Buholzer Brothers Continue Building Onto Legacy With New Plant For Muenster, Havarti, And A Branded Cheese Line

Monroe, WI—For Ron, Steve and Dave Buholzer, Klondike Cheese is a legacy that represents family, cheesemaking tradition and pride in making quality cheese and yogurt products.

By most measures, Klondike Cheese would likely be considered one of the most evolving cheese operations in the US in recent decades.

The third-generation cheese family inherited a Swiss cheese company and changed to keep ahead of the trends, into one of the largest Feta cheese operations, a Greek yogurt operation and now one of the largest Muenster and Havarti operations in the US.

Luke Buholzer, fourth-generation Buholzer and son of Ron, explained that the move to expand the operation was to get ahead of what he sees is a growth category.

“We believe the Muenster category is going to continue growing,” Luke Buholzer said. “One of the things we’re hoping to do is introduce consumers to traditional Muenster and Brick. It’s not a pre-made market but it’s completely under-served.”

At recent capacity, Luke Buholzer said, the company couldn’t keep up with demand.

“We needed more capacity. We hadn’t picked up a new Muenster account in well over a decade,” he said. “We just couldn’t make any more cheese.”

National production of Muenster has grown from 72 million pounds in 2004 to 188 million pounds per year in 2017.

Klondike’s production will go from approximately 40,000 pounds of Muenster a day to, at full capacity, about 140,000 pounds of Muenster a day or perhaps as much as 30 million pounds a year.

Ron Buholzer said the extra production will go to growing the category as well as displacing some of the Muenster that really isn’t.

“I’m not being critical because I understand the economics,” Ron Buholzer said. “But a lot of the Muenster out there is Monterey Jack cut out of 640 pound block. We think we can grow that way.”

He said likes Monterey Jack but the more discerning consumer is willing to pay a little more for traditional Muenster.

“For those looking for Muenster, traditional is a much nicer piece of cheese. That’s the demographic we’re going after,” Ron Buholzer said.

Within a 10 to 20 mile radius of the Klondike Cheese plant, you might find 10 cheese plants that are also making traditional Muenster.

“We’re not going to directly affect our friends and neighbors who also make great-tasting Muenster,” Ron Buholzer said. “That’s not our goal. We’re trying to displace that stuff that doesn’t belong in the marketplace and grow the traditional category alongside our friends.”

Since 2004, US per capita of Muenster cheese has grown from a quarter pound per person to a half-pound per person.

“Our buyers were telling us they need more. It’s a growing category,” said Steve Buholzer. “The numbers point to it growing. Someone is going to have to make more of it.”

He described the old Muenster operation as being out of date, very labor intensive which had a hard time keeping employees.

“We couldn’t get one more piece of cheese out of there. Our buyers were demanding more. The opportunity arose,” Steve Buholzer said. “I guess our mentality is, if you’re going to do something, you might as well do it with the best you can, and bigger than you’re able.”

Getting ahead of a growth category wasn’t the first time for Klondike Cheese.

Klondike Cheese made its first var of Feta in 1988. In 10 years’ time, the operation was making 48,000 pounds of Feta a day and couldn’t squeeze one more piece of Feta out of the plant and decided in 2002 to make a major expansion to its Feta operation.

“Today Klondike makes about 30 million pounds of Feta a year.

“At that time, we were selling all these buyers, ‘we can’t make anymore,’ Dave Buholzer said. “So we built a plant over there and had to expand that operation almost immediately. Meanwhile, other Feta manufacturers expanded or popped up as well. All of a sudden the Feta category took off as all of us expanded the product together.”

Nationally, Feta production has grown from 78 million pounds in 2010 to 128 million pounds in 2017.

Havarti Growth

Dave Buholzer said much of the growth in Feta sales has occurred at the expense of the import market.

“There is so much demand for Feta,” Dave Buholzer said. “It’s an incredibly growing market. We grew the market domestically and took a big bite out of the import market. We believe we can do the same with Havarti.”

We all think the Havarti category can be pretty huge, Dave Buholzer said.

“Havarti is a new product to many people. We’re in the industry so we know Havarti, outside the industry, it’s a new product and we expect it to grow,” said Steve Buholzer.

“We’re going after the import market. If we can make that Havarti here instead of imported that’s something we want to take advantage of and great for the United States.”

Starting out, Klondike will be about 70/30 Muenster to Havarti production, Steve Buholzer said.

That’s about the product mix now.

He did say, however, that the company has some potential accounts that may come online that will change that ratio immediately.

He also said the old plant’s milk capacity was 320,000 pounds a day, while the new one will be able to run about 1.4 million pounds of milk.

“Our goal isn’t to run 1.4 million necessarily,” Steve Buholzer said. “That’s not our business model. Our goal isn’t to make the most cheese, we want to make the highest quality, most efficient and profitable cheese. If it’s never 1.4 million, it’s not. It’s not a race to get there.”

Slices

Luke Buholzer said Muenster, Havarti and Brick cheeses are highly functional cheeses which are enjoyed by a wide range of people.

“They’re mild enough where everyone will eat them,” Luke Buholzer said. “You never find any one saying they hate Muenster. It kind of appeals to everyone as a table cheese, on pizzas, tacos, and on sandwiches.”

Sandwich slices is where the new plant excels. The ability to easily convert from loaf to Long John style (23 inches long used primarily for slicing) using ALPMA filling and forming equipment and a Sulbana brining system are keys to Klondike’s efficiencies.

“We were already making the high quality we think we can. This move wasn’t about improving the quality,” Luke Buholzer said.

“This move was about making a better work environment for the employees, increase capacity and consistency of leaf size and ease of conversion to slices. We want to sell more Long Johns for slicing and we’re hoping to see extra value in ease and consistency.”

Labor Savings Technology, Equipment

From milk intake to packaging, the new Muenster plant is a state-of-the-art facility.

“We have a beautiful plant here,” said Ron Buholzer. “When we invite buyers in here they leave confident in knowing they’re getting a safe, clean, and consistent product. It really sells our product as much as the taste.”

We tackled a lot over the last
two years, Luke Buholzer said. During that time, he explained how the company has expanded the wastewater system, put in a cooler and dry storage, built the new Muenster plant, built a new sales office and employee break room.

And in a few short weeks, the company’s new whey expansion will be completed and then eyes will turn to possibly adding a spray dryer and more cutting and packaging equipment.

In Green county, WI, the unemployment numbers are about 3 percent, Luke Buholzer said. It rings throughout the industry. “We can’t find people to work.”

“The only way to survive long-term is to make the best product you can,” Ron Buholzer said. “And if you can make the best product you can through automating the more profitable you’ll be.”

Klondike’s relationship with ALPMA goes back to the late 1990’s when Klondike put in a new Coagulator for its Feta operation.

Klondike has always relied on equipment suppliers to bring in new ideas on how the company can increase efficiencies, makes things less labor-intensive and make the plant better, Ron Buholzer said. “We have a tremendous amount of trust in ALPMA; they have big plans and they’re here for the duration. Our relationship with ALPMA is special because bottom line, their equipment just works. And if it doesn’t, they made it work.”

“I have to say, all the mechanization in the new plant, Steve Buholzer knows you to have the same amount of vision as the suppliers and patience that it will work.

“We’re all pretty mechanical here and we know if you bend it often enough, you can probably make anything work,” Steve Buholzer said. “That makes a difference. If we had no knowledge of how things work or if we were scared of all the mechanical stuff, I just don’t think it would be a good fit.”

Ruedi Bucher is the president at Sulbana, USA. Sulbana put in the brine system at Klondike and is well aware of the benefits of having a team with the engineering interests and skills of Klondike.

“The special thing about a company like Klondike, and so many others in this industry, is that all of the guys involved, from the owners to the workers to anyone involved in the purchasing, they are not only interested in that the system works but they also care equally how it works.”

Bucher said the meetings with the Klondike staff are intricate and specific to details.

“Everyone in the plant knows what’s going on. It makes a huge difference for us. It’s one piece of equipment, but everyone was watching and understanding the process,” Bucher said. “They were asking all the right questions.”

From Klondike’s viewpoint, the Sulbana system was a perfect fit for the company’s needs.

“It’s not an overly complicated design,” said Luke Buholzer. “You can tell there was some thought behind it to simplify the system, so it’s more reliable.”

Keeping up with production and reducing labor was needed, from a payback standpoint.

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—Ron Buholzer, Klondike Cheese

“We’ve looked at some really nice systems, in all honesty, it’s more expensive than the others but it’s hands-free, the ROI is foreseeable,” Ron Buholzer said. “With this system, we have no people herding cheese. The cheese is pushed mechanically through a flighted conveyor and indexes the cheese. On the way out, mechanical pushers gets the cheese out.”

Steve Buholzer is amazed at how the Sulbana system reduces labor.

“Nobody wants to herd cheese for eight hours. Look at what this one does. There are no people in the room,” Steve Buholzer said. “It goes about it’s business without concern. Cheese came in and the cheese came out. Any other brining system I’ve seen, there was a herding of the cheese. This one doesn’t. There are no people in that room. I don’t know why we keep the lights on in there.”

Shortly after working together on the project, ALPMA and Sulbana merged with Sulbana becoming part of the ALPMA group.

Ron Buholzer also credited Ruchti Stainless, Scott Swanson at Keller Technologies, Precision Drive & Control, Darlington Dairy Supply, Herkman Mechanical, Professional Roofing, Kramer Brothers, and APT (Advanced Process Technologies).

“The knowledge each company has regarding their own equipment is very strong. The installers are remarkable. I wish we could have some of those guys around here permanently.”

APT handled the milk receiving, pasteurization, CIP, buffer tank and the eight cheese vats.

“They’re as good as advertised,” Ron Buholzer said of APT. “Their entire crew was great.”

Family Business As A Legacy

Ron Buholzer said now, looking back at it all, working alongside his parents and brothers and now the next generation has been the key to the company’s success.

“All the things we’ve done here together, throughout our lives, we feel we’ve gotten where we are by trying and failing, reviewing why it didn’t work and trying it another way,” Ron Buholzer said.

“The ideas are usually right, but sometimes the way we did them weren’t. And those were never bad times. Those were usually the best times. We are where we are by the knowledge we’ve obtained, the relationships we’ve built, not only with fellow cheese makers, but with like-minded suppliers, and many others.”

Eight members of the Buholzer family work together at Klondike Cheese. Ron, Dave and Steve, and sons Luke, Steve’s son Adam and his wife Teena, and daughter Melissa Erdley and her husband Matt.

It’s kind of the kids, the young guys, that are starting to push these new projects, said Dave Buholzer.

“If the family business is going to survive, you have to keep improving or getting bigger and more efficient,” Dave Buholzer said.

One of the ways the Buholzers will be keeping the family business growing is through their new branded cheese line, called Buholzer Brothers.

The Buholzer Brothers line will consist of award-winning Muenster, Brick and Havarti cheeses.

“We are pretty successful with the contests we enter,” Steve Buholzer said. “People will come up and ask us, ‘where can we get your cheese.’ It’s kind of hard to explain that they probably buy it now but under a different name.”

After many focus groups, the company decided on the Buholzer Brothers brand.

“We went all around the country, did a bunch of studies on what we should call the line,” said Dave Buholzer. “The majority of the people thought Buholzer Brothers represented a family business. They liked that.”

Luke Buholzer agreed, saying buyers also feel the brand represents a family business and that it has a generational cheesemaking family behind it.

“We’re going to try selling a bit under our name,” said Steve Buholzer. “We can control our own destiny better and provide a richer legacy for our grand kids and great great grand kids.”

Klondike Cheese currently supplies the deli, foodservice and industrial markets. With the Buholzer Brothers, brand, they’ll enter the retail market, and because you’ll be able to buy at retail and at the deli, will be competing against themselves.

“That’s not our intent,” Luke Buholzer said. “We have a lot of long, long-term customers and partners that really do a bang up job of marketing their brands. Our intent is not to undercut them, our intent is to expand the market.”

While the Buholzers are proud of their history, they know their reputation and legacy depends on the quality cheese.

“We wouldn’t say this is a 100 year plan, but we get phone calls all the time. That’s not what this is all about. If we wanted to sell, then you really have to maximize profits. Then cheese quality suffers. Then all the things we built our legacy for would be for nothing,” Steve Buholzer said.

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