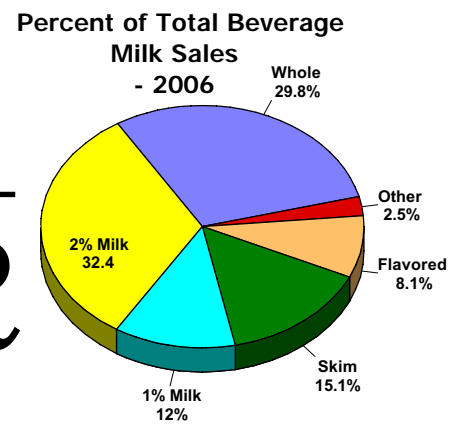




CHEESE REPORTER

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NASS Revises 2006-07 NDM Prices; Mandatory Reporting Rule Released

Washington— USDA's National Agricultural Statistics Service (NASS) on Thursday released revised nonfat dry milk prices for the period covering April 29, 2006 to April 14, 2007.

Also on Thursday, USDA issued an interim final rule establishing, on an interim basis, a "Dairy Product Mandatory Reporting Program," as required under legislation passed in 2000 and certain provisions of the 2002 farm bill.

After NASS confirmed an error in industry reporting of nonfat dry milk prices, the agency issued revisions on April 13, 2007, to previously published data for the weeks of March 31, March 24 and March 17. To determine the extent of the price misreporting, NASS subsequently conducted a special data validation of all qualifying nonfat dry milk plants for the period covering April 29, 2006, to April 14, 2007.

As of Thursday, NASS said it has contacted all plants with sales of nonfat dry milk in order to review reporting criteria, verify previously reported data, and make any necessary revisions. During the verification process, five firms made

revisions to previously reported price and volume data for nonfat dry milk.

Those revisions resulted in changes ranging from minus 0.8 cents to plus 8.5 cents per pound in the NASS-reported weekly average price of nonfat dry milk.

Generally, the downward price revisions occurred early and at the end in the period covered by this new report. For example, revised NDM prices were below the original NDM prices every week for the weeks of April 29 through July 1, 2006; those downward revisions ranged from 0.08 cent per pound for June 10 to 0.79 cent per pound for April 29.

And at the end of the period covered by this report, four of the five revised NDM prices are below the original price; those downward revisions range from 0.03 cent per pound for April 14 to 0.12 cent per pound for March 17.

Between July 1, 2006, and March 17, every revised price was above the original price. Also, the revised price for March 24, 2007, was above the original price.

For the first eight weeks during which revisions were positive,

changes were less than one cent; more specifically, they ranged from 0.18 cent per pound for August 12 to 0.86 cent per pound for August 19.

Starting with the revision for September 2, 2006, and through the revision for March 10, 2007, 20 of the revisions were for more than one cent per pound, and five were for less than one cent per pound. The largest revision in 2006 was for December 30: 3.34 cents per pound.

The largest revisions over the entire period were during the first 10 weeks of 2007; those revisions ranged from 3.99 cents per pound for January 27 to 8.5 cents per pound for February 17. The average upward revision during that 10-week period was 5.72 cents per pound.

NASS also revised volume data for the period covered by its report. With the lone exception of March 24, 2007, all original volumes were revised down.

Those downward volume revisions ranged from under 200,000 pounds for three dates in March and April of this year to 13.4 million pounds on July 1, 2006.

• See **NDM Prices Revised**, p. 6

Beverage Milk Sales In 2006 Recorded Biggest Increase In Over 20 Years

Washington— Total beverage milk sales last year posted their biggest volume increase in over 20 years, preliminary figures released this week by USDA's Economic Research Service (ERS) show.

Beverage milk sales in 2006 totaled 54.993 billion pounds, up 1.128 billion pounds, or 2.1 percent, from 2005. That was the largest volume increase in beverage milk sales since 1985, when sales of 53.939 billion pounds were up 1.148 billion pounds from 1984.

Despite last year's big sales jump, beverage milk sales remained below the 55.0-billion-pound level for the 10th consecutive year. The last time beverage milk sales topped 55.0 billion pounds was in 1996, when they reached 55.028 billion pounds.

Beverage milk sales in 2005, at 53.865 billion pounds, had been at their lowest level since 1984, when they totaled 52.791 billion pounds. Beverage milk sales have been under 54.0 billion pounds three times in the last 20 years: in 2005, 2001 and 1987.

In its beverage milk sales figures, ERS includes whole milk, 2 percent milk, 1 percent milk, skim milk, flavored whole milk, other flavored milk, buttermilk and miscellaneous fluid milk products.

In the broader "fluid milk" category, sales reached a record-high 62.133 billion pounds last year, up 1.419 billion pounds from 2005. Included in the fluid milk category are beverage milks plus cream products, eggnog and yogurt.

In 2006, for the third straight year, 2-percent milk sales outpaced whole milk sales. And the two categories continue to move in opposite directions.

Sales of 2-percent (reduced-fat) milk last year totaled 17.799 billion pounds, up 276 million pounds from 2005. Sales of 2-percent milk have now increased for five straight years, although they remain more than 2.0 billion pounds below the record of

• See **Milk Sales Jump**, p. 7

Germany Doesn't Have To Prosecute Cheese Producers Who Market Some Hard Cheeses As 'Parmesan': EU Court

Brussels, Belgium— Germany does not have to prosecute cheese producers who market some hard cheeses as "Parmesan," even if the cheese does not originate from the fabled countryside around Parma, Italy, an adviser to the European Court of Justice said Thursday.

On the other hand, the same adviser said that Germany had failed to prove that Parmesan is a generic term different from the already-protected "Parmigiano Reggiano" nomenclature.

It sets up a finale when the full European Court of Justice will finally rule later this year on whether "Parmesan" can only be made by northern Italians or any cheese maker in Europe.

This case dates back several years. Following a complaint filed by several economic operators, the Euro-

• See **EU Parmesan Ruling**, p. 3

Beyond Tiramisu: More Chefs, Consumers See Mascarpone As Decadent Substitute

Madison—Despite accounting for a relatively small percentage of total US specialty cheese production, Mascarpone has become the second-fastest growing cheese at the retail level as more people discover its use as a decadent substitute for authentic sweet and savory cream sauces.

Mascarpone is a triple-cream cheese made from crème fraîche, and has a sweet, rich flavor. Most Italian Mascarpone is made in Lombardy, and a scarcer style made from water buffalo milk is produced in Campania, near Naples.

In the US, sales of Mascarpone at the retail level for the 52-week period ending May 28, 2006 totaled 901,014 pounds – up 28.1 percent from the previous year, according to Information Resources, Inc. data published in IDDBA's "What's In Store 2007" study.

Mascarpone closely follows Queso de Freir as the fastest growing specialty cheese, which increased in

sales 28.5 percent during the same period.

The majority of Mascarpone manufacturers agree that while retail sales continue to grow, the strongest profit comes from the foodservice sector.

Allison Hooper, co-owner of Vermont Butter & Cheese Company, Websterville, VT, said 90 percent of the company's Mascarpone sales are to foodservice accounts.

In the last year, we did sell a lot more Mascarpone at retail, Hooper said, and the majority of Mascarpone is still used by ingredient customers and chefs for Tiramisu.

"It's not a cultured product, so it has a pleasant 'dairy' flavor," Hooper said.

Crave Brothers Farmstead Cheese, LLC, of Waterloo, WI, began making Mascarpone when the operation began four years ago. Since then, retail sales have

• See **Mascarpone**, p. 8

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Mascarpone

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increased dramatically, with consumers and chefs finding new sweet and savory applications for the cheese, according to president George Crave.

Any time a recipe calls for heavy cream, it can be substituted with Mascarpone, Crave said. The unique flavor and consistency ultimately makes for a better sauce.

Crave Brothers makes its Mascarpone using sweet cream skimmed right off a stream of fresh milk. It has often been favorably compared to leading Italian brands, Crave said.

Accounting for roughly 20 percent of total production, Crave Brothers' Mascarpone is distributed nationally to foodservice, retail and industrial outlets, and is available in 8- and 16-ounce retail packages, and 5-pound foodservice tubs.

Dishes, Desserts Beyond Tiramisu

When most people think of Mascarpone, they immediately think of the chief ingredient in Tiramisu.

Entire websites have been exclusively devoted to the Italian dessert. The original recipe called for custard and only recently has Mascarpone been substituted. The basic ingredients are eggs, Mascarpone, ladyfingers, cream, espresso coffee, liqueur,

sugar, and cocoa or shaved chocolate.

Both in restaurant and household kitchens, Mascarpone has customarily been used as a primary ingredient for tiramisu and cannoli, said Bob Constantino, executive vice president of Cantaré Foods, San Diego, CA.

However, Mascarpone can be used in everything from White Pizza with Mascarpone and Smoked Mozzarella to Garlic Mashed Potatoes with Mascarpone, and Mascarpone Cheesecake

"Due to new, upscale eating habits, a focus in food publications, and exposure on several food/cooking shows, consumers are finding new ways of integrating Mascarpone into their menus as both a substitute or as one of the main ingredients in their dishes," he said.

Over the years, almost every issue of food magazines have published at least one recipe calling for Mascarpone, Crave added.

Crave Brothers also lists a number of recipes on its website, including Creamy Mascarpone Mushroom Soup, Chocolate Mascarpone Pie, and Creamy Peanut Toffee Torte.

Philip Jason Dorwart, chef/owner of CREATE Catering & Consulting, Minneapolis, MN, said Mascarpone is basically "the best cream cheese you can get."

"Flavor expansion in specialty cheeses has made a significant impact in line expansion and flavored Mascarpone may enjoy this same dynamic."

Bob Constantino,
Cantaré Foods,

Mascarpone photo courtesy of
Wisconsin Milk Marketing Board



The catering company uses Mascarpone as a frequent ingredient for high-profile events, mixing the cheese with a vanilla bean and honey topped off with seasonal fruit for one-bite tarts, and for use in savory appetizers mixed with horseradish and smoked salmon.

Dorwart said guests approach him all the time, asking what the creamy mystery ingredient is.

"People don't realize it's cheese," he said. "They think it's some crazy ingredient they've never heard of before."

"Most people don't realize that Mascarpone is the most decadent substitute for the most authentic of creamy sauces, both savory and sweet," Constantino said.

According to Constantino, Mascarpone's primary usage has been in the foodservice and industrial arenas. Cantaré has been selling its Mascarpone to chefs and gourmet retailers throughout Southern California, but is currently expanding its distribution nationwide.

With construction of our new 70,000-square-foot facility, we'll have the capacity to supply foodservice, retail and industrial customers throughout North America and Mexico, he said.

Flavors May Attract New Customers

Although representing a small portion of the category, flavored Mascarpone has exposed the cheese to customers that may not have been attracted to the plain, traditional product, according to Cantaré's Constantino.

"Flavor expansion in specialty cheeses has made a significant impact in line expansion and flavored Mascarpone may enjoy this same dynamic," Constantino said.

"Although the flavored Mascarpone varieties provide consumers a twist on the traditional, creamy texture and 'sweet' flavor of true Mascarpone, it's traditionally enjoyed in its natural form," he continued.

BelGioioso Cheese, Inc. of Denmark, WI, manufactures award-winning traditional Mascarpone and flavored Tiramisu Mascarpone. Marketing manager Jamie Wichlacz said retailers nationwide stock both varieties of BelGioioso Mascarpone, and the Tiramisu flavor has definitely enhanced sales.

"Sales have steadily increased as awareness of the cheese has grown," Wichlacz said. "You will see more uses of this cheese because of its versatility and character."

Use Of Stabilizers In American Mascarpone Makes Cheese Denser

When compared to imported Italian Mascarpone, a number of manufacturers admit that most mass-produced American brands are heavier and denser from the use of stabilizers, resulting in an inferior product.

"Frankly speaking, some American Mascarpone manufacturers try and cut corners by adding gums and fillers to their Mascarpone," Constantino said.

Cantaré Foods employs traditional manufacturing techniques, he said, using high-quality cream and butterfat, producing a creamy, slightly sweet flavor.

"Although there are differences in the type of cream used in Italian varieties, ultimately a true Mascarpone should be sweet and creamy in texture – not grainy or dense," he continued.

Mascarpone is basically "the best cream cheese you can get."

Philip Jason Dorwart,
chef/owner of CREATE
Catering & Consulting

BelGioioso's Jamie Wichlacz argues that domestically produced Mascarpone is fresher because it's ready to ship to retailers within a few days.

"BelGioioso uses all-natural ingredients in its Mascarpone, yet the product has a shelf-life of five months when unopened," she said.

Mascarpone made by Vermont Butter & Cheese is different from other domestic and Italian brands because it has a higher fat content, Hooper said.

"There is a stronger cream flavor – it's more yellow and less thick," she said. "It's typically blended with whipped cream to reduce the rich

• See **Mascarpone**, p. 9

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Mascarpone

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ness without losing flavor.”

Our company doesn't use stabilizers, Hooper said, adding that most domestic manufacturers use some kind of stabilizers, which makes the product very hard.

Strong Sales In Metropolitan Market With High Concentration Of Italians

Consumer demographics for Mascarpone trend very closely with consumers who purchase and appreciate specialty cheeses, Cantaré's Constantino said.

“Metropolitan markets where there is a high concentration of Italian population has been the primary demographic for Mascarpone,” he said. “However, market penetration has increased to locations outside of major cities and to a broader, more diversified consumer.”

“You see many different recipes using this versatile cheese in various savory and sweet applications. People love the flavor and richness of the cheese, and enjoy experimenting with different applications.”

Jamie Wichlacz,
BelGioioso Cheese, Inc.

Those buying Mascarpone today tend to be adventurous, educated restaurant aficionados ages 25 to 54, Constantino said.

“Although its roots are traditional Italian, recent exposure in cooking shows, recipes, restaurants and food magazines have positioned Mascarpone as a versatile cheese that can be used in several applications, shifting it more to the mainstream market,” he continued.

Mascarpone remains a distinctly ethnic cheese, Wichlacz agreed, yet has moved into the mainstream market.

“You see many different recipes using this versatile cheese in various savory and sweet applications,” she said. “People love the flavor and richness of the cheese, and enjoy experimenting with different applications.”

Allison Hooper doesn't consider Mascarpone an ethnic cheese, but it still isn't found in all supermarkets and is sold primarily in specialty shops.

Double-Digit Growth Predicted

As chefs, food publications and cooking shows continue to spotlight Mascarpone as an ingredient both functional and luscious, retail and foodservice sales should continue their steady growth, cheese marketers agree.

“Mascarpone sales have grown substantially over the past five years and we predict double-digit growth in the future,” Constantino said.

“(Mascarpone) has been accepted by all three segments, and it's here to stay,” Crave said. “I think the market will continue to grow.”

According to Jamie Wichlacz, sales of Mascarpone have steadily increased as awareness of the cheese has grown.

“You will see more uses of this cheese because of its versatility and character,” she said.

The average American consumer still has a fair way to go to catch up with Italians' everyday use of Mascarpone, however.

“In Italy, people spread it on bread instead of butter,” BelGioioso's Wichlacz said. **r**

Fromartharie To Market Alto Dairy's Black Creek Classic Cheddar Nationwide

Waupun, WI— Alto Dairy Cooperative recently announced an alliance with Fromartharie, Incorporated, Millington, NJ, to market Alto's Black Creek Classic Cheddar cheese nationwide.

Fromartharie, a manufacturer's representative organization whose goal is to optimize the business of a select group of value-added specialty food companies, will help Alto Dairy reach specialty cheese markets across the US with its Black Creek Classic Cheddar, Alto Dairy said.


Nine-month, two-year and three-year Cheddars in a seven-ounce square, packaged in upscale parchment are currently being offered in the Black Creek Classic line. Black Creek's new pasture-grazed Cheddar

is also available.

“We are excited to partner with Fromartharie,” commented Dennis Kasuboski, vice president of sales at Alto Dairy. “Our dairy producers want consumers around the country to experience one of Wisconsin's finest aged Cheddar cheeses.”

“Fromartharie will maximize Black Creek Classics' exposure and distribution into the food industry by marketing their Cheddar cheese into key markets,” said Ron Schinbeckler, Fromartharie's general manager. “Alto has a strong reputation in the dairy industry and we are happy to join forces with them and optimize their sales.”

“Alto aspires to bring higher margins and added value to our members' milk; this partnership will greatly aid our ambitions in doing so,” said Rich Scheuerman, Alto's president and CEO. •



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