

Welcome to the latest edition of Innovation Update, which brings you a snapshot of what's new in Dairygold's Cheese Solutions business.

The needs and concerns of our Cheese Solutions customers continue to evolve. Flavour, cost, convenience, health and wellness and clean label remain the driving issues while environmental issues like packaging and the sustainability of our milk production systems have also become concerns for our customers.

Our new product developments reflect these issues: retail cheddar and stilton cheese in convenient packs and formats, ingredient soft cheese in lower cost, environmentally friendly packs which reduce waste, speciality ingredient cheeses with unique flavours, and pumpable soft cheese delivering reduced cost and improved nutritionals.

We have also taken the opportunity to briefly look back at some of the achievements of our Cheese Innovation team in 2010. The achievements reflect the amount of hard work that was undertaken by our excellent team in highly applicable and current "top topic" research fields in the areas of flavour development, healthy options and new application ideas for cheese ingredients.

If you want to learn more about any of the products or issues raised please contact us: we look forward to hearing from you and better understanding and satisfying your needs and concerns. Our customer support team is always delighted to assist via telephone, email or by a site visit and we look forward with confidence to meeting the ever changing challenges ahead.

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What's hot in Taste

Our taste discovering flavour range of Speciality Cheeses provides customers with provenance, authenticity, uniqueness and most of all flavour in ingredient applications. We asked Kay Holden who manages samples at DFI Crewe what's hot these days from the Taste range. Sample requests provide an excellent guide as to what cheeses are in demand with retailers and food manufacturers for NPD briefs.

Kay identified three trend setters from DFI's taste range:

- Halloumi is made from sheep and goat's milk in Cyprus and the Eastern Mediterranean. It has a higher melting point than other cheese which makes it suitable for frying and grilling, similar to a steak. As consumers get ever more adventurous, Halloumi offers versatility and is fun to cook with. Halloumi is available in convenient diced and sliced formats.
- Feta the popular Greek curd cheese has PDO status and is made from sheep and goat's milk. Feta is probably one of the earliest known cheeses, and has been manufactured all over the Greek isles for centuries. DFI can offer Feta in block and three convenient crumb formats to suit the application requirement. Diced 15mm

cubes in both brine and dry packs are also available for summer recipes.

- Goat's cheese offers many benefits over cow's milk cheese as its lower in calories, cholesterol and fat. Its unusual flavour and texture offers a point of differentiation to a variety of dishes. It is highly versatile, ranging in texture from soft to a hard cheddar style with a crumbly texture and suits a broad range of applications including sandwiches, ready meals and pizza. Goats Cheese formats available include diced, crumb and IQF discs.

What creates consumer demand for these unusual cheeses? There is no doubt travel has broadened consumers' experience and they are now much more open to traditional flavours and products associated in particular with popular holiday destinations. Also the 'celebrity chef' phenomenon and the associated use of these cheeses on many restaurant menus and television cookery programmes has been a huge driver of consumer interest. Hence the DFI UK team now monitors the new cheeses that are being featured in these programmes, to allow us to adapt our focus within the Speciality Taste portfolio in line with the resulting shifts in consumer interest.

Contact Kay Holden - kholden@dairygold.co.uk



2010: A Brief Review

Some of our new cheese products that received widespread recognition at a number of prestigious events:

- World Cheese Awards held in Wisconsin USA. The new flavour profiles of our mature cheddar, designed to better match modern consumer tastes were a big hit as our mature Cheddar was awarded a gold medal.
- Our Grated Mature scooped gold at The Bradbury & Son Award at the Nantwich International Cheese Show
- Our 1.8% salt cheddar took gold at Nantwich in the Cheese with health benefits – Hard cheese category
- A chocolate box style creation which won gold in the Cheese Board category.
- Our redeveloped Full Fat Soft Cheese and our American Style Full Fat Soft Cheese both won gold at the British Cheese Awards.

Key product launches in 2010 included an expanded range of pumpable soft cheeses with an enhanced and more rounded cheddar flavour for chilled ready meals and a low pH version facilitating enhanced microbiological safety and shelf life in chilled salads and dips.

Meanwhile on the retail side we celebrated the successful development and commercial launch of two new branded cheeses:

- Irlander, a mild creamy sliceable cheese was launched in Germany.
- In Greece we introduced a healthy low fat variant with a slightly piquant flavour in our branded Regato range.

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Stilton Cheese Powder

Stilton, known as the King of English Cheese, is one of the world's best known and much loved cheeses. Quintessentially English, it is famous for its characteristic strong smell and taste. With its creamy texture, Stilton's unique lively flavour makes it suitable for a wide range of recipes and applications.

DFI's customers are all well aware of the benefits of incorporating Stilton into their applications; consumers are always excited by the unique flavour and provenance associated with such cheeses. Stilton is therefore a key offering in our Taste range of speciality ingredient cheeses. However our customers tell us that the unique microflora, formats and volumes associated with such cheeses pose distinct technical and logistical challenges on their manufacturing sites.

In order to overcome this our R&D team has developed Pure Stilton Cheese Powder, which delivers all the benefits associated with Stilton including a clean label in a user-friendly, easy to store, long shelf life, spore free format. Applications include; Snacks, Sauces, Savoury and Bakery goods. Stilton Cheese Powder is a new way of making the use of the aromatic Stilton Cheese in your application much more convenient. The product can make life a whole lot easier for current Stilton users and allows customers who previously did not use the product due to the associated logistical and technical issues to incorporate this wonderful cheese into their recipes.

For further information on Stilton Cheese Powder or to receive a sample contact Paul Brady - pbrady@dairygold.co.uk



Flowable Cream Cheese

Textbooks on innovation regularly emphasises the importance of brainstorming in developing ideas for new products. This does not mean we should forget other equally important if less glamorous approaches, like watching how the product works and talking to those who actually use it.

Such an approach was the source of the flowable cream cheese concept: In developing this innovative product our customers told us a few very important things which helped develop an appropriate product. While it made great cheesecakes, our cream cheeses was not easy to get into the production process and it generated excessive waste in terms of lost product and discarded packaging. So we threw down a challenge to Darryl and Eric, our cream cheese boffins. Put our cream cheese in a pallecon, ensure our customers can easily get it out again but do not alter the composition or the functionality of the product. Our customers want the compositional specification and performance to remain exactly as is.

A few months later Darryl and Eric sat us down to demonstrate the results of their efforts and the new cream cheese. While the seeming lack of viscosity or body in the raw product did cause initial reactions to be somewhat muted once we tasted the cheesecake made with it we knew we were onto something special. And so flowable cream cheese was born, identical in terms of composition and performance to the standard product but in an environmentally friendly pallecon from which you can pump the product directly into your process. A truly revolutionary breakthrough in cream cheese production technology, which makes the standard product and format look like something from the pre industrial age.



In a nutshell what does the new product offer:

- 1 Ton Pallecon v 10 Kg buckets/10 Kg bag in tray
- Clean label
- Reduced storage, labour and processing
- Easy handling
- Easy mixing of cheese with other ingredients
- Eliminates the occurrence of 'lumps' of cheese in the cheesecake batter
- Identical composition and texture/appearance/taste of cheesecakes compared to standard product.

For more information on the cream cheese that your Production and Marketing teams will love contact Breeda Cotter - bcotter@dairygold.co.uk

Irish Land® grated coloured Cheddar retail pack - ZIP Pack

Understanding consumer needs and demographics is essential for success in retailing. With this in mind DFI Germany is about to re-launch Irish Land® grated coloured cheddar in a more convenient 150g format re-sealable (ZIP) pack.

While Irish Land has enjoyed strong brand loyalty and retail sales growth in the German market for a number of years the re-launch was driven by a growing demographic trend towards urban single household's across Germany. Switching to the 150g size from the more traditional 200g units typical for grated cheese and introducing the re-sealable ZIP pack to ensure air-tight storage following opening reflects this trend" comments Jens Brake, Trade Marketing at Dairygold Germany.

"We've also taken some tips from our Cheese Solutions range and adopted the "application principal" to our offering. Cheddar is regarded as "the" cheese for use in Gratin recipes, which are particularly popular in Germany. An appetising photo of Potato Gratin is therefore used as a "serving suggestion" which is supported by a simple, yet tasty recipe on back of pack. We have also selected a cheese with excellent melting characteristics and the required level of maturity to ensure our customers get the desired flavour and functionality in a gratin application.

Jens explains "We have introduced an application based approach to grated cheese at retail level, providing a suggestion as to how to use the cheese, in order to satisfy the open-minded, convenience-oriented consumer whom we consider to be our main target group for this product."

The new pack comes in a quick-opening display-carton with 10 x 150g units and makes its debut in the METRO - REAL retail chain in Germany commencing April 2011.

For further information contact Jens Brake - JBrake@dairygold.de



QUIDS debate required

There is no doubt our UK ready meals cheese customers operate in a challenging environment: consumers want more cheese flavour in their products, health authorities continue to emphasise public health concerns specifically the 'Responsibility Deal' to reduce salt and saturated fat levels, while retailers look for ongoing cost savings. DFI has responded to these challenges by developing bespoke Pumpable Soft Cheese, providing enhanced flavour, reduced fat and salt content and reduced cost compared to standard cheese. However ingredient cheese innovation in this sector is clearly being stifled by the retailer focus on QUID (Quantitative Ingredient Declarations) i.e. the amount of cheddar in their ready meals as declared on the label. Recent industry events have seen increasing debate around the QUIDS issue and we welcome and support a constructive engagement with all stakeholders on this issue. While the needs of all stakeholders must be considered we believe it is the consumer's view should be the priority. However, so far the debate has failed to define what the consumer really views as important. We believe it is essential that the entire industry reaches a common understanding of the consumer needs and wants in this area and then progresses to take action together to deliver this. We look forward to proactively engaging with our customers and other stakeholders in this process over the coming months.

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