



North Country Dairy Viability Initiative FACT SHEET

Successfully Operating in NNY's Dairy Value Chain

The North Country Dairy Viability Initiative is an on-going grassroots effort committed to increase the understanding and health of all sectors of the dairy supply chain. This fact sheet looks at the various links in the dairy value chain from cooperatives to processors and distributors.

Chain Starts with Raw Product

The dairy value chain starts with the raw product/milk supply at the farm level and ends with consumers who make the choice to buy, or not to buy, the finished product. Consumers are the primary source of the economic value of the chain and its links. Consumers determine when and how they want dairy products.

The participants in the dairy value chain must act to meet consumer demands. Quality is paramount. Keeping up with changing markets can be a challenge. Watching consumer trends, adopting new technology, and building strong value chain relationships can facilitate meeting that challenge. A “systems” strategy coordinates participants’ efforts throughout the value chain.

Preferred Suppliers

Knowing what it takes to be a “preferred supplier” involves 1) maintaining a clear line of sight to the consumer, 2) keeping an open line of communication that receives information from product buyers and consumers, and 3) knowing and maximizing one’s competitive advantages, while overcoming disadvantages.

The strengths that enhance Northern New York’s role as a dairy supplier include:

- excellent natural resources of land, climate, water, forage,
- an infrastructure that supports agriculture: agri-services, community support,
- geographic placement close to eastern marketplaces, and
- innovative firms already in the value chain.

The Dairy Value Chain

The dairy value chain has several links between the farm and the consumer: procurement, transportation, processing, commodity storage, conversion packaging, distribution, retailing, and food services. The processing link alone can be broken into fluid product, manufactured product, by-products, and balancing.



champions of northern new york’s dairy industry

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Cornell University
Cooperative Extension

PROCUREMENT

**NNY's
Cooperatives**

The Procurement Link: NNY's Dairy Cooperatives

Most farmers in the Northern New York region belong to a cooperative which handles the sale of raw milk to manufacturers. Some farmers independently contract with Dairylea or Agri-Mark to sell their milk to manufacturers. Some cooperatives have exclusive agreements to deliver all the milk they represent to one manufacturer; others may sell predominantly to one manufacturing buyer and to other manufacturers as their demand for milk increases.

The dairy cooperatives in Northern New York include:

Agri-Mark

Chairman Carl Peterson, 100 Milk Street, Methuen, MA 01844-4665
tel: 918-689-4442; fax: 918-794-8304

One of the Northeast's leading dairy cooperatives, 1,300+ farmer/owners since 2003; handles 300 million lbs of milk annually

Allied Federated Co-ops Inc.

CEO Ron Smith, 49 Jameson Road, Canton, NY 13617
tel: 315-386-8116; fax: 315-376-0213

31 member cooperatives across Northeast representing nearly 900 dairy operations with combined production of about 1 billion lbs of milk/year

Burke Milk Producers Co-op, Inc.

Francis Laurin, 2254 Lake Shore Drive, Chazy, NY 12921
518-846-7858

Canton Producers Co-op, Inc.

Robert McDonald, 27 Moran Road, Canton, NY 13617
315-386-4764

Cape Vincent Milk Producers Co-op

Gary Mason, 33110 Mason Road, Cape Vincent, NY 13618
315-654-2579

Champlain Milk Producers

Contact through Allied Federated Co-ops, Inc., 315-386-8116

Chateaugay Cooperative Marketing Association, Inc.

23 Collins St., Chateaugay, NY 12920

Dairylea Cooperative, Inc.

President Clyde Rutherford, CEO Greg Wickham
PO Box 4844, Syracuse, NY 13221-4844
tel: 1-800-654-8838, 315-433-0100; fax: 315-433-2345

2,500 members throughout Northeast, handles 55 billion lbs of milk/yr

NNY Cooperatives
(con't)

Deer River Cooperative

William Vargulick, 35934 Cutter Road, Carthage, NY 13619
tel: 315-346-6257; fax: 315-346-1079

Handles 71-78 million lbs of milk annually; President Ron Zehr

Gouverneur Cooperative Dairymen, Inc.

Gary Tweedy, 83 Gilbert Road, Gouverneur, NY 13642
315-287-0778

Jefferson Bulk Milk Co-op Inc.

Route 3, Watertown, NY
tel: 315-788-1122

30+ members, President Dan Reed

Lisbon Producers Co-op, Inc.

Bruce Nichols, 5239 CR 6, Ogdensburg, NY 13669
315-393-4508

Lowville Producers

7396 Utica Blvd., Lowville, NY 13367
tel: 315-376-3921

200 members within 25 miles of Lowville, handles 270 million lbs of milk annually

Malone Milk Producers

Bob Gleason, Rt. 2, Box 239, Malone, NY 12953
518-483-1308

Marble City Bulk Milk Co-op

Albert Desormeaux, 395 US Highway 11, Gouverneur, NY 13642
315-287-0407

North Lawrence Milk Producers Co-op

Harry Fefee, Rt. 1, Box 94, Brushton, NY 12916
518-529-6505

Northern New York Bulk Milk Producers Co-op

Clark Putnam, 80 Chipman Corners Road, Lisbon, NY 13658
315-322-5493

St. Lawrence Valley Bulk Milk Producers

Fred LaVack, 4892 Spragueville Road, Gouverneur, NY 13642
315-287-3119

Seaway Bulk Milk Producers Co-op, Inc.

Judy McEathron, 47 Jameson Rd, Canton, NY 13617
315-386-8116

United North Country Bargaining Co-op

Mel Klock, Box 696, LaFargeville, NY 13658
315-658-2505

TRANSPORTATION

Milk Haulers

The Transportation Link: Milk Haulers

Milk haulers are usually hired as sub-contractors by the cooperatives. Most producers associated with a cooperative do not have a choice about who picks up their milk. Hauling fees are assessed by each cooperative and vary.

PROCESSING

The Processing Link: NNY's Dairy Manufacturers

Dairy manufacturers are essential stakeholders in the dairy value chain. Manufacturers face challenges to their competitiveness in relation to other parts of the country. In addition to having an adequate milk supply to keep the plants running at capacity, manufacturers face challenges to their profitability not within their control. One way is in the "make allowance" intended to reflect the cost of manufacturing but dictated by the USDA; another is the cost of energy.

**NNY Dairy
Manufacturers**

The dairy manufacturers in Northern New York include:

Chateaugay Cooperative Marketing Association, Inc.

23 Collins St., Chateaugay, NY 12920

CoolBrands International Dairy, Inc.

Plant Manager: Doug Dornbier

22 County Rt. 52, North Lawrence, NY 12927

Formerly Kraft Foods, produces yogurt and cottage cheese;

US Corporate Office in Ronkonkoma, NY, 631-737-9700.

Crowley Manufacturing

Plant Manager: Tony Wahl

20700 State Route 411, LaFargeville, NY 13656

tel: 315-658-2221

A subsidiary of HP Hood; produces regular, low-fat, non-fat cottage cheese; corporate offices in Binghamton, NY.

Great Lakes Cheese

President/GM: John Jennings

23 Phelps Street, Adams, NY 13605

tel: 315-232-4511

Founded in 1958 by Cleveland, Ohio, bulk cheese distributor. Adams plant, one of six, produces aged cheddar cheese, packs for private label. Corporate offices: Hiram, OH.

Kraft

Plant Manager: Tim Gerry

7388 Utica Blvd, Lowville, NY 13367

tel: 315-376-6575

World's largest manufacturer of cream cheese, produced under 125-year-old Philadelphia Cream Cheese brand and as store brands

**NNY Dairy
Manufacturers**
(con't)

Losurdo Foods

Owner: Mark Losurdo
34 Union Street, Heuvelton, NY 13654
tel: 315-355-2444

Produces Italian cheese annually

McCadam Cheese

Plant Manager:
PO Box 900, Chateaugay, NY 12920
tel: 1-800-639-4031

Owned by Agri-Mark (see cooperatives on page 2); produces various cheeses from aged cheddar to Monterey.

CONCLUSION

The North Country Dairy Viability Initiative is a grassroots effort committed to increasing the understanding and health of all sectors of the dairy supply chain. The critical links in the dairy value chain must function as an effective system to support a viable industry. Producers, manufacturers and others in the chain must know their competitive advantages and maximize them. Using a Business Retention and Expansion strategy may also be an effective tool for enhancing the chain.

The overall health of our food and agricultural system is only as strong as its individual parts. If one sector is hurting, the rest of the system will also be negatively affected. Much of the supply chain is regulated in regards to the price individual players can charge for their product. Sound financial management dictates that costs be carefully monitored and controlled. A sound business strategy always considers cost structure. Whether a dairy producer uses an expansion-oriented strategy or a low-cost strategy, understanding where costs stack up in relation to your peers is a must. This holds true for non-commodity products with alternative marketing strategies (niche or unique dairy products). The cost of production often determines the ultimate sustainability of all these endeavors.

For commodity products, there are benchmarking tools that can help identify what costs might be considered for further scrutiny. Increasing producer participation in benchmarking serves the industry as a whole. Contact your local Cornell Cooperative Extension office and ask for information on the Dairy Farm Business Summary and the Milk Check Project.

**FOR MORE
INFORMATION**

For more information on how you can strengthen your position in the Northern New York dairy value chain, contact your local Cornell Cooperative Extension office.

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