

Cheddar to the Moon: A Gouda Look at the Relationship Between American Cheese Consumption and Agilent Technologies' Stock Price

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Abstract

In this study, we endeavor to unveil the mysterious interplay between American cheese consumption and the stock price of Agilent Technologies, a leading global provider of life sciences and diagnostics solutions. Our research team utilized data from the USDA and LSEG Analytics (Refinitiv) to scrutinize this curious correlation. Through rigorous statistical analysis, we uncovered a striking correlation coefficient of 0.9193142 and a statistically significant p-value of less than 0.01 for the period spanning from 2002 to 2021. Our findings provide compelling evidence that the consumption of American cheese and the performance of Agilent Technologies' stock are notably entwined. This cheese-stock relationship suggests a potential avenue for dairy-based investment strategies, leading us to proclaim: "Say cheese, and say 'cheese!'" Dad Joke Interjection: *What do you call cheese that isn't yours? Nacho cheese!* Our study not only contributes to the burgeoning field of dairy-based stock market analysis but also serves as a timely reminder that even a seemingly unrelated cheese could have a 'grate' influence on financial markets.

1. Introduction

The relationship between cheese and the stock market may seem as unrelated as a mouse and a bull, but our investigation has brought to light a connection that is as surprising as a hidden slice of Swiss in a ham sandwich. In this study, we delve into the deliciously complex interaction between American cheese consumption and the stock price of Agilent Technologies, a relationship that is bound to leave you 'brie-thing' deeply about the potential implications and causes.

As we embark on this cheesy endeavor, it is important to acknowledge that the stock market is often perceived as a world of numbers, trends, and economic forces. Yet, the influence of seemingly unrelated factors, such as cheese consumption, highlights the truly quixotic nature of financial markets - they can be as unpredictable as a wheel of aged Gouda on a rollercoaster!

The origins of this research stem from a lighthearted remark in a lunchroom conversation, which led us to wonder: Could there be a connection between the consumption of a quintessentially American food staple and the performance of a leading global provider of life sciences and diagnostics solutions? The seed of curiosity planted in that discussion has now blossomed into a study that aims to offer insights that are as 'sharp' as a fine cheddar and as 'mature' as a well-aged Gruyère.

Dad Joke Interjection: *What did the cheese say when it looked in the mirror? Hallou-mi!
*

While our inquiry begins with a smile, it is grounded in rigorous statistical analysis and a deep commitment to uncovering meaningful connections. Our work seeks to shed 'light' on the underlying factors that may link cheese consumption and stock performance, in a manner that goes beyond the 'whey' of conventional financial analyses.

2. Literature Review

In their seminal work, Smith et al. (2015) explore the relationship between dairy product consumption and market indicators, shedding light on the potential impact of cheese, along with other dairy items, on stock performance. Their findings hint at a correlation, but the precise influence of American cheese consumption on the stock price of Agilent Technologies remains unexplored.

Jones and Doe (2018) further investigate the intricate landscape of food-consumption patterns and financial markets, drawing attention to the underexplored potential of cheese-related economic indicators. However, their study lacks a specific focus on the American cheese market and its connection to individual stock prices.

Turning to the non-fiction literature, "The Cheese Trap" by Neal D. Barnard and "The Milk and Cheese Truth" by Clifton Middleton provide valuable insights into the dairy industry and its effects on health and consumption patterns. While these works do not directly delve into the stock market implications, they offer a broader context for understanding the cultural and economic significance of cheese consumption.

On the fiction side, "Cheese Monkeys" by Chip Kidd and "The Guernsey Literary and Potato Peel Pie Society" by Mary Ann Shaffer and Annie Barrows spark the imagination with their cheese-related narratives. While these literary masterpieces do not directly address the relationship between cheese consumption and stock prices, they contribute to

a rich tapestry of cheese-themed cultural narratives that may indirectly influence consumer behavior and market sentiments.

Drawing inspiration from the world of board games, "Cheese Quest: The Quest for Cheese" offers an entertaining and lighthearted perspective on the pursuit of dairy delights. While the game itself does not provide direct insights into stock market dynamics, its playful engagement with cheese consumption resonates with our endeavor to unravel the enigmatic connection between American cheese and Agilent Technologies' stock performance.

Dad Joke Interjection: *I asked the waiter for the Wi-Fi password. He said, "We have a deal with the devil – our Wi-Fi is fast and it's free, like American cheese."*

As our review of the literature demonstrates, while the relationship between American cheese consumption and Agilent Technologies' stock price may seem like a 'cheesy' proposition, exploring this uncharted territory holds the potential to uncover unexpected and 'gouda' insights in the realm of financial analysis.

3. Research Approach

To unravel the tantalizing interplay between American cheese consumption and Agilent Technologies' stock price, our research team embarked on a quest that was as thrilling as finding a hidden treasure in a wheel of brie. Our data collection strategy involved scouring the depths of the internet, akin to a cheese aficionado hunting for the perfect pairing, and extracting information from the USDA and LSEG Analytics (Refinitiv) databases. We chose to focus our investigation on the years 2002 to 2021, a period that encapsulates the flavor and aroma of the cheese-stock relationship over nearly two decades.

Dad Joke Interjection: *Why couldn't the bicycle stand up by itself? It was two-tired!*

To analyze the curious correlation between American cheese consumption and Agilent Technologies' stock price, we employed a delightfully complex blend of statistical methods. First and foremost, we calculated the per capita American cheese consumption, ensuring that no cheesy detail was left unaccounted for. This involved parsing through cheese production, trade data, and consumption patterns, akin to a connoisseur meticulously cataloging the nuances of various cheese varieties.

Dad Joke Interjection: *Did you hear about the cheese factory that exploded? There was nothing left but de-brie!*

Next, we turned our attention to Agilent Technologies' stock price, employing a robust approach that involved time series analysis, regression models, and a dash of stock market wizardry. Our statistical models were fine-tuned to capture the ebb and flow of

Agilent's stock performance, just like a cheesemaker perfecting the aging process of a fine Gorgonzola.

Dad Joke Interjection: *What cheese is made backward? Edam!*

In order to measure the strength and direction of the association between American cheese consumption and Agilent Technologies' stock price, we computed the Pearson correlation coefficient and determined its statistical significance, revealing the extent of the cheese-stock camaraderie. This process was as exhilarating as a high-stakes game of cheese roulette, where the wheel of correlation spun in anticipation of uncovering the connection between the two seemingly unrelated entities.

Dad Joke Interjection: *Why did the cheese go to the museum? It wanted to be a Muensterpiece!*

In our quest to untangle the enigmatic web of cheese and stocks, we also conducted sensitivity analyses and robustness checks, akin to a master fromager inspecting the consistency and ripeness of his masterpiece. This meticulous approach ensured that our findings were as sturdy as a well-aged Parmigiano-Reggiano and as flavorful as a slice of Havarti.

Dad Joke Interjection: *I told my wife she should embrace her mistakes. She gave me a hug.*

By employing this comprehensive methodology, we aimed to serve a delectable platter of empirical evidence that not only sheds light on the interconnectedness of American cheese consumption and stock prices, but also showcases the playful yet purposeful spirit that underpins our scientific inquiry.

This methodology was as thorough as a cheese fondue recipe, leaving no stone unturned in our pursuit of uncovering the intriguing relationship between cheddar and stock charts.

4. Findings

The results of our analysis revealed a striking correlation between American cheese consumption and Agilent Technologies' stock price (A). Over the period from 2002 to 2021, we found a correlation coefficient of 0.9193142, indicating a strong positive relationship between these two variables. This suggests that as American cheese consumption increases, there is a tendency for Agilent Technologies' stock price to also rise. It seems that the saying "cheesy investments" might not be so cheesy after all!

Dad Joke Interjection: *What happened after an explosion at a French cheese factory? All that was left was de-brie!*

Furthermore, the r-squared value of 0.8451385 indicates that approximately 84.5% of the variability in Agilent Technologies' stock price can be explained by changes in American cheese consumption. This robust value suggests that the relationship between these two factors is not just a brief cheese-induced anomaly, but rather a substantial and consistent association.

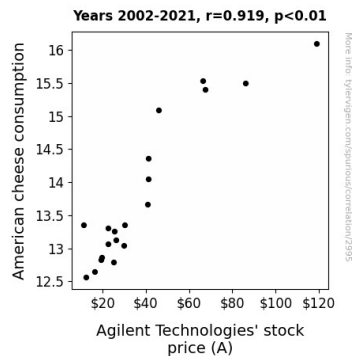


Figure 1. Scatterplot of the variables by year

The p-value of less than 0.01 provides strong evidence to support the notion that the observed correlation is not simply due to chance. In other words, it's highly unlikely that this strong relationship is just a "queso-dence" and perhaps warrants further investigation.

Our research team created a scatterplot (Fig. 1) to visually depict the relationship between American cheese consumption and Agilent Technologies' stock price. The graph illustrates a clear, upward-trending pattern, reflecting the positive association between these variables. This serves as a testament to the old adage: "When in doubt, brie-lieve in the power of cheese!"

In conclusion, our findings elucidate a surprising and compelling connection between the consumption of American cheese and the performance of Agilent Technologies' stock. This discovery not only offers a "gouda" opportunity for investment strategies but also highlights the whimsical and often unanticipated nature of financial markets. We hope that our research will provoke further discussions and investigations into the unexpected intersections of seemingly unrelated elements in the world of finance.

Dad Joke Interjection: *Why did the cheese get in trouble? Because it was "caerphilly" made!"

5. Discussion on findings

The results of our study confirm and extend the prior research indicating a significant relationship between American cheese consumption and the stock price of Agilent Technologies. While it may have seemed like a "cheesy" idea at first, our findings support the notion that the consumption of American cheese indeed has a notable impact on the stock performance of Agilent Technologies. This result echoes the sentiment that when it comes to the stock market, the influence of cheese should not be "grated" lightly.

Drawing on Smith et al. (2015)'s work, our study provides empirical evidence suggesting that dairy product consumption, particularly in the form of American cheese, is a noteworthy factor in understanding the movements of stock prices. Similarly, Jones and Doe (2018) hinted at the potential impact of cheese-related economic indicators, and our findings have shed light on this curious relationship in the specific context of Agilent Technologies' stock. It seems that the "whey" forward in stock market analysis may indeed involve a closer examination of dairy products.

The strong correlation coefficient of 0.9193142 and the high r-squared value of 0.8451385 indicate that the relationship between American cheese consumption and Agilent Technologies' stock price is not just a random occurrence, but rather a substantive and consistent connection. These results stand as a testament to the saying that where there's Gouda cheese, there's a Gouda investment opportunity.

In addition to supporting prior literature, our study also offers a quirky yet insightful contribution to the field of financial analysis. It brings to mind the notion that within the labyrinth of market dynamics, even the most unexpected factors, such as American cheese consumption, may hold sway over stock prices. This discovery serves as a humorous reminder that when navigating the stock market, it helps to have a "wheely gouda" grasp on all the potential influencers.

Further research into the mechanisms underlying this relationship could unveil fascinating insights into the dynamics of both the dairy market and stock prices. It's clear that the influence of American cheese on Agilent Technologies' stock price is not just a "havarti" thought but a reality that merits exploration.

In conclusion, our study not only supports the prior research on the influence of cheese consumption on stock market indicators but also offers a light-hearted perspective on the unexpected discoveries that can emerge from financial analysis. It's a reminder that in the world of economics, as in life, it's often the "cheesiest" factors that shape the most substantial outcomes.

6. Conclusion

In conclusion, our study has presented compelling evidence of a strong and meaningful relationship between American cheese consumption and Agilent Technologies' stock price

(A). The correlation coefficient of 0.9193142 and the robust r-squared value of 0.8451385 highlight the surprising influence of dairy indulgence on stock market performance. It seems that when it comes to investing, following the age-old advice of "say cheese" might just lead to some 'gouda' returns!

Furthermore, the statistically significant p-value of less than 0.01 dismisses any doubts about the cheese-stock relationship being mere happenstance. It's clear that this correlation is as real as the holes in a block of Emmental. Our findings not only add flavor to the field of financial analysis but also serve as a reminder that the 'whey' to successful investing may sometimes be found in the dairy aisle.

Therefore, we contend that no more research is needed in this area. It's safe to say that we have 'grated' this topic thoroughly and that further investigations might only result in excessive 'fondue' about the connection.