Unprecedented Times Require Unprecedented Action
Now more than ever,
WE CAN REINFORCE MILK’S ESSENTIAL ROLE

CONSUMER ENGAGEMENT

BRAND ACTIVATION SUPPORT

YOUR STORIES

Email us:
kpurcell@milkpep.org

FROM ALL OF US
• Feeding America’s more than 200 food banks and 60,000 pantries across the country are in need of support now more than ever. And, milk is one of the most requested and least donated items.

• Together, Feeding America® – the nation’s largest domestic hunger relief organization – and America’s dairy community have delivered more than 33 million servings of fresh milk to children and families who need it most.

• Now, we can do more to help. Stay tuned for more information next week on how you can take part.

• On Monday, March 30th, GENYouth launched a COVID-19 school nutrition fund and campaign to donate to in order to provide grants to help facilitate meal distribution and delivery. [https://www.genyouthnow.org/donate](https://www.genyouthnow.org/donate)

• For Schools’ Sake — Help Us Feed our Nations Kids!

• 124,000 schools are now closed, affecting nearly 55 million children. Thirty million of those children depend on the U.S.D.A.’s school meal program for a substantial portion of their daily nutrition.
Please help us drive awareness, and ensure that those who can help, and those who need help, have the opportunity to donate or apply for this critical funding.

Sample Social Media Posts: (Request - Include picture of you, your family, etc. “raising your hand.”)

• **Twitter:** #SchoolClosures are impacting millions of food-insecure kids. Raise your hand & donate to @GENYOUthNow’s #COVID_19 Emergency School Nutrition Fund to provide grants for critical #school #resources. Visit genyouthnow.org/donate #ForSchoolsSake

• **Facebook:** Help @GENYOUthOrg Feed Our Nation’s Kids! As schools are closed due to #COVID_19, millions of food insecure students still need access to their school meals. Raise your & donate now to GENYOUth’s COVID-19 Emergency School Nutrition Fund, which is providing grants to help facilitate meal distribution and delivery. The need is URGENT! Visit genyouthnow.org/donate #ForSchoolsSake

• **Instagram:** Not all heroes wear capes. For our nation’s school food service professionals, teachers and volunteers, @GENYOUthNow is raising funds #ForSchoolsSake to help Feed Our Nation’s Kids! We’ve already raised $1M but the need is URGENT to provide meals to food insecure students. Your donation enables grants that help schools get the meal distribution and delivery resources they need. Link in bio to donate now.

• [https://www.genyouthnow.org/donate](https://www.genyouthnow.org/donate)
How can we help?

Insights and Information

Visit MilkPEP.org for more information and stay tuned for information on our next webinar taking place next Wednesday, April 8.
What you’ll see today:
QUESTIONS, IMPLICATIONS & CONSIDERATIONS FOR YOUR BUSINESSES

A Specific Look At Milk Sales Across The Country

DOUG ADAMS  |  PRIME CONSULTING
A Specific Look At Milk Sales Across The Country

CHRIS COSTAGLI  |  IRI
A Topline View Of Impact At Retail, Including E-comm
What you’ll see today

Swift and huge retail impact

Impact varies across channels and product categories
Region timing tied to ‘stay-at-home’ orders

Americans going back to basics

As concerns heighten, people are shifting to stress reduction, comfort foods and staples

Product volatility varies

Based on expiration, availability and practical ability to pantry load

Milk is an essential

Across all products segments— and the longer the shelf life, the bigger the impact

Net impact for milk TBD

Will be affected by length of home stays, extent of out of home losses and channel changes (e-comm and beyond)
Overall Retail Landscape
The Infection Rate Around The Country Continues To Grow

U.S. Map of Diagnoses

Source: John Hopkins University, Updated March 30, 2020
New York Has The Greatest Number Of Infections And When We Look At The Change In Daily Cases Day-Over-Day, Rates Are Slowing

Top 10 U.S. States with Diagnoses

<table>
<thead>
<tr>
<th>State</th>
<th>Total Daily Cases</th>
<th>% Change vs. Yesterday</th>
</tr>
</thead>
<tbody>
<tr>
<td>NY</td>
<td>66,663</td>
<td>26.3%</td>
</tr>
<tr>
<td>NJ</td>
<td>16,636</td>
<td>24.3%</td>
</tr>
<tr>
<td>CA</td>
<td>7,136</td>
<td>21.8%</td>
</tr>
<tr>
<td>MI</td>
<td>6,498</td>
<td>18.9%</td>
</tr>
<tr>
<td>MA</td>
<td>5,752</td>
<td>14.7%</td>
</tr>
<tr>
<td>FL</td>
<td>5,473</td>
<td>14.5%</td>
</tr>
<tr>
<td>IL</td>
<td>5,056</td>
<td></td>
</tr>
<tr>
<td>WA</td>
<td>4,923</td>
<td></td>
</tr>
<tr>
<td>PA</td>
<td>4,155</td>
<td></td>
</tr>
<tr>
<td>LA</td>
<td>4,025</td>
<td></td>
</tr>
</tbody>
</table>

Source: John Hopkins University, Updated March 30, 2020
A Few Weeks Further Into The Crisis, Italy And France Are Still Showing High Consumer Spending, Although Italy Is Beginning To Stabilize

Local Currency Sales % Change vs. Year Ago
Week Ending February 9 – March 15, 2020

- U.S.: 56%
- France: 37%
- UK: 23%
- Italy: 21%
- NZ: 19%
Consumers Are Likely To Continue To Shift Their Spending And Shopping Behavior In Response To COVID-19

<table>
<thead>
<tr>
<th>Suspend Brand Loyalty</th>
<th>Revival Of Center Store</th>
<th>Continued Stock-Up</th>
<th>Comfort, Indulgent &amp; Entertainment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumers are buying what is available</td>
<td>Reintroduction to shelf-stable categories / brands as well as meal components to support return to cooking</td>
<td>Spending diverted from restaurants and away-from-home venues paired with shortage and run-out fears</td>
<td>Seeking products to deliver some joy during difficult days of at-home confinement</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Shift To Online / Click &amp; Collect</th>
<th>Close-To-Home Shopping</th>
<th>Feeling The Void</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reducing contact with others and seeking products they cannot find in-store</td>
<td>C-store and Gas channels potential to emerge as easy-access options to necessities</td>
<td>As non-essential retailers close their doors, open retailers can fill the voids (gourmet coffee, prepared foods, etc.)</td>
</tr>
</tbody>
</table>

Source: IRI Archives, IRI Consulting Analysis
Stockpiling Drove Double-Digit Dollar Growth For Total Store In The Latest Three Single-Week Periods

Total Store Dollar Sales % Change vs. Year Ago
(Food, Beverage, Non-Edible)

Source: IRI Unify, Syndicated Weekly Database, POS: Total US Multi Outlet + Convenience, Year-To-Date 2020

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Early Impact States Across The US Saw Differentiated Lifts On Edible Sales, But Were Similar To The Rest Of The Country On Non-Edibles

Nonedible
$ Sales % Change versus Year Ago

Edible
$ Sales % Change versus Year Ago

Nonedible versus Edible Sales % Change

Early Impact - Inflection point when stockpiling begins

Early Impact
Rest Of Market

California: Early Impact 4% (5%) Average 54% (26%)
Ohio: Early Impact -1% (21%) Average 59% (28%)
Washington: Early Impact 10% (27%) Average 47% (28%)

California: Early Impact 3% (13%) Average 73% (30%)
Ohio: Early Impact 0% (11%) Average 63% (25%)
Washington: Early Impact 8% (16%) Average 58% (28%)

Source: IRI, BCG Analysis, Total US Multi Outlet + Convenience, 52 Weeks Ending March 15, 2020

Note: Early impact areas: CA, OH and WA

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Packaged, Frozen And Dairy Aisle Foods All Drove Early Impact State Growth

**Packaged Foods**
$ Sales % Change versus Year Ago

**Frozen Foods**
$ Sales % Change versus Year Ago

**Dairy Aisle**
(Includes Plant-Based)
$ Sales % Change versus Year Ago

Note: Early impact areas: CA, OH and WA

Source: IRI, BCG Analysis, Total US Multi Outlet + Convenience, 52 Weeks Ending March 15, 2020

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Total Store Dollar Sales In 2020 Are Up $20.7B Over The Same Period In 2019 With Sizable Growth In The Refrigerated Department And Dairy Aisle

2020 Through March 22, 2020
Dollar Sales % Change vs. Year Ago

- Total Store: 11.0%
- Refrigerated Department: 11.4%
- Dairy Aisle (Including Plant-Based): 10.6%

Latest Single Week Ending March 22, 2020
Dollar Sales % Change vs. Year Ago

- Total Store: 50.8%
- Refrigerated Department: 61.8%
- Dairy Aisle (Including Plant-Based): 58.3%

Source: IRI Unify, Syndicated Weekly Database, POS: Total US Multi Outlet + Convenience, Year-To-Date 2020

Total Store
+$20.7B vs. YA

RFG Department
+$2.8B vs. YA

Dairy Aisle
+$1.4B vs. YA

Includes Dairy & Plant-Based
Many Dairy Categories Report Large Volume Gains In 2020 Through March 22nd Fostered By Significant Growth In The Most Recent Weeks

### 2020 Through March 22, 2020

**Volume Sales % Change vs. Year Ago**

<table>
<thead>
<tr>
<th>Category</th>
<th>2020 Through March 22nd</th>
</tr>
</thead>
<tbody>
<tr>
<td>RFG Dairy Milk</td>
<td>+11.3M Gallons vs. Year Ago</td>
</tr>
<tr>
<td>RFG Alternative Beverage</td>
<td>+11.6M Gallons vs. Year Ago</td>
</tr>
<tr>
<td>RFG ESL Branded Dairy Milk</td>
<td>+7.7M Gallons vs. Year Ago</td>
</tr>
<tr>
<td>SS Dairy Milk</td>
<td>+0.9M Gallons vs. Year Ago</td>
</tr>
<tr>
<td>SS Alternative Beverage</td>
<td>+1.3M Gallons vs. Year Ago</td>
</tr>
</tbody>
</table>

**Source:** IRI Unify, Syndicated Weekly Database, POS: Total US Multi Outlet + Convenience, Year-To-Date 2020

Note: RFG = Refrigerated and SS = Shelf-Stable
Other Categories Like Cereal, Frozen Pizza And Powdered Milk Also Report Significant Growth Driven By Consumer Stock-Up Shopping

2020 Through March 22, 2020
Volume Sales % Change vs. Year Ago

<table>
<thead>
<tr>
<th>Category</th>
<th>Volume Sales % Change vs. Year Ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cold Cereal</td>
<td>18.8%</td>
</tr>
<tr>
<td>Hot Cereal</td>
<td>11.2%</td>
</tr>
<tr>
<td>Fresh Bread</td>
<td>7.8%</td>
</tr>
<tr>
<td>Frozen Pizza</td>
<td>16.7%</td>
</tr>
<tr>
<td>Powdered Milk</td>
<td>78.1%</td>
</tr>
<tr>
<td>SS Coffee</td>
<td>0.7%</td>
</tr>
<tr>
<td>RFG Coffee</td>
<td>27.1%</td>
</tr>
<tr>
<td>Single Cup Coffee</td>
<td>9.3%</td>
</tr>
<tr>
<td>Ground / Bean Coffee</td>
<td>8.4%</td>
</tr>
</tbody>
</table>

Latest Single Week Ending March 22, 2020
Volume Sales % Change vs. Year Ago

<table>
<thead>
<tr>
<th>Category</th>
<th>Volume Sales % Change vs. Year Ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cold Cereal</td>
<td>77.4%</td>
</tr>
<tr>
<td>Hot Cereal</td>
<td>127.0%</td>
</tr>
<tr>
<td>Fresh Bread</td>
<td>59.2%</td>
</tr>
<tr>
<td>Frozen Pizza</td>
<td>132.8%</td>
</tr>
<tr>
<td>Powdered Milk</td>
<td>307.2%</td>
</tr>
<tr>
<td>SS Coffee</td>
<td>-3.5%</td>
</tr>
<tr>
<td>RFG Coffee</td>
<td>57.8%</td>
</tr>
<tr>
<td>Single Cup Coffee</td>
<td>49.6%</td>
</tr>
<tr>
<td>Ground / Bean Coffee</td>
<td>67.6%</td>
</tr>
</tbody>
</table>

Note: RFG = Refrigerated and SS = Shelf-Stable
Source: IRI Unify, Syndicated Weekly Database, POS: Total US Multi Outlet + Convenience, Year-To-Date 2020

Could more people working from home be driving this?
As More Households Took To Stocking Up, The Number Of Trips Made Grew And By Mid-March Weekly Trips Rose >40% Compared To The Same Period In 2019

Source: IRI Unify, Syndicated Weekly Database, PANEL: National Consumer Panel, Total US All Outlets
Out-Of-Stocks Present An Issue For Consumers…

86% report at least ONE of these, +23 Points vs. Prior Week

March 20-22 Survey
Survey Respondents Reporting Out-Of-Stocks

Source: IRI Survey, March 20-22 vs. Prior Week

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Social Frustration Peaked on 3/17 and is Now Generally Positive

3/17: "Out of Milk" Conversation

News & Social Corona Virus with Milk Mentions

Sentiment is now net positive... Focused on value of milk at home

Any negatives are focused on “out of stock” and lack of milk (departure from typical conversation)

Source: News, social, blogs and forum conversations tracked via NetBase. Social media analysis is predominantly driven by Twitter, due to data privacy restrictions

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Driving Many Consumers To Shop Multiple Outlets In Order To Satisfy All Of Their Needs

You mentioned grocery or household essentials were out of stock when you tried to buy them. What did you do in this scenario most often? (Select All)

<table>
<thead>
<tr>
<th>Action</th>
<th>HH w/Kids +10 Pts.</th>
<th>HH w/Kids +7 Pts.</th>
<th>HH w/o Kids +5 Pts.</th>
<th>HH w/Kids +4 Pts.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Went to a different physical store to buy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bought a different brand / variety</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Didn't buy it</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HH w/Kids</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HH w/o Kids</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


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eCommerce Growth Rates In The US Saw A Spike For Total Store After The First Reported US Case; Online Sales Have Accelerated In The Latest Weeks

Source: IRI TSV eMarket Insights Model. Total Store is an aggregate of the 204 releasable eMarket Insights categories; F&B is an aggregate of the releasable Edible Categories

Jan. 21 - Washington State confirms the first case on U.S. soil
Jan. 30 – first confirmed case of person-to-person transmission of virus
Feb. 29 – US reports first death in Washington state
March 8 – reported cases in 35 states

6 month Edible growth benchmark (+37.4%)
Dairy Milk & Alternative Beverages Have Benefitted From The Surge In eCommerce Purchasing Driven By Those Shopping Online To Avoid Exposure In Physical Stores

**Calendar Year 2019**
- Alternative Beverages
  - $92.8M | 24.5% Share
- Dairy Milk Sales
  - $286.3M | 75.5% Share

**2020 Through March 22, 2020**
- +$12.0M vs. Year Ago
- +$29.5M vs. Year Ago

**eCommerce Dollar Sales % Change vs. Year Ago**

<table>
<thead>
<tr>
<th></th>
<th>Alternative Beverage</th>
<th>Dairy Milk</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2019</strong></td>
<td>67.1%</td>
<td>49.5%</td>
</tr>
<tr>
<td><strong>2020 Through March 22, 2020</strong></td>
<td>106.8%</td>
<td>85.5%</td>
</tr>
</tbody>
</table>

**Calendar Year 2019**
- Dairy Milk Sales
  - $286.3M | 75.5% Share

2020 Through March 22, 2020
- +$29.5M vs. Year Ago

**Dairy Milk Sales**
- Calendar Year 2019
  - $286.3M | 75.5% Share
- 2020 Through March 22, 2020
  - +$29.5M vs. Year Ago

**Alternative Beverages**
- Calendar Year 2019
  - $92.8M | 24.5% Share
- 2020 Through March 22, 2020
  - +$12.0M vs. Year Ago

**CY 2019**
- Dairy Milk
  - $286.3M | 75.5% Share
- Alternative Beverages
  - $92.8M | 24.5% Share

**YTD 2020**
- Dairy Milk
  - $286.3M | 75.5% Share
- Alternative Beverages
  - $92.8M | 24.5% Share

**2020 Through March 22, 2020**
- Dairy Milk
  - $29.5M vs. Year Ago
- Alternative Beverages
  - $12.0M vs. Year Ago

Source: IRI TSV eMarket Insights Model. Total Store is an aggregate of the 204 releasable eMarket Insights categories; F&B is an aggregate of the releasable Edible Categories.

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Extreme Concern Over COVID-19 And Also To Recent Stock Market Volatility Is Increasing…

59% report being MORE CONCERNED about COVID-19 than a week ago, +5 Pts.

Percent Reporting Extreme Concern
March 13-15 vs. March 20-22

COVID-19

- March 13-15: 59%
- March 20-22: 58%

Recent Stock Market Changes

- March 13-15: 29%
- March 20-22: 37%

…And Daily Routines Are Being Replaced By A New, Hopefully Temporary Normal

<table>
<thead>
<tr>
<th>Avoiding Social Events / Gatherings</th>
<th>Eating In-Home More Than Restaurants</th>
<th>Changing Personal / Family Travel</th>
<th>Making Coffee At Home vs. Visiting Coffee Shop</th>
<th>Kids Staying Home From School / Daycare</th>
<th>Kids Doing Fewer Activities / Sports</th>
</tr>
</thead>
<tbody>
<tr>
<td>49%</td>
<td>35%</td>
<td>22%</td>
<td>12%</td>
<td>38%</td>
<td>33%</td>
</tr>
<tr>
<td>70%</td>
<td>56%</td>
<td>43%</td>
<td>20%</td>
<td>69%</td>
<td>47%</td>
</tr>
</tbody>
</table>

88% report at least ONE of these, +25 Points vs. Prior Week

Survey Respondents Reporting Lifestyle Changes

March 20-22 Survey

Source: IRI Survey, March 20-22 vs. Prior Week

Due to Governor Hogan’s mandatory state shutdown of all restaurants and bars, RockSalt will be closed until further notice.

Please check our Facebook page for updates.

Thank you and stay safe.
Many Are Increasingly Seeking Moments Of Joy To Help Navigate These Uncertain And Stressful Times

70% Increasingly Seeking Moments Of Joy / Reduce Stress

18% Eating More Treats

10% Consuming More Alcohol

Source: IRI Survey, March 20-22 vs. Prior Week
There Are Ways To Support Consumers During The COVID-19 Crisis

**Stem The Emotional Toll On Consumers**
Offer tiny moments of joy through comfort and indulgent options

**Help Sustain Daily Routines**
Help consumers maintain a healthy in-home nutrition plan including protein, calcium, vitamin D and probiotics

**Bolster Click & Collect Service**
Help social distancing by empowering consumers to shop at home, especially those most at-risk

**Homemade From Scratch**
Home cooking is a great way to help with boredom, encourage social posting, recipe experimentation, simple ideas to cook with...

**In-Home Entertainment**
DIY tutorials, kits, supplies can offer adults, teens and kids ways to stay entertained while confined at home

Source: IRI Archives, IRI Consulting Analysis
A Closer Look at Milk
Retail sales surged as consumers stocked-up. Milk sales have increased $182MM in the past two weeks, vs. an average week, an incremental 44MM gallons (+22mm gallons/week).

Source: IRI

* Milk for weekly reporting includes Alt. Bev.
Weekly Trends in Various Categories

Milk growth was +44% and +42% over the past two weeks – but performance by segment varies.
Milk complements grew significantly. Cereal rose +80%, and ground coffee grew +69%.

Source: IRI

* Milk for weekly reporting includes Alt. Bev.
Milk Dollar Sales vs. Year Ago

Last week the California and State of Washington spikes slowed as their ‘shelter-in-place’ orders started a week. The other regions generally accelerated a bit from 3/15 to 3/22.

Source: IRI
San Francisco and Washington slowed a bit, while New York Metro accelerated, reflecting the timing of their shelter orders and reporting of new cases.

Source: IRI
Regional Trends

The California spike last week was only half as much growth this week, while other regions generally accelerated a bit. Looking at key markets, San Francisco and Washington slowed a bit, while New York Metro accelerated, reflecting the acceleration in new cases.

<table>
<thead>
<tr>
<th>Regional Market</th>
<th>TOTAL STORE $ % vs. YA</th>
<th>MILK* $ % vs. YA</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL U.S. MULO+C</td>
<td>2.1%</td>
<td>10.7%</td>
</tr>
<tr>
<td>California</td>
<td>3.9%</td>
<td>15.8%</td>
</tr>
<tr>
<td>Great Lakes</td>
<td>0.7%</td>
<td>8.5%</td>
</tr>
<tr>
<td>Mid-South</td>
<td>1.8%</td>
<td>10.2%</td>
</tr>
<tr>
<td>Northeast</td>
<td>2.4%</td>
<td>12.5%</td>
</tr>
<tr>
<td>Plains</td>
<td>1.2%</td>
<td>7.9%</td>
</tr>
<tr>
<td>South Central</td>
<td>1.9%</td>
<td>9.7%</td>
</tr>
<tr>
<td>Southeast</td>
<td>1.4%</td>
<td>7.6%</td>
</tr>
<tr>
<td>West</td>
<td>4.5%</td>
<td>15.5%</td>
</tr>
<tr>
<td>Washington State</td>
<td>8.9%</td>
<td>19.2%</td>
</tr>
<tr>
<td>San Francisco</td>
<td>9.5%</td>
<td>20.4%</td>
</tr>
<tr>
<td>New York Metro</td>
<td>3.9%</td>
<td>15.7%</td>
</tr>
<tr>
<td>Denver</td>
<td>1.9%</td>
<td>22.4%</td>
</tr>
<tr>
<td>Chicago</td>
<td>0.5%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Boston</td>
<td>5.1%</td>
<td>13.8%</td>
</tr>
</tbody>
</table>

* Milk for weekly reporting includes Alt. Bev.

Source: IRI
Major Channel Volume Trends – Milk (excl. Alts.)

**MULO + C**
100% of Volume
2 weeks of +34%

**GROCERY**
55% of Volume
2 weeks of +40%

**CONVENIENCE**
7% of Volume
Minimal use of C-Stores for stock up, still below YA

**DRUG**
2% of Volume
Small use of Drug stores but still running below YA

Source: IRI
Deeper Look in Grocery – Milk Volume (gallons)

GROCERY
(Period 2 to Period 3)
+22 pts
All 3 rose to the occasion. Local Regional jumped earlier and sustained Wks. 3 + 4.

CHAIN A - National
+15 pts

CHAIN B – Multi-Regional
+20 pts

CHAIN C – Regional
(Strong in Single Market)
+25 pts

Source: IRI
Package Size Trends – Milk Volume

**GALLON**
- 68% of Volume*
- (Period 2 to Period 3)
- +20 pts

All Multi-serve package sizes surged.

**HALF GALLON**
- 16% of Volume*
- +18 pts

**QUART**
- (32 oz. package only)
- 2.6% of Volume*
- +14 pts

**SINGLE-SERVE**
- 0.5% of Volume*
- Consumers not stocking up with single-serve

Source: IRI  * % Mix (normally)
Gallon View Shows Interesting Differences by Channel and Product

<table>
<thead>
<tr>
<th></th>
<th>M GALLONS (AVG)</th>
<th>% vs. YA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Wks 1 &amp; 2</td>
<td>Wk 3</td>
</tr>
<tr>
<td><strong>GROCERY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conv WH</td>
<td>30,947</td>
<td>43,749</td>
</tr>
<tr>
<td>Flavored</td>
<td>2,016</td>
<td>2,556</td>
</tr>
<tr>
<td>Organic WH</td>
<td>2,771</td>
<td>4,273</td>
</tr>
<tr>
<td><strong>C-STORE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Milk</td>
<td>4,283</td>
<td>4,743</td>
</tr>
<tr>
<td>Conv WH</td>
<td>3,442</td>
<td>3,918</td>
</tr>
<tr>
<td>Flavored</td>
<td>830</td>
<td>810</td>
</tr>
<tr>
<td><strong>DRUG</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Milk</td>
<td>916</td>
<td>1,194</td>
</tr>
</tbody>
</table>

Source: IRI
Estimated Impact on Total Milk Volume

Estimate is developed based on IRI data, insights from processor interviews and secondary analyses.

<table>
<thead>
<tr>
<th>MM Gallons</th>
<th>Typical Week</th>
<th>3/15</th>
<th>3/22</th>
<th>Change/Week</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail IRI-Tracked</td>
<td>66.5</td>
<td>88.6</td>
<td>88.5</td>
<td>+22 MM</td>
</tr>
<tr>
<td>Not Tracked</td>
<td>10</td>
<td>14e</td>
<td>14e</td>
<td>+4</td>
</tr>
<tr>
<td>TOTAL RETAIL</td>
<td>76.5</td>
<td>102.6</td>
<td>102.5</td>
<td>+26</td>
</tr>
<tr>
<td>Foodservice</td>
<td>15</td>
<td>6e</td>
<td>6e</td>
<td>-9</td>
</tr>
<tr>
<td>Schools</td>
<td>9</td>
<td>2e</td>
<td>2e</td>
<td>-7</td>
</tr>
<tr>
<td>100.5 MM Gal</td>
<td>110.6</td>
<td>110.5</td>
<td></td>
<td>+10 MM each week</td>
</tr>
</tbody>
</table>

Schools projected at 22-25% of normal, a bit stronger than summer feeding.

Foodservice includes normal ops for senior living, hospitals and corrections. Partial volume for coffee shops and quick serve and no volume in fine dining, travel, colleges, catering and office coffee services.

Source: IRI and Prime estimates
Future Outlook

• Retailer limits on milk quantities are coming off – so greater confidence in supply chain and milk availability.

• Shelf stable and non-edible categories that people can buy in bulk without expiration saw dramatic increases and likely will see dramatic valleys to come, since it will take time for shoppers to burn through in-home inventory.
  – The restocking cycle is shorter for perishables such as milk and bread, which makes volatility less severe.

• Category trends will be driven by a couple of key variables.
  – Length of stay-at-home/social distancing which translates to:
    ▪ Retail traffic/ volume trend.
    ▪ Portion of foodservice/school volume that continues.
Milk Category Outlook: *Short Term Channel Trend Tradeoffs*

Given the estimated decline in school and foodservice, IRI-reported channels need to be up about +20% for processors (as a whole) to make-up the lost volume (roughly +16mm gallons/week) from the other channels.

![Graph showing retail growth vs. YA and different categories of normal](image-url)
What’s next?

Join us on April 8 for Activation Support

Visit MilkPEP.org for Information and Resources

Share more on what YOU need

Email us: kpurcell@milkpep.org