

## *Artisan Cheeses in Missouri*

# Retail Grocers' Perceptions

The sales potential for artisan cheeses appears promising in Missouri. Artisan cheeses are becoming more popular among consumers, many of whom desire handcrafted cheeses that are more complex in taste and variety. These cheeses are aged and ripened to achieve the perfect flavor. Domestically, specialty cheese consumption is on the rise, with local markets appearing ripe for artisan cheese. About 50 percent of consumers either already eat artisan cheeses or are interested in doing so.

Missouri offers the right environment to take advantage of the growth in the artisan cheese industry. Missouri has 1,530 licensed dairy herds and is the 25th largest milk-producing state in the U.S. At least seven artisan cheese producers have established niche markets in Missouri and are well on their way in sustaining and expanding their businesses.

This report provides market information to help current and emerging dairy producers conceive ideas and concepts to better meet consumers' wants and needs. Based on responses to a 2013 grocer survey conducted by the University of Missouri Department of Agricultural and Applied Economics, it describes consumer purchasing patterns and product preferences in addition to revealing opportunities for local artisan cheese producers.

### **Commodity vs. specialty cheese**

There are two main types of cheese production: commodity and specialty. Commodity cheeses are produced on a large scale and tend to be used more for cooking and baking. Examples of commodity cheese include cheddar, mozzarella and Swiss cheeses that are produced in large quantities. Specialty cheeses are value-added products that have a high-quality flavor and appearance, are produced in much smaller quantities than commodity cheeses, and demand a premium price from consumers.

Artisan dairy products are often handmade, or they're made using relatively small-scale specialty techniques in small batches. "Artisan" captures the uniqueness and special identity of each product and of the artisan who makes it. Artisan cheese may also be farmstead cheese if it is made on a farm from the milk produced on that farm.

### **Survey results**

In 2013, Missouri retailers were surveyed about artisan cheeses. The survey results showed that if supply were more reliable, local producers could gain a stronger presence in grocery chains to reach consumers. Out of about 975 grocery store locations in Missouri, 12 locations were extensively interviewed. Of these, two were classified as natural markets and 10 were considered grocery chains. This survey identified opportunities for local artisan cheese producers to connect with retail channels in their areas.

### **Stores selling artisan cheeses**

Retailers can be reluctant to stock a specialty product that may be inconsistent over time, even if overall product quality stays high.

**Table 1. Stores selling artisan cheeses.**

Type of store	Sells artisan cheeses	Percentage of total stores operating per category
Grocery chain	No, but did in the past	20%
	Not at all	20%
	Yes	60%
Natural market	Yes	100%

Respondents mainly cited poor supply availability — supply is inconsistent, or no artisan cheese is available to be sourced — as the reason stores have never carried or have stopped carrying artisan cheeses.

### **Sources of artisan cheeses**

Although a majority of grocery chains (100%) procure "locally," the same share (100%) also procures elsewhere in the U.S., and about half procure internationally. Given the

**Table 2. Sources of artisan cheeses.**

Type of store	Sources of artisan cheeses	Percentage of total stores operating per category
Grocery chain	Locally produced	100%
	Produced elsewhere in U.S.	100%
	Imported from abroad	60%
Natural market	Locally produced	50%
	Produced elsewhere in U.S.	100%
	Imported from abroad	50%

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retailers' varied definitions of local, cheeses from California or New York could be considered "local."

### Supplier attributes

All respondents mentioned that cheese quality and supply dependability were important factors that would influence a store's purchasing decisions. Supplier reputation was also somewhat important. Customer familiarity with the brand wasn't as important.

**Table 3. Important attributes of artisan cheese suppliers.**

Type of store	Supplier attributes	Percentage of total stores operating per category
Grocery chain	Quality of cheese	100%
	Dependability of supply	100%
	Reputation	83%
	Price of the cheese and potential margin	100%
	Customers' familiarity with the brand	50%
Natural market	Quality of cheese	100%
	Dependability of supply	100%
	Reputation	50%
	Price of the cheese and potential margin	50%
	Customers' familiarity with the brand	0%

Most of the retailers emphasized the importance of

- educating consumers about artisan cheeses,
- pricing, and
- ensuring consistency of supply.

## Challenges and opportunities

This study found that Missouri grocery stores are far from being saturated by artisan cheese varieties. Supply availability issues coupled with apparent demand for artisan cheeses imply a significant market potential for artisan cheeses within Missouri.

**Table 4. Summary of challenges and opportunities for artisan cheese producers in Missouri.**

Challenges	Opportunities
Consumer awareness / product familiarity	Consumer preference for local products
Product seasonality, supply availability and taste consistency	Increased accessibility (grocery stores instead of seasonal farmers market)
Higher price	Consumers' increasing preference for healthier food types

Stores follow different procedures when establishing relationships with new artisan cheese suppliers. Eight out of 10 larger chain grocery stores mentioned that local cheese makers would have to contact the chain's corporate office in order to supply cheese to a local store. Some stores have a more rigorous process that involves taste testing, product analysis, and consultation with relevant decision makers such as food chefs and category managers. Grocery chains with a more decentralized decision-making process only need suppliers to visit with the deli manager. Natural grocery stores stated that supply decisions are made at the store level.

This complete study can be downloaded from <http://extension.missouri.edu/g3661>.

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