Dairy Stakeholders Look To The Future During Conference

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HARRISBURG (Dauphin Co.) — Attendees of the recent Pennsylvania Dairy Stakeholders annual conference listened to discussions centering on opportunities and building a future in the dairy industry

John Lord, professor of food marketing, St. Joseph's University, spoke about his ideas for the future of the industry.

The future of milk marketing, he said, can be assured by focusing on faster-growing niches (such as organic) and segmented markets (such as children, ethnic groups, and people focused on

health

Milk consumption, in general, has fallen for the past three decades, said Lord.

There has been a 36 percent decline in milk consumption among teens in the past 25 years, according to USDA studies. In fact, the milk industry loses half of the consumers during teen years.

According to Lord, demographics have been partly to blame for the decline. Smaller households and on-the-go families mean no more cereal for breakfast, for example.

Also, competitive products in the beverage industry have increased. Besides more drink offerings to the consumer, new calcium-fortified products on the market means that "dairy no longer monopolizes calcium," said Lord.

The good news is that there is significant growth in the cheese, yogurt, and sour cream avenues.

In fact, decline has stabilized overall in 2001 and has even increased among teens. Among consumers 6-12 years old, the fluid milk consumption is the highest it has been in 10 years.

Why the change? New products are now seen as "hip," according to Lord. These new products — which include new



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flavors — are milk in convenient, lifestyle-oriented packages that are portable. The packages are colorful, with splashy graphics.

In addition, "the industry is getting the message out, building awareness, and educating consumers on the health benefits" of dairy.

A key consumer trend is that "taste is king," said Lord. The consumer is saying, "give me something a bit different. I like the total consumption experience."

"It's not the same old white milk anymore," said Lord. "We have to do something different for people who are looking for something different."

Convenience is also a factor in milk sales. The single-serving container should fit in cupholders or backpacks. Single servings not only "help to make the product more portable," but allow everyone in the household to choose their own flavor of milk, Lord pointed out.

Health is another of today's consumers concerns. "A significant issue today is calcium intake. Only 30 percent of male teens and 10-12 percent of female teens consumer enough dairy to get the calcium they need," he said.

Distribution will also be key. "One of the ways to increase milk consumption is to take it to alternative channels," he said. Vending machines or kiosks in transit terminals and other locations could make single-serving milk more accessible to the public.

"Yogurt is perfect for the modern American who is on the go, and who wants to have some

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The panel discussion included, from left, Carl Theunis, Wisconsin; Karen Vines, Penn State; Andy Young, Red Knob Farms, Peach Bottom; and Sharon Zimmerman, Meadow-view Farms, Reinolds.



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