



Rural Development • Rural Business Service • Value Added Producer Grant

USDA Assists in Keeping the Value Added In Flathead Dairy Business

Just about everybody in the Flathead Valley knows about Kalispell Creamery. The creamery, located only 20 feet from the milking barn of their dairy, bottles milk with as little processing, delay and manipulation as possible. The dairy business is well known for producing local, all natural dairy products since 1975. Thanks to that ever elusive word-of-mouth marketing that comes from a high-quality product, the milk is becoming very popular across the state and beyond. Meeting that kind of market demand can be stressful, and that's the last thing the owners wanted was stressed out cows. The cows are the reason for their business, they sell the milk to keep the cows, not the other way around.



Happy cows at the Kalispell Creamery in Kalispell, Montana.

USDA, Rural Development's Value Added Producer Grant (VAPG) program assisted Kalispell Creamery to keep up with the local demand by bottling unhomogenized, completely natural milk and selling it from their farm store hence the slogan "from moo to you!" They have also expanded their product line by producing yogurt and butter. According to co-owner Mary Tuck, "Quality product comes from our girls. If we keep them happy, they'll keep our customers happy. If it hadn't been for a program like this, it would be harder to stay on the seasonal schedule our cows need to keep producing the Creamery's products that everybody's come to love."

The VAPG provided funds for working capital allowing Kalispell Creamery to defray costs of expanding and contract out for marketing assistance for the additional product line. This expansion allowed the Creamery to add two full time jobs and increase revenue by twenty percent.

"It's a win-win all around", says Tuck.

Obligation Amount: \$48,530

Date of Obligation: February 22, 2012

Congressional District: Representative Zinke, At Large; Senators Tester and Daines

Partners: Kalispell Creamery/Hedstrom Dairy Inc.

Demographics: Montana Residents, Schools, Distributers and Restaurants

Impact: Assisting a local business to keep up with the demand of their high-quality product.