

# DairyField

## REPORTS

# MILANO'S

*A Taste of Italy*

IVM Sales Corp

Anthony Caliendo, vice president of sales and marketing, and Marybeth Tomasino, CEO and treasurer, help direct Milano's Cheese Co. into becoming an up-and-coming competitor in the cheese industry.

Photos by Vito Palmisano



■ Milano's has been able to stack up an impressive list of credentials, but couldn't have achieved any of its certifications without the passion and persistence from the quality control, logistics and sales teams as well as those in the business office and executive management.

# Diamond in the Rough

**Milano's Cheese may not be the largest producer, but its tenacity for food safety, innovation and growth make it an up-and-coming competitor in the cheese industry.**

■ **Marina Mayer** *Executive Editor*

**F**ive years ago, consumers wouldn't be caught red-handed buying private label products or clipping and saving coupons. Over time though, the roller-coaster economy has forced even the wealthiest of shoppers to compare prices and opt for the cheaper brand.

Now, "consumers want to be challenged, they want something unique and exciting, something that no one else has," says Anthony Caliendo, vice president of sales and marketing for Milano's Cheese Co. "I think that's one of the advantages we're going to have as a company, is to be innovative with new ideas that propel us ahead of our competition."

It's that tenacity for innovation and growth that make Milano's an up-and-coming competitor in the cheese industry, despite how consumers save and spend. That's why the 250-employee, \$40 million producer of Italian hard cheese is considered a diamond in the rough, "that company that not everybody knows about but everybody wants to find," Caliendo says.

Milano's team of products includes 10 SKUs, ranging from 8-ounce to 5-pound containers of grated, shredded and shaved Parmesan, Romano and Asiago cheeses, which are produced out of its 75,000-square-foot headquarters facility in Linden, N.J., and distributed to foodservice accounts (75%), ingredient users (24%) and retail outlets (1%).

Despite the emphasis on institutional customers though, Milano's is making a push into retail in a big way. For starters, it became a member of various food trade organizations, such as International Food Technologist, International Dairy-Deli-Bakery Association, Private Label Manufacturers' Association, American Dairy Products Institute and the National Association of Pizza Operators.

Additionally, it started hosting tabletops at these organizations' tradeshows, including the International Pizza Expo, Mar. 1-3 in Las Vegas; the NRA Show, May 21-24 in Chicago; IDDBA's Dairy-Deli-Bake Seminar & Expo, June 5-7 in Anaheim, Calif; IFT Food Expo, June 11-15 in New Orleans; and the ADPI International Whey Conference, Sept. 18-21 in Chicago. Coming up, Milano's will make a tabletop presence at PLMA's Private Label Tradeshows, Nov. 13-15 in Chicago.

Aside from making a name for itself and exposing its brand through various media, it helps that Milano's target audience is, "anyone who eats cheese," Caliendo says. "It doesn't really matter what their nationality is. In general, when it comes to Italian food, there's not really many people who don't like it. When it comes to cheese, specifically Italian cheese, it really has the flavor. It gives it that kick that tastes better. It's a product that every consumer knows and every consumer wants. I'd say that the percentage of consumers who have Italian cheese in their house is really, really high, probably in the 80-90% range. It's like not having ketchup in the house."

In fact, from 1999 to 2009, per capita sales and consumption of Parmesan cheese doubled from 0.41 to 0.80 pounds, according to the International Dairy Facts 2010 Edition, produced by the International Dairy Foods Association, whereas Romano rose from 0.17 to 0.25 pounds per capita over the 10-year timeframe. The data are in the company's favor. Milano's is on the fast track to success just by being able to bring the consumers what they want.

### Operating cut and dry

While the Milano's name has been around for some time, it was just recently certified as the doing business as name of JVM Sales Corp., its parent company.

"No one knew what JVM Sales was and that it had to do with Milano's cheese," Caliendo says.

However, JVM Sales has been a family-owned and operated business for nearly two decades.

In 1983, Joseph Falcone purchased JVM and ran it as chief executive officer until 2000, when he became blind and his

■ To better target its retail customers, Milano's created a 64-bag shipper, which substitutes the run-of-the-mill cardboard with a metal frame that holds four black wicker baskets and is adorned with Italian-style colors and artwork.



daughter, Marybeth Tomasino, took over. Tomasino, currently the chief executive officer and treasurer, acquired JVM in September 2010.

JVM was built on the strong principles of hard work, dedication, integrity and family values of the Old Country, and has evolved throughout the years thanks to the family's combined 60 years experience as gifted cheesemakers.

In addition to leading the company, Tomasino holds 10 certifications, ranging from food safety to product development to employee training, and she trains each individual employee herself.

"We've always been proactive in the food safety department," she adds. "[And], the regulations that just changed in the [Food Safety] Modernization Act have only helped this company because we used to chase our customers on information for our third-party orders and any kind of regulatory documents, and now they have to give it to us much quicker."

To comply with the revised Dietary Guidelines for Americans, for instance, Milano's is working to create low-sodium items, "however, there is a standard for Parmesan and



# Corporate Profile



■ Marybeth Tomasino (bottom right) is CEO and treasurer. She prides herself on operating as a family-run business, which is why her children (clockwise, from bottom left), Justin, assistant manager of production, and Mary Jean, assistant manager of quality assurance, spend their summers working in the plant. Kimberly, business development manager, works full time.

Romano,” says Tomasino, who maintains a degree and certification in ingredient development and works with suppliers and local pizza joints to test certain concoctions. “When there is a range of three to five [for sodium content], we try to get a little above three for salt.”

## Polishing up its portfolio

While the folks at Milano’s are busy pumping out nearly 400,000 pounds of product a week (see related article, beginning on page 68), they’re also redeveloping their product line and packaging materials to better segue into the retail market.

For starters, Milano’s is in the process of launching a spiced Parmesan and spiced Parm-Romano line, which blends red peppers, jalapeños and other spices to provide a Latin/Italian-type flare.

“There’s so many things you can do with spiced items like this,” Caliendo says. “If you go to any major company, like Subway, you’ll see that they have Parmesan, then they have a red pepper, a basil or oregano and then you’ll watch them shake it on there. So, why have all three when you can have one? We want to try to consolidate it for our clients and make it easier for them, and do the same thing for the retail shelves.”

Milano’s also introduced a sabori seasoning, which boasts red peppers and Italian vegetables to provide an Italian flair with a little kick.

“There always has to be some kind of niche that separates you from the rest, and that’s what we’re really going to focus on as a company — how do we create the marketing, the taste of the product, the ideas that open the door for people to want to try our product,” adds Caliendo.

Meanwhile, Milano’s developed a 1-pound economy-size pillowpack bag featuring a zipper seal that was designed to give consumers more product for less money.

“As the economy went backwards over the last three years, we’ve seen changes in packaging, changes in major companies that have changed their sizes,” says Caliendo. “They maybe went from 8 ounces to 6 ounces. They tried to cut down some of the product to really lower the price for the economy. What we did is come up with a 1-pound bag that really gave the consumer more product, not less product, for a very, very good price.”

To accompany the 1-pound bag, Milano’s created a 64-bag Italian cheese supermarket shipper, which substitutes the run-of-the-mill cardboard rack with a metal frame that holds four black wicker baskets and is adorned with Italian-style colors and artwork. On the sides of the shippers, consumers can find brochures, directing them to the company’s website, which is in the process of being updated to include a more in-depth arena for consumer interaction and recipe sharing.

“After talking to many dairy buyers, one of the biggest problems I’m hearing is, how do we display cheese? That’s why we designed the new shipper,” Caliendo says.

Milano’s is also tapping in to one of the hottest trends in the food business — going green — by initiating discussions on creating a biodegradable bag.

“We want to become the first cheese company to actually come out to market with these biodegradable go green-type of cheese products,” Caliendo says.”

In addition to its nationwide customers, Milano’s is expanding into the international world of cheese. In doing so, it hired an in-house counsel who has helped the company acquire EEU certification, as well as other export qualifications. Plus, the Milano’s plant is just 10 minutes from the port, providing an attractive means of exporting overseas.

“The way we look at it, we can’t control the government, but we can control our destiny,” Caliendo says. “We have to go out there and work on international markets, focus on the world, not only the United States. Doing so, I think within the next three years, we can probably increase our business by 20-30%, just in international business.”

“We have a very unique position here,” Caliendo adds, “being able to not only build a brand name, but to be able to build a retail product at a great price and then be able to work on the private label side.”

Before long, Milano’s will be more than just a diamond in the rough — it’ll be a gem in the cheese industry where everyone knows their name. ■





■ Shredded Romano cheese travels through a tumbler into the packaging area to be placed in the company's newly redesigned 16-ounce bags.

# Training is Milano's Middle Name

Between new product development and maintaining food safety, Milano's Cheese Co. prides itself on training, training and more training.

■ **Marina Mayer** *Executive Editor*

In 1983, when Joseph Falcone purchased JVM Sales Corp., it was nothing more than a mom-and-pop cheesemaker that produced Italian hard cheeses for foodservice accounts.

"One of the biggest challenges on the sales and marketing side is really letting people know that we're here, that we're a company who's been around for a long time but [no one] doesn't really know about," says Anthony Caliendo, vice president of sales and marketing for Milano's Cheese Co., the doing-business-as name for JVM Sales.

Today, the \$40 million family-owned and operated company employs approximately 250 people and pumps out close to 400,000 pounds of grated, shredded and shaved Parmesan,

Romano and Asiago cheeses from its 75,000-square-foot facility in Linden, N.J.

But, the secret behind Milano's success isn't its story, its quality products or its redesigned packaging concepts (see "Diamond in the Rough" on page 63). Milano's hires quality people who bring passion and loyalty to each and every order.

"We've always been proactive in the food safety department. I have a fantastic staff under me that follows through on everything," says Marybeth Tomasino, Falcone's daughter and the chief executive officer and treasurer. "JVM's middle name is training."

Through continuous training, Milano's has been able to stack up an impressive list of credentials. For example, in May 2010,



■ Left: Milano's pumps out close to 400,000 pounds of grated, shredded and shaved Parmesan, Romano and Asiago cheeses from its 75,000-square-foot facility in Linden, N.J. Above: A sheeter pushes the cheese up to a bucket elevator and into the 50-foot zig-zagged vibratory conveyor that aligns the ceiling.

it passed the Silliker Good Manufacturing Practices audit, and just one month later, received approval for food establishment for the U.S. Military Armed Forces Procurement. Then, in October 2010, Milano's received SQF 2000, Level 2 certification and is vying to obtain Level 3 in the fall. The plant also underwent HACCP certification.

It also trains on an assortment of other programs, including but not limited to, lock-out/tag-out, metal detection, warehouse, forklift, food security, pest control, pallets and more.

The Milano's facility undergoes a makeover about every six months, whether it's adding a new line or enhancing a piece of machinery. Today, the Milano's production site is fully automated, cutting production down from three shifts, six days a week to two shifts, five days a week, with the second shift being a skeleton crew. Cleaning and sanitation are carried out after both shifts are shut down for the week. It also conducts two mock recalls a year, once during business hours and once after.

"What we've been focusing on for the past three years was automating, so we have fewer hands in the product," Tomasino says. "So, we generated a new line that would go across the room along the ceiling in vibratory conveyors to add room to our new packaging line and a new sheeter line with 12 scales. Then we invested in a new line that would take it directly from the packaging area through an X-ray machine that we just purchased a year ago. I'm also putting up a wall right now to enclose the new packaging line to insert a new refrigerated cooler and a new finished product cooler extension."

### Operating autonomously

At the time of *Dairy Foods* visit, Milano's was churning out Romano cheese for its retail customers.

Cheese comes in from various domestic and imported suppliers in wheel forms (in a multitude of sizes), which are sliced in halves and then sent through a bowl chopper, which is actually a buffalo chopper used to chop up buffalo. While in the



■ Top left: After being chopped, a conveyor lift moves product into the vibratory conveyor, which travels into the packaging area. Left: Cheese comes in from various domestic and imported suppliers in wheel forms (in a multitude of sizes), which are sliced in halves and then sent through a bowl chopper. Above: While in the chopper, which holds 500 pounds of mix, operators add an anti-caking blend to protect the product.

chopper, which holds 500 pounds of mix, operators add an anti-caking blend to protect the product.

The chopped-up cheese then exits through a screw conveyor into a sheeter, which pushes product up the bucket elevator and into the 50-foot zig-zagged vibratory conveyor that aligns the ceiling. The conveyors travel through the wall and feed into a scaler, then a hopper and then down into pre-set bags in the packaging area. (The actual processing of the cheese is a proprietary

process; therefore Milano's didn't comment further).

All product goes through the newly installed X-ray machine. Operators calibrate the machine four times a day alongside a metal detection check, also four times a day.

If product doesn't pass the test, Tomasino says, the belt drops down into a bucket and empties the remainder of that line's product. Then, the product runs through the line again. Should the product still not pass, the entire line's

product is dumped and analyzed by a metal agent to determine what foreign objects entered the line and at what phase.

Once the product passes through the X-ray system, it travels into a 100-foot swivel conveyor that zig zags through the packaging room. Product enters the filling line where it dumps into jars, bags or containers, then travels through a second metal detection unit and around into the capper station. Once the container is capped, it enters the labeler and into the



■ Left: Milano's developed a 1-pound economy-size pillowpack bag featuring a zipper seal that was designed to give consumers more product for less money. Above: Milano's conducts monthly environmental swabs and a weekly aerobic plate count to test for micro-organisms and spoilage.

casepacker before being manually palletized and shipped out through one of the company's four docking stations.

There are three batch dryers (a continuous dryer is in the installation phase) that are equipped with a vacuum that sucks out the cheese from the dehydraters and sends it through the piping system. Each batch dryer hold 1,000 pounds of product and is turned over every 20 minutes.

Aside from its credentials and automated facility, Milano's also prides itself in continuous testing through its in-house laboratory, which scans for salmonella, listeria, yeast, mold, moisture and more. All incoming raw materials and outgoing orders are tested every day, all day.

Milano's also conducts monthly environmental swabs and a weekly aerobic plate count to test for micro-organisms and spoilage. Additionally, Milano's invested in an accupoint machine to ensure that cleaning and sanitation are being carried out correctly.

"One of our big niches is the ability to custom blend by taking an existing product, formulate it, match it and then try to give them a better price on the foodservice end," Caliendo says.

Good thing Milano's has the credentials and the diligence to maintain its training streak. ■

## AT A GLANCE

### JVM Sales Corp., dba Milano's Cheese Co.

**Location:** Linden, N.Y.

**Year Opened:** 1975

**Sales:** \$40 million

**Size:** 75,000 square feet

**Employees:** 250

**Brands:** Milano's

**Products:** Italian hard cheese, such as Parmesan, Romano and Asiago

**Total processing capacity:** Two shifts, five days a week, not even at full capacity.

**Pasteurization type:** None. Everything comes in pasteurized.

**No. of filling lines:** Five

**No. of packaging lines:** Five

**No. of SKUs:** 10

**Storage capacity:** Three coolers, with a new continuous cooler to be installed.

**Distribution range:** Foodservice accounts (75%), ingredient users (24%) and retail outlets (1%).

# Behind the Scenes

A photo gallery of Milano's Cheese Co., doing business as JVM Sales Corp., Linden, N.J.

Photos by Vito Palmisano

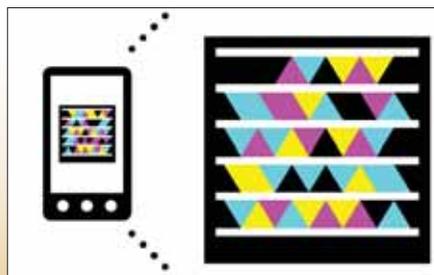


■ Top: Cheese comes in wheel form, sliced in halves and then sent through a bowl chopper, which is actually a buffalo chopper used to chop up buffalo. Left: Operators manually load pallets, which are shipped out of one of the company's four docking stations.

## BEHIND the SCENES

For more photos, visit [www.dairyfoods.com/behindthescenes](http://www.dairyfoods.com/behindthescenes).

Or, take a picture of the mobile tag with your smart phone to go online now. Get the free mobile app at <http://gettag.mobi>.



■ Cheese heads to the bowl chopper, where an operator adds an anti-caking blend to protect the product.



■ Above: All product goes through the newly installed X-ray machine. Operators calibrate the machine four times a day alongside a metal detection check, also four times a day. Left: Once the product passes through the X-ray system, it travels into a 100-foot swivel conveyor that zig zags through the packaging room. Product enters the filling line where it dumps into jars, bags or containers, then travels through a second metal detection unit and around into the capper station.

