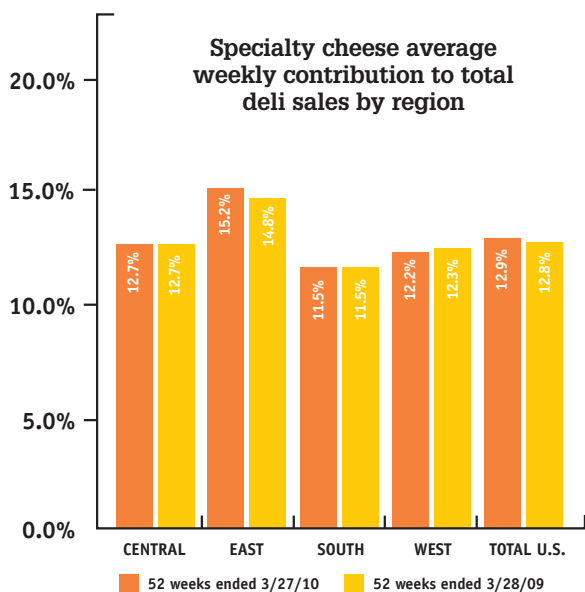
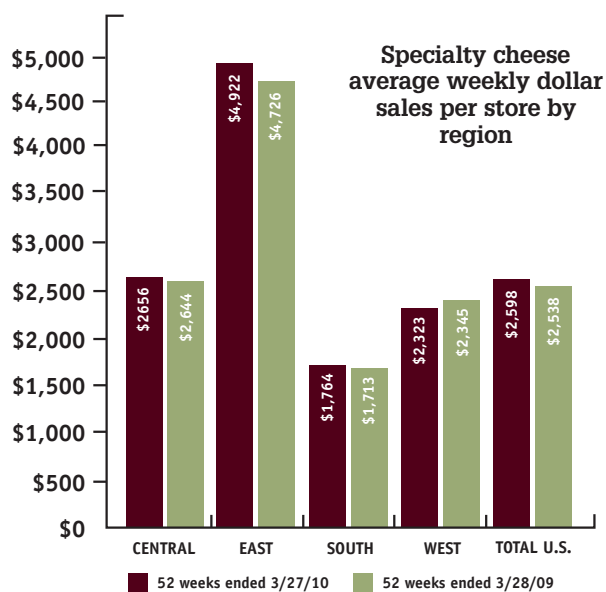


Specialty Cheese

As the largest category within deli cheese, specialty cheese bring something special to the bottom line. **BY JENNY HUNTER**



WITH INCREASED POPULARITY DRIVEN BY CONSUMER EDUCATION, unique flavor profiles and shoppers choosing high-quality and adventurous products to replicate restaurant-quality meals at home, the specialty cheese segment continues to serve as an integral deli category for retailers.

Specialty cheese is the largest category within deli cheese, accounting for 63.2% of deli cheese sales and contributing 12.9% to total deli department sales.

In the latest 52 weeks ended March 27, consumers spent \$2,598 per store per week on specialty cheese nationally, up 2.4% compared to the prior 52-week period. Specialty cheese sales grew at a faster rate than the overall deli department, which remained relatively flat year-over-year with a minimal increase of 0.1%.

The specialty cheese category includes 33 varieties, with the top nine flavors representing 59.5% of sales. Parmesan and mozzarella are the top two flavors within specialty cheese, each representing more than 9.0% of sales. Parmesan showed a 3.2% increase in dollars year-over-year, and mozzarella grew 5.6%. Cheddar decreased 0.7% in average dollars, ranking third in contribution to specialty cheese with 9.0% of sales. The “other flavored cheese” category, which includes mixed cheese and cheese without specific flavors broken out, comprised the largest share of dollar sales at 13.7%, a 6.9% increase in sales compared to the prior year.

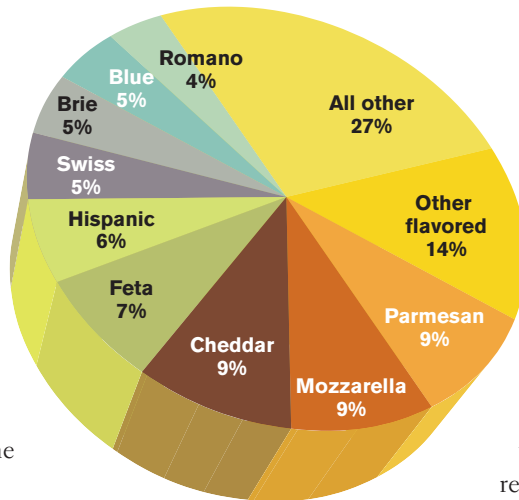
Specialty cheese sales are seasonal, with peak sales during the weeks of Christmas, Thanksgiving, New Year’s and Easter. Total specialty cheese sales peaked at \$4,732 per store the week of Christmas, \$3,668 the week of Thanksgiving, \$3,335 the week of New Year’s and \$3,161 the week of Easter.

The East sold the most specialty cheese per store per week, with \$4,922, up 4.1% versus the prior 52-week period. Weekly dollar sales were 89.3% higher than the U.S. average of \$2,598 per store per week. Specialty cheese contribution to the deli department also was greatest in the East, representing 15.2% of department sales. Mozzarella increased the most within the East region, up 13.1%. Hispanic cheese was the only other subcategory to show double-digit per-store-per-week growth in this region, up 10.1%. Blue cheese was the only flavor to

decrease sales, down 4.6%.

The Central region sold \$2,656 per store per week, up 0.5% compared to the prior year and 2.2% higher than the U.S. average. Specialty cheese contribution to deli sales for the Central region declined 2% to 12.7%. Other flavored cheese showed the greatest increase in dollars per store per week, followed by Feta and Brie. Swiss cheese showed the greatest decline in sales for the Central region, down 7.2%.

The West was the only region to post a decline in specialty cheese dollars per store per week, down 0.9% to \$2,323. Specialty cheese sales' contribution to the deli department declined the most in the West,



Dollar contribution by subcategory

in sales, down 3.9% compared to the prior year. □

down 1.1% compared to the prior year. Feta cheese showed the greatest increase in sales, up 4.9% to \$172 per store per week. Hispanic cheese was the only subcategory in this region to post a double-digit decline in sales, down 11.1% to \$284 per store per week.

The South had the lowest specialty cheese velocity, with \$1,764 per store per week, up 3.0% compared to the previous period. Specialty cheese in this region increased contribution to total deli sales, up 0.5% to 11.5%. Other flavored cheese increased the most in this region, up 11.3%. Hispanic cheese showed the greatest decline in sales, down 3.9% compared to the prior year. □

This sales review is provided by the Chicago-based Perishables Group, an independent consulting firm focused on creating innovation and value for clients in the fresh food industry. Reported results are for the 52 weeks end March 27. Results were compiled from gro-

cery stores nationwide, representing 63% of national supermarket ACV share. Sales data provided by Perishables Group FreshFacts powered by Nielsen. For more information, contact Kelli Beckel, 773-929-7013, kellib@perishablesgroup.com.