



Converting to Plastic Milk Containers

Processor Considerations

COMPETITION

- More and more processors are offering 8/10 oz plastic packages to schools and fast food restaurants
- Competition is not only other dairy companies but other beverage companies targeting kids
 - No other beverage is packaged in 8 oz paper containers in schools

INCREASE MILK SALES

- School Milk Pilot Test (SMPT) showed an average 18% sales increase
- Districts implementing New Look of School Milk (NLSM) over 2 to 3 years have shown a sustained sales increase from 15 to 34%
- Most of the increase was on the cafeteria line but also provides sales opportunities for a la carte, vending and after-school snack program
- Positive school milk experiences can help capture life-long milk consumption
 - Average student will consume 1000 gallons in their lifetime
- Huge sales increases reported by McDonalds and Wendy's after switching to plastic containers

ROUTE DELIVERY EFFICIENCIES

- More volume per stop at schools
- Additional SKU's that can be offered to foodservice and C-store accounts

CUSTOMER RELATIONS

- Provide to school accounts products that are being requested
- Shows interest in being part of the district's wellness policy by providing healthy products that kids will consume
 - During SMPT milk consumption increase by 37%
- Help school nutrition achieve their goals of increasing meal participation (ADP) by offering a variety of flavored milk in attractive plastic bottles
 - During the SMPT ADP increased by 5% in secondary schools at lunch

BRAND IMAGE

- Schools are an excellent arena to build a positive brand image by providing quality milk, in a variety of flavors, packaged attractively
- Packaging is part of the marketing mix in all channels including schools
- Opportunity exists for better margins when school milk is no longer being sold as a commodity product