

Decatur Dairy Breaks Ground On Plant Expansion, Cooperative Forms New LLC

Brodhead, WI—Decatur Dairy employees, cooperative members, project partners, and industry representatives were on hand this week to celebrate the groundbreaking for the company's new warehouse and packaging addition that will also boost cheese production and current plant efficiencies.

The new \$6.2 million, 24,000-square-foot addition is expected to be completed by February 2023.

"I have been fortunate to be involved with a group behind me that are committed to the future of this business", said Steve Stettler, president of Decatur Dairy and co-chairman of the newly formed Decatur Cheese Plant LLC. "This expansion will not only ensure future success at Decatur Dairy but also strengthens our commitment. Together we have built this business and the customers and people involved are a part of that reason."

The expansion will add dry and cooler storage and loading docks. A warm room will be added to allow for new cheese products, and milk intake and whey processing equipment will be moved to create a better flow to the operation. A new brine area will eventually allow the company to increase the number of vats the co-op will produce per day.

The cooperative currently processes about 600,000 pounds of milk a day into Muenster, Havarti, Gouda and other traditional and specialty cheese products.

"The new warming room will allow us to continue doing some really unique stuff," Stettler said. "The expansion will help us move forward and advancing with the latest technology and storage."

The co-op has 71 members ranging in size from 15 cows to 500, said Steve Carpenter, president of Decatur Swiss Cheese Company Cooperative and co-chairman of Decatur Cheese Plant LLC.

"We haven't taken any new members on because the current membership has been able to supply the milk that's needed," Carpenter said. "When Steve (Stettler) adds a little more capacity to production, need for milk will be increased by the members we have."

The farmer members told Stettler that initial plans for expansion were not big enough, suggesting a packaging room and other amenities be added.

Decatur has seen many expansions over the years but this new expansion and joint venture is the most exciting not only for our current needs but for the future in this ever-changing dairy industry, Carpenter said.

"We sat down and looked at the long range, what we would need moving forward," Stettler said.

"This gives us plenty of room, utilizing the cooler in the old building that we can use for production and other things. We got a really good building and I think we got the best value for what we need."

Looking into the future of the co-op, us as farmer members, and Decatur Dairy, continuing our partnership, we needed to increase the building to meet industry demands. The needs we have are for efficient packaging, storage, coolers and a warm room for new products Steve is developing, Carpenter said.

"All these objectives lead us to improved profitability, not only for Decatur Dairy, but for our farm families members that provide milk to the plant," Carpenter said.

Decatur Cheese Plant LLC Formation

The relationship between the Stettlers and the co-op began in 1973 when Roy and Virginia Stettler, Steve's parents, began making cheese in the current location. In 1982, Steve Stettler and wife, Glennette, purchased Roy's interest in the business.

Carpenter explained that there are many different business models in the dairy processing industries.

"You look at what Decatur Dairy has done, from cheese curds to all the different cheeses, and the way they've grown the business," Carpenter said. "Steve, his family and his team behind him have grown this business to what it is today. And that is what made our co-op members successful."

To secure that relationship, the group formed a new partnership.

Decatur Cheese Plant LLC is a 50-50 venture between Decatur Dairy and Decatur Swiss Cheese Company Cooperative.

Under this new partnership, the LLC will own all of the building and the land and be responsible for all of the building expenses, Carpenter said. Decatur Dairy will own all the equipment, all the cooling and do all the marketing and run the business that they do now.

The main objective Carpenter and co-op members had was for the guaranteed security of their milk.

"This new expansion and joint venture will help us secure our market, but it also gives us a feeling of being a part of the whole process," Carpenter said.

The cooperative model is a unique model in today's fast-changing industry, Carpenter said. There are plenty of examples where farmers lost their market for their milk.

"This supply agreement between the co-op we have, secured a minimum of 20 years, and it automatically renews, a market for our milk," Carpenter said. "As a board



Decatur Dairy broke ground this week on a major expansion to the existing cheese plant. In the photo above (left to right) are: Steve Carpenter, president of Decatur Swiss Cheese Cooperative, Sierra Stettler, Decatur Dairy, Sutton Guilbault, Aaron Guilbault, Decatur Dairy, Shaya Guilbault, Decatur Dairy, Shaw Guilbault, and owners Glennette (George) Stettler and Steve Stettler.

and a co-op member that was our main objective. That's very important in today's environment."

Shaya Guilbault is Decatur's senior account executive and daughter of Steve and Glennette Stettler.

"I am glad everyone agreed we needed this new expansion. We look forward to running a company that has room to accommodate our wonderful product line," Guilbault said. "We are very proud and excited to be adding to the plant and happy to have the support of our patrons. Without our

partnership this would not be possible."

Stettler thanked his family, wife, Master Cheese Maker Matt Henze, the Wisconsin Department of Trade and Consumer Protection, Wisconsin Cheese Makers Association, Dairy Business Innovation Alliance, Center for Dairy Research, Kraemer Brothers, and Jewel Engineering and others.

"The fire is still burning hot," Stettler said. "I think we still have a lot to do here and we have a good core of farmers who want to be a part of this success."



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