

Probiotic cheese is vanishing while yogurt sales increase

By Rena Archwamety

MADISON, Wis. — Probiotic-enhanced yogurt burst onto the U.S. health food scene in 2006, led by Dannon's Activia and claims to regulate the digestive system by eating yogurt daily. Following Activia's success, several other products emerged, including probiotic-enhanced cheeses such as Kraft's LiveActive line, County Line Probiotic Cheese from Wisconsin-based DCI Cheese Co., and an upstart California

company Cheesewell, which dedicated itself solely to probiotic cheeses.

While Activia in its fourth year on the U.S. market has shot to double-digit sales growth, probiotic cheeses barely gained any momentum before they fizzled.

"For three years, we really tried to give it a chance," says Dominique Delugeau, senior vice president of sales, DCI Cheese. "It was very, very slow. Some customers gave us a chance, but the volume, the velocity was not there."

Al Pasquale, a partner in Cheesewell, says the company just terminated its probiotic cheeses last month. The cheese, introduced in 2008, had been carried in 2,500 stores, but Pasquale says the company had a hard time convincing people to buy it.

"Cheese was not where people wanted to get probiotics from," Pasquale says. "When we sampled the product in stores, everybody loved the cheese. But they liked it as cheese."

While marketing was a problem, science was behind probiotic cheese. Wisconsin's Center for Dairy Research (CDR) did studies for companies looking to incorporate probiotic strains

in cheeses, and the results were successful. The survival rate of the probiotics used in these cheeses stayed consistent, with some even growing over time. John Jaeggi, coordinator of CDR's Cheese Industry and Applications Program, says cheese could even be a better carrier than yogurt for probiotics because cheese is less acidic and more conducive to survival. However, research in this area lately has fallen quiet.

"As so often happens, the research and work is successful, but consumers weren't ready to bite yet," Jaeggi says. "The ball's in the marketing court now."

Part of the challenge of marketing this product was that it lacked the image as a "better-for-you" food that could easily be incorporated in an everyday diet, according to companies who tried to market probiotic cheeses.

"We felt there was so much going on with yogurt, that most of the women were buying the yogurt and using that," Pasquale says. "I think we had a hard time convincing the women that we had as effective a probiotic in one ounce of cheese."

Portion size matters when it

comes to marketing functional foods, and Delugeau says in retrospect, that may have been one of the mistakes.

"We introduced 8-ounce exact-weight pieces, not portion-controlled," Delugeau says. "For a benefit you have to eat one ounce a day for 2-3 weeks. By offering an 8-ounce portion, we were not making it easy."

Delugeau says DCI later started offering seven portions, or a weekly ration, in a bag for a private-label customer. This started out well but also died a slow death, he says, perhaps due to lack of advertising.

"It's easy to say, 'one yogurt for breakfast,'" Delugeau says. "People don't do that with cheese. Cheese is a snacking experience, or used for cooking."

• Yogurt sales, claims

While probiotic cheeses haven't been successful, yogurt, particularly Dannon's Activia, continues to see rising sales as consumers continue to pay attention to functional foods.

"I think yogurt is perceived as a better-for-you food," says Michael Neuwirth, senior director of public relations,

Turn to PROBIOTIC, page 15 ⇨

PROBIOTIC

Continued from page 1

Dannon. "It very often is consumed as part of a weight management regimen. It has an aura of health about it. I think yogurt is very well-suited as a medium for probiotics."

Yogurt sales in the United States totaled \$4.20 billion during the 52 weeks ending Nov. 28, based on data from supermarkets, drugstores and mass merchandise outlets excluding Walmart, according to SymphonyIRI Group, a Chicago-based market research firm. Dannon Activia and Dannon Activia Light yogurts totaled \$391.8 million, or 9.3 percent of total yogurt sales. Dannon Activia dollar sales rose 20.4 percent over last year's numbers, and Activia Light rose 15.6 percent.

U.S. sales of functional dairy products grew 43 percent between 2004-2009, according to an August 2009 report on functional foods from Mintel, a global market research company. The Mintel report predicts sales of functional dairy and margarine will continue rising from a forecast \$5.14 billion in 2010 to \$6.34 billion in 2014.

Probiotic yogurt has made the dairy case a prime functional destination, Mintel says.

"While a number of well-established functional dairy products have enjoyed success for years, it took the heavily-supported 2006 introduction of Dannon Activia, the first major yogurt brand to tout the digestive health benefits of probiotic cultures, to transform the dairy case into the focal point of functional foods in the supermarket," the Mintel report states.

While research in probiotics also has increased, James Steele, professor of food science, University of Wisconsin-Madison, says Dannon's marketing efforts have helped increase familiarity among consumers.

"We have to give credit to Dannon, which in their marketing has helped educate consumers on the health benefits of probiotics. It wasn't that long ago that most consumers did not know what a probiotic was. Now the vast majority understand — or at least think they do," Steele says. "If you're trying to sell a product, it's extraordinarily important that a seller communicate."

One concept consumers should understand is that not all probiotics are the same, and what a probiotic does is both strain- and dose-specific.

"It's really hard to generalize,"

Steele says. "Health benefits of probiotics are very strain-specific. Some strains are quite well-documented, and others are weaker. More are on the weaker side."

Consumers certainly can get a clinically-efficacious dose of probiotics in a cup of yogurt, Steele says, but a claim that a product contains probiotics doesn't necessarily mean it has a clinically-efficacious dose or a high-quality strain.

"Very rarely does something with a content claim provide a clinically-efficacious dose," Steele says. "Regulations right now really are going into effect. EFSA in Europe is setting the standard for what is required for a health claim on a label, and it's anticipated that those will go worldwide."

Even Dannon, whose parent company Danone has a website dedicated to clinical studies on the effects of Activia and similar products, has been charged with misleading probiotic claims.

This week Dannon agreed to settle charges by the Federal Trade Commission (FTC) of deceptive advertising and drop claims that allegedly exaggerated the health benefits of Activia and its DanActive dairy drink.

According to an FTC release, Dannon will stop claiming that one daily serving of Activia relieves irregularity and that DanActive helps people avoid catching colds or the flu. FTC charges that Dannon does not have substantiation for its claims.

"These types of misleading claims are enough to give consumers indigestion," says Jon Leibowitz, chairman, FTC. "Consumers want, and are entitled to accurate information when it comes to their health. Companies like Dannon shouldn't exaggerate the strength of scientific support for their products."

The FTC worked in close coordination with 39 state attorneys general, and Dannon has agreed to pay the states \$21 million to resolve these investigations.

The agreement, published in the Federal Register, will be subject to public comment through Jan. 18, after which the FTC will decide whether to make it final.

Dannon released a response saying it has cooperated fully and will more clearly convey that Activia's beneficial effects on irregularity and transit time are confirmed on three servings per day, and that DanActive will not be marketed as a cold or flu remedy, which Dannon maintains it has never done. Dannon adds that it agreed to the settlement

with the attorneys general to avoid the distraction of ongoing litigation, but the company does not admit any wrongdoing.

"Millions of people firmly believe in, benefit from and enjoy these products, and Dannon will continue to research, educate and communicate about the benefits of probiotics on the digestive and immune systems," Dannon's statement says. "The essence of Dannon's advertising remains unchanged and will continue to be truthful and in compliance with all laws and regulations."

• New research, products

Steele says research on probiotics really began to increase around the year 2000, and he estimates thousands of papers on probiotics now are published each year. He says more is currently known about the beneficial effects of probiotics than the mechanisms of how they work in the body. In addition to studies on digestive health and immunity, Steele says one recent pioneering study out of Washington University in St. Louis looks at the effects of probiotics on obesity in mice, though it is too early to tell whether it translates to humans.

"The amount of science being done in this area really is astounding," Steele says. "Probiotics came at a good time, just as we are beginning to appreciate how important the gut microbiotics are. The number of microorganisms in the GI tract have a significant impact on health."

Probiotics still primarily are added to dairy, which makes up about 80 percent of the foods with added probiotics,

Steele says. However, other product categories such as beverages and snack bars are starting to utilize probiotics more, he adds. Frozen desserts and baby food are other possible applications.

Neuwirth, while not disclosing whether Dannon plans to launch more products with probiotics, says it continues to be a keen interest area for consumers as people generally are interested in digestive health, digestive comfort and well-being.

"I think the digestive health market in the U.S. is large, and there's a wide variety of both products available in dairy and outside dairy," Neuwirth says. "I have no doubt that there will continue to be a proliferation of new products with digestive health benefits that the market brings forth."

Does this mean probiotic cheese could have a second go at success? Companies remain cautiously optimistic.

"We have not closed the company, and we're going to at some point hopefully come up with some way to market it better," Pasquale says of Cheesewell. "It's an excellent product. From my standpoint, whatever probiotics did to the cheese made it better."

Delugeau says in order for DCI to re-enter probiotic cheeses, there would have to be a very strong consumer demand.

"We thought, 'If it is working in yogurt, it will work in cheese.' It didn't work out," Delugeau says. "In general, we always like to be the first with trying, be proactive. Maybe it was not the right time. That's how we learn." CMN