

*For Artisan Cheesemakers*

***What to Ask....***

***What to Expect***

***When Working with***

***Distributors & Retailers***

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### ***The Cheesemaker and the Distributor***

You are an Artisan Cheesemaker who wants to find an economical way to have your products delivered to buyers. You may also want assistance in marketing your product so that you can increase production.

**Distributors** offer services that can help with both.

When you reach out to a potential distributor, remember that *you* are the client, they are providing the service. In an email or telephone call you might say: "I produce artisan cheeses at my operation in Yancey County and I'm interested in circulating my cheese outside the immediate area. I'd like to discuss what services your company offers to assist with that."

*There are two basic types of distributors: (1)*

**Broadliners:** These distributors carry a full-line of products needed by their target market. For example, food service broadliners carry food stuffs as well as equipment and supplies such as paper products.

**Specialty:** These distributors focus on a specific product category (produce, dairy, ethnic foods, etc.) or segment (independent specialty stores,).

*And two basic services:* Transportation and Marketing.



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*How to find a distributor.* Perhaps the best way to find a distributor for your product is to talk with other cheesemakers about their experiences, and with the retailers or restaurant chefs to whom you would like to sell. Busy chefs and store managers typically prefer to purchase products through their existing distributor, rather than going through the expense of setting up another vendor.

*A note on pricing your product:* When you price your product, put the price on it that you need to stay in business. Don't price your product so low that you lose money. The distributor interviewed for this document notes that quality cheese sells whatever the price, but that he has the greatest success working with cheeses that are less than \$16 per pound wholesale.

### ***What services do you need from a distributor?***

**Have you already identified your buyers and need only the service of *transportation* to get your product to them?**

This would be the case if, for example, you have been delivering to Winston-Salem-area restaurants and now restaurants that you've identified in Charlotte and Raleigh are ordering or want to order your product. If this is your need, provide the distributor with specific information on the expected frequency, number of stops, and weight of the shipment. Then the distributor will work up a price for this service.

For example: "I'm looking for transportation of 10-20 pounds of product per stop at four restaurants in metro Charlotte and four restaurants in metro Raleigh on a weekly basis."

Ask the distributor if the charge for transport is by weight or by value. For a high value item such as specialty cheeses, weight is preferred. However, most distributors charge a percentage of the value. The charge for just transport depends on distance and number of stops, but you can typically expect a charge of 10-15% of the product value.

**Do you also want to work in conjunction with the distributor to *market* your products to new buyers?**

Most distribution companies do not just transport product, they also have a marketing and sales force that can be utilized to grow your business. Some distributors bundle the cost of transportation with the cost of marketing, charging, for example, a 20-25% fee for both services. Others may add a per/lb or separate percentage on the value of the product, for example, 20 cents per pound to cover marketing. When talking with the buyer, category manager, or cheese specialist, ask for a detailed list of what marketing services they will provide to you.

**Marketing services and opportunities**

distributors often offer to clients, and a few things you need to know about these:

*a) The opportunity to participate in food shows that are held for chefs and specialty food buyers.*

Your question: when and where are these food shows held, how many vendors and how many buyers are there, and how are you charged (if at all) to attend these shows? Distributors often charge vendors to

participate in these shows (\$200-\$1000, depending on the show), plus you pay your own expenses (travel, lodging) to attend. These fees might be rolled up into the transportation/marketing percentage. Determine what is and is not included in such a percentage. Additionally, you'll need to budget for cheese samples provided during the show.

*b) The opportunity to present at meetings for the distributor sales force.*

Your question: when and where are these held, what is expected of you as far as providing samples, what will sales reps be doing to push out your product ?

*c) The opportunity for your product to be tried by chefs at restaurants to which the distributor already delivers.*

Through distributor sampling with chefs/buyers: Distributors can advertise the availability of your product in their company newsletters to existing chefs/buyers. Chefs/buyers will then ask for samples of the product before they put in an order. Ask the distributor about their samples policy. A good strategy is to tell the distributor you are willing to do \$X of samples a quarter (perhaps \$200), but they need to call you before they go above that level.

In person with chefs/buyers: Ask about the opportunity to do ride-alongs with the sales staff so that you can participate in the marketing with chefs. Sales staff will welcome this. *Your presence during a sales call is one of the best ways to get chefs to begin using your product. Note that you will need to provide samples.*

## **Communicating with a Distributor**

Sasha Shreders, Cheesmonger at broadline distributor Pate Dawson-Southern Foods, recently worked with a North Carolina artisan farmstead cheesemaker who wanted both transportation and marketing services. The cheesemaker contacted Sasha by email ([sshreders@southernfoods.com](mailto:sshreders@southernfoods.com))--Sasha notes this is the preferred method for first contact. In the first email the cheesemaker attached a list of available cheeses and wholesale prices, as well as photos of the product. Here are Sasha's responses and the additional information he asked the cheesemaker to supply:

*"The pictures look beautiful. Do you have separate spec sheets or point of sale materials for each? And a separate file of the photo for each item that you can email me? Also you can send any descriptions you have that you would like the sales managers to see when they pull up an item in the computer we can cut and paste into the system."*

Subsequently, Sasha invited the cheesemaker to attend a sales meeting, during which the cheesemaker was asked to take 20 minutes to: "Talk, show and tell, pass out small plates of samples, and invite the group to come up and taste." A display table was provided and the cheesemaker stayed after the meeting to talk more with the sales reps.

A few days after the sales meeting, Sasha linked the cheesemaker to the purchasing agent, who asked for information on shelf life and packaging and discussed payment terms and transportation scheduling.

## **The Cheesemaker and the Retailer**

A conversation and advice from Austin Genke, owner of BoxCarr Handmade Cheese.

### **How did you make first contact with the retailers you sell to?**

*The way we did it, we invited them out to the farm to sample cheese. We went in there and talked to people behind the counter, we researched to find out who the buyer was. We dropped off product at the store with an invitation to visit the farm. Everybody is happy to try some cheese.*

### **How many distributors do you work with? How did you meet them?**

*We have six different distributors who work across the country. One distributor we met when my sister (and business partner) was in New York and went to a bunch of random cheese shops, and one of the owners asked us if we had a distributor. He suggested we contact the one he used, located in New York; we took samples there and they loved it and have been distributing for us ever since.*

### **What about marketing?**

*Promotion is huge. We promoted everything for a year before we started, we called random newspapers, we did farm parties and social media. We got people in the cheese world excited about it. And I only wear Boxcarr Farm t-shirts. We don't have a marketing budget.*

### **Advice from Austin of Boxcarr:**

- *There is not necessarily a lingo that you need to speak when you start selling through retailers or distributors. Be genuine and passionate about your products*
- *Pay attention to packaging and eye catching labels. Look around and see what other people are doing. Go to the*

grocery store and look at the bigger name cheeses, see how they package it. Call other cheesemakers. Ask distributors for information, including equipment distributors. They want you to be successful; they want to keep selling to you. Talk to people at cheese shows.

- How to manage relationships— you have to continue to build your market even after you start selling through a retailer or distributor. Some distributors have a great sales force, others are nationwide and they sell a couple of cases here and there; some push it, some do not. For retail, you have to keep going to the stores and doing tastings, and talking to the buyers there. If they do a customer newsletter, ask them to put your products in it. For distributors, every few weeks you need to call them, remind them you are there, let them know when you have new cheeses.



- You need to plan on sampling your products in retail stores. Even after we are established in a store we go back for sampling every six months.
- When you first begin it will be a constant juggling act of not having enough or having too much.
- You should plan on having significant accounts receivable and you'll need cash on hand. Distributors may say they pay in 30 days, but for most it is between 45 and 60.

## Concluding Comment

North Carolina is home to a thriving local foods economy and your artisanal cheese production helps fulfill consumer demand, for fresh, local and hand crafted foods. Distributors offer valuable services to help make your expansion plan a reality.

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