

Increasing added value with cheese production and direct marketing

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The challenge for a small milk farm

As a family-owned farm, it is crucial to change and grow constantly in order to stay competitive. With regard to the mature milk market in 1984, Hof Butendiek located in Seefeld (Northern Germany) decided to change their milk production from conventional farming to organic farming. Their intention was to add more value to their milk production and their products, but also to consider the growing interest of consumers in organic produced food. Besides, the family Butendiek was convinced that organic farming is the right way to produce milk in a sustainable way and that this would lead to the possibility of becoming more independent of the milk price. But in 1984 the marketing of organic products on a local scale was difficult since there was no dairy plant in the surrounding area and since there was not enough organic milk to supply an organic milk stream.



A solution based on processing and direct marketing

The status quo but also the future prospects led to the idea of direct marketing from the farm. The family decided to become more independent to the local dairy plants and decided to start investing their efforts in other market channels such as weekly farmers market and their own direct farm shop. In the beginning Hof Butendiek manufactured their milk only on a small scale in the kitchen which was achieved with a high workload and high staffing levels. They decided to process the milk into cheese because from the very beginning, the farm had the objective of generating the highest possible added value from its milk. To expand their product range and in order to make it permanently attractive for their customer through constant variation, they added cream cheese to their product range. Both products are being marketed mostly in organic supermarkets but also by conventional food retailers especially on a local level. The marketing strategy of the farm is particularly successful, because the owner family contributes to a high degree of transparency and credibility with its farm visits for visitors and its own farm shop. In addition, the herds are grazing and visible for visitors and costumers. This combination of factors enables successful marketing in the vicinity of neighbouring small towns with a tendency towards an academic population.

Results from the investment

As a family-owned farm, it is crucial to change and grow constantly in order to stay competitive. Since the start of their marketing in 1987, the number of employees has risen from the family size of family Bruns to 20 external employees. The responsibilities are subdivided into agriculture, milk processing and distribution of the products. It becomes evident, that Hof Butendiek made the right operating decisions since the last 20 years. So far, they produce various cream cheese variants and a vast assortment of semi-hard cheese, yoghurt and quark. Throughout the year, the farm processes around two thirds of the milk from the 170 milking cows as cream and semi-hard cheese. They use 3000-4000 litres of milk for the production of hard cheese a week and 10.000 litres of milk for fresh cheese a week. The rest will be delivered to a dairy. In the last few years, their products were further improved and developed until Hof Butendiek was able to produce hay-milk to manufacture semi hard cheese and to add an extra product to their product range. By adding a higher value and using the entire value chain of the milk production, Hof Butendiek was able to increase profitability but also to increase the stability of profit. From the point of view of the farm manager, in the future the challenges will be the labour market and growing challenges in agricultural production. As a result, the family decided not to investigate in further growth but to focus even more on sustainability and quality of their products to stay competitive with prices of global markets and growing consumer demands for animal welfare and sustainability. If other farms are willing to increase the value of their milk production, cheese production combined with direct marketing as shown at “Hof Butendiek” is a great option.

If you would like to read and see more of farm Butendiek, then visit their website
<http://www.hof-butendiek.de/index.html>.

Do you want to learn more?

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