

Cheese

Category Close-Up

By John J. Pierce

Cheese Niches

Crumbled and specialty cheeses show the strongest growth, but there's still room for innovation in the dominant shredded and sliced segments.



Left: Specialty store brand cheeses include Hannaford's Nature's Place organic feta, Safeway's sleeve-pack Lucerne blue, and Wegmans cream cheese with pineapple.

Three new arrivals in cheese departments of **Wegmans**, Rochester, NY, created a stir last month—both in themselves and as part of holiday entertainment cheese packages called Fromage Flights.

Wegmans introduced co-branded private-label brie cheeses in three flavor profiles—mild, medium, and intense. That may be a first for store brands, although other retailers including ShopRite outlets supplied by **Wakefern Foods**, Elizabeth, NJ, have gotten into the category with single entries.

"Just as wines, salsas, or coffees can have milder or more robust flavor characteristics, so, too, do cheeses," Wegmans explained in a press release. "The inspiration for labeling the brie cheeses according to flavor profile sprang from Cheese Shop group manager Cathy Gaffney's desire to help customers learn more about their own taste preferences, and have a vocabulary to talk about them."

"If you know what you like and can describe the flavors you prefer, it's easier to select a cheese you'll really love," Gaffney said. "Later, when you feel

like trying something new, knowing the flavors that have pleased you in the past helps you look for new choices that you're likely to enjoy as much or more than the cheeses you already know."

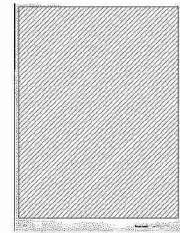
Another reason for highlighting flavor profiles of brie cheeses, she added, is that choosing a soft-ripened cheese can be more complicated than selecting other cheeses. "Soft-ripened cheeses such as Brie and Camembert are part of a big family, and their flavors are influenced by the methods used in making the cheese and by ripeness. Like fruit, soft-ripened cheeses taste best when they are fully ripe, but not over-ripe. We wanted a simple way to help customers find the flavors they preferred, so our people could help them find the right choice that would be fully ripe when the customer was planning to serve it."

Wegmans' brie cheeses are produced in France by artisans whose products have been carried by Wegmans for years. Their names appear on the labels, just beneath the flavor profile description. The mild brie with a milky taste is from Fromager D'Affinois. The medium brie with a buttery flavor is the

Marquis de Lafayette brand. The intense brie, with an earthy flavor similar to Camembert, is made by Le Chatelain. The co-branded cheeses retail at between \$10 and \$13 a pound. Brie Fromage Flights, with all three varieties plus caramelized walnuts, raisins and cherry fruit spread, went for \$39.99.

Brie is presumably one of the "all other forms" of natural cheese for which store brand sales jumped an astounding 150.1% to \$38.4 million for the 52 weeks ended 12/2/2007, according to Information Resources, Inc. (IRI), Chicago, IL. Total sales in the miscellaneous segment were up 24.4% to \$84.3 million, leaving private label with an 18.8% share—relatively low for the cheese category, but also signaling an opportunity for retailers that haven't gotten into the "all other" segment yet.

Wegmans isn't alone in pushing the envelope in store brand cheese. And sometimes it's the small chains that take the initiative, as witness **Lunds & Byerlys**, Edina, MN, one of the retail banner operations supplied by Eden Prairie-based distribution group **Supervalu**.





Above: Safeway thinks outside the usual sliced cheese box with Primo Taglio smoked fontina. Ahold's Stop & Shop division offers Nature's Promise organic Mexican blend, and Delhaize's Bloom matches 2% milk with 2% milk-based cheddar. Target goes after snacking crowd with Market Pantry pepper jack cheese sticks. Lunds & Byerlys imports pecorino romano from Italy.

Parmesan cheese isn't usually thought of as anything American retailers would be eager to import, but Lunds & Byerlys has a fresh-grated Argentine version: "Made by cheese-makers trained in Italy. Argentina has produced Parmesan since the late 1800s. This delightful Parmesan has been aged for 10 months." Besides that, there is a fresh grated Pecorino Romano blend imported from Italy, "aged 5 months or more." Both are billed as all-natural, with zero trans fat.

Crumbled cheeses are getting a lot of attention in store brand programs lately. Private label sales have been only \$19.4 million in the past year, or 9.6% of the total, but the increase has been 10.7% compared to 3.8% for the segment as a whole. Hannaford, Scarborough, ME, has been especially active, not only under its first-line brand with gorgonzola, but its Nature's Place organic brand—now being adopted by other divisions of Delhaize America, Salisbury, NC—with feta.

Crumbled cheeses are commonly merchandised in plastic tubs with labels pasted on the lids and, usually, nothing on the sides. But Safeway, Pleasanton, CA, has introduced sleeve packs for its blue cheese under the Lucerne brand. This allows for better eye-impact with an attractive serving shot (blue cheese on salad) on the top panel an easier-to-read nutrition panel on the bottom. The sleeve also has a

hanger tab and punched hole, so that the cheese can be merchandised in peg displays rather than just in deli bins.

Such niche segments, of course, are dwarfed by store brand shredded (\$1 billion, up eight percent, with a 45.8% share), chunk (\$833.2 million, up 2.4%, 35.8% share) and sliced (\$246.1 million, up 19.3%, 30.2% share). There are



also strong gains in string cheese (\$131.7 million, up 14.4%, 24.2% share) and cubed cheese (\$15.4 million, up 20%, 20.8% share).

Much of the innovation in shredded cheese today is limited to health issues. Bloom, another division of Delhaize, offers a reduced fat version of its fancy shredded sharp cheddar cheese that features "Natural" and "Made with 2% Milk" on the pouch. Under its Nature's Promise brand, Ahold USA, Boston, MA, has begun marketing not

only mild and sharp organic cheddar but an organic Mexican blend of pepper jack, Colby and Muenster—billed on the package as "what nature intended."

Sliced natural cheeses, often called deli cheeses, are often merchandised separately in the deli department, but can also be integrated into the main cheese section. As with shredded cheeses, most retailers are content to go with the most common varieties. But Safeway has ventured into new territory with smoked fontina under the Primo Taglio brand, formerly a sub-brand under Safeway Select. "Naturally Smoked over Hickory Wood," advises a line under the brand and product ID on the resealable 8 oz pack.

String cheese, of course, has become a favorite healthy snack for kids, and inspired related segments like cheese sticks—Target, Minneapolis, MN, offers a flavorful pepper jack variety under its Market Pantry brand. The cream cheese segment, while showing relatively slow growth, is still substantial, with private sales of \$126.9 million in brick and \$92.7 million in soft tubs—Wegmans cream cheese with pineapple is typical of the latter. ■

recommended suppliers

- Berner Foods Inc., Roscoe, IL, 800-819-8199
 - ICCO Cheese Company, Orangeburg, NY, 845-398-9800
- Products described or shown in this article are not necessarily available from these suppliers. For more suppliers see current Private Label Directory & Buyer's Guide.

Right: Buttery Medium is just one of three varieties of imported Brie at Wegmans.