

# Farm-Based Businesses Help Boost Incomes

## “Turnkey” Mini Dairy Plants Catching On Fast

Most farmers can sell raw products directly to consumers in one way or another, but dairy farmers have no choice. They have to process their products before they sell them.

Setting up even a small processing plant is expensive, time consuming and a regulatory nightmare. And getting a lender to sign off on the idea can be even tougher.

Some dairy producers have made the problems simpler with a turnkey system called the Pladot Mini Dairy. “We don’t just sell equipment, we sell a complete business,” says Ofra Cohen, general manager, U.S. operations for Pladot, an Israeli company.

Cohen and her husband, Dr. Gad Cohen, help customers develop a business plan and work with lenders and inspectors. They bring a dairy food scientist to teach customers how to run the equipment and make the product. And finally, they work with each producer on marketing plans and ideas.

“Like any small business, it takes lots of blood, sweat and tears,” say Cohen. “We tell customers to start small and grow. They have to master the equipment, the recipes and the marketing. Once you do that, you can work on getting bigger.”

A mini dairy needs at least 50 head of cows supplying milk. Cohen says a 500-cow herd with 100 dedicated to the mini dairy is ideal. The larger size allows future expansion while maintaining a separate income source during startup and expansion.

The Pladot Mini Dairy can be as simple or as complex as the buyer wants. You can produce milk only, or milk plus soft cheese, butter, yogurt, ice cream, bottled milk, sour cream, and more.

“We have had some installations that started out with too many products, only

to learn they needed to be more focused,” she says.

The average facility runs about \$250,000 without a building and can process 4,000-5,000 lbs of milk per day. How fast a system begins to make a profit depends on the individual. Cohen cites one organic ice cream and milk on-farm installation in Vermont that was in the black from day one.

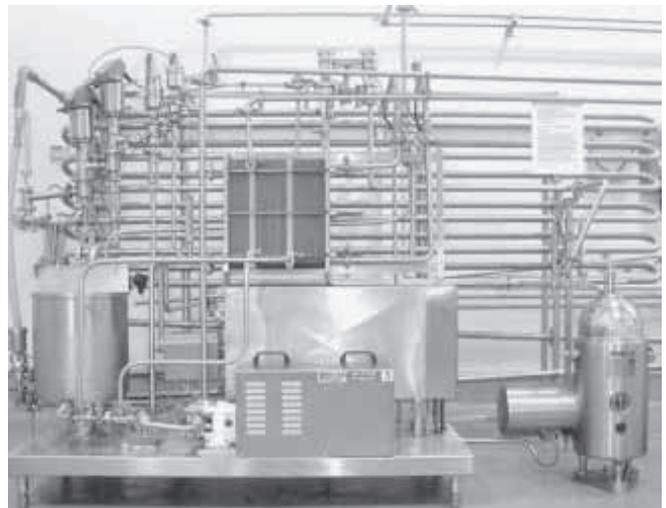
Included in the cost is advice on necessary equipment for the chosen product mix, building setup, customized assembly, integration and test-running of all equipment as well as operation and maintenance training.

“They even came for meetings with our lender and our contractor,” says Mike Minar, of New Prague, Minn., who’s family bought a Pladot Mini Dairy as a way to expand their New Prague, Minn., family farming operation. Mike’s parents, Dave and Florence, own the operation. Mike runs the plant while other siblings handle home delivery, run the on-farm store and manage the website ([www.cedarsummit.com](http://www.cedarsummit.com)).

Mike Minar is very satisfied with Pladot service. “Technical support has been good, the installation was very efficient, and the training program was thorough,” he says. “Pladot has helped us through minor problems on both the equipment and the food tech side. They have been very supportive.”

There are more than 340 Pladot system installations worldwide. So far, there are only 12 in the U.S., but more are in planning stages. Early success has opened the door for others, adds Cohen. She points to two eastern U.S. Pladot systems that now sell all the milk, butter, yogurt and ice cream they can produce to Kroger stores in their area.

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Pladot’s mini pasteurizer, above, is used for pasteurizing milk, juice and egg products. Butter churn, below left, holds 8 gal. and makes 30-lb. batches of butter. Bot- tler, below right, can be used for a variety of products.



## Upscale Doggy Treat Business Finds A Market

What started as a part-time home business has grown quickly for Chris and Audra Bell - so much so, that two years after first starting to sell their home-baked doggy treats, they’ve opened up a retail store.

The couple got the idea for their unusual pet food business when they saw a dog bakery while visiting a big city. They named their company, “Taffy’s Gourmet Dog Treats,” after one of their own two dogs.

“While developing recipes, I consulted our veterinarian, and he recommended a small animal nutrition manual to use as a resource,” Audra says. “I also took an ‘animal health care aide’ course by correspondence to get more credentials. That took me nine months and provided a lot of nutritional knowledge.”

In June, 2001, the couple began baking up tasty dog treats in their kitchen and became occasional vendors at a large outdoor Farmers’ Market where sales were brisk. By 2002, they were fulltime vendors at the Saturday market, and had developed many loyal customers from the nearby city.

They bought a refurbished commercial convection oven that would bake 2,000 medium-sized biscuits at a time, and set it up in their garage.

Audra recalls, not so fondly, having product sitting all over the house, due to the limited space available when they were just establishing their business.

The first year, both Chris and Audra held down fulltime jobs, in addition to their part-

time business. However, since opening the store, Chris operates the store, while Audra works in the office of a local college.

The couple uses human-grade ingredients to make their healthy treats. They also cater specifically to dogs with allergies or restricted diets.

They developed many recipes by trial and error, testing new ideas on their own dogs, as well as those of relatives. Their products have no added refined sugar, salt, preservatives, fillers or artificial flavors. They’re also low fat.

The Bells offer 19 flavors of biscuits including, “wheat free ham and Swiss on rye, wheat free apple cinnamon, lasagna, chicken cordon bleu, cranberries and turkey, pumpkin pie, cool mint breath biscuits, peanut butter banana, and veggie.”

As an example, the lasagna biscuits contain noodles, mozzarella, beef, cottage cheese, tomato sauce and biscuit dough.

Biscuits are priced at \$12.95 per pound Canadian (about \$9 U.S.). Many other treats of all kinds are also available.

“Our customers are our best source of ideas,” Audra says. “We started producing custom decorated birthday cakes and muffins, after getting numerous requests for them. We decorate them with icing made from low fat cream cheese, honey and carob powder.”

Audra says they display all information that helps make them unique in the marketplace. All products have a list of ingredients and a complete nutritional breakdown. They also



Chris and Audra Bell use human-grade ingredients to make healthy doggy treats.

promote that they are vet-approved and of fere free samples.

In addition, they carry unique, high-quality pet-related products from other sources in their store. One such novelty is U.S.-made “Crunch Cards.” These are all occasion greeting cards for dogs, made from a flat piece of rawhide with edible, vegetable-based printing ink. They come with envelopes for mailing. Another novelty they carry is designer pet cologne.

“I was raised on a farm and love my dogs, but never thought I’d be doing some of the

things I do for them. Different people take it to different levels, like some people will give their dogs only distilled or bottled water,” Audra explains. “We saw there was a market for the kind of thing that makes people feel good about having dogs.”

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