

Volume 34 Issue 1

September 7, 2010 Week 37

CHEESE, BUTTER PRICES STILL UP; RELIEF SOON?

Cheese prices at the Chicago Mercantile Exchange (CME) have hit 2010 highs in the past several weeks, but analysts say the longevity of these higher prices is questionable as most attribute them to the high price of butter.

Butter stocks uncharacteristically increased slightly in July but remained at a five-year low, USDA notes in its latest Cold Storage report, adding that low holdings have contributed to the highest wholesale butter prices since 2004. Meanwhile, cheese prices continued its upward trend, up from closing prices the week prior.

“I want to hope it’s because the economy is improving,” says Allison L. Specht, dairy and regulatory economist with American Farm Bureau Federation. “Trends are showing economic growth in other parts of the world. We’ve got U.S. cheese prices in the low-to mid-\$1.60s, yet cheese stocks are still high.

“I think butterfat is really supporting cheese prices right now,” she adds.

Eric Meyer, a risk management consultant with FCStone/Downes O’Neill says while cheese prices are high, he also thinks the higher butter prices are a contributing factor.

“As we approach \$1.70 (for cheese), we should run into some resistance,” he says. “I think (cheese and butter) are very closely tied this time around, but the cheese market is more susceptible to demand destruction.”

Meyer adds that he doesn’t foresee cheese prices remaining at levels this high for the duration of 2010.

MikeNorth, senior hedge consultant at First Capitol Ag, says he also thinks the higher cheese prices are temporary.

“The butter is carrying the cheese,” he says. “I think as we go forward, butter will reach a top and cheese will follow.”

North notes that while the butter market is strong, it’s due to lower supply and likely not a sign of overall economic improvement.

UNIQUE FOOD CONCEPTS—WHY HISPANIC?

The Hispanic population is the largest and fastest growing ethnic group in the United States. The U.S. Census Bureau estimated that in 2000, persons of Hispanic origin represented 12.5% of the population. Census projections indicate the Hispanic population will grow to over 21% by 2050.

The assimilation of this large ethnic population has influenced many facets of everyday life and created permanent trends. Consider the proliferation of Mexican and Latino style restaurants across the country during the past few decades. The non-Hispanic population has grown fond of Hispanic style foods as evidenced by not only the increase in number of Hispanic style restaurants, but also the ever expanding selection of Mexican and Latino food products in the grocery store. More and more people are preparing Hispanic foods at home, from simple tacos to complete meals.

As the sales of Hispanic cheeses grow, non-Hispanic persons are quickly discovering how these cheeses are used in various dishes to enhance the quality and flavor of the food.



They are seeking to make these Hispanic foods more authentic. For example, Queso Quesadilla cheese, not Monterey Jack, should be used in Quesadillas. Hispanic cheeses are as varied in their flavor, characteristics and applications as are Cheddar, Mozzarella and Parmesan cheeses.

During the research and development of Unique Food Concept’s authentic Hispanic cheeses, it conducted extensive sampling with first generation Hispanic people to ensure the products had the correct appearance, texture, flavor and performance of the cheeses found in their native country. The process involved many formulations and reformulations of cheese culture blends and refinement of the cheese making procedures to perfect its cheeses.



Unique Food Concepts



Unique Food Concepts is an IPAP supplier that has spent several years researching, developing and experimenting to produce the **unmatched** line of authentic Hispanic cheese the company is known for.

From Queso Blanco, Queso Quesadilla, Oaxaca and Cotija to shredded specialty blends like Spinach and Artichoke or Mediterranean, Unique Food Concepts brings new and exciting flavors to the kitchen. This resourceful supplier sets itself apart by listening to your consumers and turning their foodservice ideas into reality. Its goal is to generate an added efficiency for the end user by creating a product from scratch that is **unique** so every dish can stand out from its competitors.

Apart from its **exclusive** blends and concepts, Unique Food Concepts founded its success by creating Hispanic cheeses so accurate to the traditional flavor profiles that a Mexican gentleman told them, through an interpreter, that "the cheeses taste just like those in my home province in Mexico". Some of the primary items in its **authentic** Hispanic cheeses line are:

- Queso Blanco
- Queso Quesadilla
- Queso Fresco
- Cotija
- Manchego
- Enchilado
- Asadero
- Queso Panela

Contact your IPAP Account Manager for product information and applications!

