all of the cheeses
Carton box used for transporting *			All cheeses are wrapped in paper*
Vacuum packed	Vacuum packed	Plastic bags	Plastic bags for curds
Carton box for case lots Cellophane preformed and vacuum packed			
Paper, Vacuum pack	Paper, Vacuum pack	None	None
Cellophane	Plastic box, Cellophane	Plastic box, Plastic bags	Glass jars Feta cubes
No wrapping of any kind	Carton box, plastic box, cellophane, plastic bags	Carton box, plastic box, cellophane, plastic bags	Cellophane, plastic bags
Combination of all packaging types	Combination of all packaging types	Combination of all packaging types	None
None	Plastic bag	None	None
Carton box, Cellophane, Cryovac shrink	Carton box		Plastic bag
Crystal paper	Cellophane		

3)* Does not use plastic but uses a type of professional cheese wrap paper that has two layers to it to regulate the flow of moisture and air in the cheese. She uses two types of this paper, one is called crystal and the other is white mould. The difference is in the size of the air holes in each paper with the crystal paper being more transparent than the white mould paper

4) All of the cheese is vacuum packed in plastic, even the big wheels which are then placed in a box

5) For the artisan cheese, they use the crystal paper that allows the cheese to breathe

Source: Expansion Strategies Survey

➢ *Training of New Personnel in Packaging*

Training of new staff or up-dating existing staff is done by the supervisory personnel at each of the producers' operations. All the producers believe that the best way to assure that things get done in their own way is to handle the training of all personnel in-house.

4.4 DISTRIBUTION NETWORK AND SALES

Distribution Channels

Seven producers sold directly their products to various retail outlets without using any distributors at all (Table 4.15).

Five producers availed themselves of the services of distributors, ranging from 5% of their products to 100%.

Table 4.15

Distribution Channels

Through a distributor	Direct to…							
	Independent cheese stores	Supermarkets	Farm gate	Farmer's market	Restaurants	Institutions	Internet	Own Store
		45%			5%	No		50%
10 %	90 %* Includes all marked *	No	X*	X*	X*	No	X*	No
50 %	A lot of it goes to retail stores*	No	No	X	X	No	X Very little	No
No	65% though other stores and Farmers' Markets		No	Yes	No	No	No	35%
100 %*	X*	X*	No	No	X*	No	No	No
50 %	50 %							
No	5%-10%	No	No	80%-90%	5%-10%	No	No	No
	90 % Direct sales to stores incl. corner stores and truck stops. 10 % using different sources							
	100 % to Independent Stores, Delis and Restaurants, Farm Gate and Farmer's market							
								100%
5 %	>80%*	X*	No	No	15 %	No	>1%	No
50%	50%*	*	No	*	*	No		No

Source: Expansion Strategies Survey

Geographic Location of the Markets

All of the producers sold their products in Eastern Ontario, the actual sales ranging from 25% to 100% (Table 4.16).

Only one producer had been able to penetrate in a substantial way the Quebec market. Ten of the twelve had not tried it. One producer was present in the USA in a major way and one managed to penetrate that market in a very small way.

Table 4.16

Geographic Location of the Markets

Eastern Ontario	Ontario	Quebec	Rest of Canada	USA	Int'l	Total
70%	30%	No	No	No	No	100 %
60 %	37 %	No	2%	1%	No	100 %
50 %	49 %	1%	No	No	No	100 %
95 %	4%	No	1 %	No	No	100 %
*	*	*	40%*	60%*	No	100 %
25 %	75 %					100 %
100 %						100 %
60%	5%	30%	5%	No	No	100 %
70 %	30 %	No	No	No	No	100 %
100 %						100 %
*						100 %
50%	60%	No	No	No	No	100 %

Source: Expansion Strategies Survey

Distribution Improvements

Only three producers indicated that there could be an improvement in the distribution system, with the majority finding little to no problems with the system.

The fact that only three companies had any comment to make reflects the good state in which the distribution system is functioning.

Sales Organization

The sales organizational set up also reflects the artisanal nature of the operation. In seven of the twelve producers either the owner looked after sales or their managers fulfilled that function (Table 4.17). The other five companies had either a single sales person or in the case of the larger outfits they may have had as many as three people on the sales staff.

Table 4.17

Packaging

Owner/Manager	A family member	Somebody else (specify)
Yes	No	3 Sales girls
No	No	1 full time salesperson and 1 part time: once they can sustain a third sales rep., they will go farther west to Toronto and past
Yes	No	With another staff member
No	No	Sales staff member
No	No	A distributor
Yes	No	No
Yes	Yes	No
No	No	2 employees
Yes	Yes	No
Yes	No	No
No	No	Sales staff
Yes	No	No

Source: Expansion Strategies Survey

Sales Strategy

The customer base of the present cheese producers is well established. However to assure the loyalty of these customers, the majority of the producers offer new products to them.

In addition, to widen this base all the producers send their sales staff to find new stores on “cold calls”, as part of their sales strategy.

Sales Techniques

The sales techniques applied were the same as in any other industry, namely, contact with the customer base was by either telephone or through personal visits. If they had sufficient staff, there was an inside sales person to take care of existing customers by calling them or taking orders from them. The frequency of these telephone contacts varied from customer to customer based on the customer's needs. The sales person on the road made calls on his established customers as well as was responsible for making cold calls.

Some of the producers took their wares to farmers' markets where they got in close contact with the buying public directly. This allowed them to introduce their products directly to the end user, who in turn spread the word about their product. The word-of-mouth spreading of the quality of their product served well both the small producers and the large ones, as many American holiday makers come to Eastern Ontario specifically to buy their favourite brand of Canadian Artisanal Cheese. In fact, Artisan Cheese impacts on the Culinary Tourism Market in its special way and thus could be considered as part of the Canadian tourism product as a whole. This is especially true for repeat tourists and visitors from the United States.

Sales Promotion

Spreading the information about their products by word-of-mouth is not only a sales tool but it is also a sales promotional technique and served the producers of Eastern Ontario well in the past.

Apart from the word-of-mouth promotion there were a number of well-established promotional activities of which the producers could avail themselves. The most common product promotion indicated was giving away samples at stores. Only one company did not do this, as it dealt only with established customers, and one other company instead of doing stores promotions preferred local charity and sports events for such activities. In a more recent development producers introduced their new cheese flavours as well as their established favourites at wine shows.

As a powerful promotional tool Trade Shows are the most cost effective. They allow exposure of products both to the Trade as well as to the public. Through Trade shows a company can get a very wide exposure of their products where people who would otherwise not ever be exposed to them get a chance to taste them and learn a great deal about them. There are a large number of Trade Shows in Ontario: The Wine & Gourmet Show in Toronto, Ottawa Food Show, Green Living Show in Toronto, the Royal Winter Fair and Rockland. Unfortunately none of the producers have a large enough sales staff to attend these numerous Trade shows and the majority of them cannot even afford to attend some of the local shows.

Finally there is advertising. The majority, eight out of the twelve producers, advertise in the local papers. Only three of the producers advertise in Trade Publications. Most of the producers felt that attending local events gave them better exposure than ads in the paper.

At the present time only one or two producers sell their products via the internet, but as of yet this market tool has not come into its own yet.

Sales Trends

As a result of the economic down turn the question was raised whether a niche product like artisan cheese gets affected by up and down turns in the economy. The opinions we got naturally reflected the impact on each individual cheese producer. Thus we have that most of the companies were not affected at all and their sales figures remained stable. Three companies, on the other hand, experienced a down turn between 14% and 20%, while three other companies showed a very strong up turn of 20% to 40%.

With regards to future trends, only one company is expecting a 10% down turn, with producers believing that things will remain stable, but the majority's prediction ranged from a modest 10% to 20% increase to a gigantic leap of 100% to 150%. A couple of the producers felt that the expansion of the artisan market is not infinite, in fact eventually there would come a point where the maximum penetration would have been achieved, admittedly such a scenario is somewhere in the future though. For the moment, the majority sees a healthy expansion of their products.

"Artisan" Labelling

Most of the artisan cheeses sold in Eastern Ontario is not labelled Artisan Cheese, though some producers incorporate the word "artisan" in their product's label. One producer indicated that he would be starting to show the Foodland Ontario Logo. The closest one company got to naming its product "organic" was stating on the label "Natural, Environment and Animal friendly product".

There was some talk about a number of producers getting together to create a product brand but so far nothing has happened.

4.5 Artisan Cheese Awareness

Retail Trade

The opinions expressed by the producers are based on their contact with the retail trade and are biased accordingly. Fifty percent of the producers considered the retailers very knowledgeable about artisan cheeses, while only two out of the twelve considered them nearly totally ignorant about artisan cheese products. They attributed this lack of knowledge to the fact that "most are not interested in artisan cheese because they don't know the difference" as stated by one of the producers. They considered the level of knowledge about Eastern Ontario cheeses in the same proportion. The general opinion being that "those who know artisan cheeses know them very well".

Food Service Sector

The lack of interest expressed by the retail sector is much more widespread in the food service sector. Restaurant staffs are not trained or offered knowledge about artisan cheese. The producers attribute this lack of training to reluctance on the part of the restaurant owners to invest in training their staff due to high turn over rate and the high number of part time employees. Several producers expressed the opinion that up-scale restaurants do have a well-trained staff and are very knowledgeable about artisanal cheese; while several of them stated in defence of the food sector that "The ones that are interested are very well informed".

The Public

Since the majority of the producers do not come in direct contact with the public, most of their information is based on second hand opinions expressed by the retailers. The general impression is that the public is by-and-large not aware of artisan cheeses in general or for that matter about cheeses from Eastern Ontario. A number of the producers consider lack of the advertising to the general public about artisan cheeses playing an important part in this dearth of knowledge on this subject and consequently a lack of interest in artisan cheese.

4.6 INDUSTRY DEVELOPMENT AND EXPANSION

Expansion Projects

Despite the obvious fact that the artisan cheese market was growing, the producers did not seem too pressed to expand their operations, whether they were a small family operation or a large plant.

Only one of the producers with animals of his own indicated that he might increase milk production, the other three had no intention of expanding.

As to the question whether they plan to increase their cheese production capacity only three answered in the affirmative and only one producer indicated a plan to increase storage space while two planned to upgrade their packaging and labelling facilities.

New Product Development

At present there practically has been no new product development by anyone in the industry in Eastern Ontario, with the exception of two producers who are trying new flavours, one of which is quite new to artisan cheese production.

The husband and wife team producers or individual producers like working alone and as a result are quite limited in spending time on new developments.

As long as they are able to sell all their products, and so far that has been the case, they do not feel any pressure to come up with new products to keep their share of the market.

Attracting New Producers

The consultants held discussions with OMAFRA and DOF (Dairy Farmers of Ontario) to obtain basic background information on perceived trends in cheese and about industry promotion.The consultants then turned to the University of Vermont's Cheese Institute (VIAC) where we held discussions with Jody Farnham (802-656-8300), General Manager of the Institute and Dr. Cathy Donnelley (802-656-5495), one of the original founders of the Institute.

One of the main topics of our discussions was the question of "How to attract new producers into the field of cheese making" and especially how to find such potential producers. The short answer we got was: "You cannot go from farm to farm and ask every dairy farmer if he/she wanted to make cheese". What VIAC did was to develop their program of lectures, symposia and 1-2 day courses, promoted them and waited for people to come to them.

In the beginning they attracted an eclectic audience but eventually the people who kept coming back and taking advantage of the programs offered constituted three groups of people: Fans of cheese eating, government officials wanting to know more about cheese making and dairy farmers who considered branching out into cheese making.

Hindrances to Expansion

Cow and goat milk are on the quota system, while sheep's milk is not, however, it is much more difficult to get hold of sheep's milk as there is less stock and sheep give only half the quantity a cow can (Table 4.18).

As the cheese manufacturing industry looks at itself in Eastern Ontario, they do not perceive to have too many serious hindrances that might stop expansion (Table 4.18). In talking with the producers it came to light they do not want to expand and are quite happy with the present size of their market share. This is particularly true of the family farm type operations. Most of them carry on with cheese making as a side-line in their retirement.

Table 4.18

Hindrances to Expansion

	Yes	No
Milk quotas	3	9
Lack of financial assistance	3	9
Lack of research	2	10
Inability to locate new equipment	0	12
Lack of trained staff	1	11
Lack of a partner	1	11
Barriers to export	1	11
Other	2	10

Source: Expansion Strategies Survey

4.7 Needs For Assistance

Dairy Production

At the present time the most important source of help with dairy farming problems is OMAFRA, followed by help from Other Farmers (Table 4.19). On problems with Forage and Soil Conditions their preferred sources are OMAFRA and Other Farmers too. While on matters of Livestock and Environmental Issues the use of sources is quite evenly spread.

Table 4.19

The Number of Companies Which Sought Assistance

Source	Forage	Soil Conditions	Livestock Genetics Milk Products	Environmental Issues	General Information
OMAFRA	4	3	2	2	
Other farmers	3	2	2	2	
Internet	1		2	2	1
University of Guelph/ GFTC	1		2	2	
Literature	1		1	1	

Source: Expansion Strategies Survey

➢ *Improvements to the Actual Technical Offer or Technical Services Sought*

The majority of the companies were quite satisfied with the technical help they were able to obtain (Table 4.20) and this is reflected in the low number of requests made. Two companies, in fact, expressed the opinion that "all the information is out there - one just needs to find it" both on the national front and internationally. In fact those in dairy farming are not really looking for much help with anything.

Table 4.20

Improvements to the Actual Technical Offer or Technical Services Sought

Source	Forage	Soil Conditions	Livestock Genetics Milk Products	Environmental Issues
Online assistance	1			
On site visits	1	1	1	2
Internet	1	1	1	1
Seminars	2	1	1	1
Best Practice Guides	1	1		

Source: Expansion Strategies Survey

Production Technology

Seven of the twelve cheese makers use as primary sources of information for upgrading their production technology the following:

- Their fellow Cheese Makers,
- Internet being a close second with six 'yes' votes
- Manufacturers' reps and books taking third place with five "yes" votes.

Only four producers chose to answer the question with regards to whether courses or universities could be a good source. Three out of the four indicated that they would turn to those sources. Associations and Friends & Neighbours each received three "yes" votes also.

As a source Family and Colleges Courses brought up the rear each with one vote of "yes". In conversation with the producers they indicated that they had more faith in those who were more closely connected with the industry. The answers contained in this question were the first indicators as to how the majority of the producers feel about the colleges getting involved in their business on the technical side.

4.8 AREAS OF PRODUCERS' NEEDS

Although the producers did not feel it necessary to get help with technical problems in dairy farming, this attitude changed considerably when asked more specifically what kind of help they would like to see in the production areas. In all, there were eleven suggestions proposed (Tables 4.21a and 4.21b).

Table 4.21a

Areas of Producers' Needs

Company no.	Updating knowledge in production technology	Knowledge about equipment acquisitions & maintenance supply	Courses or seminars given by local colleges such as			
			Essential Principles & practices in cheese making	Hygiene & food safety in cheese making	Milk chemistry	Cheese chemistry
1	No	Yes	Yes	Yes	Yes	Yes
2	Yes *	Yes	Yes**	Yes	Yes	Yes
3	No	No	No	No	Yes	Yes
4	No*	No	No	No	No	No
5	Yes*	Yes*	Yes	Yes	Yes	Yes
6	No	No	No	Yes	Yes	Yes
7	No*	No	No	No	No	No
8	Yes	Yes	Yes	Yes		Yes
9	Yes	No	No	Yes	Yes	Yes
10	No	No	Yes	Yes	Yes	Yes
11	No	No	No	No	No	No
12	Yes	Yes	No	No	No	No

2) * Currently they have a bottleneck when it comes to cut and wrapping the cheese. The Curds are bagged by hand because the machine costs $100,000. They also have to manually put on the labels on each package. Looking to find pre-printed bags to save them a step in the labelling process.

** Are interested in sending staff for these types of courses but their staff is limited in number and the timing of the courses /seminars would have to fit in their production schedule.

4)* The company hires someone to do an audit every 3 months (he is trusted more than the CFIA inspector) to make sure they are up to code and standard. This situation might change should the company expand.

2)** They get all their rules and regulations from CFIA.

5)* Other: Food Safety and Science Would like more training for staff about how things work and why they happen in a specific way. The owners would like to have in-house expertise and more in depth training for staff. Current staff is given the basics but they would like them to be more knowledgeable. For example, they would like lab results to be shown to production people so that they have a better understanding of why cheese is made the way it is but they just don't have the manpower to do that right now.

7)* Would like to see different courses for Inspectors in Artisan Cheese Processing.

Source: Expansion Strategies Survey

Table 4.21b

Areas of Producers' Needs

Company no.	Courses or seminars given by local colleges such as				
	Starter cultures	Basic sensory evaluation	Quality control	Better understanding government rules & regulations	Technical know-how & training of new staff in prod. technology
1	Yes	Yes	Yes	Yes	Yes
2	Yes	Yes	Yes	Yes	Yes
3	Yes	No	No	Yes	No
4	No	No	No**	No	No
5	Yes	Yes	Yes	Yes	Yes
6	Yes	Yes	Yes	No	No
7	No	No	No	No	No
8	Yes	Yes	Yes	Yes	Yes
9	Yes	No	Yes	No	No
10	Yes	Yes	No	No	No
11	No	No	No	No	No
12	No	No	No	No	No

4) * The company hires someone to do an audit every 3 months (he is trusted more than the CFIA inspector) to make sure they are up to code and standard. This situation might change should the company expand.

Source: Expansion Strategies Survey

The above table summarizing "Producers' Needs" shows that at least half of them would like to see a number of the seminar subjects indicated put in place. Three companies answered "yes" to every suggestion. Nine of the twelve producers wanted to be better informed and would look to the colleges to give them this information.

In looking for assistance with Technical Services (Table 4.22) the interest in the choices of subjects was very high ranging from 33% to 66%. Chemistry related subjects received 66%, hygiene 58%; Basic Sensory Evaluation and Quality Control 50%; Updating knowledge in production technology, Essential Principles & practices in cheese making and Better understanding government rules & regulations 40%; Knowledge about equipment acquisitions & maintenance supply and Technical know-how & training of new staff in Production Technology 33%.

Table 4.22

Improvements to the Actual Technical Offer or Technical Services Sought

Subject matter	Yes	No
Updating knowledge in production technology	5	7
Knowledge about equipment acquisitions & maintenance supply	4	8
Essential Principles & practices in cheese making	5	7
Hygiene & food safety in cheese making	7	5
Milk chemistry	8	4
Cheese chemistry	8	4
Starter cultures	8	4
Basic sensory evaluation	6	6
Quality control	6	6
Better understanding government rules & regulations	5	7
Technical know-how & training of new staff in prod. Technology	4	8

Source: Expansion Strategies Survey

4.9 DISTRIBUTION SYSTEM IMPROVEMENTS

Two thirds of the producers felt that there was no real need to ask the colleges for assistance in this are as they found few problems with it. One producer put it quite bluntly: “Distribution is not a problem right now”. Those that had something to say directed their interest more towards improving the way the public was made aware of artisan cheese or improving the methods of promotion. Making the public more aware of Artisan cheeses is a recurring subject close to the heart both of the producers as well as the retail managers. The problem that needs to be solved in this regards is “How to share the costs of such promotional expenses”. The general feeling is that some sort of outside assistance is required for both the financial as well as the artistic aspects of this solution. In discussions with both groups they indicated that they felt comfortable with the possibility of the college consortium taking the lead in this matter.

4.10 PACKAGING AND LABELLING

Only three companies answered “no” to all the questions whether they wanted information provided by the local colleges on the four topics indicated in Table 4.23. The reason for the lower number of “yes” answers on acquisition of equipment lay in the fact that the producers were used to dealing directly with the manufacturing representatives and obvious wishing to continue to do so.

Table 4.23

Technical Information

	YES	NO
Updating on packaging technology	7	5
Government regulations on training	7	5
New materials in packaging	7	5
Where and how to acquire new equipment	4	8
TOTAL	25	23

Source: Expansion Strategies Survey

Assistance in Training New Personnel in Packaging

Although all the producers preferred to train new personnel in-house, three of them indicated that they would be open to the colleges providing training courses in this subject.

4.11 SALES

Less than half of the producers showed any interest in asking for sales courses to help improve their sales techniques. Most of them have evolved a particular approach in their sales techniques and feel that since it works for them they do not need any help in this area.

Sales courses while acceptable to five of the producers, the majority objected to such courses as they might take too long and the companies would not be able to afford to give the necessary time-off to their staff.

Seminars were also considered rather time consuming especially to those companies with a limited number of sales personnel.

Getting information on how to use the internet as a sales technique interested 25% of the producers; however they felt that it would put a burden on their small inside sales staff, if they had any.

Market Awareness

In contrast to not wanting much information how to improve their sales techniques, the producers were much more interested getting information on market conditions (Table 4.24).

Table 4.24

Market Awareness

Periodic on-going survey of Eastern Ontario Stores	Information about market condition	Pricing	Training programs in the economics of the cheese market	Assistance with branding your product
Yes	Yes	Yes	Yes	Yes
Yes	Yes	No	No	Yes
Yes	Yes	No	Yes	Yes *
Yes	No*	No	Yes	Yes**
Yes	Yes	Yes	Yes	No
No	Yes	No	Yes	No
No	No	No	No	No
Yes	Yes	Yes	Yes	Yes
No	No	No	No	No*
Yes	No*	No	No	No
Yes	Yes	Yes	Yes	Yes
Yes	Yes	Yes	No	No

Source: Expansion Strategies Survey

Judging by the remarks made by some of the producers it is not too clear if they fully understood the importance of marketing and promotion. One producer went even so far as to state that getting information on market conditions is "irrelevant" to him because of the sales increase his company had experienced this year (2009)".

Product Development

The greatest number of request for assistance was in the area of Product Development. This could be due to the fact that we have included very specific problems in the questionnaire of which the producers had not thought when asked about their own development plans.

Table 4.25

Product Development

	Yes	No
Provide incubator space for development of new products	7	5
Provide information on detection and ecology of the food borne pathogens such as listeria monocytogenes	5	7
Provide new technologies for detection and recovery of pathogens such as listeria	5	7
Information on cheese chemistry	7	5
Provide information from publications and articles	6	6
Provide information on consumer attitudes towards artisan cheese & specialty dairy products	7	5

Source: Expansion Strategies Survey

Management

Since most of the companies are family businesses management problems were less of a concern (Table 4.28). Even the companies which are quite large in comparison to these family operations grew out of family farms and retained much of the habits and patterns of operations of a small company.

The way most of the companies dealt with these problems was to hire a consultant, if they could afford it, or struggle through on their own. Should, however, such services be available to them, more than likely they would make use of them.

The attitude of the people questioned was that interesting and useful as these courses might be, they just did not have the time or could allow the time-off for their staff to attend.

Table 4.26

Management

	Yes	No
Developing a good strategic plan	3	9
Up-date or develop a new business plan	2	10
Management of human resources	5	7
Financial Management	3	9
Government (how to deal with)	3	9

Source: Expansion Strategies Survey

4.12 Conclusion to SupplySide of Artisan Cheese

4.12.1 Distribution

From the point of view of artisan cheese supply and distribution Eastern Ontario is well looked after, it could be said to the point that a certain amount of complacency has crept into the system. A certain number of stores have cornered the market of artisan cheese and food stores carrying cheese wish not to take them on creating thereby a stagnation in the growth in that field. Thus a condition arose that those who know artisan cheese know them well, and the others neither know hardly anything about them nor wish to do so.

Since only a very select few of the chain stores carry artisan cheeses, the average customer is not even aware of the existence of such items and so it is left by default to a select few to enjoy these delicacies. There is no effort made to publicise the existence of artisan cheeses and if the general public is aware of anything it is that they are expensive and purchases such kind should be reserved for special occasions only. This phenomenon is reflected in the rise of sales around Christmas and New Years, with a much small rise during the tourist season.

Despite the lack of awareness and promotional campaigns the consumption of artisan cheeses is on the rise, very probably due to the influx of immigrants from countries where cheese is much more commonplace in their diet.

There is, however, good news on the horizon as one smaller independent chain store in Ottawa decided to feature not only artisan cheeses from Eastern Ontario but also to showcase the cheese makers each week.

Unfortunately it is difficult to measure precisely the percentage rise in artisan cheese consumption as no government agency or for that matter no association has been able to track such data.

4.12.2 Cheese Manufacturers

There are about twenty cheese makers in Eastern Ontario ranging from fairly large operations to Ma and Pa outfits. There is very heavy competition for them from producers from Quebec, Western Canada and Europe. What speaks highly of the artisan cheese produced in Eastern Ontario is the fact that the local producers are hard pressed to produce cheese in sufficient quantities to satisfy the local demand.

The same laissez-faire attitude seems to exist in this sector as in distribution. The cheese makers seem to be quite satisfied producing the quantities they are making now. Admittedly it is not in the nature of artisan cheese makers to produce in very large quantities as each supplier is quite happy to sell what it makes and that is that. 90% of the producers asked indicated that they had no development plans of any kind, even though they knew their cheeses were flying off the shelves as soon as they hit the market.

Since the present producers do not wish to produce more the only other way to expand the production is to try to attract new producers. This, however, is a much more daunting task. Several rules and regulations seem to conspire against the new comers from the quota system, through the inspection system and ecological demands, and so no selfrespecting dairy farmer wishes to enter such a mine field. Recently, a hundred and fifty year old producer was forced to close its doors because of such regulations.

When producers were first broached on the kind of help they would like to see come from the colleges their first reaction was “we don’t need any help” and indeed they were all able to cope in one way or another with their daily problems. But when questioned in more detail about such things, as for example, would they like to know more about milk chemistry or hygiene or something more mundane like government rules and regulation, more than fifty percent indicated that they might attend a one or maximum two day seminar on those subjects.

Thus, there are indeed many opportunities for the four colleges to engage with the producers as well as to some extent with members of the distribution system in a meaningful way such as promotion of consumer awareness of artisan cheese through public workshops or short courses where they would introduce all types of artisan cheeses and culinary uses or ideal matches with other foods and beverages.

5 SUMMARY OF HOW THE COLLEGES WOULD HANDLE THE DEMANDS AND NEEDS OF THE INDUSTRY

Managers at the four participating colleges were surveyed to help identify relevant resources among the colleges which can support effective responses to the needs of regional cheese consumers, producers, and sellers. We established that a strong set of resources exists among the colleges to address industry needs regarding infrastructure, production, environment including waste management, cheese-making, marketing and management practices, legal and regulatory affairs.

More specifically, Algonquin College possesses strengths in construction, interior plant design, waste water management, culinary development and product development, plus marketing and business management.

La Cite Collégiale also possesses very similar resources and particular strength among faculty knowledgeable in cheese-making. The college has very strong programming and research activity in Biotechnology, pointing to very a very capable resource in exploring quality control measures. The college has a uniquely strong resource in French-language activity including networking among French-speaking consumers, producers, and merchants.

Loyalist College has special strength in supply chain management and in biosciences plus relevant business programming to support business management training. Its campus is located most centrally to flourishing eastern Ontario artisanal cheese producers and to four counties making a concerted effort to attract and develop artisanal cheese enterprise.

St. Lawrence College possesses strengths in energy management, production facility planning, waste management, product development and packaging, quality control, marketing, and regulatory matters. The college maintains a “business incubator” in Brockville, serving eastern Ontario and maintains an MoU with Queen’s University’s PARTEQ Innovations to facilitate intellectual property management. The college’s Cornwall campus is a bilingual one possessing some French-language, rural network capabilities.

The colleges also have extensive networks of subject-matter experts in industries connected to their credit and continuing education programming and well developed mechanisms in the programming departments including continuing education and contract training for scaled resourcing of expertise. That is, they are very suited to engaging experts on an as-needed basis for delivery of practical training or for engagement with full time faculty and students in applied research and development. Certainly the colleges also possess four comprehensive, overlapping distribution networks for conducting further, ongoing needs assessment in artisanal cheese and other agricultural topics, and for publicizing and delivering learning events across eastern Ontario.

No single college has all of the desirable resources to serve the growing eastern Ontario artisanal cheese market; however, through collaboration the four eastern Ontario colleges have a most comprehensive set of resources to serve the industry. (Their successful collaboration pooling resources and securing OMAFRA funding in support of this foundation study is a case in point.)

Consequently, the four colleges are considering a collaborative approach in designing and offering any of the above services. In connection, the colleges should develop a formal agreement among themselves which offers the public:

- A central, efficient point of contact
- A central, efficient broker between needs and resources
- A shared oversight committee to chart direction and monitor progress, drawing upon college and industry participants for ideal outlook, as in the case of college program advisory committees.

Thus, the four colleges in Eastern Ontario, St. Lawrence, Loyalist, Algonquin and La Cité collégiale, will provide a variety of assistance to artisan cheese producers. The colleges can:

- Promote consumer awareness of artisanal cheese through public workshops or short courses introducing types of cheese and culinary uses or ideal matches with other foods and beverages.

- Collect pertinent information to do with artisan cheese making and distribute it to those who are interested through a website or through specialized workshops or seminars. Topics can include :
  - Production technology innovations
  - Equipment acquisition and management
  - Cheese making
  - Packaging
  - Government regulations
  - Government programs related to industry promotion and development
  - Market data collection
- Deliver fuller, specialized training in the above topics as market development warrants.
- Pursue applied research in such areas as waste management, recipe development, production processes, quality assurance processes, and business practices.
- Offer support services ranging from student-placements to business incubation.
- Certify key skill and knowledge acquisition as cheese production or consumption markets warrant.

Such an agreement could initially support a well-publicized website, behind which a part-time employee channels enquiries and planned learning materials, training sessions, or research projects in collaboration with the best available resource within the four-college network for timely responses to needs. With industry growth and external resourcing, this centralized 'portal' would scale up or specialize in its expert domain as needed.

Eastern Ontario does enjoy a bright prospect in developing a nascent artisanal cheese industry, and the region's colleges are poised to offer support through both typical practice and collaborative innovation.