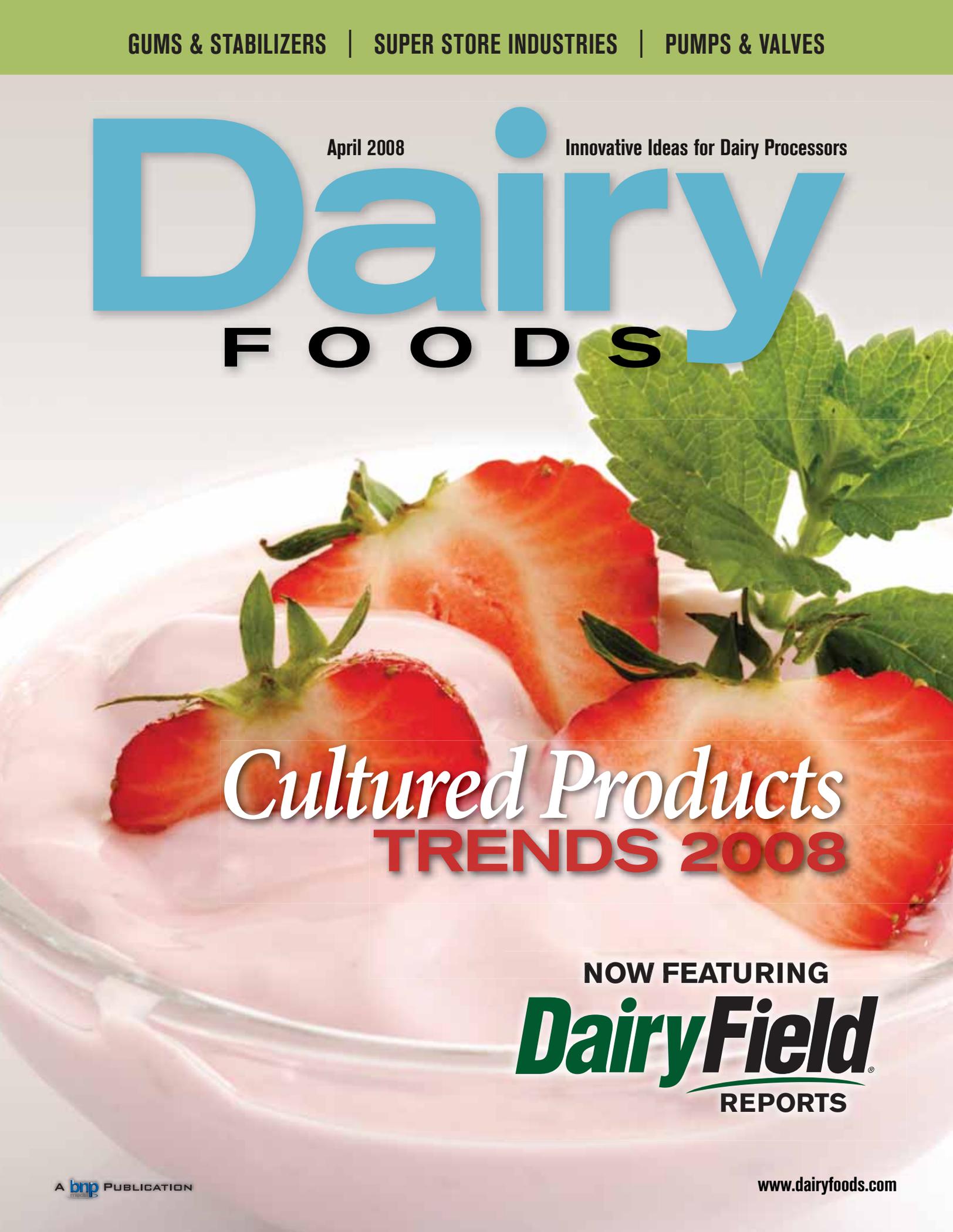


April 2008

Innovative Ideas for Dairy Processors

# Dairy

F O O D S



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## Spreading Culture

Amid calls for nutrition and portion control, Franklin Foods hits it big with its yogurt cream cheese.

■ James Dudlicek *DFR Editor*

In 2003, Vermont's Franklin Foods devised a way to make the first-ever yogurt cream cheese, a patented process that yields a product with lower calories, fat, sodium and cholesterol, and allowed for the yogurt cultures to remain alive and active. Dubbing the product Hahn's Yogurt and Cream Cheese Spread, to honor the company's beginnings as Hahn's Cheese Co., Franklin has since found eager customers for it, including a real heavyweight.

The company supplies its innovative yogurt cream cheese in portion-controlled cups to the school meals program in New York City, the largest school district in the nation. Known for its strict nutritional stan-

dards at odds with the dairy industry over the burdensome restrictions on flavored milk, the New York schools purchase plain and strawberry-flavored spread for its million-plus students. The product can also be found in school lunchrooms in Maine, New Hampshire and Vermont, and has begun shipping to the Hillsborough, Fla., school system, the country's eighth largest.

It's perhaps the biggest coup for the company since Jon Gutknecht signed on as president in 1998, sparking a period of rapid change in production and management, along with a new push for innovation.

Franklin Foods is executing its "Spreading the Goodness of Hahn's Across America" strategy, explains director of marketing Rocco Cardinale. This plan is focused on building upon the Yogurt & Cream Cheese technology and the benefits it offers by following the four-phase attack: launch the Hahn's brand by leveraging the existing Franklin Foods foodservice sales and broker network, across diverse channels; distribute the product to retailers nationwide under a nationally recognized brand; offer a store-brand version of Yogurt & Cream Cheese with a major retailer; and engage consumers and build brand advocates for the brand by introducing a fresh cream cheese experience to the category.

"Hahn's is perfectly positioned to help the 15,000 schools across the U.S. provide a healthy and great tasting alternative to cream cheese for their 40 million students," Cardinale says. "By simply switching to Hahn's Yogurt & Cream Cheese from regular cream cheese, schools can save students an estimated 17,100 calories per year."

Earlier this year, Franklin Foods launched "I Want Hahn's," an Internet-based consumer campaign that allows Hahn's consumers to connect with key decision makers in their communities that



are making food purchasing decisions in their schools, hospitals, supermarkets and other venues.

Hahn's Yogurt & Cream Cheese has won seven national and international awards at dairy and cheese competitions over the last three years.

Started in 1899 by partners Frank Hahn and Russ Rustelhulse, the company's original primary product was Bakers Cheese, popular in the New York City baking market for making the renowned New York-style cheesecake.

In the 1940s, Otto Hildebrandt purchased the company in order to vertically integrate his bakery supply company, which distributed produce to retail bakeries in the New York metro area. Otto's son, Walter, pursued growth of the company through the development of direct-set cream cheese in the 1970s.

In 1989, Bruegger's Bagel Bakeries founders Nordahl Brue and Michael Dressell bought the company to branch into flavored cream cheese for their bagel stores.

Today, Franklin Foods is the fifth-largest cream cheese manufacturer in the United States and is on a mission to reinvent cream cheese for today's consumer. **DFR**

### AT A GLANCE

#### Franklin Foods

**Headquarters:** Enosburg Falls, Vt.

**Founded:** 1899

**Products made:** Cream cheese, yogurt cream cheese, neufchatel, dips, spreads, mascarpone, soy cheese.

**Brands:** Hahn's, Lombardi's, All Season's Kitchen, Vermont Gourmet, Vermont Gourmet Artisanal.

**Plant location:** Enosburg Falls (cream cheese, spreads).

**Affiliate:** Via Cheese, Swanton, Vt., (Italian cheeses).

**Management team:** Nordahl Brue, chairman; Jon Gutknecht, CEO; Erik Brue, president; John Ovitt, general manager; Steve Barrows, VP sales; Marc Poirer, CFO; Rocco Cardinale, director of marketing.

**Web site:** [www.franklinfoods.com](http://www.franklinfoods.com)