



Noah Berger / AP

## Chocolatiers jump onto gourmet bandwagon

**Lured by purported health benefits, consumers gobble up high-end treats**

By Allison Linn  
Senior writer MSNBC  
Updated: 2:06 p.m. PT March 28, 2007

This Easter, don't be surprised if even the kids aren't satisfied by those waxy milk chocolate eggs that have long been the mainstay of Easter egg hunts.

These days, more Americans are snubbing typical childhood favorites in favor of premium chocolates that carry pedigrees such as a high cacao content, a lack of preservatives and, in some cases, even a specific country of origin.

Simply wrapping that chocolate around a nut or caramel won't always cut it, either. Exotic bonbons and truffles now boast ingredients like olive oil, fig, chili pepper and even wasabe.

Such chocolates can in some cases fetch more than \$50 per pound, but the price tag doesn't seem to be slowing sales. Research firm Mintel estimates that the market for premium chocolate — or chocolate that costs more than \$8 per pound — is increasing by about 14 percent per year. In 2006, research analyst Marcia Mogelonsky said, Americans spent about \$2.05 billion on such high-end chocolate, up from \$1.79 billion in the previous year.

That's still a small slice of the overall U.S. chocolate market, which Mogelonsky estimated to be about \$15.7 billion in 2005, up just 3 percent from \$15.2 billion in 2004. (She doesn't yet have 2006 figures available.) Still, as the fastest-growing segment of the market, the gourmet trend is spawning a number of small start-ups and drawing the attention of big chocolate companies.

Hershey Co. has bought up three small gourmet chocolate makers since 2005: Scharffen Berger Chocolate Maker, Joseph Schmidt Confections and Dagoba Organic Chocolate. Hershey also launched its own premium line.

Cadbury Schweppes plc, the British confection and soda giant which recently announced plans to split up its businesses, also now owns chocolate maker Green & Black's.

Chocolate artisans say they welcome the increased attention to chocolate, which has helped many get — and stay — in the business over the past few years.

Chuck Siegel, president of Charles Chocolates in Emeryville, Calif., first entered the high-end chocolate business in 1987, when gourmet items were primarily sold through fancy food catalogs such as Williams-Sonoma. Now, Charles Chocolates — which he started in 2004 — sells its products at Whole Foods and other more general retailers.

"One of the big differences is now (people are) actually looking for premium chocolates," he said. "It's not really an issue of having to convince them." Siegel says the 25-person company is profitable, but he won't provide specifics.

Many compare the increasing popularity of gourmet chocolate to the way Americans' taste in coffee has evolved over the years.

"It's sort of the difference between drinking what we all used to drink — good old American coffee — and then discovering French roast," Mogelonsky said.

The push is being driven in part by a surge of information about the potential health benefits of cacao. Researchers say the core ingredient in chocolate includes flavanols, which have properties that could help mitigate risk factors related to cardiovascular disease, and perhaps provide other healthful properties. That's one reason more people are looking for chocolates with a higher percentage of cacao, and companies are marketing the cacao content.

Noah Houghton, president of Dallas-based Noka Chocolate, said the health research has been a boon to his business, which started in 2004 and sells pricey chocolate pieces made with very simple ingredients.

Houghton said his chocolates, which can sell for hundreds of dollars a pound, also are popular with corporate gift givers because they are upscale and gender-neutral. He said the company is profitable but wouldn't provide specifics.

A machine stirs chocolate at the Scharffen Berger factory in Berkeley, Calif. The upscale chocolate maker recently was bought out by Hershey. Still, some are wary of promoting the health benefits of eating chocolate.

Siegel notes that while pure cacao might provide some heart benefits, adding buttercream and other decadent, high-fat ingredients can quickly negate that.

Michael Antonorsi, chocolatier with the southern California boutique chocolate maker Chuao Chocolatier, prefers to tout other benefits.

"It's healthy through the happy fact of having a great, enjoyable moment," he said.

But, he added, "If you want to have flavanols and antioxidants, you should eat raw cacao beans."

Industry watchers say gourmet chocolate also is getting more popular because of what chocolate industry analyst Joan Steuer calls "self-gifting" — the idea that it's OK to give yourself a little treat every once in a while, or even every day.

She credits coffee drink giant Starbucks Corp. with popularizing the idea of regularly spending \$3 or \$5 to indulge yourself.

"Everybody wants the best that I can afford," said Steuer, who runs Chocolate Marketing LLC. "We want our fine chocolate every day, and we want it for ourselves."

Gourmet chocolate also has been given a boost from mainstream retailers, including booksellers and even office supply stores, who now stock small, high-end Lindt and other chocolates at checkout counters. Ghiradelli chocolates are even sold at some airport kiosks these days.

The pervasiveness of very small pieces of high-end chocolate also has helped. Steuer notes that spending \$3 on a tiny, rich piece of chocolate may seem easier on the wallet than picking up a bigger, \$30 box.

Small chocolate companies are embracing the idea that chocolate isn't just an afternoon snack or an ingredient in birthday cake — it's an experience to be savored.

"Just like it happened with wines and cheese and bread, it's happening with chocolate. ... Chocolate has become more of a gourmet food," said Antonorsi, whose nearly 5-year-old company now has five stores and a wholesale business.

Many chocolate makers tout the country where the chocolate came from, using terms like "single-origin," and the difference they claim that can make to the flavor. Some even go so far as to include pamphlets describing the flavor profile of the chocolate, invoking language similar to wine connoisseurs.

On the back of Vosges Haut-Chocolat's Black Pearl Bar — a dark chocolate bar flavored with wasabi, ginger and black sesame seeds — customers will find instructions on "How to enjoy an exotic candy bar." After Step 1 — "breathe" — tasters are instructed to do things like rub their thumb along the bar "to help warm the chocolate and release the aromas."

Such attention to taste is even helping spawn interest in chocolate tasting clubs. Steuer predicts that the next big trend will be pairing parties in which people discuss what wine, tea or even beer goes best with which chocolates.

The trend toward high-end chocolate isn't expected to dissipate, in part because chocolate just tastes good.

"I don't think it's going to fade so fast because there's just a sense that you can enjoy it, and if you enjoy it in moderation, you can enjoy it and not do yourself great harm," said Mogelonsky, the Mintel analyst.

© 2007 MSNBC Interactive