

## Virginia Breeders Create Market for Jersey Milk

Southwest Virginia is a mecca for vacationers throughout the calendar year. Whether they are traveling through the Blue Ridge Mountains or heading to NASCAR venues such as Bristol or Martinsville, these travelers make I-77 and I-81 two of the busiest routes in the Southeastern U.S.

The intersection of these two routes makes for the perfect marketplace for something local, homegrown and nutritious. Nestled along I-81 just west of Wytheville, Va., are two Registered Jersey dairies that have joined forces to increase the value of their product and provide local, fresh, 100% Jersey milk products to please even the most discerning customer.

James and John Huffard, Huffard Dairy Farm, Crockett, and Joey Blankenship and his uncle Dan Slem, Sugar Grove, Va., joined forces in December 2009 and purchased a bottling plant to begin bottling their Jersey milk under the label of Duchess Dairy Products. They processed their first milk just 45 days later in January 2010 and have not looked back.

“Having the background experience from my father working to build an All-Jersey milk market in the late 1960s, I knew All-Jersey® milk would sell,” said James (Jim) Huffard III. “We knew we had

a unique product to market with the higher nutritional value and the national push for sustainable agriculture.”

The foursome began processing just 800 gallons a week 10 short months ago, and today they are processing 2,000 gallons a week—the equivalent to one day’s production at Huffard Dairy.

“We aren’t using all of the milk now that we produce,” said Blankenship in a local interview in Virginia. “Our dairies produce 20 times that much milk a week. The rest of the milk we sell to the cooperative.”

### History of the Dairies

The southeast is a fluid milk region, one of four fluid Federal Orders left in the U.S. to not have a component market. It is also an area that has seen a significant decrease in the number of family farms over the past decade. Milking Jerseys especially can be challenging when milk is priced on a different basis than the rest of the country. However, dairying has been a way of life with the Huffard, Slem and Blankenship families for nearly 60 years.

Danny Slem and Joey Blankenship have milked Holsteins nearly their entire lives. Eight years ago, Joey made the decision to switch his Holstein herd to Jerseys. It is a decision he has been most satisfied

with. Among his first purchases was the remainder of the WF/L&M Jersey herd, a group of cows that has given him the opportunity to build maternal lines and even begin to put bulls into A.I. programs. His uncle Danny, a graduate of Virginia Tech, has also been switching his Holstein herd to Jerseys. Though still milking nearly 20 Holsteins, he foresees them being gone by the end of 2010.

Both herds are on REAP and Blankenship’s Sugar Grove Jersey herd had a 2009 AJCA lactation average of 18,750 lbs. milk, 885 lbs. fat and 669 lbs. protein on 41 lactations. The herd also ranks among the Top 25% of the breed for Jersey Performance Index (JPI).

The Huffard family has been involved with Registered Jerseys since 1929. They have experimented throughout the years with other breeds, but always came back to one simple fact.

“The Jerseys just made us more money,” said Jim who is currently the Vice President of National All-Jersey Inc. (NAJ) and past president of the American Jersey Cattle Association (AJCA).

The herd is nationally known for a reliable source of production-pure genetics. The Schultz prefix has been synonymous with bulls on the Active A.I. list, including the current #4 Active Sire in the breed (8/10), Schultz Rescue Headline, GJPI +165. The 2009 AJCA lactation average for the 373-cow herd was 21,234 lbs. milk, 955 lbs. fat and 733 lbs. protein.

Even the name of the plant has a history behind it. Duchess was the pet name that Jim and John’s father called their mother, June. So when NAJ developed and registered the Queen of Quality mark, the name Duchess just fell into place.

### Developing a Plan

After expanding the herd and maxing out current facilities, Huffard began to think of ways to allow for vertical expansion and integration with the herds. Both Huffard and Slem knew they had sons that could soon be coming back home to the family farms and they were looking for a way to incorporate them into the future. The bottling plant seemed like a logical choice.

Over the course of a year, Huffard researched the possibilities of buying an



James and John Huffard, left, and Joey Blankenship, far right, are the management team of Duchess Dairy Products in Rural Retreat, Va. The group, along with Blankenship’s uncle Danny Slem, purchased a bottling plant last winter to expand their operations vertically. With younger generations coming home to the farm like Trey Huffard, second from right, a freshman at Virginia Tech, the bottling plant will provide an avenue for them to more easily come back to the farm.

established plant nearby in Rural Retreat. He talked with the owner and the plants existing customers. Seeing the opportunity to add value to their milk and expand their business, Huffard approached Slemp and Blankenship with the idea and the plant was purchased. The next step was hiring Jordan Hall as plant manager. Hall spent a month and a half working with the previous owners and learning the plant operations.

“We knew a lot of the ups and downs going into it because of the research we did,” explained Huffard. “Being involved with the Jersey association and sitting on the NAJ board, we had some knowledge before we started, but we are learning daily just from the hands-on experience.”

By buying an established plant in good condition, little modifications were needed. Throughout the course of the 45 days between closing on the plant purchase and the start of processing, it was a flurry of activity as inspections were done, certifications were completed, permits obtained, and bottles and labels designed and approved.

Now, 10 months into the operation, the plant employs two full-time employees, Hall and Tyler Hodge. The rest of the work force consists of family members of the partners.

“We have a lot of free labor now,” said Blankenship. “It definitely is helping our bottom line in our first year of business.”

The group bottles milk twice a week—Monday and Thursday—and delivers to retailers five days a week. They produce white, chocolate and strawberry milk in pint plastic bottles and white and chocolate milk in half and gallon jugs. In August, they bottled their first pasteurized cream to be sold. They have also found stores are not afraid to mark up their milk more than the competing brands in the case because of the high-quality product they provide.

“Our milk is probably worth more than we are getting for it right now,” says Huffard. “But we have to price it so that it can compete with what is already in the stores to make sure we can move it.”

#### **Establishing the Market**

Duchess bottled milk can be found across southern Virginia in local convenience and grocery stores. They have recently made their way into major grocery store chains such as Food Lion, Food Country and one Food City store.

“We went to the big chains early trying to get into them,” said Huffard. “The legwork



“Consumers in the area are willing to pay a higher price” for the Queen of Quality® milk from Duchess Dairy Products. The business partnership of Jim and John Huffard, Danny Slemp, and Joey Blankenship bottles pints of chocolate, white and strawberry milk; gallons and half gallon of white and chocolate milk, and most recently, cream at their Rural Retreat facility.

paid off as we have made it to their shelves and consumers are buying the product.”

They have made their customers happy as their base has grown considerably since January. They began with 30 customers and now Duchess milk is in more than 80 stores within a 60-mile radius of the plant.

“Buying local is big. Being fresh is big. And Jersey milk tastes better,” explains Huffard. “Once the consumer tries it, they like it. Their kids like it, and as long as the difference in price isn’t too wide, they will pay more and buy it.”

Consumers can read on the Duchess label that the milk has 18% more calcium and 15% more protein than other leading brands, providing a fresh, local and more nutritious product.

“If it wasn’t for Jersey milk, all we would have is fresh and local,” said Huffard.

#### **National All-Jersey’s Role**

“Our feeling is NAJ took a step in the right direction by gearing the Queen of Quality program back up,” praises Huffard. “By developing the new label, it is a very attractive piece and makes a nice marketing tool for us.”

Huffard continues on to say that as an NAJ member, Jersey breeders have a resource available to them unlike anything other breeds offer.

“The staff of NAJ and the AJCA provide the help someone needs when it comes to asking advice or helping to market their product and a person knows they are on

your side to help,” concluded Huffard.

#### **Advice to Others**

It has been a year of growing pains and while there have been trials, the rewards have far outweighed the negatives.

Blankenship and Huffard offer the following tips to anyone looking to begin their own business.

- Decide where you are going to spend your time the next 12 months. The startup will consume much of your time over the course of the first year as you work out the bugs and learn the ropes.
- Establish an accurate budget. Be honest with yourself and your figures. Figure out your operating cost and your investment cost. This will be the document that makes or breaks your business.
- Do a lot of homework. Talk with other producers, meet and greet your potential customers that you will be selling to. Do not be afraid to ask questions. The entire process is ongoing and definitely will not happen overnight.

While the partners are looking to the future, their goals right now are quite simple: stabilize and have a smooth flowing operation with minimal speed bumps. As they look to the future, they foresee adding new products such as yogurt and butter to their line-up. And they are always going to remember, it pays to be local and fresh in today’s world—but above all, Jersey.