

History of the Wisconsin Sheep Dairy Cooperative

**Dan Guertin
President, WSDC
Stillwater, Minnesota**

WSDC formed in 1996; cheesemaker request for a single source supply of sheep milk

- Licensing**
- Annual inspections and monthly milk sampling**
- Inventory management**
- Payment to individual farmers**

WSDC functioned as a Producer Agent for the first two years

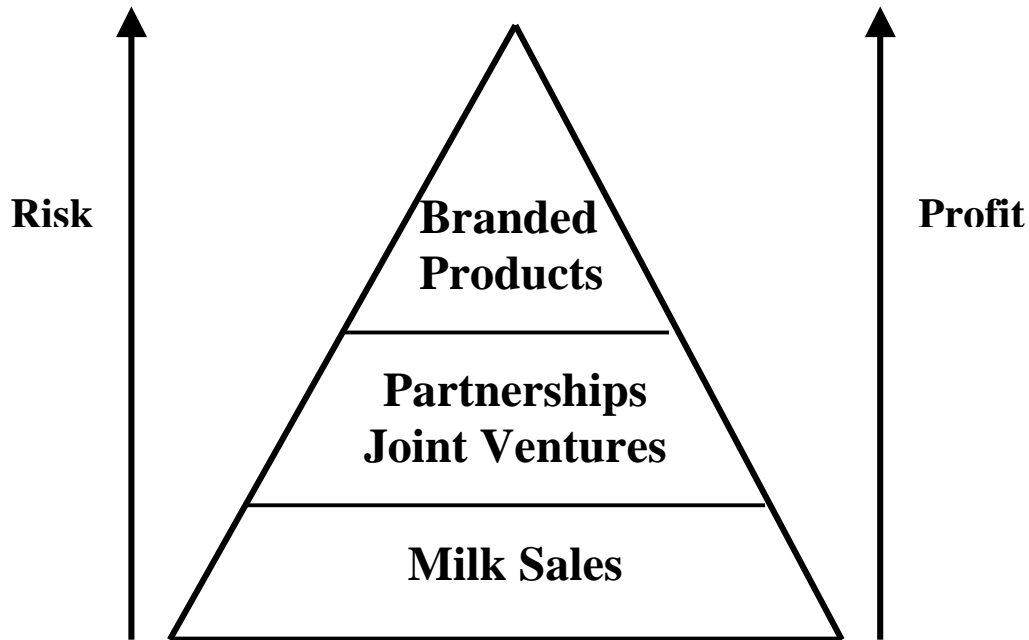
WSDC became licensed as a Dairy Plant in Spring of 1998

Original Goals of WSDC:

- Market sheep milk produced by its members**
- Establish a stable market for sheep milk**
- Establish a stable supply of sheep milk**
- Provide the highest quality sheep milk available**

In 1998, established a Three Year Strategic Plan with the help of UWCC

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|----------------------|---|
| Year 1 (1999) | - establish new markets for sheep milk |
| | - establish quality program to insure excellent quality milk |
| | - build infrastructure, management of inventory & transportation |
| Year 2 (2000) | - continue to build programs begun in Year 1 |
| | - seek partnership and joint venture opportunities |
| | - begin development of 'Branded Product(s)' |
| Year 3 (2001) | - continue to build on programs begun during Years 1 & 2 |
| | - introduce 'Branded Product(s)' to the marketplace |



Current Structure of WSDC

Twelve member farms

Flocks range in size from 25 - 250+ ewes

Seasonal dairying, moving towards year round production as market needs grow

Initially, genetic selection focused on higher yielding animals

120 lbs in 90 days

400+ lbs in 180 days

Selection process now shifting to selection of animals with higher % solids, while maintaining high levels of milk production

Milking equipment shifting from bucket milking (e.g. Surge buckets) to pipelines

Frozen milk storage shifting from chest freezers to commercial walk-in freezers (-15°F)

How Do We Supply Milk?

Frozen

Frozen and stored at -15°F

Put in dairy bags - 35# - 40# per bag
- bags frozen flat (16"x30"x3")

or

- 30# per bag, in 4-gallon square pails

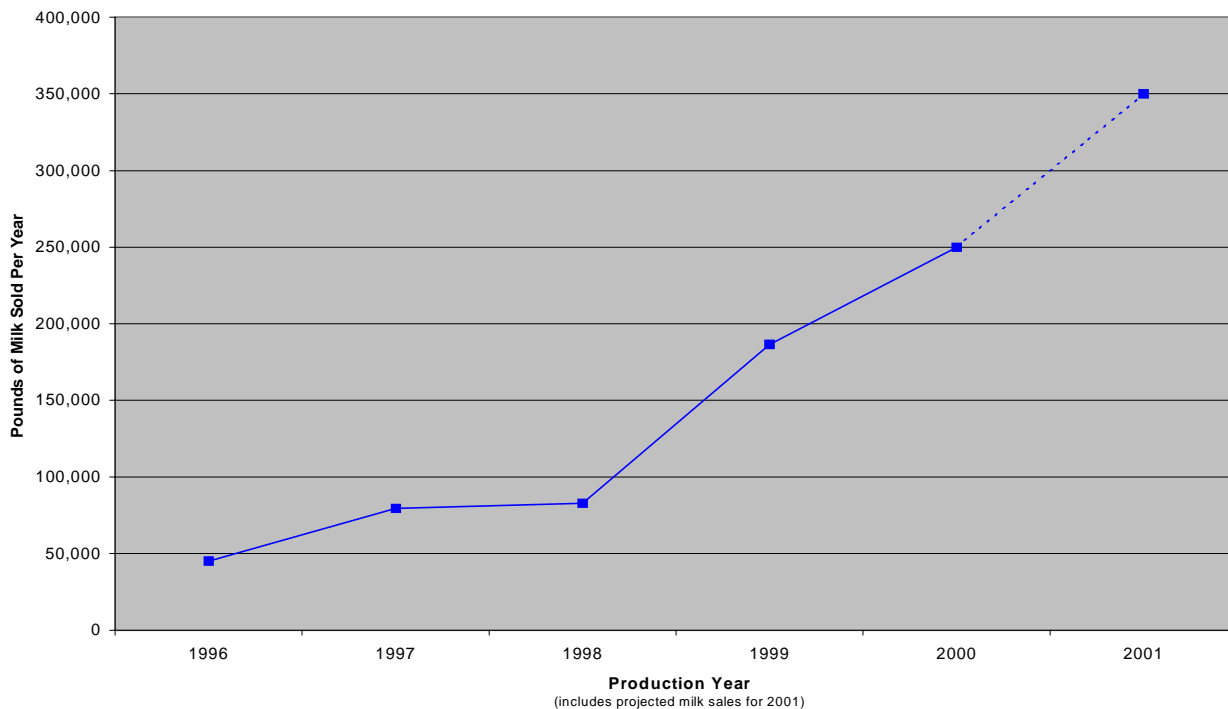
Fresh

Put in dairy bags - 30# per bag, in 4 gallon square pails
- 4500 - 5000 pounds per shipment

For 2001 - investigating conversion of shipping in bulk tanks
- 8,000 - 10,000 pounds per load

How Have We Done So Far?

History of Milk Sold Through the WSDC



Future Availability of Sheep Milk

- **Approximately 100 sheep dairy farms in U.S. (25 in WI)**
- **Milk produced on most of these farms is used for farmstead cheese**
- **WSDC is the first and only sheep dairy cooperative in the U.S.**
- **WSDC sees a major opportunity for facilitating introduction of sheep milk products on a large-scale, national basis**
- **Currently, U.S. imports more than 60 million pounds of sheep milk cheese annually**
- **A 1% market share would result in at least \$4.8 million dollar impact in Wisconsin (based on milk sales and wholesale sales of a mid-range sheep milk product)**
- **Constant challenge of matching supply with demand**
- **Sheep milk offers an unfair advantage over other milks because it can be stored frozen for at least 6 mo. at -15°F without appreciable chemical or biological degradation**