



Natural cheese, artisan cheese grow at retail and in foodservice

By Cara Kelly, Innovation Center for U.S. Dairy
November 13, 2012

Realizing their commitment to growing the dairy industry, U.S. dairy farmers funded research to drill into market opportunities for cheese. The findings indicate natural cheese takes center stage in terms of product growth, with peaks at retail and in foodservice.

According to SymphonyIRI group, Chicago, this category segment makes up the lion's share of volume at retail, with slight gains annually since 2009. In fact, natural cheese withstood price increases to grow slightly in the last two years, while processed cheese sales dropped. Additionally, according to the NPD Group, the percentage of U.S. individuals who claim to have consumed natural cheese during a two-week period rose to 59% in 2011, a 10-year high.

The growth in specialty cheeses contributes to this trend. Today, the United States produces more than 1 billion pounds of specialty cheese annually, and checkoff-supported technical training and short courses continue to promote growth in this category.

Retail sales data indicates growth opportunities lie with flavors beyond Cheddar and mozzarella. Today, through Dairy Research Institute research and technology advancements, new lines and line extensions are possible. These include value-added options such as higher protein, lower sodium, probiotics and other ingredients.

Beyond retail, foodservice is a definite high point in terms of growth, with a 45% increase in chain restaurant menu mentions, according to Technomic, Chicago. Today, the number of menu items including the name of a specific natural cheese has grown more than 40% since 2007 and almost 30% in the last two years.

Natural cheese varieties commonly called out on menus include Cheddar, Swiss, Monterey Jack, Pepper Jack, blue cheese, Romano, Parmesan and mozzarella. Plus, several quick-serve restaurants include attributes such as natural, real and fresh, plus information about the age of the cheese and its location of origin. Some menus also mention specific cheese brands.

One factor in the growth of natural cheese could be that this segment's cleaner labels align with growing food trends. In addition, research shows that natural cheeses (like other cheese options) have nearly universal appeal, with nearly equal consumption across all adult age segments and genders.

More research is under way to determine the benefits consumers attribute to natural cheese and if they're willing to pay a premium for it. But in the meantime, natural cheese continues to boom.

— *Cara Kelly is the director of strategy, insights and planning at the Innovation Center for U.S. Dairy, Rosemont, Ill.*

Click [here](#) for online version.