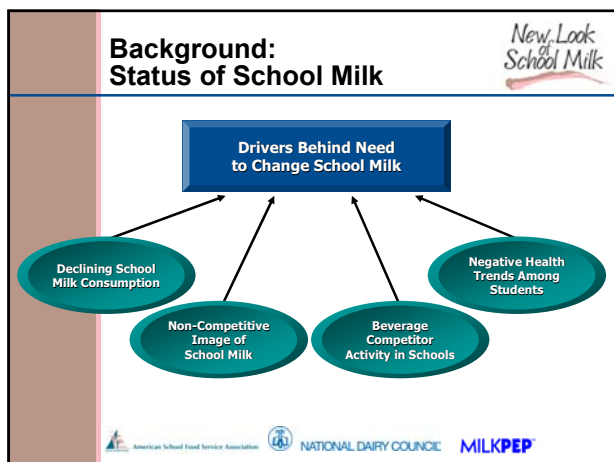




## Outline

- Background
- Studies
- New Look of School Milk
- Components of Success



## Background: Status of School Milk

- On average, every year, for the past 10 years, children have stopped drinking another 60 million gallons of milk
- **Attitude Statements: School Milk**
  - As good as home 35% disagree
  - Like white milk 39% disagree
  - Like Chocolate 19% disagree
  - Like carton 41% disagree
- Each student who stops drinking milk cost us 1,000 gallons –

## Background: School Milk is BIG Volume

- **School Channel is 6% of Total Milk**
  - Second only to grocery channel and 50% larger than C-Store volume.
- **School Milk Dominates Unit Volume**
  - Three times the consumer purchase occasions (units) vs. grocery stores.

Channel	Volume (Gallons)
Grocery	60
Schools	6
C-Store	4
Club	3
Rest	1

Channel	Units
Grocery	~1,500
School	~5,000

## Background: Nutrition Implications

- America's children are overweight and undernourished
  - 1/4 US children overweight or obese
  - 9 out of 10 girls and 7 of 10 boys do not meet their calcium requirements
- National School Lunch Program including milk is important nutrition solution for:
  - Superior nutrient intake
  - Significant percent of students depend on meals for daily nutrition

## The Competition at Times



## Background: How school milk was...

*New Look  
of School Milk*



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## Outline

*New Look  
of School Milk*

- Background
- **Studies**
- New Look of School Milk
- Components of Success

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## School Milk Pilot Test: Model for Change

*New Look  
of School Milk*

- Co-sponsored with ASFSFA to make milk competitive in schools
- School milk drivers:
  - Enhanced plastic packaging
  - At least one new flavor (usually strawberry)
  - Better storage and refrigeration
  - Better merchandising and served cold (new coolers)
  - 8-ounce on meal line (10-ounce two markets)
  - 16-ounce a la carte and vending

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## Test: Getting Kids to Drink More Milk

*New Look  
of School Milk*

### School Milk Pilot Test involved ...

- 146 schools in 18 districts
- 100,000 students
- 9 dairy processors
- Timeline: 2001–02 school year
- Measurements
  - School meal participation
  - Milk sales data
  - Milk plate waste
  - Student opinions

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## New Look of School Milk

*New Look  
of School Milk*

- School milk model based on School Milk Pilot Test results
  - Milk Sales – increased 18%
  - 86% increase came from meal line
  - Milk consumption – increased 37%
  - Lunch ADP (secondary level) – increased 5%
  - 10 oz unit sales – increased 5.5%
- **What happens if implemented nationally...**

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## SMPT: National Rollout

*New Look  
of  
School Milk*



- Promar International studied national health implications:
- **430,000 more students in school meals**
- **2.1 million students become milk drinkers**
- **Student's lifetime risk 6 major health conditions decrease 20-50%**
- **Direct, indirect healthcare costs would fall by \$800 million – \$1.1 billion per year**



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## Outline

*New Look  
of  
School Milk*

- Background
- Studies
- **New Look of School Milk**
- Components of Success



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## Key Marketing/Communication Objectives

*New Look  
of  
School Milk*

- Build wide-spread support for fixing school milk among key players
- Increase demand from schools and consumers
- Educate opinion leaders
- Convince dairy processors of economic and operational feasibility and benefits
- Develop future customers

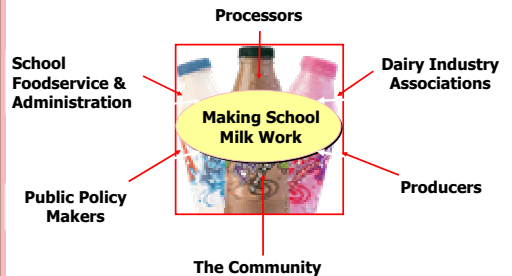


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## Integrated Effort Required to Make the Change

*New Look  
of  
School Milk*



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## New Look of School Milk: Key Elements

*New Look  
of  
School Milk*

- Packaging
- Flavor Variety
- Points of Distribution
- Equipment
  - Merchandising
  - Handling
- New "Business Plan"



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## School Milk Assessment: Guide for Future Program

*New Look  
of  
School Milk*

- Recognize Value of School Milk
- Schools and dairy processors work together to assess school milk product and service options
  - Agreement on key elements, service terms
  - Discuss current options available and possibility for future
- Establish school milk plan for total school
- Dairy Council's support of schools implementing New Look of School Milk
  - Equipment grants
  - Adoption/Promotion package
    - » Breakfast, Lunch, After school



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## How milk could be...

New Look  
of  
School Milk



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## Outline

New Look  
of  
School Milk

- Background
- Studies
- New Look of School Milk
- **Components of Success**

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### Components of Success: School Milk Drives Participation

New Look  
of  
School Milk



- School Milk is not a commodity but a marketing opportunity
- Additional revenue
  - Additional meals from increased ADP
  - A la carte and vending sales
- Calculations range provided for average school district
- Provide budget template to support business decision
- Talking points for School Business Official
- Building "success" stories

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### Components of Success: Key Learnings

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of  
School Milk

#### Customer

- School food service attitudes are changing
  - improve nutrition increasing milk consumption is key.
- Schools may pay more for an improved product and still "profit"
- School food service director is the key driver of change
- Dairy Council is a **key resource** to develop relationships and sell School Foodservice Directors.
- Value added milk programs increase milk sales **and** total meal participation, generating incremental revenue for schools to help offset the cost.
- Secondary schools represent a broader opportunity.

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### Components of Success: Significant Progress Has Been Made

New Look  
of  
School Milk

**Creative  
Milk  
Processors**

**Progressive  
School  
Districts**

Dozens of innovative solutions, growing school milk

**Whether leader or fast follower,  
the time to act is NOW!**

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### Components of Success: MORE Milk at School

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of  
School Milk



- Spreading the word
  - Educating school foodservice, others about volume opportunity with enhanced milk on school feeding line
  - Reach 4,000 schools, representing 3.5 million students in 2004
  - MilkPEP investing \$500,000 for processor education program
  - 21 Processors supplying plastic singles in 19 states and growing!

**Today, nearly 1200  
schools, representing  
860,000 students, offer  
plastic, single serve on the  
line!**

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# New Look of School Milk

Thank you!



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