

Nuts For Cheese

If it looks like cheese, smells like cheese, and tastes like cheese, then it probably is cheese. In this case, dairy-free vegan cheese. Based in London, Nuts For Cheese is a Canadian trailblazer in artisanal dairy-free cheese manufacturing. Only seven years after its founding, products crafted by the company are available at nearly 5,000 locations across Canada and the United States.

Headquarters	20 Pacific Court, London, ON, N5V 3K4
Year Established	2016
NAICS	311515 - Butter, cheese, and dry and condensed dairy product manufacturing
Employees	30
Major Expansions	2017, 2018, 2020, 2022
Exports	United States
Parent Company	Nuts For Cheese
Other Locations	-

“The plant-based dairy products market is one of the fastest growing food segments in North America,” Margaret Coons, the founder and CEO of Nuts For Cheese, says. “The increase in people’s health consciousness and growing interest in non-dairy alternatives fuel this growth—the target market is no longer vegan individuals only.”

Coons became vegetarian and then vegan from an early age. While attending Huron University College in London and working as the head chef of a local vegetarian restaurant, she introduced a cashew-based cheeseboard to the menu, which quickly became a popular item. When people began asking where they could buy it, she decided to start a farmer’s market booth. Soon she began to sell her product to health food shops and vegan restaurants. That encouraged Coons to take a leap of faith and found her own business in 2016.

“Our company was founded with an idea to develop a chef-quality, delicious dairy-free cheese for food lovers,” Coons notes. With that vision in mind, all Nuts For Cheese products are handcrafted using cashew milk and the company’s own quinoa-based rejuvelac, a fermented liquid that can be used to make cultured vegan cheese.

The process does not differ greatly from traditional artisanal cheesemaking. First, the cashew milk is fermented with a house-made rejuvelac culture derived from sprouted quinoa. This base is then mixed with exotic spices for increased flavour and gets filled into a cheese wheel container. After the rind is hand-

painted, the wheel is left to age for a few days. Then it is cut into wedges, aged for a few days again, and packaged using thermoforming machines to maximize shelf life. Everything is done in batches, with a focus on different flavour in each batch.

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“It is a lot more work, but it is well worth it because it adds a burst of flavour and matches our overall goal to adhere to the highest quality standards,” Coons says, speaking about making the quinoa-based rejuvelac culture in-house. Having that made in-house enables the company to have control over its own product’s taste and quality. “Many competitors purchase the culture and mix it into their products, and that is denoted in the product label,” Coons says.

Materials such as cashews, vegetable oils, and exotic spices for natural flavouring are received from all over the world including Vietnam, Sri Lanka and India. Quality of cashews is important. It is the preferred ingredient because of its creaminess and properties that ensure better consistency across every batch. Coons experimented with other ingredients, but cashews produced the desired results.

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To maintain the quality and integrity of her recipes, Coons built her own manufacturing facility. Since then, Nuts For Cheese has stayed true to its roots using only organic, all-natural ingredients and sustainable manufacturing practices.

Marketing is as important as the product quality for the company. Since the early days, Coons and her team have toured multiple farmers markets and food events to engage and educate customers about vegan cheese. They offered samples and built the business from scratch with persistence.

A key feature of Nuts For Cheese products is the packaging. Unique triangular packaging that resembles the shape of a cheese wedge is eye-catching in the grocery store. It also provides retailers with creative merchandising options, and consumers with a product that is widely recognizable.

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With a minimum order size of six wedges, the risk for retailers who would like to try out the product is low. That, combined with long shelf life, makes retailers more willing to give it a try, Coons says.

Extending shelf life was a key step in growing Nuts For Cheese. Prior to 2020, the company invested in thermoforming equipment that introduced modified atmosphere packaging. This switch required plenty of development and testing to ensure the quality of the product remained intact. Shelf life tripled to 175 days. Continental distribution became a reality and that placed Nuts For Cheese on track for rapid growth.

Indeed, just seven years ago, Nuts For Cheese products were only available at London's Western Fair Market and a few local independent retailers. Now they are in more than 1,900 retail outlets in Canada, including Sobey's, Fortinos and Save On Foods. In the United States that number is closer to 2,000, including Whole Foods Market and large independent chains such as Sprouts Farmer's Market.

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Amid this explosive growth, the biggest challenge for Nuts For Cheese right now is growing too quickly. An influx of \$5.35 million of capital from the Calgary-based Forage Capital Partners in 2022 has given the company the much-needed resources to scale up production. In addition, food industry veterans including Mike Fata and Dror Balshire joined the company's board of directors, giving Coons access to valuable mentorship to manage the scale-up.

Scaling up requires substantial investments in automation equipment, machinery, and industrial space. At the same time, ensuring high quality standards and minimizing material waste remain key priorities.

Nuts For Cheese has already secured a 5,000 square foot expansion to its 20,000 square foot production facility in London by leasing out additional units within the same building. There is also some equipment investment on the horizon. A new Vice President of Operations is overseeing the capital expenditure program and plant layout optimization.

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Moreover, Nuts For Cheese is planning on purchasing new filling and cooling equipment with support from the Canadian Agricultural Partnership – a program governed by Agriculture and Agri-Food Canada. These investments will allow the company to expand its product portfolio with dairy-free cream cheese products and grow its vegan butter line launched in 2020 (dubbed by the company as "Nuts For Butter").

Nuts For Cheese successfully expanded to the United States during the global pandemic. It had to wait for months to see increased margins before it could take that step. Sampling during the pandemic was also more difficult. On the flip side, meetings were done virtually, which meant less travel.

To support its export development efforts, Nuts For Cheese made use of the CanExport program offered by the Canadian Trade Commissioner Service. It received three separate grants to support its activities in three different geographic regions in the United States.

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One interesting insight Nuts For Cheese learned in the process of expanding its reach to the United States was how consumer preferences differ between the two countries. According to the company's consumer research, Canadians like the Aritchoke & Herb flavour while Americans prefer Super Blue-the company's take on blue cheese, which is marbled with spirulina for colouring. Their top-seller, Un-Brie-Lievable, remains the favourite everywhere. Insights such as this helped the company curate its marketing strategy to be much more impactful and secure a foothold in the market across North America.

Ontario and the London area are known to be strong in food innovation and manufacturing. This has given Nuts For Cheese confidence since the beginning. The region also provides an ecosystem that allows the company to flourish.

Coons notes that the company enjoys London's advantages – its well-developed infrastructure and proximity to the United States. It is also easier to find industrial space relative to the GTA. For those reasons, Nuts For Cheese does not anticipate relocating to a different region. It will grow in place.