

# BUSINESS

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## Ice cream victim of energy crunch

By Brent Hopkins  
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In the latest, cruelest, twist of the ongoing energy crisis, superpremium ice cream makers face higher costs for the high percentage butter-fat mix used to produce the upscale treat. According to Don Whittemore, owner of Dandy Don's HomeMade Ice Cream in Van Nuys, supplies are tight as dairies sell their cream to avoid the high energy costs associated with freezing. So tight, he's seen the wholesale costs climb 13 percent per gallon in the last two months — the greatest jump he's seen in nearly three years.

*"There's a real market for superpremium ice cream, and it keeps growing. It's for people who want the Cadillac lifestyle, but they can't quite afford the Cadillac, so they buy the best in other things. When you look at it compared to high-priced wine, ice cream is still a real deal."*

Nancy Fletcher

Director of Communications, California Milk Advisory Board.

"It's a crisis of a different kind," he said. "A fat crisis."

To concoct his designer dessert, sold in upscale markets and restaurants, Whittemore needs fat, and lots of it. And prices are soaring, outpacing the upward trend of the past year. The price of his mix is state-regulated, set by the California Food and Agriculture Board, and varies in two-month cycles, the latest of which will be announced today. But while big ticket producers can normally conserve the fat, made from cream and milk solids, a tight worldwide demand and rising energy prices have made the usually sweet business bitter.

"Normally, you'd stockpile all this by freezing it away," Whittemore said. "But with the energy costs, people don't want to be storing, but they want to get it out right away. When the costs recede, then you can stockpile again."

And it's not just ice cream. Anything with a high fat content, from heavy whipping cream to premium cheese has been creeping upwards in recent months, according to Jeep Dolan, vice president of the El Monte-based Driftwood Dairy that supplies Whittemore.

"Butter supplies are lower than they were last year," he said. "But the demand has been constant."



(Photo: Gus Ruelas / Daily News)

### A shortage of ice cream ingredients has made prices jump 17 percent in the last month

**VAN NUYS** — Cooling off with a tasty ice cream treat may take a bigger bite out of consumers' wallets thanks to a double scoop of bad news: shrinking butter-fat supplies and rising energy costs.

This translates into higher prices, which are particularly troublesome for superpremium operations like Dandy Don's, which relies on 14 percent fat mix. All of a sudden, Dolan said, they'll see two months' worth of supply-tightening compressed into one day, when the price hike hits today.

"It affects people like (Whittemore). They see the chain whipping even faster," Dolan said. "They're impacted a lot more than someone running a 10 percent ice cream operation."

Despite his increased costs, Whittemore pledges no further price hikes on the consumer side. After raising prices earlier this year, he's decided to eat the cost for the meantime, to keep his customers happy.

"We'll bite the bullet and absorb this as long as we can," he said. "We'll let other people raise their prices first and maintain our relationships with our customers."

Everyone's going to get hit, and we want to be the good guys."

Ice Cream Partners, which produces superpremium for both Haagen-Dazs and Nestle, has been hit by high prices, as well.

"The energy situation certainly hasn't helped things," said Al Briggs, vice president of operations. "We took the prices up 3 percent for grocers, and how they pass it on goes accordingly."

Even if consumers may find higher prices in the dairy case soon, they'll likely keep on indulging.

"There's a real market for superpremium ice cream, and it keeps growing," said Nancy Fletcher, director of communications for the California Milk Advisory Board. "It's for people who want the Cadillac lifestyle, but they can't quite afford the Cadillac, so they buy the best in other things. When you look at it compared to high-priced wine, ice cream's still a real deal."