Today’s Presenters and Panelists

Martha Kemper
Vice President, Dairy Experience - Demand
Midwest Dairy

Chris Costagli
Consultant, Client Insights
Information Resources Inc

Megan Sheets
Manager, Consumer Insights
Midwest Dairy
Anti-Trust Statement

Industry Statement for Anti-Trust Compliance

There shall be no discussion or activities for the purpose of arriving at any understanding or agreement regarding price, the terms or conditions of sale, distribution, volume of production, territories, or customers.

There shall be no discussion or activity for the purpose of preventing any person or persons from gaining access to any market or customer for goods or services, nor any agreement or understanding to refrain from purchasing or using any material, equipment, services, or supplies.

There shall be no discussion or activity that may be construed as forestalling or limiting research and development.

Each meeting will be governed by a written agenda prepared in advance and the meeting will be summarized in a document prepared after the conclusion of the meeting.

Your consideration and full compliance with these guidelines is expected, both while in attendance at meetings of Midwest Dairy including but not limited to its Board or Committees, and at all times in your business.
Prior to COVID-19, ~20% of the US population Ate 90% of Their Meals at Home. Now, ~50% of Households are Reporting Eating at Home at Least 90% of the Time.
Dairy aisle dollar sales have outpaced total store dollar sales throughout the pandemic.

**TOTAL STORE**
% Dollar Change vs. Same Period Year Ago

**TOTAL DAIRY**
% Dollar Change vs. Same Period Year Ago

Source: IRI syndicated database
PRE-COVID: 2020 through 3-8; COVID: 3-9-2020 to 8-2-2020
Note: Easter 2020: 4/12; Easter 2019: 4/21

Total Dairy = RFG + shelf-stable milk, Natural + processed cheese, Butter + butter blends, Yogurt, Ice cream + sherbet, cottage cheese, sour cream, dairy cream, half & half
Survey Research Methodology

ONLINE SURVEY
12 Minutes in length, fielded June 25 – July 2, 2020

DAIRY CATEGORY INCREASERS: MILK, CHEESE, YOGURT, BUTTER Behaviorally qualified sample of 25%+ Change during COVID-19 pandemic restrictions vs. YAG (12 wks ending 5/17/2020)

503 QUALIFIED TOTAL DAIRY BUYERS RESPONDENTS SURVEYED
Milk increasers N = 126
Cheese increasers N = 125
Yogurt increasers N = 127
Butter increasers N = 125

TOTAL U.S.
This study included the responses of Dairy Increasers throughout the Total U.S.

*Weighted totals will not sum to total qualified buyers as these are adjusted proportionally for each target group. Weighting is done to ensure that buyer cohorts are representative of their population in the United States. This may involve weighting-up or weighting-down specific cohorts.
WHO?

Who has increased their spending on milk, cheese, yogurt and butter by 25%+ at retail in the past 3 months?
Increasers of Milk, Cheese and Yogurt Were More Likely to be Younger

IRI Custom Survey

![Bar charts showing the number of buyers and incremental buyers across different age groups for milk, cheese, and yogurt.](chart.jpg)
Consumers with Children in the Household Have Over Indexed for Increased Spending on Milk, Cheese and Yogurt

<table>
<thead>
<tr>
<th></th>
<th>&lt;6</th>
<th>6-11</th>
<th>12-17</th>
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<th>&lt;6 &amp; 12-17</th>
<th>6-11 &amp; 12-17</th>
<th>&lt;18</th>
<th>No Children</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Milk Buyers</strong></td>
<td>145</td>
<td>114</td>
<td>138</td>
<td>160</td>
<td>165</td>
<td>155</td>
<td>190</td>
<td>80</td>
</tr>
<tr>
<td><strong>Covid-19 Milk Increasers</strong></td>
<td>161</td>
<td>119</td>
<td>158</td>
<td>147</td>
<td>147</td>
<td>168</td>
<td>196</td>
<td>75</td>
</tr>
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<th>6-11 &amp; 12-17</th>
<th>&lt;18</th>
<th>No Children</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Cheese Buyers</strong></td>
<td>122</td>
<td>118</td>
<td>135</td>
<td>139</td>
<td>137</td>
<td>155</td>
<td>175</td>
<td>85</td>
</tr>
<tr>
<td><strong>Covid-19 Cheese Increasers</strong></td>
<td>124</td>
<td>117</td>
<td>144</td>
<td>148</td>
<td>144</td>
<td>171</td>
<td>196</td>
<td>81</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
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<th>&lt;6 &amp; 12-17</th>
<th>6-11 &amp; 12-17</th>
<th>&lt;18</th>
<th>No Children</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Yogurt Buyers</strong></td>
<td>138</td>
<td>120</td>
<td>111</td>
<td>167</td>
<td>133</td>
<td>151</td>
<td>173</td>
<td>84</td>
</tr>
<tr>
<td><strong>Covid-19 Yogurt Increasers</strong></td>
<td>175</td>
<td>130</td>
<td>104</td>
<td>187</td>
<td>80</td>
<td>159</td>
<td>173</td>
<td>77</td>
</tr>
</tbody>
</table>
Uniquely, Butter’s Growth Was Driven By Primarily Existing Category Buyers, with Slight Increases Among Younger Millennials and Younger Boomers

Volume Index Comparison By Generation

- **Total Butter Buyers**
- **Covid-19 Butter Increasers**

<table>
<thead>
<tr>
<th>Generation</th>
<th>Total Butter Buyers</th>
<th>Covid-19 Butter Increasers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Younger Millennial</td>
<td>69</td>
<td>74</td>
</tr>
<tr>
<td>Older Millennial</td>
<td>90</td>
<td>89</td>
</tr>
<tr>
<td>Generation X</td>
<td>102</td>
<td>102</td>
</tr>
<tr>
<td>Younger Boomer</td>
<td>111</td>
<td>113</td>
</tr>
<tr>
<td>Older Boomer</td>
<td>111</td>
<td>111</td>
</tr>
<tr>
<td>Retirees &amp; Seniors</td>
<td>100</td>
<td>93</td>
</tr>
</tbody>
</table>

IRI Custom Survey
Those Buying More of One Dairy Food are Increasing Spending Across the Dairy Case, Suggesting that Managing Across the Portfolio will be Beneficial

<table>
<thead>
<tr>
<th>Category</th>
<th>% Consciously Buying More</th>
<th>Category Increases</th>
<th>% Consciously Buying More</th>
<th>Category Increases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milk</td>
<td>28%</td>
<td>31%</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>Cheese</td>
<td>28%</td>
<td>26%</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>Yogurt</td>
<td>20%</td>
<td>21%</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>Butter</td>
<td>28%</td>
<td>35%</td>
<td>23%</td>
<td></td>
</tr>
</tbody>
</table>

Q1. Which of the following best describes how your household's dairy purchase has changed over the last 2-3 months, since the COVID-19 restrictions began, for the following?

Source: IRI Custom Survey
WHY, WHEN & HOW?

Why, when and how has dairy consumption changed during the pandemic?
Respondents Increased Their Dairy Consumption Due to **Taste**, **Habitual Consumption** and **Nutrition** Resulting in the Feelings of Satisfaction and Nourishment

**Why Consumption Increased During COVID Restrictions**

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taste</td>
<td>59.1%</td>
</tr>
<tr>
<td>Household staple</td>
<td>50.7%</td>
</tr>
<tr>
<td>Nutrition</td>
<td>41.4%</td>
</tr>
<tr>
<td>Healthy</td>
<td>39.0%</td>
</tr>
<tr>
<td>Ingredient</td>
<td>36.2%</td>
</tr>
<tr>
<td>Affordable</td>
<td>32.2%</td>
</tr>
<tr>
<td>Grew up with</td>
<td>31.0%</td>
</tr>
<tr>
<td>Real / wholesome</td>
<td>30.0%</td>
</tr>
<tr>
<td>Family request</td>
<td>29.8%</td>
</tr>
<tr>
<td>Safe to consume</td>
<td>27.0%</td>
</tr>
<tr>
<td>Familiar</td>
<td>26.2%</td>
</tr>
<tr>
<td>Availability</td>
<td>22.1%</td>
</tr>
<tr>
<td>Gut Health</td>
<td>21.7%</td>
</tr>
<tr>
<td>Comfort</td>
<td>20.7%</td>
</tr>
<tr>
<td>Natural</td>
<td>20.5%</td>
</tr>
<tr>
<td>Immune Health</td>
<td>17.3%</td>
</tr>
<tr>
<td>Joy</td>
<td>12.5%</td>
</tr>
<tr>
<td>Environment</td>
<td>6.8%</td>
</tr>
<tr>
<td>Local</td>
<td>6.6%</td>
</tr>
</tbody>
</table>

**How Did Consumption Make You Feel**

<table>
<thead>
<tr>
<th>Feeling</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfied</td>
<td>59.1%</td>
</tr>
<tr>
<td>Nourished</td>
<td>50.7%</td>
</tr>
<tr>
<td>Comforted</td>
<td>41.4%</td>
</tr>
<tr>
<td>Healthy</td>
<td>39.0%</td>
</tr>
<tr>
<td>Calm</td>
<td>36.2%</td>
</tr>
<tr>
<td>Reward</td>
<td>32.2%</td>
</tr>
<tr>
<td>Cozy</td>
<td>31.0%</td>
</tr>
<tr>
<td>Taken-care-of</td>
<td>30.0%</td>
</tr>
<tr>
<td>Relaxed / chill</td>
<td>29.8%</td>
</tr>
<tr>
<td>Nostalgic</td>
<td>27.0%</td>
</tr>
<tr>
<td>Energized</td>
<td>26.2%</td>
</tr>
<tr>
<td>Safe</td>
<td>22.1%</td>
</tr>
<tr>
<td>Pampered</td>
<td>21.7%</td>
</tr>
<tr>
<td>Less depressed / happy</td>
<td>20.7%</td>
</tr>
<tr>
<td>Special</td>
<td>20.5%</td>
</tr>
<tr>
<td>Excited</td>
<td>17.3%</td>
</tr>
<tr>
<td>Upbeat</td>
<td>12.5%</td>
</tr>
<tr>
<td>Festive / celebratory</td>
<td>6.8%</td>
</tr>
</tbody>
</table>

Source: IRI Custom Survey

1: Dairy = Butter + Cheese + Milk + Yogurt
Butter Snapshot: Changes Since COVID-19

Over half of those spending more on butter say they are preparing more meals and baked goods from scratch

WHEN IS CONSUMPTION INCREASING?

• Morning Snack (+54.6%)
• Breakfast (+30.9%)

USED MORE FOR...

• Baking (+42.4%)
• As an ingredient (+36.8%)
• Dessert recipe (+33.6%)
• Breakfast (+30.4%)

Source: IRI Unify, Total US Multi Outlet + Conv., Year To Date Through 6/14/2020
IRI Custom Survey
Appendix:
Butter - 44, Knoxville
Cheese Snapshot: Changes Since COVID-19

WHEN IS CONSUMPTION INCREASING?

• Breakfast (+44.9%)
• Afternoon snack (+46.7%)
• Nighttime snack (+47.4)

USED MORE FOR...

• In a sandwich (+40.0%)
• As a snack (+36.8%)

Source: IRI Unify, Total US Multi Outlet + Conv., Year To Date Through 6/14/2020
IRI Custom Survey
Appendix:
Cheese - 25, Glen Allen
Milk Snapshot: Changes Since COVID-19

**WHEN IS CONSUMPTION INCREASING?**
- Breakfast (+30.9%)
- Morning Snack (+54.6%)

**USED MORE FOR...**
- Baking (+42.4%)
- As an ingredient (36.8%)
- Dessert recipe (+33.6%)
- Breakfast (+30.4%)

+4.5%
Year-To-Date Volume Growth

Source: IRI Unify, Total US Multi Outlet + Conv., Year To Date Through 6/14/2020
IRI Custom Survey
Appendix:
Yogurt Snapshot: Changes Since COVID-19

WHEN IS CONSUMPTION INCREASING?
• Breakfast (+30.9%)
• Morning Snack (+54.6%)

USED MORE FOR...
• Baking (+42.4%)
• As an ingredient (36.8%)
• Dessert recipe (+33.6%)
• Breakfast (+30.4%)

Source: IRI Unify, Total US Multi Outlet + Conv., Year To Date Through 6/14/2020
IRI Custom Survey
Appendix:
Yogurt - 27, Los Angeles
WHERE?

How has the location of where milk, cheese, yogurt and butter shifted during the pandemic?
For Dairy\(^1\) Respondents, In-Store Shopping at Traditional Grocery Stores was still the Primary Method and Location, but Many did go Online to Shop

<table>
<thead>
<tr>
<th>Outlet Type</th>
<th>Traditional Grocery</th>
<th>Mass Merchandiser</th>
<th>Club Store</th>
<th>Specialty Grocery</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-Store</td>
<td>92.3%</td>
<td>87.5%</td>
<td>94.4%</td>
<td>89.8%</td>
</tr>
<tr>
<td>Online</td>
<td>18.7%</td>
<td>25.9%</td>
<td>8.3%</td>
<td>14.3%</td>
</tr>
<tr>
<td>Online For In-Store Pickup</td>
<td>3.9%</td>
<td>5.1%</td>
<td>3.7%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Online For Curbside Pickup</td>
<td>10.5%</td>
<td>18.5%</td>
<td>4.6%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Online For Home Delivery (Instacart For Example)</td>
<td>6.6%</td>
<td>4.6%</td>
<td>2.8%</td>
<td>12.2%</td>
</tr>
<tr>
<td>Had Another Person Shop For Me</td>
<td>5.2%</td>
<td>4.6%</td>
<td>7.4%</td>
<td>4.1%</td>
</tr>
</tbody>
</table>

\(^1\): Dairy = Butter + Cheese + Milk + Yogurt

Source: IRI Custom Survey
Dairy Milk and Natural Cheese Have Gained Momentum on eCommerce During the Pandemic with Triple Digit Increases

Source: IRI eMarket Insights

Note: 2020 YTD is through 7-12-2020
Personal Shopping Preference, Delivery Fee/Tip and the Ability to see and Touch are Common Barriers to Online Purchasing of Dairy

<table>
<thead>
<tr>
<th>Top Barriers To <em>Continued</em> Online Purchasing Of Dairy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery fee / tip</td>
</tr>
<tr>
<td>Personal preference</td>
</tr>
<tr>
<td>Like to see / touch</td>
</tr>
<tr>
<td>Miss / like human interaction</td>
</tr>
<tr>
<td>Walking aisles reminds me what I need</td>
</tr>
<tr>
<td>Gets me out of the house</td>
</tr>
<tr>
<td>Immediate need</td>
</tr>
<tr>
<td>Don’t get some deals as in-store</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Top Barriers To <em>Trying</em> Online Purchasing Of Dairy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal preference</td>
</tr>
<tr>
<td>Not comfortable buying online</td>
</tr>
<tr>
<td>Delivery fee / tip</td>
</tr>
<tr>
<td>Immediate need</td>
</tr>
<tr>
<td>Like to see / touch</td>
</tr>
<tr>
<td>Walking aisles reminds me what I need</td>
</tr>
</tbody>
</table>

Source: IRI Custom Survey
Online Shoppers say They are Spending More than In-Store Shoppers. These Shoppers were Motivated by Limited Interaction with others and Contactless Experiences.

How Has Spending Changed Since COVID Restrictions Began

- **Spent More**
  - Online Shoppers: 69.7%
  - In-Store Shoppers: 57.7%

- **Spent Less**
  - Online Shoppers: 21.7%
  - In-Store Shoppers: 38.7%

- **Spent About The Same**
  - Online Shoppers: 3.3%
  - In-Store Shoppers: 3.6%

Indicates statistically significant difference

Source: IRI Custom Survey

Appendix:
WHAT’S NEXT?
Implications for the future of dairy
Recessionary Behaviors are Starting to Take Hold; A Third of Shoppers have made Purchase Changes

10% Switched to larger pack sizes because I've been buying more of my groceries at Club stores than I did in the past (i.e. Costco, Sam’s Club, BJ’s)

10% Switched from single-serve items to larger package sizes of foods / beverages because I wanted to stock up on larger quantities to last a while

9% Switched from single-serve items to larger package sizes of foods / beverages because they are a better value

7% Bought fewer single-serve foods / beverages because I’m not eating / drinking while on-the-go or away from home as often

5% Bought fewer single-serve foods / beverages because I haven’t been shopping at Convenience Stores or Drug stores as often

We Expect Measured Channels CPG Sales to Remain Elevated Through 2021, Driven by Lingering Stay-at-Home Behaviors

Among Those 1 In 4 Who Bought Dairy Online, Majority Began Purchasing During COVID Restrictions, and the Trend Is Here to Stay Post-Restrictions

- **24%** Bought dairy online during COVID-19
- **56%** Began purchasing dairy online
- **70%** Will continue purchasing online post COVID-19

Source: IRI Custom Survey
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Working From Home will Become the Norm for Some; Continued Snacking and In-Home Meals will Play a Key Role in Future Dairy Demand

25% Are Working From Home More Often Rather Than Going to an Office Due to COVID-19

After Stay-at-Home Restrictions End, Those Who Have Been Working from Home More Plan to:

- **18%** Work from home much more often than I did before COVID-19
- **19%** Work from home a little more often than I did before COVID-19
- **63%** Return to my usual schedule for work location

More Home Cooking Means Growth For Ingredient-Centric Categories Like Butter And Cheese

68% Eating at Home More Often Instead of at Restaurants*

35% Creating More Meals from Scratch

34% Wait a FEW EXTRA WEEKS after restrictions end before returning to restaurants

47% Wait a MONTH OR MORE after restrictions end before returning to restaurants

53% Continue to create meals from scratch more than before

* IRI Survey Fielded 5/1-5/3

Source: IRI Survey 4/24-4/26 among National Consumer Panel representing Total US Primary Grocery Shoppers
Once COVID Restrictions are Lifted, Consumers Expect…

**BUTTER**
To use butter more with breakfast and baking

- Breakfast: 16.0% Will Use More, 9.6% Will Use Less
- Baking sweet dishes: 16.0% Will Use More, 10.4% Will Use Less

**CHEESE**
To use more cheese in making pizza at home and as an ingredient in other meals

- Making homemade pizza: 13.6% Will Use More, 6.4% Will Use Less
- As an ingredient in a recipe: 12.0% Will Use More, 5.6% Will Use Less

**MILK**
To use more milk as an ingredient in a recipe; other use gains are offset by declines

- As an ingredient in a recipe: 11.1% Will Use More, 4.8% Will Use Less
- By itself / nothing added: 12.7% Will Use More, 11.1% Will Use Less

**YOGURT**
To use more yogurt as a snack and to take it to work or school

- As a snack: 20.5% Will Use More, 11.1% Will Use Less
- Take it to work/school: 19.7% Will Use More, 11.1% Will Use Less

Source: IRI Custom Survey
Appendix:
To Keep Product In Reach, Consumers are Looking for Savings & Increased Production by Manufacturers

Manufacturers Should Be Doing This Now To Get Me To Buy More Dairy

<table>
<thead>
<tr>
<th>Action</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce prices temporarily</td>
<td>49.7%</td>
</tr>
<tr>
<td>Increase production</td>
<td>39.0%</td>
</tr>
<tr>
<td>Inform me on safety measures</td>
<td>25.7%</td>
</tr>
<tr>
<td>Show new ways to use product</td>
<td>13.9%</td>
</tr>
<tr>
<td>Offer tips to make last longer</td>
<td>11.9%</td>
</tr>
<tr>
<td>Offer direct to consumer</td>
<td>8.4%</td>
</tr>
<tr>
<td>Offer creative solutions</td>
<td>6.4%</td>
</tr>
</tbody>
</table>

Source: IRI Custom Survey

1: Dairy = Butter + Cheese + Milk + Yogurt

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Similarly, consumers are looking to retailers for discounts and strong product availability.

Retailers should be doing this now to get me to buy more dairy:

- Offer discounts: 52.9%
- Prevent out-of-stocks: 43.9%
- Inform me on safety measures: 26.6%
- Tell me where product came from: 10.7%
- Provide me with recipes: 9.7%
- Provide me with creative solutions: 5.8%
- Provide me with nutritional information: 4.8%
- Improve online ordering platform: 2.6%
- Offer subscription-based options: 2.0%

Source: IRI Custom Survey

\(^1\): Dairy = Butter + Cheese + Milk + Yogurt
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Customize Shopper Marketing Promotions Based on Future Usage Occasions
Dine Out @ Home Promotion

Supplementing the dine-out experience and exciting shoppers to dine at home

Inspiring shoppers and garneting excitement about recreating the dine-out experience right in their kitchen through ease of use with meal kits, cross-promotions and reminders for needed ingredients.

Increase cheese usage, making homemade pizza
Address Shoppers Need For Snacking

Embracing increased snacking demands

Cross promoting categories with dairy at the center, we can support a shopper’s desire to snack better and build basket size with different ideas on how to Snack Smarter.

Increase yogurt usage, as a snack
Provide Seasonal Recipe Inspiration with a Focus on **Breakfast** and **Baking**

Focus on butter and milk recipes with a consideration for seasonal inspiration and holiday gift giving.
Address Dairy’s Online Shopping Barriers
Stay Connected with Your Shoppers

Include videos at the point of sale for your shoppers to learn more about seasonally recommended dairy products from their local retail dietitian.

Top Barriers to Continued Online Purchasing of Dairy

- Delivery fee / tip
- Personal preference
- Like to see / touch
- **Miss / like human interaction**
- Walking aisles reminds me what I need
- Gets me out of the house
- Immediate need
- Don't get some deals as in-store
Offer Special Dairy Deals for Online Shoppers and Enhance Browsing Ability

Top Barriers to *Continued* Online Purchasing of Dairy

- Delivery fee / tip
- Personal preference
- Like to see / touch
- Walking aisles reminds me what I need
- Gets me out of the house
- Immediate need
- Don't get some deals as in-store

Top Barriers to *Trying* Online Purchasing of Dairy

- Personal preference
- Not comfortable buying online
- Delivery fee / tip
- Immediate need
- Like to see / touch
- Walking aisles reminds me what I need

Browse this aisle
Spotlight Dairy Nutrition and Wellness Information
Highlight Dairy’s Health Benefits through QR Codes

QR codes are having their moment, especially as brands look for ways to engage and connect with more users digitally (Mintel May 2020).

Help consumers maintain a healthy in-home nutrition plan through sharing dairy’s product benefits. Dairy provides nutrition and comfort, meeting both physical and emotional wellness goals as consumers continue to navigate the changes of the pandemic.
Dairy as a Wellness Event

Meet the evolving lifestyle demands of your shopper

Hosting a Dairy Wellness Week across events and social media helps educate your shoppers, enabling them to feel great about the nutritious benefits of incorporating dairy into their everyday lifestyles.
Personalize Dairy Shopper Marking Campaigns to Meet the Needs of Families
Add a Gallon of Milk Campaign

Launch family meal deals and promotions to provide an excellent dairy experience for family shoppers.

Offering an “Add a Gallon of Milk” incentive with pizzas and meal kits helps shoppers to remember to provide a nutritious beverage for their family at-home meals. Meal kits and pizza have both experienced surges in popularity since the beginning of the pandemic.
Provide Tips to Inspire Added Usage Occasions

“Show me new ways to use the product” was the #4 on the consumer list of “what a manufacturer could do to get them to purchase more dairy.”

Mix into a homemade or prepared soup for extra vitamins, nutrients and flavor.

Top a frozen or take-and-bake pizza with Half & Half greens during the last 5 minutes of baking.
Cross-Promote Dairy Categories Together to Build Baskets

On average, 1 in 4 Category Increasers also increased consumption of other dairy products

Dairy-rich recipes like Mac and Cheese, Overnight Oats and Dairy Desserts all provide inspiration to dairy lovers during their pre-shop activities. Consider including these dairy recipes in social media activations, email blasts and other digital campaign platforms.
Summary of Key Insights

**WHO?**
Millennials and households with children are key audiences driving dairy growth at retail.

**WHY?**
Dairy increasers are buying more dairy because of taste AND nutrition.

**WHEN?**
While dairy has seen an increase in consumption across all day parts, the biggest increases are at breakfast and as a snack.

**WHERE?**
In-store shopping at traditional grocery stores is still the primary method and location, but many did go online to shop for dairy.

**WHAT’S NEXT?**
Consumers are adapting to the new normal, embracing at home lifestyles. The dairy category will need to adjust to evolving consumer needs.
NEXT UP....

FOSTERING DAIRY SUSTAINABILITY IN TODAY’S RETAIL ENVIRONMENT

TUESDAY | 11.03.2020 | 12:00 pm CST

After registering, you will receive a confirmation email containing information about joining the webinar.

REGISTER TODAY!
Questions?

CONTACT US TO LEARN HOW WE CAN SUPPORT YOUR DAIRY CASE GROWTH
INSIGHTS@MIDWESTDAIRY.COM
APPENDIX
Source: IRI Custom Survey
All that additional butter is being used at home in cooking and baking

Among Butter Increasers How Have Food Choices Changed Since COVID Restrictions Started?

- Prepared more meals from scratch: 58.4%
- Prepared more baked goods / treats: 52.8%
- Ate more comfort foods: 40.0%
- Had more sit-down meals with family: 32.8%
- Got takeout from restaurants less often: 29.6%
- Prepared more quick meals: 28.0%
- Ordered in from restaurants less often: 22.4%
- Chose what was easiest: 19.2%
- Got takeout from restaurants more often: 18.4%
- Ate alone more: 15.2%
- Chose what was healthiest: 14.4%
- Used more pre-prepared food / ingredients: 12.0%

Source: IRI Custom Survey
Consumers Have Been Treating More Since COVID Restrictions Began And Butter Has Played An Important Role In Baking And Dessert Making

How Did Your Usage Of Butter Change During COVID Restrictions?

<table>
<thead>
<tr>
<th>Did Not Use During COVID Restrictions</th>
<th>13.6%</th>
<th>8.0%</th>
<th>20.8%</th>
<th>8.0%</th>
<th>13.6%</th>
<th>16.0%</th>
<th>16.8%</th>
<th>36.0%</th>
<th>48.0%</th>
<th>41.6%</th>
<th>48.0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>For baking sweet dishes</td>
<td>39.2%</td>
<td>52.0%</td>
<td>40.8%</td>
<td>60.0%</td>
<td>55.2%</td>
<td>56.0%</td>
<td>60.8%</td>
<td>44.8%</td>
<td>34.4%</td>
<td>41.6%</td>
<td>34.4%</td>
</tr>
<tr>
<td>As an ingredient in a recipe</td>
<td>42.4%</td>
<td>36.8%</td>
<td>33.6%</td>
<td>30.4%</td>
<td>27.2%</td>
<td>22.4%</td>
<td>17.6%</td>
<td>12.8%</td>
<td>11.2%</td>
<td>10.4%</td>
<td>8.0%</td>
</tr>
<tr>
<td>As part of a dessert</td>
<td>1.6%</td>
<td>4.8%</td>
<td>1.6%</td>
<td>4.0%</td>
<td>5.6%</td>
<td>4.8%</td>
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<td>6.4%</td>
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<td>9.6%</td>
</tr>
<tr>
<td>For breakfast foods</td>
<td>6.4%</td>
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<td>6.4%</td>
</tr>
<tr>
<td>On sliced bread / toast / bagels</td>
<td>1.6%</td>
<td>4.8%</td>
<td>1.6%</td>
<td>4.0%</td>
<td>5.6%</td>
<td>4.8%</td>
<td>6.4%</td>
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<td>6.4%</td>
<td>6.4%</td>
<td>9.6%</td>
</tr>
<tr>
<td>For sautéing</td>
<td>4.8%</td>
<td>6.4%</td>
<td>4.8%</td>
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<td>9.6%</td>
</tr>
<tr>
<td>For cooking savory dishes</td>
<td>4.8%</td>
<td>6.4%</td>
<td>4.8%</td>
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<td>9.6%</td>
</tr>
<tr>
<td>For frying</td>
<td>4.8%</td>
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<td>6.4%</td>
<td>9.6%</td>
</tr>
<tr>
<td>For seafood / fish</td>
<td>4.8%</td>
<td>6.4%</td>
<td>4.8%</td>
<td>6.4%</td>
<td>6.4%</td>
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<td>6.4%</td>
<td>6.4%</td>
<td>9.6%</td>
</tr>
<tr>
<td>As part of a sauce / dressing</td>
<td>4.8%</td>
<td>6.4%</td>
<td>4.8%</td>
<td>6.4%</td>
<td>6.4%</td>
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<td>6.4%</td>
<td>9.6%</td>
</tr>
<tr>
<td>For grilling</td>
<td>4.8%</td>
<td>6.4%</td>
<td>4.8%</td>
<td>6.4%</td>
<td>6.4%</td>
<td>6.4%</td>
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<td>6.4%</td>
<td>6.4%</td>
<td>6.4%</td>
<td>9.6%</td>
</tr>
</tbody>
</table>

Source: IRI Custom Survey
Butter Increasers Reported Consuming More Across All Day Parts, But At Breakfast And Morning Snack Time Especially

<table>
<thead>
<tr>
<th>Time of Consumption</th>
<th>Consuming More</th>
<th>Consuming Less</th>
<th>No Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakfast</td>
<td>62.8%</td>
<td>30.9%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Morning snack</td>
<td>45.5%</td>
<td>54.6%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Lunch</td>
<td>21.6%</td>
<td>78.4%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Afternoon snack</td>
<td>18.8%</td>
<td>81.2%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Dinner</td>
<td>15.0%</td>
<td>85.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Evening snack</td>
<td>26.7%</td>
<td>73.3%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Night time snack</td>
<td>20.0%</td>
<td>80.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Among Butter Increasers How Did Time Of Consumption Change During COVID Restrictions

Note: Respondents claiming, “Will Not Consume” Are Not Shown On This Slide
Source: IRI Custom Survey
While the majority of respondents expect butter usage to remain the same after COVID, many plan to use more with breakfast preparation and baking.

**How Will You Use Butter Once COVID Restrictions Are Over?**

- For breakfast foods: 68.8% Will Use More, 16.0% Will Use The Same, 16.0% Will Use Less
- For baking sweet dishes: 68.8% Will Use More, 16.0% Will Use The Same, 16.0% Will Use Less
- As part of a dessert: 66.4% Will Use More, 13.6% Will Use The Same, 20.0% Will Use Less
- As an ingredient in a recipe: 75.2% Will Use More, 12.8% Will Use The Same, 12.0% Will Use Less
- On sliced bread / toast / bagels: 72.0% Will Use More, 12.0% Will Use The Same, 16.0% Will Use Less
- For cooking savory dishes: 73.6% Will Use More, 12.0% Will Use The Same, 14.4% Will Use Less
- For sautéing: 76.0% Will Use More, 9.6% Will Use The Same, 14.4% Will Use Less
- For grilling: 68.8% Will Use More, 9.6% Will Use The Same, 21.6% Will Use Less
- For seafood / fish: 61.6% Will Use More, 8.8% Will Use The Same, 29.6% Will Use Less
- As part of a sauce / dressing: 64.8% Will Use More, 8.0% Will Use The Same, 27.2% Will Use Less
- For frying: 71.2% Will Use More, 5.6% Will Use The Same, 23.2% Will Use Less

Source: IRI Custom Survey

*: Low sample, use directionally
Once COVID Restrictions End, Respondents Expect To Use More Cheese In Pizza Making And As An Ingredient In Other Meals

How Will You Use Cheese Once COVID Restrictions Are Over?

- As a snack: 14.4%
- Making homemade pizza: 13.6%
- In a sandwich: 12.0%
- As an ingredient in a recipe: 12.0%
- For breakfast foods: 8.8%
- For cooking savory dishes: 8.8%
- Making mac n' cheese: 8.8%
- As part of a sauce / dressing: 3.2%

Source: IRI Custom Survey
During COVID Restrictions, Milk Increasers Claimed Greater Usage Of Milk In Cold Cereal, As A Standalone Beverage And As An Ingredient In Other Meals

How Did Your Usage Of Milk Change During COVID Restrictions?

<table>
<thead>
<tr>
<th>How Did Your Usage Of Milk Change</th>
<th>Used More</th>
<th>Used Less</th>
<th>No Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did Not Use During COVID Restrictions</td>
<td>9.5%</td>
<td>18.3%</td>
<td>15.9%</td>
</tr>
</tbody>
</table>

- In cold cereal: 2.4% (Used More), 46.0% (No Change), 42.1% (Used Less)
- By itself / nothing added: 8.7% (No Change), 26.2% (Used More), 59.5% (Used Less)
- As an ingredient in a recipe: 3.2% (No Change), 21.4% (Used More), 13.5% (Used Less)
- In a smoothie: 7.9% (No Change), 14.3% (Used More), 13.5% (Used Less)
- Added to tea, coffee, etc.: 4.8% (No Change), 13.5% (Used More), 27.8% (Used Less)
- In mashed potatoes: 5.6% (No Change), 12.7% (Used More), 48.4% (Used Less)
- In hot cereal: 7.1% (No Change), 5.6% (Used More), 35.7% (Used Less)
- With eggs: 5.6% (No Change), 5.6% (Used More), 42.9% (Used Less)

Source: IRI Custom Survey
Once COVID Restrictions End, Respondents Expect To Use More Milk As An Ingredient In A Recipe, Many Other Expected Usage Gains Are Offset By Declines

How Will You Use Milk Once COVID Restrictions Are Over?

- In cold cereal: 16.7%
- By itself / nothing added: 15.1%
- As an ingredient in a recipe: 70.6%
- In mashed potatoes: 12.7%
- In hot cereal (eg, oatmeal, etc.): 9.5%
- Added to tea, coffee, etc.: 7.9%
- In a smoothie: 6.4%
- Added to soups: 3.2%

Source: IRI Custom Survey