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Brian Berk

Cooperative is honored for impressive sales growth while caring for all of its stakeholders.

Tillamook County Creamery Association (TCCA) is *Dairy Foods'* winner of the 2022 Processor of the Year award. The award will be handed out at a special presentation Jan. 23 during the International Dairy Show in Orlando, Fla.

TCCA is being recognized with the award for several reasons, including incredible longevity, impressive sales growth, tremendous efforts to stock retailer shelves during COVID-19, outstanding sustainability efforts, a responsibility to all of its stakeholders, plus much more.

The company is no stranger to awards. It has won plenty, most recently being named Target Vendor of the Year for Total Food and Beverage. Six years ago, TCCA was an \$8 million business at Target. Today that number has multiplied sevenfold to \$59 million in retail sales. Target officially recognized TCCA for best-in-class digital marketing presence, earning the highest scoring Digital Content Score of all Target vendors.

In the 1800s, pioneers came to Tillamook, Ore., located near the Pacific Ocean, to find that its rainfall-heavy fertile land allowed grass to grow extremely well. That led to the formation of several creameries. In 1909, all of creameries came together to form TCCA, a cooperative that could collectively bring products to market. At that time, TCCA started stamping the name of the town and county, also named

Tillamook, on cheese rinds.

TCCA has existed for 113 years and is now one of the oldest U.S. consumer food brands. In subsequent years, Tillamook became a household name in the Pacific Northwest. Its primary businesses are cheese, ice cream, and yogurt. TCCA points out that it is also the United States' fastest-growing soft cream cheese processors.

“We have almost 100% household penetration in the Pacific Northwest,” Patrick Criteser, TCCA CEO, tells *Dairy Foods*. “We have a visiting center at our factory that folks have been visiting since the 1940s. We rebuilt the visitor center in 2019 and had close to 1.3 million people visit that year. We are one of the top tourist destinations in Oregon. We are a part of the culture, the community, and the lifestyle.”

Criteser's family has also long been part of the Oregon culture. His ancestors arrived in the state in the 1860s. Hence, although they did not arrive in Tillamook, a lot of similarities can be made between the CEO and the company itself.

Criteser has worked for Procter & Gamble, Disney and Nike. TCCA is his third CEO role, following a stint at a private equity-owned coffee company. He helped grow that business, which eventually was sold to a public company, where Criteser was named co-CEO for a short period of time.

“I was introduced to the farmers at Tillamook in 2012, and we hit it off. It was a brand I was of course familiar with and really excited about. As I looked into the company further, I got more excited about the role,” Criteser expresses.

In fact, while considering the CEO role, Criteser traveled to the visitor center.

“There were a lot of people visiting the factory. There were two guys there who had Harley-Davidsons and leather vests. One of them was holding up a big block of our cheese and the other was taking his picture,” Criteser recalls. “I was thinking, *This brand transcends families eating ice cream.* I got really excited about working for the farmers that owned the business and bringing this brand I had grown up with to more people around the country.”

The Tillamook brand has become a cultural icon, with Criteser reporting several examples, including people with Tillamook tattoos and pets named Tillamook or Tilly for short.



TCCA states it is one of the U.S.'s fastest-growing soft cream cheese processors.

Major growth plans

TCCA was a staple of Pacific Northwest culture until 2014, when it initiated a growth strategy to be a West Coast business as well. Subsequent expansion began in California, Arizona, and Texas, among other states.

“Our value proposition then and today is what we call accessible premium. We put more care and expense into making products. It costs a little bit more, but it is something you can put in your basket every week,” Criteser relays. “Our idea is for consumers to have access to premium dairy products in multiple categories on an everyday basis.”

In 2018, TCCA decided to move east with a goal of selling its products throughout the country. That year, 95% of TCCA’s sales were west of the Rockies, with the remainder in Texas. Of course, the COVID-19 pandemic changed everything in terms of supply chain issues and more, but TCCA stuck to its national growth strategy.

“We are now in one-quarter of U.S. households,” Criteser reveals. “We have about 82% market coverage in the U.S. Last year was our first year we exceeded \$1 million in sales. Our sales in the retail channel have gone up about 50% in the past three years. We have expanded enough in the past few years that our goal is to provide accessible, premium, multi-category dairy products to consumers in all the U.S. markets. We are not there completely yet, but we are on our way there.”

TCCA's new partnership with Mt. Sterling, Ill.-based Dot Foods is also driving growth on the food service side. Specifically, Tillamook ice cream inked an exclusive partnership, unlocking the potential for it to be accessible via Dot's network of customers, including more than 5,200 distributors in all 50 states.

“We were very excited to be selected as the exclusive scoopable ice cream at Six Flags parks. That new relationship gave us the entre to the Dot Foods relationship. It has really helped us take off in terms of food service,” reveals Criteser. “Our food service business was small. We were starting to employ a food service strategy around cheese and ice cream pre-pandemic. It went dormant for a while, but our team planned for a resurgence once folks started eating out again. The Dot Foods partnership gives us access to so many distributors and food service accounts around the country.”



Tillamook is one of Oregon's top tourist destinations. It is part of the local community, culture and lifestyle.

Marketing maven

When asked to describe the Tillamook product the CEO is most excited about, he answers with the aforementioned cream cheese.

“We are very excited about that product. We felt that was a category where we could add something really unique in the spirit of our everyday, premium product offering,” says Criteser. “We are driving 20% of the overall growth in the product category. Folks are finding it around the country and just loving it. We are introducing a new jalapeño honey flavor to add to the lineup.”

However, even if a product is really great in terms of taste and/or health benefits, the consumer needs to know about it. This is another place TCCA really shines via its creative marketing campaigns.

“When I joined the business in 2012, one of the insights the team and I had was people were not really thinking about the dairy category in the same way as other categories in terms of supply chain and how it got to the shelf,” Criteser asserts. “Our aspiration was to stretch the dairy category to premium items. To do that, we had to generate some excitement about the category.”

While considering taking the CEO role, Patrick Criteser visited TCCA’s Visitor Center. There, he learned the brand transcends families eating ice cream.

Criteser knew he needed to find a marketing partner. A “hot” advertising agency was TCCA’s target, and TCCA’s had to pitch them on why they should take TCCA’s business, not vice versa. Fortunately, two of the founders of the ad agency were from small towns in Oregon and liked Tillamook. The ad agency, 72andSunny, has served the company since.

“In 2014, we launched the ‘Dairy Done Right’ campaign. We had axes cutting cheese and chainsaws cutting into ice cream cartons with a black background and striking music,” Criteser recalls. “It was not something you normally see from dairy. We wanted to do something different, and we carried that through going forward. ...We are always looking for ways to get into what is happening in culture, what is relevant for people, and what they are thinking about.”

Pandemic ponderings

The height of the pandemic brought upon an interesting question that was debated at TCCA. Either batten down the hatches and wait through the storm that was coming and conserve cash, or lean into the opportunity.

TCCA decided upon the latter. “We recognized people would be eating at home and we wanted to play a role in helping to feed the country,” TCCA’s CEO recalls. “There was a lot of talk about plants shutting down then. So, we built inventory rapidly in early 2020, which of course took a lot of cash to do. But we felt we were going to see high demand and we wanted to service those needs.”

TCCA also put forth a proactive plan regarding safety protocols by working with local municipalities and health authorities. TCCA had no plans to shut its business down but needed a game plan for staying open, especially once team employees became infected with COVID-19.

“We put together what has been referred to as a best-in-class plan. We were not having cases from our plants because of protocols, but it was happening within the community. I was pleased with how our team proactively dealt with that,” Criteser states.

Speaking of the community, TCCA made a conscious effort to lift its community during difficult times. It had to close its visitor center during the pandemic but continued to employ some 100 people who worked there. The company also committed \$4 million to those affected the most by COVID.

“We provided direct grants to small businesses in the community in which we operate, which is unique for a large company to do. We looked at who is getting hurt by this and how we support them,” Criteser notes. “Our goal going into to COVID was to do well as a business, expand the brand and make sure we are helping our stakeholders as we succeed. Everyone, whether they were in office or working remotely, really stepped up.”

These efforts helped expand TCCA’s business as retailers said they liked the sell-through of Tillamook products and had trouble stocking other products. Retailers began asking for more Tillamook products during this uncertain time.

“We are proud to say in 2020 and 2021, we delivered product on time more than 95% in every category. We were told by retailers that was extraordinary,” Criteser asserts.



In 2018, 95% of Tillamook's sales were west of the Rockies. Today, its products are in one-quarter of U.S. households.

Certified B Corp.

Tillamook's Board of Directors is made entirely of family members of milk-producing farmers in Tillamook County, which Criteser says provides a lot of meaning to the work the company does.

“They have a long-term view of the business. It is multi-generational. Of course, they want us to deliver quarterly results, but are also 100% supportive of our long-term strategies,” TCCA’s CEO mentions. “It gives us a great competitive advantage.”

Beyond its Board of Directors, this year TCCA was named a Certified B Corporation, a private certification for for-profit companies regarding environmental and social performance. Not only does TCCA has tremendous respect for other Certified B Corporations, but that distinction also aligns with the company’s goals on many levels.

“The B Corp. is a great validation of a lot of the stuff we have been doing for years and generations,” the CEO explains. “It puts a framework around what we do and also pushes us in some areas. Externally, consumers recognize B Corp. certification is a third-party validation of our overall commitment to serve our stakeholders.”



TCCA's board of directors in 2017 voted into action six stewardship commitments. These are its cows, farms, ecosystems, consumers, employees and community.

Sustainability goals

The commitment to become a Certified B Corp. goes hand in hand with many other TCCA mantras to be a good steward to the environment in many ways. These include packaging innovation and net-zero carbon emissions goals.

TCCA's packaging goal is to be 100% recyclable and reusable by 2030. It is a tall challenge, but one TCCA is ready for.

Paul Snyder, TCCA's executive vice president of stewardship, points out that as a society, 15% to 20% of greenhouse gas emissions (GHG) is associated with food. And then there is 20% to 30% of food thrown away as waste, he adds.

Snyder reveals that more than 5% of GHG emissions on the planet are generated solely to throw food away. "Packaging plays a role, not just in delivering food safely to our consumers, but also to preserve it," he says. "When we look at reducing single-use plastic, while also reducing food waste, it is a complex problem. But this is not a problem we can choose not to solve. We are committed to a course of action to figure these problems out."

Regarding net-zero emissions goals, Snyder acknowledges that dairy is contributing to the warming of the planet. However, he stressed that among the TCCA cooperative, as well as its partner farmers, efficiency has been tremendously improved during the past few years.

"Our call to action is how do we go from contributing to the problem to contributing to the solution?" Snyder asks. "The dairy industry as a whole made a 2019 commitment to net zero by 2050. ...Dairy is such a part of peoples' diets, peoples' enjoyment of food, and an important part of peoples' nutrition."

TCCA signed on to that pledge, but the company goes even further. "On Sept. 9, we transitioned the power for some of our boilers in our Tillamook plant from propane fire to electricity. That lowered our Scope 1 and 2 by 9%." Snyder states. "We still have a long way to go. We know several ways we will work toward reaching our goals. We will also work with external partners and internal partners to figure out the gap we still have. We are well on our way."

Beyond these goals, TCCA's Board of Directors in 2017 voted into action six stewardship commitments. These are its cows, farms, ecosystems, consumers, employees, and community. This action also allows everyone in the TCCA cooperative to take a more expansive view of the business, Snyder notes, instead of simply focusing on the financial bottom line.

"I am really proud to work for a company that implemented a stakeholder mentality long before others said we should. We were one of the first to do so," Snyder relays.

The best part of the stewardship commitments is a stakeholder mentality can be a boon to all parties involved.

“People have proven that when you take a stakeholder mentality, you perform better economically,” Snyder concludes. “You are more competitive in the marketplace. You are more efficient from a cost perspective. And you have more engaged stakeholders, particularly employees. When it comes to comparing shareholder-based companies to stakeholder-based companies, stakeholder-based companies always win. One of our values is ‘play to win,’ but stakeholder values make sure we do so in the right way.”

KEYWORDS: [dairy_processing awards](#) [dairy_processor of the year](#) [ice cream](#) [cheese](#) [Tillamook](#)

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Brian Berk has been a writer and editor for 21 years. He has served as editor-in-chief of the *Music & Sound Retailer* and managing editor of *Convenience Store News*, both the top-circulated magazines in their respective fields. Berk has also held editing and writing roles in drug store retail, photography, and natural health products. Holding a bachelor’s degree from SUNY Cortland and a master’s degree from Quinnipiac University, Berk lives in Port Washington, N.Y., with his wife and two children.

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