

NEWS/BUSINESS



Golden Cheese Co. of California, former largest cheese plant, to be auctioned in August

By Rena Archwamety

MADISON, Wis. — Golden Cheese Co. of California, located 45 miles east of Los Angeles in Corona, Calif., once was considered the largest fully-integrated cheese plant in the world.

Built in 1985, the 420,000-square-foot building set on a 34-acre site at its peak produced approximately 200 million pounds of Cheddar, Monterey Jack, Colby Jack and Muenster a year for industrial and retail cheese sales. This was equivalent to about 35 percent of the American cheeses consumed by people in California.

Additionally, this highly-automated plant produced 9 million pounds of whey protein concentrate powder, 20 million pounds of whey powder and 90 million pounds of animal feed supplements per year. It also was among the first plants to take the cheese byproducts all the way through to alcohol distillation, turning out 3.5 million gallons of fuel alcohol per year.

Now this former cheese-producing giant and previous home to 300 employees sits silent, waiting to be auctioned and emptied.

"It's always difficult when a plant closes, but what we do is try to find

other plants that are growing and that can use this equipment. So in some ways it's a recycling project," says Marty Davis, CEO of M. Davis Group, which will auction the plant and its components in a two-day sale Aug. 6-7. "When one plant is closing, others can make use, we hope, if we do our job right."

Integrated Protein Technology, a U.S. company, contracted with England-based Express Dairies to build the plant in the mid 1980s. The plant was modeled after a facility in Ireland, where Express Dairies owned a subsidiary.

According to Dermot O'Brien, former plant manager of Golden Cheese Co. of California, the plant's original owners saw an opportunity to provide cheese to the large consumer base in Southern California.

"When they looked at the majority of cheese consumed in Southern California, they saw it was coming from Wisconsin," he says. "So they decided with the large availability of milk in the area, they could build a plant and make cheese locally for less cost than it was to bring it in all the way from Wisconsin."

Dairy Farmers of America (DFA) took over full ownership of the plant in 1997, producing the same products

but expanding the plant in 2002 to increase capacity. The plant's products were distributed mainly in California, but as the plant grew, cheese was sent to other areas as well, primarily in the Southwest.

Milk from 100,000 California dairy cows was delivered to the plant's eight raw milk silos, which held 60,000 gallons each. The plant consumed nearly 5 percent of California's entire milk supply. Eleven vats with a 45,000-pound capacity each produced 4,500 pounds of cheese at a time, and six vats with 70,000-pound capacities produced 7,000 pounds of cheese at a time.

However, as Los Angeles and the surrounding area continued to grow, the area's milk supply started to shrink as dairy farms relocated into the Northern Valley of California as well as New Mexico and Idaho.

"From 2000-2007, there was a huge growth in building," O'Brien says. "The dairy farms were pushed out to make way for new homes. Dairy farms sold their land and moved farther away from the plant, which made it uneconomical to haul milk long distances to the plant."

DFA closed the plant Dec. 31, 2007. Unable to find another company

wanting to utilize the facility for dairy processing, the decision was made to separately auction the plant and its components.

"This will attract a wide variety of both domestic and international buyers — people all the way from producers to other major processors and packagers," Davis says. "Some will be interested in buying some of the equipment as complete lines, and some will be interested in buying individual pieces of equipment. It's a very well-maintained plant."

Davis says the auction has received a fair amount of interest already, and he has had inquiries from potential buyers from as far as Australia and New Zealand. Representatives are on-site to conduct tours of the plant and gather specifications, and pictures and a list of the equipment to be auctioned have been posted at www.mdavisgrp.com. Davis says buyers who can't attend the sale will be able to participate live on the Internet.

"This will be, by far, the largest auction of dairy processing equipment ever to occur," Davis says, adding that it arguably is 5-10 times the size of typical cheese plant auctions. "It's really a great opportunity for people who are improving plants or building new plants." **CMN**

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