



The new age milkman

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BY JOAN VERDON
STAFF WRITER

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You could call Cyrus Schwartz a New Age milkman.



CARMINE GALASSO / THE RECORD

Cyrus Schwartz, President of Dora's Naturals, with his milk, soy and yogurt products, in the South Hackensack offices. Carmine Galasso / The Record.

He's a fifth-generation dairyman who helped steer the family business into new directions such as organic milk, soy milk, soy pudding and single-serve portions of milk.

His great-great grandparents started the dairy farms in Queens that became Elmhurst Dairy Inc., the New York area's largest milk supplier. He is president of two divisions of Elmhurst Dairy — Dora's Naturals, based in South Hackensack, which distributes natural and organic perishables, and Mountainside Farms, a milk-processing plant in the Catskills.

Schwartz started an organic milk unit, Juniper Valley Farms in 1995, and eventually sold that brand to Horizon, a leading organic milk brand, and became a manufacturer and distributor of that brand. In 1999 he started a soy-milk line that has evolved into the Zen Soy brand of flavored soy milks and puddings.

His Mountainside Farms division has developed a new brand of milk called "UltraPure" — ultra-filtered milk with some of the same benefits of organic milk (antibiotic and hormone-free) without the premium price of organic milk. That unit this month is introducing single-serve milk bottles. Schwartz, 39, is a triathlete and says the chocolate milk single serve is the perfect drink after a vigorous workout. (Interview edited and condensed for space.)

You're 39, so you were about 23 when you joined the company?

I was exactly 23.

Right out of college?

Yes – shortly after college. I was originally not going to come to the company right away. I was originally going to get a CPA. My father and some of his executives prevailed on me to come sooner.

I was nervous about it. I'll tell you – I'm not a real big fan of the milk business. It's not really that interesting to me. So that's why I've gotten into all these other things. I like natural and organic foods. I personally consume them.

Being the fifth generation in the business, were there older family members who said "Organic, schmorganic – who needs it"?

My father [Henry, 74, president of Elmhurst Dairy and CEO of Steuben Foods], while we don't always agree on business issues – has always been extremely supportive of all my new product concepts. He probably has the healthiest diet of any person I've met – and he looks great. He was extremely supportive of my efforts in soy and organic milk and he has a tremendous amount of parental pride in what I'm doing. But there were other people in the company who sneered at it.

Now the tough question – what kind of milk do you drink?

You know, my wife always complains that 'My husband runs a milk company and I have to buy milk' because I often forget to bring it home. But given the choice, in my fridge you'll find Horizon organic milk and Zen Soy soy milk, and Mountainside Farms.

Lately, whenever milk is mentioned in the news you hear it said "A gallon of milk costs as much as a gallon of gas." Why are milk prices going up so much? Is organic milk going up, too?

Organic milk was already up there and probably came down, because they had a surplus. One of the most difficult parts of the organic milk category is supply. You either have too much or you have too little – and there's a very long conversion process, so when a farmer wants to convert to organic you can't say 'No, I don't need you now' because you might need him the next year.

The price of conventional milk has almost doubled in the last couple of years, and that's related to feed costs, fuel costs, and general utility costs going up.

Are people buying less milk because of the price?

You know, it's a gallon of milk, which is a wholesome product that your kids need. And a gallon costs about what you'd spend on a coffee at Starbucks. So demand is pretty consistent.

How about soy milk prices?

Soy prices have gone up significantly. But we buy only organic soy and we contract out for it for a fairly long time, so while we've had increases, they've not been as steep thus far.

Your line of products is pretty diversified.

The thing they have in common is everything we make will be sold in the dairy case. Within the next month, we'll be introducing a new product that we can't talk about yet, but that will also be sold in the dairy case. It will be very hot.

Let me guess – soy yogurt? Can you make soy yogurt?

You can, but we don't.

Why can't you talk about the new product? Is there that much competition in the milk business?

Well, this is not a milk product. It's a niche product and no one really knows about it. It will be competing against a company that controls a small category that we think will grow, and we think we have a better product, both nutritionally and taste wise.

How do you come up with new products?

I travel around the country and overseas and I visit stores and other companies. I see what's selling and I try to spot trends.

You have three young sons. Is there going to be a sixth generation in the business?

I don't know, but my wife told me that when they asked the kids in school 'What do you want to do when you grow up', my oldest son [4 years old] said he wants to make soy milk.

E-mail: verdon@northjersey.com