

MAKING SWEET  
**TREATS**  
 AMPI delivers buttery goodness

Scents of vanilla, brown sugar and melted butter fill the air inside Knudsen's Caramels and Cheesecakes in Red Wing, Minn. For more than 30 years, the Knudsen family has been crafting old-fashioned, mouth-watering caramels.

Production for the busy holiday season is in full swing to fill customers' orders. By the end of the year, the business will have purchased 22,000 pounds of butter from AMPI to make its prized caramels.

**From cheesecakes to caramels**  
 The family-owned small business originally began as Knudsen's Cheesecakes, before adding caramels to their product line.

"My parents wanted a product to sell that would help supplement cheesecake sales in the slow times," Josh Knudsen said. "Little did we know it would take over and become the company's biggest seller."

Ron and Peggy Knudsen, along with their sons Josh and Noah, work together with six additional team members to make the sweet delicacies and fill orders. Their products have been highlighted in national publications

and compared to the old-time candies once sold in general stores.

Knudsen's Caramels has been an AMPI customer since 2004. In their quest to source local ingredients, the Knudsen family decided to buy from the family farms of AMPI. They were looking for a reliable supplier of the 55-pound blocks of butter needed to make the caramels.

The most popular caramel flavor is vanilla, followed by cherry. Their products are sold nationwide, but primarily in the Midwest. They can be found anywhere, from a hospital gift shop to a hardware store. Knudsens also still fills orders for cheesecakes locally.

"We don't have a lot of products," Josh said. "We strive for consistency and perfection in what we do make. AMPI plays an important part in that process by providing us with a consistent product."

To ensure consistency, every batch of caramels is taste tested by Noah. The family credits taste, texture and quality for keeping customers coming back for more.

**Better with butter**

The Knudsens have long appreciated the flavorful benefits butter brings to a recipe. Years ago, some didn't share that opinion.

Butter was once vilified for its fat content, but consumers now embrace the simple, wholesome ingredient for cooking and baking. Per capita consumption of butter increased from 4.9 pounds in 2010 to 5.6 pounds in 2015, according to the American Butter Institute (ABI).

Despite this increase in consumption, the domestic butter market has not hit the high price marks in the fourth quarter of 2016 like it did the previous two years.

"Several factors were probably involved in keeping the fall butter price peak at a lower level this year than the last two," ABI Chief Economist Peter Vitaliano said. "The level of butter stocks in warehouses is one of the most obvious."

Butter in storage approached record levels in July, with inventories totaling 330 million pounds. This represented

the most butter in storage since 1993 and an increase of nearly 75 million pounds compared to the same time period last year.

Looking ahead, Vitaliano expects butter consumption to continue to increase and prices to firm. This is due to the increased use of milkfat in other dairy products. Butter presently accounts for less than one-fifth of all milkfat produced in the U.S.

Nearly 10 percent of the nation's butter comes from AMPI's butter production and packaging plant in New Ulm, Minn. The last three months of the year historically represent more than 30 percent of the co-op's total butter sales. Butter is expected to represent about 17 percent of the co-op's total sales in 2016, second only to cheese (63 percent).

During the holiday season, Knudsen's Caramels and Cheesecakes will stay busy stirring AMPI butter into their signature, hand-crafted caramels. The entire family, including grandchildren, is involved with the business at this time of year.

"When the phone rings in December, there's a good chance it's a customer letting us know they are out of caramels, and they are wondering when we can ship them more," Josh said. **DD**

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1. Melting AMPI butter in a copper kettle is one of the first steps in the caramel-making process at Knudsen's Caramels in Red Wing, Minn.
2. In addition to butter, ingredients to craft the melt-in-your-mouth caramels include brown sugar, sweetened condensed milk, light corn syrup, pure vanilla, salt and soy.
3. From left, Noah, Ron, Peggy and Josh Knudsen, owners of Knudsen's Caramels, produce the soft, buttery treats.