



TOM CAMERLO EXPORTER OF THE YEAR AWARD

Up Close and Personal with the World

A focus on face-to-face service and long-term customer relationships makes Leprino Foods Co., Denver, a global leader in cheese and ingredients.

■ **Paul Rogers** *Contributing Writer*

In 1978, you could count on one hand the number of U.S. dairy companies serving overseas clients commercially. Leprino Foods Co. was one of them.

You could probably count on one finger the U.S. dairy suppliers who were able to maintain those same customers for the next 33 years: Leprino Foods. That statement might be a bit hyperbolic, but the fact remains that very few U.S. dairy suppliers have been as steadfast in their commitment to export markets as Leprino Foods.

For more than three decades, the Denver-based company has been one of the stalwarts of U.S. dairy exports. Its dedication to export market development, integration of an export mindset into its day-in, day-out business and its devotion to forming lasting partnerships through customer service and by going the extra mile earned the company the 2011 Tom Camerlo Exporter of the Year award.

The fact that the company is still servicing its first export customer 33 years after the initial sale speaks volumes about commitment and service.

"Leprino Foods epitomizes what we need to have in our industry: committed, customer-service-oriented export suppliers," says Marc Beck, senior vice president, market development, U.S. Dairy Export Council (USDEC), a co-sponsor of the award with *Dairy Foods* magazine. "They have been doing it well and doing it for years, and it shows in their export results."

"The company has been an export champion since day one," says Tom Suber, president of USDEC, Arlington, Va. "Leprino Foods was a founding member of USDEC in 1995 and has been extremely active in dairy trade policy, both within the organization, leading the Dairy Trade Policy Committee, and outside, participating in industry delegations to World Trade Organization meetings and groups such as

USDA's Dairy Industry Advisory Committee, where it provided a global perspective."

In the 1970s, the company recognized the potential of the international market for whey and other dairy ingredients "almost immediately," says Leprino Foods president Larry Jensen. "Once our first customer relationship was formed, we realized the growth potential, particularly in light of the demand and our access to such a large, healthy dairy industry."

The company's exports began what Jensen calls "a nice steady trend of positive gains" for a couple decades and "really took off" in recent years. International sales more than doubled from 2008 to 2010. This year, cheese export volume grew 50% through the first three quarters, compared to the same period in 2010.

A single product to a single country in 1978 — whey to Japan — grew to an array of dairy ingredients and cheese to more than 40 countries worldwide.

In 2000, Leprino Foods became one of only a handful of U.S. dairy suppliers to expand its manufacturing footprint to another continent when it formed a joint venture with Glanbia Plc to serve Europe. The joint venture owns and operates two facilities in the United Kingdom — one in Llangefni, Wales, and one in Magheralin, Northern Ireland — and markets products under the Glanbia Cheese name.

Past Exporters of the Year

2010 United Dairymen of Arizona

2009 Hilmar Cheese Co.

2008 Schreiber Foods

2007 Darigold

2006 Davigo Foods

“We each bring unique capabilities to the partnership,” says Jensen. “Glanbia brings knowledge of the European market and the European milk supply, and Leprino Foods brings state-of-the-art mozzarella production expertise.”

International sales now account for nearly 7% of Leprino Foods’ total cheese sales and almost 60% of its whey sales.

With the “dramatic” expansion of its international presence, “we restructured our entire business development organization in order to meet the growth and complexity of international markets,” says Kevin Burke, senior vice president of global business development. “We want to ensure we take a more comprehensive view of how international sales impact our entire operation and better integrate our international efforts into everything we do.”

Greeley to Singapore

While Leprino Foods has a long history in world markets, two recent developments put the exclamation point on its export success. In August, the company opened its first Asian Business Center in Singapore. And in November, it opens a \$200 million cheese and dairy ingredient plant in Greeley, Colo. Besides giving the company a larger physical presence in Asia, the 6,000-square-foot business center contains the company’s third Innovation Studio — a facility that assists customers in identifying and developing products tailored to the tastes and food trends of the region. (Leprino Foods also operates an Innovation Studio in Denver and in the UK as part of its joint venture with Glanbia).

The center is staffed by sales and customer support personnel and business development experts, including culinary professionals. It builds on Leprino Foods’ already significant presence in the region that seeks to capitalize on rising dairy demand in the Asia-Pacific market.

“Leprino Foods has made strategic and focused efforts to build business in China and the Southeast Asian theater for mozzarella,” says Beck. “The company has taken a very creative and innovative positioning as ‘supplier of choice’ to a major pizza chain in Australia, working with them on creating a marketing platform that would meet Australian consumers’ desire for pizza that satisfied cravings for indulgence without negative connotations of weight gain.”

Leprino Foods used its mozzarella expertise to develop a low-fat cheese that met all of the chain’s desired taste, composition and melt characteristics. The product was so well received that last year, the pizza company converted its entire market territory to the low-fat cheese.

And it’s not just in Singapore in which the company has boots on the ground. It has in-country staff in China and a robust distributor network in China, South Korea, Japan, Thailand, Australia and other countries.

Cheese exports are shipped primarily from plants in California. Whey and other dairy ingredients are shipped from any of 10 U.S. facilities in seven states. The new Greeley facility will boost volume and provide more supply options. The Greeley plant will go live in stages, with Phase 1 set to open Nov. 1 and Phase 2 scheduled for completion in late 2012. Phase 3’s completion date has yet to be determined. Phase 1 will make non-fat dry milk. Phases 2 and 3 will produce cheese, whey and dairy ingredient products.

“As demand increases internationally, the addition of the Greeley production facility will enable us to meet our domestic demand for cheese while we increase shipments overseas from our California facilities,” says Jensen.



■ Leprino Foods has a team of customer-focused individuals, including (back row, from left): Mike Sweeney, Monica Lasswell, Mark Benson, Ken Pharis, Gillian Kaye and Aaron Whittaker. Middle row: Brad Cunningham, Allison Specht, Shawn Judge, Jeremy Egle, John Jones and Jaime Sanchez. Front row: Larry Jensen, Kevin Burke, Cheri Bellendir, Derek Friedman, Tony Eafanti and Pat Drye.

Ingredients and foodservice

Although Leprino Foods is synonymous with cheese — the company says it is the largest mozzarella maker in the world — dairy ingredients like sweet whey, whey protein concentrates and lactose are a major segment of the business.

International markets actually led its whey business. “Demand for whey products matured for us faster overseas than it did in the United States,” says Jensen.

Now, the international markets are primed to propel Leprino Foods’ cheese business as well as the overseas foodservice sector booms.

“There appears to be tremendous opportunity for foodservice expansion in many international markets,” says Jensen. “When you consider the Asia-Pacific market, it’s reminiscent of the U.S. food industry in the early ’70s, particularly in the pizza category. We all know the growth the industry experienced in the United States over the last 40 years. I think it’s fair to expect significantly increasing international sales as many developing markets see a desire for Western-style foods.”

“With the numerous tariff and regulatory requirements abroad, USDEC has been a tremendous partner in helping us gain access and navigate the many varying international markets,” says Burke. “They also provide those in the industry with a wealth of information on various global markets in regard to trends and market outlets — all of which is critical as we work to provide superior service to our customers.”

In the end, it comes back to service. Says Burke, “We want our customers to succeed and we work hard to make sure they do.” ■

Paul Rogers writes about the dairy and food and beverage industries from his base in Madison, Wis.