

Entrepreneur of the Month

Phyllis Kilby

Home:	Colora, Maryland
Age:	57
Family:	married to Bill; four children and seven grandchildren
Education:	Master of Human Services degree from Lincoln University in 1987
Business:	Kilby's, Inc., Kilby Cream
Position:	President, Kilby Inc. Marketing Director, Kilby Cream
Employees:	2 full-time 5 part-time seasonal
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Making Ice Cream and Saving Agriculture

The Kilby priorities have always been family, farm, and community. Kilby Cream will carry on that tradition through this family business that will preserve our family heritage for the whole community to enjoy.

-Kilby Cream website

Step into the Kilby Cream store in Rising Sun, Md., and your mouth starts to water.

"We usually have about 25 to 27 flavors available at a time," said Phyllis Kilby, an owner and founder of the ice cream business. Customers have tried peach, black raspberry, key lime, peanut butter cup, and toffee, among a vast array of others.

But the Kilby family wants you to appreciate more than just their ice cream. They want their customers and their community to know about the benefits of agriculture and family farms.

"I married into the Kilby family. I was not a dairy farmer by any stretch of the imagination," Kilby said. "But I am a big advocate for preserving agriculture."

Cows, Cones, Community – and Federal Funding

The Kilby family has been producing milk in Maryland for nearly 100 years.

Phyllis and her immediate family settled in the area in the early 1960s, and now her son and daughter-in-law want to continue the family farm legacy.

Kilby's Inc. has been a family owned and operated dairy farm for 35 years, producing nearly 25,000 pounds of milk per day.

Right now, the Kilby's milk about 400 cows and grow corn for their animals on their 1,000 acres. As smaller operations continue to get squeezed out of agriculture, many farm families look for value-added on-farm options. The Kilbys found a way to add extra income by making ice cream from their milk.

"My daughter-in-law Lisa came up with the idea for the ice cream," Kilby said. "She and my son went to the Penn State Ice Cream Course. Lisa also went to the Carpigiani USA School of Ice Cream. Planning the business took several years. We went through a lot of soul searching and

asking, 'What are we trying to do?' We just knew our main objective was to be able to continue farming."

The Kilbys were lucky to have help from solid community resources as they planned for and opened their new business.

In addition to working with their local Small Business Administration office, the Kilby's relied on the Cecil County Public Library.

The library started its Small Business Information Center in 2003. After several inquiries from local patrons about starting new businesses, librarians applied for and received a federal grant from Library Services and Technology funds. They hired small business librarians whose main focus is helping local entrepreneurs with business plans, licensing requirements, marketing strategies, competitor analysis and start-up costs, among other services.

Since the inception of SBIC at the Cecil County library, the business librarians have met with 156 clients; 566 people have accessed two business databases; 78 people have attended SBIC-sponsored programs and workshops; and at least 10 percent of clients have established successful businesses.

With enthusiasm and business ideas in hand, Lisa Kilby came to the library's business center to research the ice cream concept and come up with a business plan. But her plan was more intense than most, since Lisa was also applying for a federal grant.

In October 2004, federal, state and local officials gathered on the Kilby family farm to announce Lisa's successful application for the \$50,000 grant from the U.S. Department of Agriculture's Rural Development office.

Kilby Cream was one of 97 successful applicants from 34 states.

The Kilbys used grant funds for start-up cost such as office equipment and marketing strategies. And Kilby Cream opened its doors as an on-site processing and retail store in May 2005.

This farm family found a way to add income in unstable and fluctuating milk markets, but they also found a way to simultaneously promote agricultural awareness and support.

As a congressional representative announced on the Kilby farm during the granting ceremony, "The Kilbys have come up with an exciting and innovative approach to sustainable agriculture. They are helping to keep our rural heritage alive, and in the process they'll be teaching the next generation about something as simple as how to milk a cow."

Education and Investment in Community

At the Kilby Cream store, kids and their families and friends can mingle and enjoy sweet treats at an on-farm setting. The store includes a playground and picnic tables, and the Kilbys are in the process of adding animals nearby so that kids can learn more about farming.

"We are a very community-oriented family," Phyllis said. "From the beginning, we really wanted to make this a community store."

Community-oriented is possibly an understatement. The Kilbys are highly engaged in local activities. Bill Kilby, in addition to running the dairy farm, is president of the local land trust. Phyllis' resume includes Cecil County Commissioner, statewide local government advisory board, the Maryland Rural Council chairwoman and board member of the Chesapeake Fields Institute, among a host of other leadership positions.

Phyllis was recognized as a finalist in the Maryland top 100 Women of Achievement Award and graduated in the 2003 class of Leadership Maryland.

The Kilby family sees value in community participation, and uses it to help foster a better understanding and appreciation for family farms.

The grand opening of Kilby Cream featured a variety of community involvement, including the local fire department and 4-H groups, as well as – of course – someone dressed up as a cow.

During the summer, the Kilbys hosted daycare groups, mom's clubs, youth groups and even a few birthday parties, using each visit to teach participants about their farm and how food is grown.

Bringing children on the farm is a major goal of the Kilbys. They provide ice cream for a variety of school and youth events. And this year they hosted the 4-H Harvest Farm Day at Kilby Cream. With demonstrations, displays and children's crafts, the Kilbys provided hands-on learning experiences. And 4-H'ers made their own displays about assigned agricultural commodities.

The Kilbys also take their ice cream to various events, such as a recent Rural Heritage Day, to promote their products and their way of life. Phyllis said the USDA grant helped them spend money on other valuable marketing tools, such as signage, brochures and a website.

These marketing and educational endeavors are not only good for business, but also necessary for the longevity of agriculture in the community.

"I ran for county commissioner because of land use issues," Phyllis said. "Some people in this area consider agriculture as just a holding pattern – until it can be developed – but we want people to see farming as economic development in and of itself."

Cecil County and the Chesapeake Bay in general have experienced large leaps in land prices as well as an influx of people who want to develop property for high-income home dwellers.

"The development pressure is great, housing prices have gone up astronomically and available land here is at a premium," Phyllis said.

Part of the struggle has been to get agritourism up and running, allowing for on-farm experiences that educate the public and bring extra money to farms.

"There has been some progress in getting people to think more positively about agriculture," Phyllis said. "We now have an agriculture marketing person on our economic development staff. Also, the food security issue has worked in our favor. People want to know where their food is grown, and they are willing to pay for it from local farmers."

The Kilbys also use and promote products from other area farms. For example, they use local candies and fruits, when possible, in many of their ice creams.

Challenges and Future Directions

"Things have really slowed down because of the weather," Phyllis said on a cool day in October 2005. "In summer we were just overwhelmed with people. Part of the challenge now is to figure out the flow of our business."

Because they are three-tenths of a mile off the road, out in the country, the Kilbys work extra hard on marketing and customer service – to get people to the store and keep them coming back. Kilby Cream can be found in a few local restaurants and other stores, but a majority of sales are done at their storefront.

The Kilbys are planning to renovate a set of buildings in the back of the Kilby Cream site that will include a small milking parlor and dairy herd to help with educational aspects and serve customer interest. Another interesting addition will be two huge ice cream cones painted on the Kilby silos.

"As far as our customers go, we will do anything they want. We are very customer friendly and especially family friendly," Phyllis said. "But really the most important thing we have going is the quality product."

With all of her entrepreneurial and leadership positions, Phyllis said her favorite part of the ice cream business is simply meeting with customers.

“I don’t make the ice cream, but often times I’m out front dipping it,” she said. “There’s something about standing behind that ice cream cabinet ... it’s a very positive experience. It recreates memories for everyone.”

-By Lisa Bauer, 11/05

For more information on...

... the Center for Rural Entrepreneurship, go to www.ruraleship.org

... Kilby Cream, go to www.kilbycream.com

... the Cecil County Public Library Small Business Information Center, go to www.ebranch.cecil.lib.md.us/sbic