



Bluegrass
INGREDIENTS®



**CONSISTENT
FLAVOR**

**BUTTERY
MOUTHFEEL**

**COST-SAVINGS
REPLACEMENT**

Butter Concentrates: A Solution for Rising Butter Costs

At the time of this writing (June 2024), butter prices are rallying. That seems to be a common occurrence these days. In the last two years (fall of 2022 and fall of 2023), butter has hit historical highs. It could happen again in 2024.

The food industry is used to it, but that doesn't make it any easier to deal with. Rising butter prices pose challenges for many food manufacturers. Understanding the reasons behind these rising costs and exploring viable alternatives such as butter concentrates can help manufacturers manage costs without compromising on quality.

Why Are Butter Prices Increasing?

Where do we start? Demand. The demand for butter is strong both domestically and globally. Consumers' preference for natural and high-quality fats has kept butter consumption high, and caused many food manufacturers to develop new products with butter instead of other oils.

Running opposite of demand is supply, which has been hampered by a host of factors:

- **Decreased Milk Production:** U.S. milk production has declined for the past 10 months, and the [dairy herd size shrunk by 76,000 cows](#) last year. Butter is made from milk fat. Since it takes a significant amount of milk to produce butter—approximately 21.2 pounds of whole milk to make one pound of butter—any decline in milk availability is going to impact butter costs.
- **Rising Input Costs:** Farmers have experienced a wide range of input cost inflation. Rising input costs have significantly raised production costs for dairy farmers. Continued labor challenges also continue to impact dairy farms. These rising costs contribute to increased butter pricing.
- **Extreme Weather:** Unfavorable weather conditions, including droughts and heavy rainfall, have adversely affected milk production. In drought-stricken areas, farmers are using more expensive feed. Conversely, excessive rainfall can prevent cows from grazing efficiently, further challenging milk output.



BUTTER CONCENTRATES:

A Cost-Effective Solution

Given the rising costs and supply challenges, butter concentrates offer a practical solution for commercial food manufacturers. Butter concentrates are highly concentrated forms of butter flavor created through a variety of processes, including enzymolysis, reaction flavor processes and culturing. This process results in a product that retains the rich, creamy taste of butter but in a more potent form.

Bluegrass Ingredients produces a line of [butter concentrate pastes](#) that can be used at between 1/5th and 1/20th of the usage rate of butter, depending on the intensity of the concentrate.

These ingredients offer several benefits for commercial food manufacturers, particularly in managing costs, maintaining quality and improving efficiency.

BUTTER CONCENTRATE PASTES

Reduce Costs

Because butter concentrate pastes are highly concentrated, a smaller amount is required to achieve the desired buttery flavor in formulas. This reduces storage costs and simplifies handling. We've seen upwards of \$170,000 in savings on an annual purchase of 200,000 pounds of butter when our butter concentrate paste is substituted for butter.

BUTTER CONCENTRATE PASTES

Improve Quality, Consistency

The concentrated nature of butter paste means the ingredient is less prone to variations in quality that can occur with fresh butter. Concentrated butter pastes also ensure the consistent delivery of a rich buttery taste that can elevate the overall sensory experience of a finished product. Butter concentrate pastes also can be easily integrated into a wide range of formulas and production processes, and their paste format ensures even distribution throughout a product. These improvements all happen without any sacrifice in flavor or texture.

BUTTER CONCENTRATE PASTES

Enhance Versatility

Our [Agile Kitchen™ Team](#) has worked with a variety of applications, from brioche rolls to frozen entrees, and have seen enhancements in the flavor and texture of products using butter paste concentrates. Applications for butter paste concentrates in food production include:

- **Baked Goods:** Enhance the flavor and texture of cakes, cookies and pastries with consistent buttery notes.

- **Snack Foods:** Add a rich, buttery taste to popcorn, chips, and crackers by incorporating butter concentrates into the dough or slurry.
- **Dairy Products:** Improve the flavor of cheese spreads, yogurts, and other dairy-based products dips and spreads.
- **Sauces and Condiments:** Add a rich, buttery flavor without the need for fresh butter, which can separate more easily.
- **Prepared Meals:** Maintain a consistent butter flavor in frozen foods and ready-to-eat meals.

The rising cost of butter presents a significant challenge for commercial food manufacturers. [Butter concentrate pastes](#) offer a viable solution that maintains product quality, reduces costs and improves consistency. For more insights and updates on managing ingredient costs and enhancing product quality, [contact our team of experts](#).



The Agile Kitchen at Bluegrass is a creative space that blends innovation and insights to deliver formulations and products that align with pressing consumer trends. Bluegrass Ingredients food scientists and culinary experts partner with customers to use these powders and all our products to invent and improve the future of food.

Delivering Great Taste

Bluegrass Ingredients operates at the cutting edge of taste and flavor trends. **The Bluegrass Agile Ingredient Innovation®** Model is custom built to help brands and flavor houses achieve the rapid food innovation they need to stay ahead of today's dynamic consumer taste and dietary demands.

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