Matching Production Capacity and Product Markets

Dairy products, even cheese and ice cream, have a limited shelf life. This requires that you adequately project demand, or expected sales, for your value-added products and coordinate with your milk supply.

To achieve this, outline your short- and long-term goals for the value-added business regarding production growth and market expansion.

Determine the quantity and quality of milk needed. Consistency is important when manufacturing dairy products. It is key for both product quantity and quality.

Close monitoring of components, somatic cell count, and bacteria counts is required. Consider seasonal fluctuations and develop management strategies including standard operating procedures to maintain consistency.

Do you know product yield estimates for what you plan to make? Understanding of your farm’s production can help you to plan for product yield.

For more information on product yield you can use Table 2 from the following Penn State Extension resource: https://extension.psu.edu/get-more-from-your-milk-increasing-profit-through-value-added-products

How does your production capability match with the customer numbers for the markets through which you intend to market and sell?

Consider, how many people typically come to the farmers’ market or frequent a particular restaurant through which you are selling.

Dairy product consumption varies throughout the year.

Develop an understanding of when your products will be in greater demand and when demand will be lower.

Does your goal setting include considerations for scale-up? Scaling up production is typically more easily done than finding buyers for excess product quantities.

Communication between your farm operation and the processing or manufacturing side of the business will be key in making this balancing act work.

For more information, please follow us at extension.psu.edu.