

# Backstory: Raleigh woman creates cheesy good business

By Rachel Butt

[rbutt@newsobserver.com](mailto:rbutt@newsobserver.com)

December 9, 2013

- Advice from Ginny Johnson
  - Have a good certified public accountant.
  - Work hard and be persistent.
  - Hire a business lawyer.
  - Don't ever give up your dream.
  - Pay yourself a salary.

Ginny Johnson's mother grew up baking cheese straws, which became a holiday staple at family gatherings.

The family recipe for these spicy, cheddary snacks dates back to the 1850s and was handed down from Johnson's great-grandmother. Johnson's family owned farmland in Historic Oak View Park, near Raleigh's Poole Road, and lived there until the late 1800s.

"I didn't know that years (later) this would be my business," said Johnson, owner of Ginny O's Gourmet Cheese Straws and Raleigh resident.

Instead of rolling the straws into long shapes like her ancestors, Johnson made hers into rings to complement the brand name and Oak View.

In 2000, the snack first received positive buzz at a friend's party.

It was an opportunity, Johnson said, to bring her family recipe - which includes flour, cheddar cheese, buttery sticks and spices - to the public. So in 2003, she rented a commercial kitchen in Warsaw - where she still makes the cheese straws - and started working on packaging design.

The 55-year-old handles the company's administrative work and cooks.

In a day, Johnson and two kitchen helpers can cook up to 60,000 cheese straws, which translates to about 15,000 3.5 ounce cans. The finished goods are then shipped across the nation and sold in small specialty stores such as Raleigh's NoFo@ the Pig and organic food giants such as Whole Foods.

Johnson has faced challenges with getting her goods in prime spots in some stores. Local brands that lack the marketing muscle of food industry giants often face higher costs to improve their shelf visibility.

"Some grocery stores are constantly pressuring me to lower my wholesale price ... and it's never low enough," she said.

To secure a place on the shelves, food makers have to pay a "pay-to-stay fee," with eye-level shelves being the most coveted spot. On top of those, manufacturers pay "trade dollars" to get retailers to promote and discount their products annually.

"Every time I pull out my products, all I can hear is slotting fees and advertising costs," Johnson said.

A recent study by the Federal Trade Commission shows that most retailers will keep new products on their shelves for at least four months to allow the brand to get established.

Launching a new food item would require \$1.5 to \$2 million in slotting fees, which are paid by the vendor for a space in a store.

Last year, Johnson hired food brokers to provide some leverage in the negotiation process.

"I want to make sure the quality of my products remains," Johnson said.

Ginny O's Cheese Straws have been featured on television shows such as "Road Tasted with the Neelys" and in Oprah Magazine. The Food Network also filmed the production process.

Moving forward, Johnson wants to chase a larger audience – both domestically and internationally – and aims to triple her business by the end of 2014, she said.

She's also in the process of finding an angel investor so she can expand and is working in talks with a Chicago distribution firm, which will potentially help get Ginny O's in about 5,000 stores across the country.

"Growing this business is an honor to my late parents," Johnson said.