

## FOODS TO ENCOURAGE: DAIRY

### AN ASSESSMENT OF DAIRY PRODUCTS IN THE FEEDING AMERICA NETWORK

*Across the Feeding America network, sourcing and distributing a consistent supply of wholesome milk and milk products has been a challenge. Barriers to sourcing more dairy food items exist across the spectrum, from procurement to distribution. At the same time, there are also many examples of innovative strategies designed to overcome these barriers. This summary will explore some of the challenges and strategies to sourcing and distributing more dairy products through our network.*

## BACKGROUND

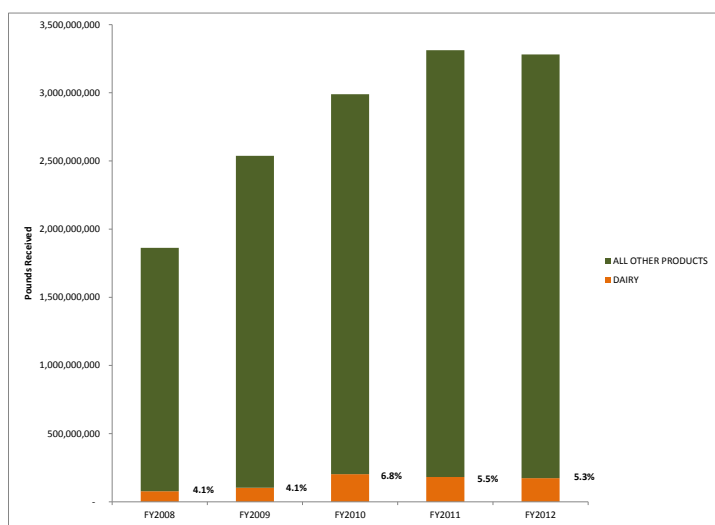
### Dairy Consumption in the United States

Dairy products provide many important nutrients that are important for a healthy diet, including calcium, potassium, vitamin D, and protein. In the United States, intakes of milk and milk products are lower than recommended, and intake levels of Vitamin D and calcium are low enough to be a public health concern for both adults and children. In response, the 2010 *USDA Dietary Guidelines for Americans* promotes the increased consumption of fat-free or low-fat milk and milk products, such as yogurt, cheese, and fortified soy beverages.

### Dairy in the Feeding America Network

The Feeding America network strives to provide wholesome Foods to Encourage (F2E) like fruits, vegetables, protein, whole grains and low-fat dairy. F2E's are the foods emphasized in the 2010 USDA Dietary Guidelines, but which are often out of reach for many families served by our network. Providing more of F2E items is not easy, but we are making great strides. Nonetheless, the Feeding America network continues to struggle to provide enough dairy products, particularly fat-free or low-fat dairy, to meet client need and demand for such nutrient rich foods.<sup>1</sup>

**Figure 1: Percent Dairy of All Products Received (FY2008-FY2012)**



Dairy items only accounted for approximately **5.3 percent** of total products (i.e., purchased, donated, and federal commodities) received in the network in FY 2012 (See Figure 1)<sup>2</sup>. This translated to, on

<sup>1</sup> Two studies of client preferences indicated that milk is among the top five preferred food items to receive from emergency distribution sites.

**average, 4.7 pounds of dairy (the equivalent of less than one gallon of milk)** available for every person in poverty (2011).

Although the challenges to sourcing and distributing dairy are complex and vary across the country, a few common challenges were identified fairly consistently. These include the:

- High and variable cost for dairy products;
- Perishability of dairy products and the need for refrigeration and quick distribution;
- Decentralized structure and regulations of the dairy industry (making it difficult to build local and national relationships with donors).

## LOCAL SOLUTIONS

In response to these challenges, some food banks have developed innovative, local level strategies to increase the supply of nutritious dairy products in their food distribution networks. The following case studies highlight efforts at three different food banks to increase access to and distribute more milk to food insecure families.

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<sup>2</sup> Only 30% of dairy products are classified as F2E.

## Case Study #1: MILK DRIVE MODEL

**Who:** Hannaford Supermarkets; HP Hood; New England Dairy Council, New Hampshire Food Bank

**Where:** Manchester, NH

**What:** Great Gallon Give milk drive

### Program Proposition

- A milk drive sponsored in partnership between an area food bank, milk manufacturer, local dairy council, and a retail grocery store chain can be a cost-effective and logistically feasible strategy to raise a large, one-time supply of milk.
- Publicity for the event can provide a highly visible platform to raise awareness about food insecurity and showcase each partner's commitment to fighting hunger in the community.

### Background

Inspired by a local Vermont event that raised 700 gallons of milk as part of the National Milk Mustache 'got milk?' Campaign's 2010 [Great Gallon Give initiative](#), Hannaford Supermarkets, HP Hood, New England Dairy Council and the New Hampshire Food Bank formed a partnership to host their own independent 'Great Gallon Give' milk drive.

### Model

On October 13, 2012, five Hannaford Supermarkets throughout Southern New Hampshire participated in the Great Gallon Give milk drive. Partners utilized existing Great Gallon Give branding to publicize the event through social media and web promotion. The total monetary investment for the event was \$1200, allotted for publicity materials.

On the day of the drive, each store had the following:

- In-store announcements and promotional materials;
- Two volunteers from the New Hampshire Food Bank handing out instructions to customers;
- One refrigerated truck and one truck driver.

Hannaford customers at these stores were encouraged to purchase milk and bring it directly to the refrigerated truck collecting donations in the parking lot. At one location, the event featured a publicity event with the Governor, the New Hampshire Commissioner of Agriculture, and representatives from each partner. The event also featured fun family activities with HP Hood's Coco the Cow and the Fuel Up to Play 60 truck.

### Impact

In total, customers donated 1,323 gallons and Hannaford Supermarket donated 305 gallons. These donations were matched by HP hood for a total of **3,246 gallons** of milk. The New Hampshire Food Bank was able to distribute all of the donated milk through its network on the same day; every agency picking

up orders from the food bank that day received eight gallons of donated milk. The Great Gallon Give and its partners received widespread publicity from print and broadcast media.

### **Limitations/Challenges**

While the Great Gallon Give was able to generate a one-time influx of milk, when distributed across the food bank network there was a very limited, set amount available to each agency. Some additional logistical challenges associated with the dairy drive included coordination and communication between multiple partners, and securing enough staff/volunteers and refrigerated trucks.

#### *Food Bank Observation:*

*"Dairy products are a very rare donation, and when we have it donated in retail size, it goes very quickly."*

### **Program Expansion**

Great Gallon Give partners are exploring alternative models that utilize ongoing donations strategies (e.g., customer purchasing using UPC codes and periodic food/agency pick-ups when there is a large enough supply) to address some sustainability and logistical challenges. The New Hampshire Food Bank is planning another Great Gallon Give with Shaw's supermarkets.

### **Conclusion**

Through bringing partners together from different sectors of the supply chain, targeted advanced advertising, well-organized event planning, and matching industry donations, the Great Gallon Give raised over 3,000 gallons of milk with minimal financial investment. Each partner leveraged its unique resources and relationships (e.g., food bank media connections, corporate partner refrigerated trucks, relationships with local officials, publicity resources) to make the event a success.

### **Network Implications**

While food drives cannot supply a sustainable or consistent source of milk products, they can increase periodic supplies. This particular model might be advantageous to food banks and agencies with limited refrigeration and/or quick distribution capacity. Hosting a milk drive in partnership with other industry leaders including retail outlets and dairy manufacturers can add to the scale and impact of the project, as well as generate publicity for food banks and their partners.

## Case Study #2: FIRST RUN MILK (FRM) DONATIONS MODEL

**Who:** Community Food Share Food Bank

**Where:** Longmont, CO

**What:** Horizon First Run Milk Program

### Program Proposition

Local dairy manufacturers can utilize existing philanthropic funds to provide a large-scale, consistent supply of donated first run milk to food banks and their member agencies.

### Background

The WhiteWave Food Company's current First Run Milk Program evolved from a distressed dairy donation program that began in 2001 in partnership with the original Horizon Organic. The initial program was established with the support of a Community Food Share (CFS) board member who was also a staff champion at Horizon. In 2006, after WhiteWave acquired Horizon Organic, a new CFS board member supported the development of the First Run Milk Program in addition to the distressed milk program. At the beginning of the program, WhiteWave donated 1,500 gallons of milk weekly. However, in 2010, to meet the growing demand facing CFS, WhiteWave agreed to meet CFS's request to double the weekly load to 3,000 gallons of milk.

### Model

Since 2010, the Horizon Dairy manufacturing plant has delivered, 1,500 gallons of low-fat (1%), 2%, and whole first run milk, twice a week to the CFS warehouse, free of charge.

CFS distributes the milk through both its member agencies, as well as its Feeding Families direct distribution program. Through an analysis of its network, CFS determined that each of its agencies would receive one gallon of milk per household served. Since the need is greater at the larger agencies, this target of one gallon per family is not always possible. However, member agencies also have access to the distressed dairy from WhiteWave and grocery store pick-ups. CFS established its standard order breakdown of low-fat 1%, 2%, and whole milk based on agency preferences; low fat ( 1% )milk is the least popular item.

CFS reviews the inventory levels of the Horizon milk weekly to set a limit for the following week's distribution. Because member agency demand fluctuates and some member agencies do not order weekly, the distribution rate is not static. CFS also references mandatory monthly reporting on client visits in order to verify that member agencies are ordering appropriately within the standing limit of only one gallon of milk per family. The weekly milk limit for member agencies ranges from 240-336 gallons.

## Impact

The Horizon First Run Milk Program increases the supply of milk to 50 member agencies and the CFS's direct service programs by approximately 3,000 gallons per week. In FY 2012, CFS distributed the second largest amount of dairy per person in poverty in the entire Feeding America network – **54 pounds per person in poverty**; 2.4 million total pounds; 1.9 million pounds from WhiteWave Food Company.

On average, twelve of the largest agencies and CFS's Feeding Families direct distribution program receive the majority of the milk donation; there are about 1,200 families enrolled in the Feeding Families program, with 650 families on average utilizing the program per week. The short shelf life of milk often causes challenges for emergency food providers. With the First Run Milk program, food insecure families receive a product that is often fresher than the milk found on the shelves of local retailers.

### *Food Bank Observation:*

*The guaranteed gallon of milk clients receive in the Feeding Families program is a major draw for them to shop.*

The model offers several logistical and programmatic benefits to each partner, such as:

- CFS receives the product at its warehouse without having to pay transportation costs;
- Member agencies receive a consistent, set quantity of milk sufficient for one gallon per family, and they do not have to pay a shared maintenance cost;
- Horizon is able to operate the program using existing brand philanthropic funds to make the in-kind donation.

## Limitations/Challenges

While this program offers a sustainable model, each year White Wave determines their Horizon brand allocation of philanthropic funding. The amount of milk CFS is able to request is dictated by the available philanthropic funds, which does not always meet the entire CFS network need.

## Conclusion

The Horizon First Run Milk program has been an extremely successful partnership between WhiteWave Horizon and CFS for the past 10 years. It has proven to be very effective in consistently supplying fresh milk to thousands of families in Boulder & Broomfield Counties of Colorado.

## Network Implications

The success of this particular model is attributable to several local factors, including: close geographic proximity of a manufacturing plant to a food bank, connection to a champion within the parent manufacturing company, the ability to transfer available brand philanthropic funds to in kind donations,

and an industry led effective distribution model operated through a food bank. Nonetheless, while the dairy industry is decentralized, White Wave Foods and the Feeding America national office are in conversation about the possibility of establishing similar first run milk programs in other regions where Horizon production facilities are located near food banks. If successful, this model may be able to be replicated with other dairy manufacturers.

## Case Study #3: SUBSIDIZED PURCHASING MODEL

**Who:** Northern Illinois Food Bank and Muller Pinehurst Dairy, Inc. (regional subsidiary of Prairie Farms)

**Where:** DuPage County, Illinois

**What:** Milk to MyPlate Pilot

### Program Proposition

A food bank can better meet an established F2E target for providing a regular supply of fresh, low-fat (1%) milk at a consistent, affordable price to its network partners by subsidizing milk purchased directly from a manufacturer.

### Background

In October 2012, Northern Illinois Food Bank launched a 14-week milk purchasing pilot program with selected network partners and Muller Pinehurst Dairy, Inc, a local milk manufacturer and distributor of dairy products that services all of the food bank's 13 service counties.

### Model

The food bank selected six high performing network partners to participate in the pilot. Through a streamlined ordering and distribution process, the food bank approved and submitted orders for low-fat (1%) fresh milk through a pre-approved weekly ordering system. Muller Pinehurst Dairy then delivered the milk orders directly to the network partners. The cost of the milk was the current market price; network partners paid a fixed cost of \$2 per gallon, while the food bank paid the variable difference (average cost = \$0.72/gallon). The total cost of the 14-week pilot was \$16,209; network partners collectively paid a total of \$12,110 and the food bank paid \$4,099.

### Impact

Through the Milk to MyPlate pilot, the food bank purchased over 6,000 gallons of milk for six network partners; increasing milk distribution by approximately 433 gallons per week.

The Milk to MyPlate system offered several logistical and programmatic benefits to each partner. Specifically, it enabled:

- The food bank to better meet its 'Foods to Encourage' goals for the low-fat (1%) milk target without direct involvement in storage and distribution;
- Network partners to purchase milk at an affordable fixed rate, and have the milk delivered directly to their doors;

#### *Agency Anecdote:*

*One mother became tearful when she learned that milk would be available for her family that day. She confided that their family had not been able to buy milk in over a month.*



- Muller Pinehurst to establish a consistent, year-round customer, and the ability to meet demand at no additional cost by utilizing existing ordering and distribution channels and infrastructure;
- Increased food safety with direct distribution from Muller Pinehurst to network partners.

### **Limitations/Challenges**

Cost was a major challenge of this pilot for the food bank and its network partners. The market price of milk is both expensive and sensitive to market price fluctuations; and \$2 per gallon fixed rate is relatively costly for most network partners. Additionally, the variability of the subsidy makes it difficult for the food bank to both budget for and sustain the program in the long-term. The food bank has tried several strategies to establish itself as a unique stakeholder helping to increase access to nutritionally dense foods like low-fat milk for hundreds of food insecure families.

### **Program Expansion**

Knowing cost is a major factor both for the food bank and for network partners, Northern Illinois Food Bank recently negotiated with Muller Pinehurst to reduce the cost of the milk to \$2.39 per gallon. The food bank subsequently lowered the price to its partners to \$1.88, and will continue to subsidize the difference as funding allows and costs hold. These challenges notwithstanding, the food bank successfully raised sufficient funds to continue and expand the program in January 2013 through June 2013. The original six sites will continue, and an additional 600 gallons per week will be delivered to new network partners by July 2013. The food bank plans to distribute an additional 22,000 gallons of milk in the remaining six months of FY13. In FY14, the food bank hopes to increase distribution by another 600 gallons per week by adding additional network partners to the program using additional funds raised for the following fiscal year. The distribution goal for FY14 has been set at 93,600 gallons of milk, resulting in 1.5 million servings of milk for families in their network.

As the volume expands, the food bank plans to leverage its relationship with Muller Pinehurst to negotiate better costs. If successful, the model has the potential to be scaled up to all of the food bank's 13 service counties with no additional infrastructure investment.

### **Conclusion**

The Milk to MyPlate pilot effectively achieved its goal of providing a supply of fresh, low-fat milk at a reduced, fixed price to network partners. Nonetheless, program sustainability and expansion is dependent on the food banks' ability to secure program funding and continue to negotiate competitive prices with Muller Pinehurst.

### **Network Implications**

A subsidized, direct-purchasing model is a feasible strategy to provide a sustainable, price-stable supply of low-fat milk to network partners. Incentivizing the purchase of milk with purchasing subsidies can be a viable strategy to meet F2E targets. This model offers several logistical strengths; particularly that it establishes a fixed price for network partners and does not require any food bank involvement in

storage and distribution. In turn, network partners are better able to budget for and purchase, safely store and consistently distribute this nutritionally rich product to the families they serve.