



Nelson-Ricks Celebrates Centennial With Rollout Of New Specialty Cheese Line

Having successfully pulled through a major flood, a few fires and the Great Depression, Nelson-Ricks Creamery is celebrating its 100-year anniversary with the launch of a new specialty cheese line.

Nelson-Ricks Creamery Company was first established in 1907 with just two spring-delivered wagons, a horse and harness, single refrigerator, 50 empty egg cases, a registered brand name for butter and limited capital.

The company originally began as a partnership between CEO Cal Nelson's father and uncle, and eventually became a corporation. The Nelson family continues to be major company stockholders.

With a focus on milk and butter, by the 1920s Nelson-Ricks was offering farmers in Utah and Idaho "the best cash prices for cream at cream stations in nearly every locality," Nelson said, adding that the company later expanded to include cheese production.

Unfortunately, two fires in different plants characterized the 1930s and 1940s, but the company continued to grow. By the 1990s, Nelson-Ricks was operating three major production plants.

Nelson-Ricks is currently headquartered in Salt Lake City, UT, with a manufacturing facility in Rexburg, ID. The facility was constructed in 1975 and employs about 40 workers. It runs about 320,000 pounds of milk daily, with roughly 70 suppliers in Idaho, Wyoming and Montana.

In addition to Nelson-Ricks' newest line of specialty cheese, the company also manufactures all the traditional favorites – Cheddar, Monterey Jack, Colby, Colby Jack, Mozzarella, and Jalapeno Jack.

Cheese is marketed under four different brands, the most predominant being Banquet. Other brands include La Fiesta Hispanic-style cheeses, Gold Nugget and Grand Teton specialty cheese. The vast majority of Nelson-Ricks' cheese products are branded – about 99 percent, said plant manager Kirk Mackert.

Retail sales account for roughly 25 percent of total cheese sales, while the remainder is sold to foodservice clients.

We market our cheese towards families, and pretty much anyone else we can get, Nelson said.

"In Utah, we have a pretty good distribution. In California, you wouldn't particularly find our product in stores; it would be more for the Hispanic trade," he said. "You would see some of our wheels and specialty cheeses in those Hispanic markets."

Nelson-Ricks has always been strong with the Hispanic trade, Nelson said. While less than 5 percent of its cheeses are exported to Mexico, the company has sold a good portion of its cheeses to the Hispanic trade in Los Angeles and San Diego for many years, Nelson said. Hispanic customers have demanded the Banquet brand.

As the Hispanic population in the US continues its growth, opportunities abound for cheese makers wanting to tap into the Hispanic-style market, Nelson said.

Grand Teton Specialty Cheese Line Debuts In Mexico, Available In West

Nelson-Ricks' Grand Teton line recently debuted at Costco stores in Mexico, and is now arriving in retail stores in the US, with the majority of distribution in the West.

The new product line includes Sharp Cheddar, Extra Sharp Cheddar and an Irish-Style White Cheddar. All Grand Teton cheeses contain no animal rennet, and are made in limited production.

The specialty line was created to improve profitability, Nelson said. Nelson-Ricks chose to produce Irish-Style White Cheddar because "there's some imports coming in from Ireland similar to this type of cheese, and we felt there was room for a domestic product – particularly because the imports are getting very expensive," Nelson said.

Nelson-Ricks Dips Into Organic Market

In order to pursue fresh ideas and innovation, Nelson-Ricks has also dipped into the increasingly popular organic cheese market.

"We saw an opportunity two years ago to partner up with Organic Valley," Mackert said. After achieving organic certification, Nelson-Ricks began making organic cheese.

The company then grew into a partnership with Glanbia Foods to collaborate on some of its organic products, Mackert said.

"It's been a very positive note for us to have an opportunity to produce for other people and expand our markets through that, and through the production facility here in Rexburg," he continued.

Organic cheese production depends on the order amount, Mackert said. Earlier this year, we were running a tremendous amount of organic cheese; now, it's gone down a bit.

Supply of organic milk in the West is ample for production, Mackert said. In the beginning, it was

spotty and a struggle to find suppliers, but over the course of the last 12 months, new dairies have become approved for organic and that situation has turned.

All milk used for cheese production at Nelson-Ricks is also free from artificial growth hormones.

"Several years ago, we went to our milk patrons and encouraged them to go BST-free," Mackert said. "It was a successful campaign, and our producers support us very well in that."

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—Kirk Mackert,

Nelson-Ricks Creamery

With great support from our dairymen, we've been BST-free for about six years, he continued.

Liquid whey left over from cheese production is sold to nearby Glanbia Foods in Richfield, ID.

"We run it through a reverse osmosis to concentrate the whey prior to shipping, but we don't have the volume to justify a dryer, so we partnered up with Glanbia," Mackert said.

Survives Fires, Flood & Depression

One of the toughest times for Nelson-Ricks during its century-long run was during the Great Depression, Nelson said.

"My father said it was pretty shaky and wasn't sure if the company would stay in business," Nelson said.

At one time, we had 12 different factories; back in those days, they didn't have refrigeration like today, Nelson said. Milk couldn't be shipped very far or it would easily spoil.

The factories were located about 10 or 15 miles apart. Of course, today we process in Rexburg what we one time did at all 12 factories, he continued.

The Rexburg plant was built in 1975, went into production in 1976 and a few months later, was under about 12 feet of water. The Teton Flood of 1976 nearly sank the business, and operations were down for five weeks.

"It was a widespread disaster within the community," said Val

Hardcastle, company president

"It really disrupted dairy patrons because their herds were scattered and a lot of farms were destroyed."

Luckily, the company was still able to source milk from Wyoming and outlying areas.

Today, a primary concern for Nelson-Ricks is being a good neighbor to the Rexburg area.

"We built the facility outside of town to have some open space and not be impacted by development, but developments came in around us," Mackert said.

Other issues include a sustainable water supply – an ongoing issue the company has with regulatory groups concerning safe disposal of wastewater; and its producer base – the high cost of energy from fuel to crop production is also a concern, making it economically feasible for dairymen to stay in business and maintain the milk supply, Mackert continued.

Key To Next 100 Years:

Specialization

In order for the company to succeed over the next century, it needs to continue the avenue of specialization.

As a company, we need to heavily specialize, Hardcastle said. For companies our size, there continues to be lots of mergers and consolidations in the industry. Companies like Nelson-Ricks have had to find their niche and work with customers we can supply specific products to, Hardcastle said.

"We have lots of smaller producers, which have been trending downward in number," he said. We have some great geographical areas that we're able to pick up, where elements such as weather and other factors prohibit large dairies moving in.

"The pass from generation to generation on these smaller dairies is something we've had to work hard with them, offering them competitive prices and personalization to hopefully have that transfer from one generation to the next," Hardcastle said.

Over the years, Nelson-Ricks has great response from ingredient and chemical suppliers – a great partnership and long-term relationships we've been able to develop with these companies, Mackert said. It's what really helped us achieve our 100-year anniversary.

"We appreciate those businesses that have been with us through a lot of this," he said. "Not only the people in Rexburg that have been buying our products all these years, but all of our accounts that have been nothing but positive for Nelson-Ricks," he continued. •