

Milk Development Council (MDC) Great Britain

The Commercial Reality Of School Milk



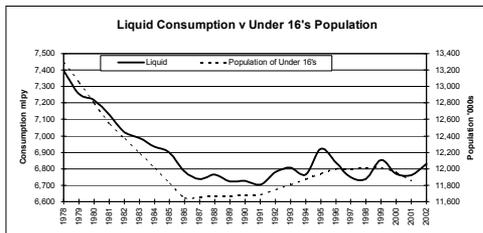
The School Milk Project

www.schoolmilk.co.uk

Problem

- Primary schools (age 5-11)
 - 29% penetration of school milk
- Secondary schools (age 11-18)
 - Zero in England & Wales
- Why?
 - Dairies didn't see the commercial opportunity

Consumption vs population



Source: DEFRA National Food Survey

Strategies

- 3 Objectives
 - Commercial argument for dairies
 - Examples of best practice
 - Examples of 'efficient' promotions

What gets measured- gets done

Budget

- Primary Schools
 - 19 facilitators MDC £350,000
 - Dairies £350,000
 - Total £700,000
- Secondary
 - MDC £350,000
 - Farmers co-op £350,000
 - Dairies est' £100,000

Commercial

- School Milk Project
 - School milk facilitator
 - Coordination with dairy distribution
 - MDC/The Dairy Council/Dairy UK
 - Market information
- Dairy Companies
 - Investing in fridges
 - A free sales person
 - Cash generative business
 - Bigger margins
 - Reduced dist' costs
 - Shared cost & access to promotions

School Milk

- Nursery & Primary schools – The School Milk Project

Target for 2004

19 Facilitators X 50 Schools X 100 Children =

3.7 Million litres

Wrexham fridge trial

- providing merchandised fridges plus increasing cost of carton by 1p

INTERIM RESULT

Period: 19th Jan to 28th Feb 2004

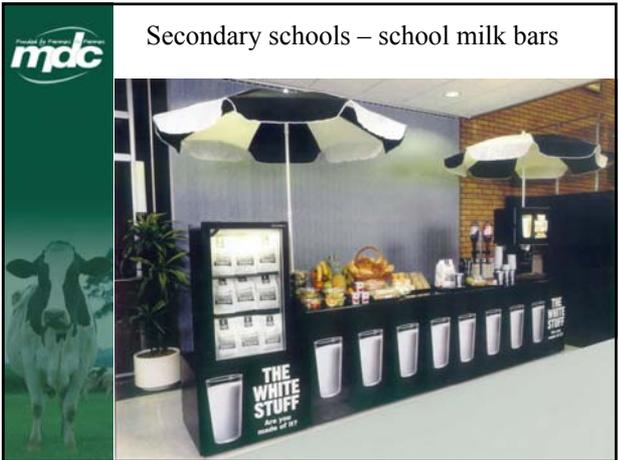
**MILK SALES UP BY
87%**

milk in schools a First Milk and Autonomis e-bulletin

refrigeration

MILK REFRIGERATOR FACTORS:

- top quality performance
- rapid pull-down times
- product is visible
- easy to use
- dependable unit
- long operating life
- great opportunities for branding
- unrivalled reliability



School Milk

- Secondary schools – school milk bars

Target for 2004

500 milk bars = 5 million litres per annum

1000th milk bar to be opened any time now



Value

- Supermarket milk
 - £1.50 gal
 - School milk
 - £3.00/gal dairy
 - £9.00/gal child
 - Plus dairies can sell:-
 - Straws, cups, flavouring i.e. more revenue
- It's that easy!

Where we are

- School milk increasing
- Secondary schools attracting brands (Robinsons)
- Dairies investing in Fridges = volume



So.....

- Primary schools
 - 3.7 million litres
- Secondary schools
 - 5 million litres
- School Milk Week
 - 2.5 million litres

= 11.2 million litres annual incremental volume

And that's just school milk!

