

MSU Product Center

For Agriculture and Natural Resources

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Dairy Cheese – Many opportunities

Market drivers that provide many opportunities

- There are **many** opportunities for cheese products that appeal to the demand drivers of **ethnicity**, **indulgence** and **wellness**.

Specific opportunities

- It has been estimated that 98 percent of households consume cheese. Cheese is a product that many consumers crave.
- Consumers are increasingly interested in the full taste of natural cheese. Affluent households often eat cheese by itself. There appears to be an increase in the number of consumers interested in new varieties of cheese. The decline in the value of the dollar relative to the Euro creates opportunities for specialty cheesemakers.
- Organic cheese products are becoming more popular.
- Cheese products that appeal to Hispanic consumers could find a profitable market.

New product examples

- From 2000 through 2002, there were 884 product introductions in the cheese industry, and there has been an upward trend in new introductions. The most popular product positioning claims were health related although several introductions focused on convenience.
- Best Cheese Legendairy Organic cheese available in Orgouda Milk and Orgouda Gold organic gouda varieties.
- Natural Dairy Products Nature Grass-Fed Ricotta cheese available in regular and light varieties sold in health food stores.
- Land O'Lakes reduced fat sliced cheese available in Swiss, Provolone, Mozzarella, and Muenster.

Special issues

- Entry into the market may be difficult, but barriers to entry appear to be lower for cheese than other dairy products. Private label sales account for one-third of all retail sales.
- Finding shelf space in supermarkets may be difficult; however, there may be opportunities in offering products to delis, gourmet stores etc.
- Federal Milk Marketing Orders may make competing on the basis of price difficult.

Key to success

- Consider whether or not it would be possible to combine products attributes. Some specialty cheese markets may be small or niche markets.

Sources

Mintel. The Cheese Market.

_____. The Global New Products Database