

The Gourmet
Retailer's 2017

CHEESE GUIDE

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2017 Cheese Guide

Wheels of Fortune

By Lynn Petrak

If cheese is, as American writer Clifton Fadiman declared in the 1960s, “milk’s leap toward immortality,” then discovering and selling artisanal and specialty cheeses never gets old.

Americans certainly like cheese, consuming about 35 pounds of it on a per capita basis, according to the U.S. Department of Agriculture (USDA). Cheese continues its reign as the largest category in the specialty food industry, making up 7.5 percent of the market, according to the Specialty Food Association’s 2017 State of the Specialty Food Industry survey. Sales were up 12.4 percent in 2016 to account for \$4.4 billion.



Beyond supermarket basics like wrapped singles, shredded mozzarella and slices of cheddar, specialty cheese is a category that some say gets better and more interesting with age, much like cheese itself. The American Cheese Society, Denver, Colo., reports that entries to its annual competition and judging have doubled in the last decade.

“Specialty cheese is certainly growing — you can see it in a number of specialty cheese counters opening and in places like Whole Foods putting effort into cheese. Even independent grocery stores are ramping up their cheese selection, and that’s an indication of consumer interest,” remarks food writer, cooking teacher and “Planet Cheese” blogger Janet Fletcher of Napa Valley, Calif.

Those who sell specialty cheese agree that while cheese has always been popular and specialty cheese emerged as a foodie darling a couple of decades ago, this foodstuff is hitting its prime. “It’s been a magnificent few years of growth for our industry. In general, I see it as a very growth-oriented industry, and we’re just starting to get into the rhythm of it,” says John Antonelli, CEO of Antonelli’s Cheese Shop in Austin, Texas, which he runs with his wife, Kendall, the company’s president.

Ken Monteleone, owner and general manager of Fromagination in Madison, Wis., also reports an upward trajectory in this category. “Overall, we see a lot of excitement that continues to build around artisan cheeses,” he declares.

Cheesemakers, too, report a strong dynamic in specialty and artisanal products. “It’s an exciting time now in the specialty cheese world,” says Allison Schuman, head of national sales and a fourth-generation family contributor to Schuman Cheese, Fairfield, N.J. “For a long time, American cheeses were thought of on a global scale as not as sophisticated, but that’s changed, and there weren’t as many amazing specialty cheeses then as we have now. Also, for all of those things that appeal to gourmands, like cheese, wine and beer, people really geek out over it because there is a blend of science and artistry and they connect with that.”

Boosting Growth

A variety of factors are contributing to the expansion of specialty and artisanal cheese. Interest in locally produced foods and the rise of the locavore, for example, coincide with the growth of many regional cheese brands and farmstead/local cheesemakers. At the same time, demand remains strong for global cuisines and products, including cheeses from Italy, France and other countries.

“Consumers have come to expect both locally produced cheeses and imports. Consumers crave authenticity, and discerning customers know to look for the labels and markers on their favorite authentic products,” observes **Shayna Snyder, senior account manager of Culinary Visions Panel**, a Chicago-based food-focused insight and trend forecasting practice. “On the other hand, locally produced cheeses give the impression of supporting local businesses, a connection with the artisan and a source of pride in the local community. Local companies often provide a taste of the region or a slight twist that makes it special.”

Shopper interest in foods that fall under the natural, sustainable or otherwise better-for-you/better-for-the-planet umbrella is also driving trends in the cheese category. “There are so many good reasons to eat cheese in a balanced diet, and consumers are starting to focus on the health benefits of cheese. That will be a major trend as we move forward — a better understanding of where artisanal and specialty cheese comes from, who is making it and how they are making it. The real focus is on real food,” explains Antonelli.

Given an inherent interest and knowledge of foods among their shopper base, gourmet retailers can promote specialty and artisanal cheese offerings as a point of differentiation. “Gourmet retailers can set themselves apart because they also have the ability to offer specialty and artisan cheeses that mainstream retailers may not be able to access due to production and distribution limitations,” points out Heather Engwall, director of marketing for Emmi Roth USA Inc., a Monroe, Wis., specialty cheese maker.

Schuman agrees that gourmet merchants pair well with artisan and specialty cheeses. “Gourmet retailers have people who are passionate about food and about telling the story, so they are extremely well positioned in the specialty and artisan cheese market,” she says

On that point, gourmet purveyors are often considered an authority on cheese and other foods and beverages. “What I’m seeing, especially, is this thirst for knowledge among consumers. I see it in my readership and how quickly my classes fill up. I see it in various cheese festivals that have sprouted up all over the country, and I see it in the ways retailers have in their own cheese classes that educate people about cheese,” notes Fletcher.

Events

To quench that customer thirst for knowledge and people’s epicurean taste for cheese, many culinary stores offer occasional or regular classes and special events focused on cheese. Fromagination, for example, offers private and public tastings and classes, in addition to special events like raclette dinners. Antontelli’s has a full calendar of events posted on its website, with activities ranging from “Cheese 101” and cheese pairing classes to date night events. Many Whole Foods stores offer onsite cheese classes spotlighting cheeses available in their specialty cheese area and how to serve and use them, with sampling available, too. Eataly in Chicago offers a behind-the-scenes event in its “mozzarella lab,” during which guests can tour the production area with the store’s cheesemonger.

Another way to expose curious consumers to new cheeses is by carrying a variety of unique cheeses, especially a few of the more unusual cheeses on the market. “I think consumers and retailers have started to venture out and get very creative about cheeses,” observes Schuman.

Creativity cuts many ways in the cheese industry, as Antonelli points out. "There are only a handful of steps in cheesemaking, yet within that, there is an unbelievable spectrum that cheesemakers get to choose from to make their own recipes. It's not just seven basic types of cheese and within those, a hundred different flavors. Now, there is a real creativity in making cheese and more freedom to be creative," he says.

Learning about the ever-growing varieties of cheeses and bringing in new types of cheeses are ways to connect with foodies in the store or online, and ultimately boost sales, Engwall notes. "Continuing to introduce new and on-trend cheeses is crucial for gourmet retailers who must offer interesting, provocative cheese choices and beautiful-to-look at cheese cases," she declares.

Now Trending: Composition

To Engwall's point, carrying on-trend cheeses or at least determining what's trending with specialty and artisan cheeses can bolster a store's offerings and its reputation as a go-to source for cheese.

One of the biggest trends right now has to do with the composition of the cheese. "We've seen a trend towards more sheep's milk cheeses," says Nora Weiser, executive director of the American Cheese Society (ACS). "In our state of the industry report, we found 19 percent of respondents used some kind of sheep's milk cheese, and in our annual judging and competition, there was a 40 percent increase in sheep's milk cheese between 2010 and 2016." ACS added sheep's milk as a category for the 2017 competition due to such a large increase in entrants.

Weiser attributes interest in sheep's milk cheese to various converging trends. "People are looking for something different, and sheep's milk has a unique flavor and quality. There is a novelty factor, too, and then they're hooked once they try it," she observes.

Fletcher agrees, and says the cheese base is changing in other ways as well. "Sheep's milk is trending, and that's a positive sign for the American sheep dairy industry. Another trend is mixed-milk cheese, with cow's milk and sheep's milk, which provide interesting flavors," she says, citing the example of a mixed-milk cheese called Blackstone from Bellwether Farms of Sonoma County, Calif.

Also linked to composition, the rise of organic cheeses is fueled by consumers' interest in ingredients and how their foods are made. According to a 2016 report from Packaged Facts, sales of organic cheese are estimated at \$570 million and "should continue to outperform the market into the future." The future of organic cheese was further underscored in a 2016 report from market research firm Mintel that revealed that millennial consumers are "strong believers" in organic cheese, which has helped spur innovations in natural organic cheese and bolster organic cheese launches from 2 percent in 2013 to 11 percent in 2015.

"The strong consumer demand for organic products has grown significantly over the past few years, and there are only a limited number of organic offerings in the specialty cheese case," says Engwall. Emmi Roth's new organic line features many of the cheesemaker's traditional favorites made using fresh, certified organic milk from local Wisconsin dairy farms, including Roth's flagship Grand Cru Original, Van Gogh Gouda, Havarti and Sharp Cheddar. Each variety is also naturally gluten-free, non-GMO, rBST-free and vegetarian-friendly, she adds.

At the same time, cheese produced from grass-fed animals is garnering interest and an R&D focus among cheesemakers. One example is Belle Chevre Southern Belle Goat Cheese, a Montrachet-style cheese with bourbon pecans, mint and sugar for a mild, slightly sweet flavor, made with milk from goats fed a diet of local Alabama alfalfa grasses.

Now Trending: Bold and Spicy

In addition to the type of milk and other ingredients used in the cheesemaking process, other trends are notable in the specialty and artisan cheese category.

In its trend projection for 2017, the Wisconsin Milk Marketing Board (WMMB) reported hot and spicy flavors continue to dominate trend forecasts. WMMB called out specific varieties, including Ghost Pepper Sharp Cheddar and Caroline Reaper Cheddar, and projected that globally inspired spicy cheeses are gaining gourmet followers, including cheeses made with spicy blends from Latin American, Middle Eastern, South-east Asian and Mediterranean regions.

At Fromagination, many types of flavored cheeses of have found a following. “There was a stigma for the longest time that flavored cheeses were viewed as commodities available in grocery stores,” Monteleone says. “In the last couple of years, though, great cheesemakers like Roth and also Sartori, which won the U.S. Cheese Championship for its Black Pepper Bella Vitano, have changed the perception of how people view flavored cheese, and food scientists are developing some great combinations.”

Flavored cheeses can be touted for use in cooking, in addition to stand-alone consumption. “When you start incorporating these flavored cheeses into recipes, like using an artisan sriracha in mac and cheese, the possibilities are incredible,” notes Monteleone.

Emmi Roth is a cheesemaker that has amped up flavor. “Consumers are craving bold, peppery flavors and continue to have an interest in trying new, robust flavored cheeses,” says Engwall, noting that the company launched a 3 Chile Pepper Gouda a few years ago and recently introduced Roth Sriracha Gouda, a sweet-hot take on classic Dutch-style Gouda. “Our Kindred Creamery brand also has unique new flavored cheeses available, including Sweet Fire Mango Jack, Forage Mushroom & Scallion Jack, Spicy Sriracha Jack and Ghost Pepper Colby Jack,” she says..

Schuman Cheese likewise reports the move toward more spices in specialty cheese. “That’s on trend right now. We have a cheesemaker who hand rubs his cheese — it takes two minutes to hand rub the cheese — and we work with chef-inspired blends to get new flavors like harissa, habanero-lime and others that work well with cut and wrap and behind gourmet counters,” says Schuman.

Distinctive flavors are being achieved through the addition of other ingredients, such as alcohol. “We’re seeing beer-washed cheese as a trend, with more cheesemakers playing around with beers from their area,” notes Fletcher.

That interest extends to other beverages, too, and also reflects interest in fusing local flavors. “Another trend I’m noticing is the collaborations with other small producers and microproducers. You’re seeing alcohol and beer from those local producers leveraged as a complement in the cheesemaking process,” says Antonelli. His store recently spotlighted a specialty cheese made with beer from a local brewery. “It’s fun to see the different outcomes and how opportunities present themselves,” he adds.

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Selling Points

By Lynn Petrak

Just as the cheesemaking process requires a starter culture to get things going, a gourmet retailer can use some merchandising tactics to spark shopper interest and sales.

Carrying a variety of cheeses that reflect some of the common types of cheeses — fresh, hard, soft, semi-soft, wash rind, brined and blue, to name some examples — is a way to appeal to the varying palates of cheese consumers. “It depends on how the shop is set up and how much they can move, but giving customers a choice and being able to connect them to the producers is essential,” says John Antonelli, CEO of Antonelli’s Cheese Shop in Austin, Texas, whose specialty cheese store carries between 70 and 90 varieties of cheese. “That allows us to have a strong presence in most of the major styles and a little variety within those.”



That said, gourmet retailers don’t have to go hog wild (or cow’s, sheep’s or goat’s wild, as the case may be) and overstock the displays with varieties that might not sell in their corner of the world. “Having a lot of cheese for the sake of having a lot of cheese isn’t always the right the thing to do, either,” adds Antonelli, who emphasizes the importance of talking with customers to see what they like.

Fromagination is a cheese and gourmet store in Madison, Wis., not far from the state’s capital building, so owner Ken Monteleone has large cases and displays featuring Wisconsin cheeses. When fresh cheeses aren’t as available in the cooler months, though, he promotes cheese from other areas of the country and some imports, which are sold in separate cases.

At Antonelli’s, the displays are simple for a reason. “The product can be intimidating and the experience, too, so we like to let the products, whether it’s cheese or sundries, be the focus. I prefer to keep displays minimal, so the product stands for itself,” explains Antonelli.

Experts point to the importance of talking with customers, especially those who browse gourmet stores and bring with them knowledge and a willingness to learn and try more. “Many of our customers have done their homework and expect us, as a store that focuses on cheese, to be at the top of our game. A lot of times, our cheesemongers learn things from our customers, too,” says Monteleone.

According to **Shayna Snyder, senior account manager of Culinary Visions Panel**, a food-focused insight and trend forecasting practice in Chicago, the wealth of content in cheeses and cheesemaking makes for strong talking points. “Tell the story behind the cheese,” she advises. “Not just the type of milk and variety of cheese, but also some back story, such as how the region affects the product, how the cheese might be used, why this cheese is important to its originating culture or the type of grazing plants that change with the seasons and affect the flavor of the milk and resulting cheese.”

Nora Weiser, executive director of the American Cheese Society, agrees that specialty and artisan cheeses offer a unique legacy and process about which to talk to customers. “A lot of times there are great family stories to tell about the cheese – about the cheesemakers, the area they are from. It’s a great selling point, and so is the fact that many cheesemakers are doing unique and creative things with a new world take on old world traditions,” she explains.

In addition to having a staff that is well versed in cheese – whether they are certified cheesemongers or team members who regularly work in the cheese department – gourmet stores can effectively merchandise their cheese offerings by providing information at the point of sale and, when consumers aren’t in the store itself, online. “We give them recipe ideas and engage with people on social media, letting them know we carry unbelievably flavored cheeses,” says Monteleone.

Stores can get creative with recipe cards and other printed POS materials. “They can provide ideas for composed bites, where cards might show how to combine certain breads and charcuterie or create unique hors d’oeuvres,” Weiser remarks.

Educating shoppers about cheese can involve other types of in-store displays. “Retailers can highlight a different creamery or cheesemaker each month with photos on a pinboard or any marketing materials that are provided,” Snyder says.

Create Occasions

Classes and special events are another way to position a gourmet store as a knowledgeable provider. Many gourmet shops can create events and courses that focus on a particular type of food, like cheese or, at another time, wine, beer, chocolate, bread, jam or other items.

Stores can be innovative with such events. “They can host special events where artisans come in and speak or demonstrate something they’re working on,” Snyder suggests. “Stores also can offer a special shopping experience where limited availability or exclusive products will be sold, perhaps featuring a special delivery of a soft-ripened cheese with a short shelf life or insider information like a chef’s lineup – items the shop sells to local well-known chefs and can’t be found anywhere else.”

Stores that specialize in cheese should offer a variety of cheese-centric events. Antonelli’s hosts regular cheese classes that educate participants about cheeses and special events spotlighting pairings, such as beer and cheese pairings, sparkling wines and cheese pairings, and coffee and cheese pairings, among others. The shop also hosts private tastings and special events for occasions like wedding showers.

Fromagination likewise has a full calendar of classes and events. The store holds tastings throughout the year with cheese and complementing wine, beer, spirits, mead and other drinks; in the winter months, meals with cheese ingredients, from raclette to fondue, are available, too. In the summer, Fromagination opens up an outdoor patio to serve artisan cheese and beer to the public and for special events.

Cheese of the Month clubs are another way to attract attention to a store’s cheese offerings and connect with fromage fans. Every month, the cheesemongers at Formaggio Kitchen in Cambridge, Mass., choose three cheeses based on seasonality and optimal flavor at the time; buyers receive a shipment with 1.5 pounds of cheese. Antonelli’s and Fromagination offer cheese clubs, too, with memberships available from three to 12 months.

Opportunities On, OffLine

Whether for a Cheese of the Month Club, a gift pack or an opportunity for consumers to try a new cheese style, many retailers offer online stores. National retailers, like Williams-Sonoma, sell cheese online — purveying collections ranging from cheeses produced in specific states to cheese made in other countries. One can even buy a full wheel of Parmigiano Reggiano from Williams-Sonoma online for \$2,499.95. Meanwhile, Sur La Table provides some DIY options in its virtual store, selling a mozzarella cheesemaking kit on its website for \$23.

But online is not only the purview of national retailers. Independent and regional stores are getting in on the game as well. Fromagination offers a variety of cheese and complementary products on its website, even suggesting that customers upgrade to overnight shipping for East or West Coast recipients to provide an optimal eating experience.

Cheese preference is personal, therefore, sampling is key to sales, say many industry sources. “If you don’t get an opportunity to taste and smell – that’s ultimately what they’re buying based on,” points out Antonelli. “Someone told me just today that coming into our shop allows them to be the informed consumer that want to be in specialty cheese. [Customers] want to come in and get an opportunity to sample, which gives them the chance to be in control of what they like.”

Weiser underscores the importance of having consumers try what they see. “I think stores that sample and have their own cut-and-wrap adds an interactive element that is important to selling product,” she remarks. “You are talking about products that are not inexpensive, so the customer is making a commitment when buying cheese.” Weiser has visited stores that sell small pieces of cheese for \$5, so giving shoppers a chance to try it let’s them “jump right in” if they like it.

Sampling also can be an innovative way to sell more cheese. Experienced store staff can upsell customers once they know what they like. “Helping consumers build a cheese plate is something we’re seeing. A staff member will say, “Would you like me to put together a regional plate or an American plate for you?” she explains.

Cross-merchandising cheese with other gourmet items is another sales tactic akin to a rising tide that lifts all boats. “Anything you can merchandise together – cheeses next to spreaders and crackers – is good and provides something talk about, like ‘This cheese goes well with fig jam,” she adds. A store that sells cutting boards, plates and knives that go with cheese and cheese courses can also find ways to cross-promote those items to give consumers ideas how they can entertain or enjoy cheese at home.