

Westchester couple goes solar for farm cheese business

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On a sunny day in April, Alan Glustoff hustled between rooms and work stations in the new cheese factory that stands behind a dairy barn and an eye-riveting field of solar panels on a Goshen farm overlooking Orange County's fertile Black Dirt Region. He talked to a visitor as he worked beside the farm's recently hired young cheese maker from Michigan, removing wheels of cheese from molds for salting by hand, before driving to New Jersey to visit a distribution warehouse in Moonachie.

"This region is sort of a food hub in many ways for the nation," he said, and metropolitan New Jersey a prime distribution center for that hub. A major cheese company allows 5 Spoke Creamery, the farmstead cheese-making business co-owned by Glustoff and his wife, Barbara, the use of warehouse space.

"Trucks don't really want to come out here" for pick ups, said Glustoff, a former product developer and marketer in the corporate food industry — he helped develop Pudding Pops at the former General Foods in Tarrytown — who later owned an import-export food brokerage firm. "It's the middle of nowhere."

For several years the Glustoffs ran their artisanal-cheese making operation on leased land in Lancaster, Pa. Operations are being phased out there and transferred to the couple's 75-acre farm on Pulaski Highway in Goshen. They use raw milk largely supplied by their herd of 35 grass-fed Holsteins and Ayrshires to make a variety of cheeses of foreign and domestic origins.

The Glustoffs bought the farm, a roughly 60-mile drive from their home in Rye Brook, about 3½ years ago. "It had been sitting idle for about 20 years," Glustoff said. A developer planned a 21-home housing development on the site, but that project died in the wake of "the real estate bust" in 2008 and the property became available, he said.

"This region was once a heavy dairy region," Glustoff said. "When I bought this farm, there were only two remaining dairy farms in Goshen."



*Cheese maker Alan Glustoff in his creamery aging room.
Photo by John Golden*

Though the regulatory environment for dairy producers is “tougher” in New York than in Pennsylvania, “Here I have more flexibility and freedom to do what I want,” he said. Not only is 5 Spoke Creamery making more variety of cheeses, “But we’re also close to New York City and Westchester and can bring people out” to sample products in the factory tasting room.

“The tasting room is really the heart and soul of an operation like this,” Glustoff said. Keeping a European tradition, the Goshen cheese maker invites chefs to his tasting room, where lasting business relationships are forged over food and drink.

“We give chefs an opportunity to see how it’s made, get their input,” he said. “This is the kind of thing that a small artisanal cheese maker can offer, but the big companies like Kraft can’t deal directly with the chefs.”

The creamery’s acclaimed high-end restaurant clients include Per Se and Gramercy Tavern in Manhattan. On the retail side, 5 Spoke Creamery is sold at supermarkets and specialty stores in 40 states, including Whole Foods Market, Hannaford’s, Shop Rite, Fairway Market, Zabar’s, Adams Fairacre Farms in Newburgh, Bedford Cheese Shop, Murray’s Cheese and Earth Fare. “The specialty high-end organic-type stores, we’re in a big way,” Glustoff said.

A longtime sales and marketing executive, Barbara Glustoff does the creamery’s retail marketing and its advertising and social media. Her husband said the business has grown to the point where they are looking to hire a national sales manager.

The Glustoffs have invested more than \$1.5 million in their farmland and buildings in Goshen, he said. Committed to sustainable agriculture, they have invested in renewable energy for the farm with a solar installation that Glustoff said cost between \$160,000 and \$170,000.

The 5 Spoke Creamery owners are pioneers in a new financing program in New York to spur energy efficiency and renewable energy improvements on commercial properties. It allows commercial owners to repay their project loans annually with their property taxes, much like charges that appear on tax bills for water and sewer districts.

Installed by Novel Approaches Solar Application LLC in Middletown, the farm’s 53-kilowatt solar field supplies all electricity for their farm residence and dairy and cheese-making operations and generates some surplus power for the Orange and Rockland Utilities power grid. It was the first project of the Energize NY Finance program and its Property Assessed Clean Energy (PACE) financing model. Launched in California in 2008, PACE financing programs have been authorized by 31 states.

Energize NY and PACE are administered by Energy Improvement Corp., a local development corporation based in Yorktown Heights. Mark F. Thielking, EIC’s executive director and a former managing director at UBS Investment Bank, said the nonprofit corporation was formed in 2011 to work with 14 municipalities in northern Westchester County to reduce energy waste and create renewable energy sources.

Now a statewide organization with about two dozen municipalities identified as potential members, EIC completed its first PACE financing deal at the Glustoff farm in Orange County, the first county to join EIC. (Thielking said Westchester County is not eligible for membership because the county government does not have authority to impose tax liens on properties. EIC’s membership does include several towns, villages and cities in Westchester, among them New Rochelle, Peekskill, Rye and White Plains.)

First Niagara Bank has provided EIC a line of capital for warehouse financing for the commercial energy projects, Thielking said. EIC, which issues tax-free bonds for 5 Spoke and other future projects, will receive up to \$75 million in permanent financing from Bank of America Merrill Lynch for the Energize NY Finance program.

“The PACE model is very attractive to private capital,” Thielking said. “I don’t think there will be any limit from that perspective.”

Financing for a clean energy project is limited to 10 percent of the appraised value of the commercial property, he noted. And the cost savings derived from the energy improvements must pay for the annual charge on an owner’s tax bill, he said.

Glustoff said Energize NY awarded a \$71,000, five-year loan for the creamery’s pioneer project. With grants from the U.S. Department of Agriculture and New York State Energy Research and Development Authority, “The payback is really only in a couple years” for the owners.

“It took over half a year to get it running,” Glustoff said of the solar installation. “This is a big operation.”

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