

Fluid Milk Retail Report

SALES UPDATE THROUGH JANUARY 28, 2024

FLUID MILK RETAIL PERFORMANCE SUMMARY

MILK VOLUME CLOSED-OUT 2023 WITH SALES DOWNTURN. EARLY 2024 VOLUME TREND IS POSITIVE DUE TO COMPARISON TO WEAK 2023 PERIOD.

The rate of volume loss at retail moderated for milk in 2023 as the year progressed and inflation tapered. Volume for total 2023 decreased 3% from 2022. The first 4-weeks of 2024 registered an uptick of 1.7% as volume at this same time one year ago was down severely. In comparison to two years ago, the latest 4-weeks posted a volume decline of -4.7%.

White milk is holding its own in the first 4-weeks of 2024 compared to 2023 as last year saw high inflation. However, white is down -4% vs. two years ago, less that the category overall. Flavored ended 2023 with a volume loss of 5% and is currently flat in 2024.

Whole milk outperformed other fat levels with an uptick of 0.9% for 2023 and continues to demonstrate growth in 2024. Lactose-free milk continues to expand with volume up 7% in 2023 and is sixty percent larger in 2023 than it was in 2018. Early 2024 is building on its strong platform with an accelerated rate of increase.

Organic milk has faced growth challenges over the last few years. Total organic milk declined 6% in 2023 with private label, comprising 48% volume, contributing heavily to the decline. Smaller labels including Organic Valley, Horizon Growing Years and Maple Hill Creamery, however, have posted growth over the last few years.

Non-dairy milk alternative volume dampened in 2022, remained depressed in 2023 (-7%) with a continued downturn in 2024YTD. While pricing remains elevated in Jan 2024 (+4% vs previous year), the rate of increase has moderated from double-digit increases posted in early 2023.

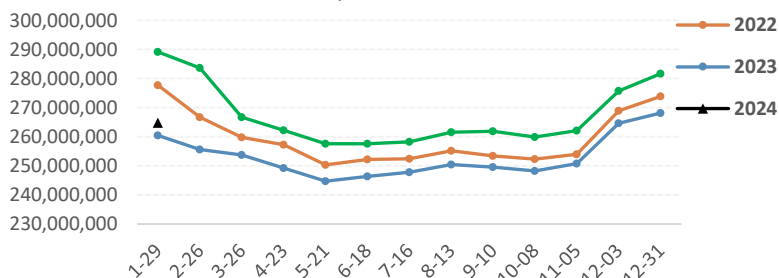
KEY MEASURES TREND AT A GLANCE

	Volume M Gal	Chg vs Yago M Gal	% Change vs Yago
2022	3,374	-104.0	-3.0%
2023	3,290	-84.3	-2.5%
4 weeks	265	4.4	1.7%

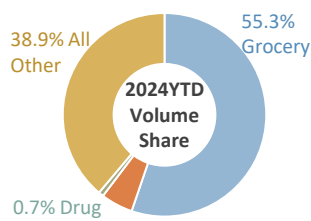
	Dollars M	Chg vs Yago \$M	% Change vs Yago
2022	\$17,043	\$1,696	11.1%
2023	\$16,531	-\$512	-3.0%
4 weeks	\$1,312	-\$5	-0.4%

Latest 4 weeks ending 1-28-2024

MILK RETAIL VOLUME, Gallons
By 4-Week Periods

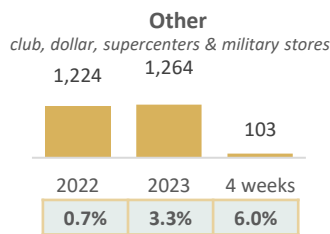
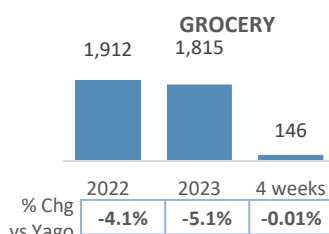


CHANNEL VIEW



2024YTD and latest 4 weeks ending 1-28-24

VOLUME SALES, Million Gallons



REGIONAL VIEW

Region	2024YTD		% Volume Chg vs. Yago		
	Volume Share	Volume Index	2022	2023	4 weeks
Total U.S.	100.0%	100	-3.0%	-2.5%	1.7%
California	7.8%	66	-3.7%	-3.2%	-2.3%
Great Lakes	16.9%	118	-4.0%	-2.9%	0.6%
Mid-South	13.9%	113	-2.5%	-2.1%	3.8%
Northeast	15.8%	91	-3.5%	-2.4%	0.8%
Plains	8.6%	129	-3.1%	-2.8%	1.8%
So Central	11.1%	88	-2.0%	-2.3%	5.0%
Southeast	14.6%	105	-1.6%	-1.7%	2.5%
West	11.4%	101	-3.6%	-2.8%	0.5%

Latest 4 weeks ending 1-28-2024

RETAIL PRICING

	Avg Price per Gal Equivalent			% Price Chg vs. Yago		
	2022	2023YTD	4 wks	2022	2023YTD	4 wks
Total Milk	\$5.05	\$5.02	\$4.95	14.5%	-0.5%	-2.0%
*White Traditional Gal	\$3.71	\$3.53	\$3.49	17.3%	-5.0%	-5.5%
Flavored	\$9.21	\$9.48	\$9.22	13.0%	3.0%	-2.2%
Organic Milk	\$8.98	\$9.65	\$9.74	9.5%	7.5%	4.2%
Lactose-free	\$9.04	\$9.60	\$9.76	10.1%	6.2%	2.9%
Plant Alternative	\$7.64	\$8.37	\$8.37	12.7%	9.7%	3.5%
Almond	\$6.57	\$6.93	\$6.82	10.0%	5.6%	-0.4%
Oat	\$9.76	\$10.32	\$10.23	9.9%	5.7%	-0.1%
Soy	\$7.13	\$7.96	\$7.96	11.8%	11.6%	0.7%

*Flavored includes milkshake

*White traditional gallon-size milk, excludes organic, lactose-free, A2 and other health enhanced

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SALES UPDATE THROUGH JANUARY 28, 2024

MILK FAT CONTENT

	Volume Share	% Volume Change vs Yago		
	2024YTD	2022	2023	4 Weeks
Total Milk	100.0%	-3.0%	-2.5%	1.7%
Whole	45.9%	0.2%	0.9%	5.3%
2%	36.0%	-3.6%	-4.1%	-0.5%
1%	12.5%	-7.1%	-5.7%	-1.5%
Fat Free	5.6%	-10.9%	-9.5%	-4.7%

Penetration – 52 wks 1-28-24, % HHs buying 1+ times

- 69.0% Whole
- 61.0% 2% Milk
- 40.0% 1% Milk
- 16.7% Fat Free

2024YTD and latest 4 wks through 1-28-2024

PACKAGE SIZE

	Vol. Share	% Volume Change vs Year Ago		
	2023YTD	2022	2023YTD	4 Weeks
Total Milk	100.0%	-3.2%	-2.7%	-2.0%
Gallon	66.6%	-4.8%	-3.6%	-3.1%
Half Gallon	23.5%	0.4%	-2.0%	-0.6%
>or =48 and <64 oz	2.8%	8.8%	10.2%	16.7%
Quart	2.3%	-3.9%	-5.4%	-3.7%
Single-serve < or = 16oz*	2.2%	-4.6%	-8.5%	-5.6%

*includes multi-packs

Penetration (% Households Buying)				
52 wks...	Gallon-size	Half Gal	> or =48 and <64	Quart
1-31-21	67.1%	75.2%	12.1%	42.3%
1-30-22	62.3%	73.8%	12.9%	40.3%
1-29-23	60.6%	73.3%	13.4%	39.3%
1-28-24	59.1%	72.6%	13.2%	37.5%

Single-serve < or =16 oz

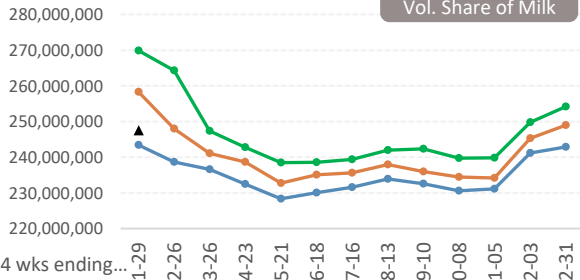
28.2%	28.4%	26.6%	26.1%
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WHITE AND FLAVORED MILK TRENDS

WHITE MILK RETAIL VOLUME, Gallons

By 4-Week Periods

2023YTD: 93.5%
Vol. Share of Milk

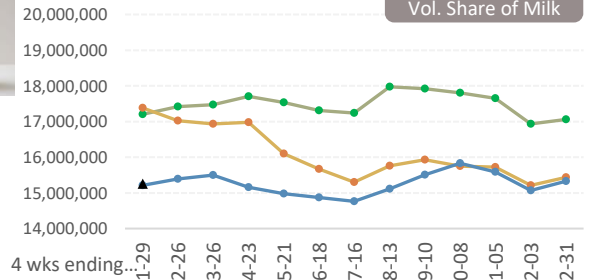


Volume	2019	2020	2021	2022	2023	4Wks
% Chg, vs Yago	-1.0%	2.5%	-7.8%	-2.6%	-2.3%	0.5%

FLAVORED MILK RETAIL VOLUME, Gallons

By 4-Week Periods

2023YTD: 5.8%
Vol. Share of Milk

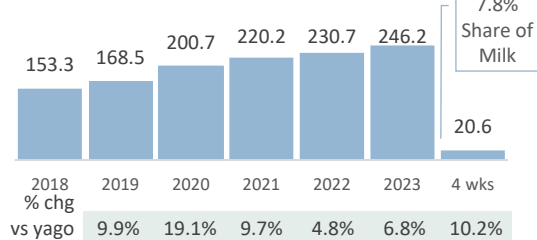


Volume	2019	2020	2021	2022	2023	4 Wks
% Chg, vs Yago	-1.4%	0.3%	3.2%	-7.9%	-5.2%	0.2%

LACTOSE-FREE MILK

Lactose-free Volume Sales

Million Gallons



% Volume Chg vs Yago

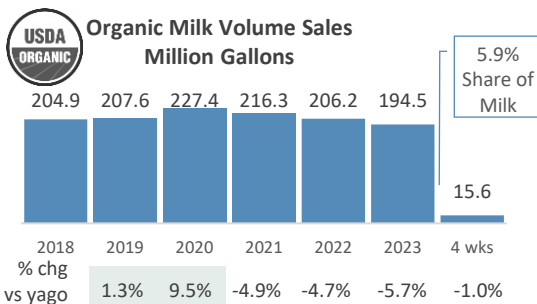
Product	2024YTD Volume Share	2023	4 weeks
Total Lactose-free	100.0%	6.8%	10.2%
White Lactose-free	90.9%	6.5%	9.5%
Flav. Lactose-free	9.1%	8.6%	17.1%

Total Lactose-free Milk

% Households Buying	
52 wks 1-29-23	20.9%
52 wks 1-28-24	21.0%
Volume per Buyer	
52 wks 1-29-23	9.1 gal
52 wks 1-28-24	9.9 gal ▲

2024YTD and latest 4 weeks ending 1-28-2024

ORGANIC MILK TRENDS



	Vol. Share	% Households Buying	
	52 wks 1-28-24	52 wks 1-29-23	52 wks 1-28-24
Total Organic	100.0%	17.2%	16.1% ▼
Household with kids	51.5%	22.4%	20.8% ▼
Households no kids	48.4%	15.0%	14.0% ▼

Volume per Buyer	
52 wks 1-29-23	11.4 gal
52 wks 1-28-24	11.8 gal
52 wks 1-29-23	16.1 gal
52 wks 1-28-24	15.4 gal ▼
52 wks 1-29-23	8.5 gal
52 wks 1-28-24	9.4 gal ▲

Latest 4 weeks ending 1-28-2024

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SHELF-STABLE VS. REFRIGERATED MILK

SHELF-STABLE	2021	2022	2023	4 wks
Volume Share of Milk	1.1%	1.1%	1.0%	0.9%
Volume % Chg vs Yago	18.6%	2.1%	-10.0%	-8.9%
Dollar Share of Milk	3.8%	3.9%	4.0%	3.5%
Dollar % Chg vs Yago	20.5%	15.2%	-1.6%	-6.4%

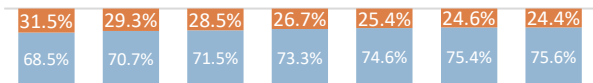
73% Shelf-stable milk volume is flavored/milkshake 2023YTD

Latest 4 wks through 1-28-2024

REFRIGERATED	2021	2022	2023YTD	4 wks
Volume Share of Milk	98.9%	98.9%	99.0%	99.1%
Volume % Chg vs Yago	-7.4%	-3.0%	-2.4%	1.8%
Dollar Share of Milk	96.2%	96.1%	96.0%	96.5%
Dollar % Chg vs Yago	-1.8%	10.9%	-3.1%	-0.1%

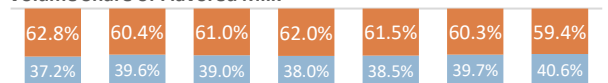
PRIVATE LABEL VS. BRANDED MILK

Volume Share of White Milk Private Label Branded



Vol. % Chg vs Yago	2018	2019	2020	2021	2022	2023	4 wks
Branded	-7.7%	-0.3%	-13.9%	-7.2%	-5.2%	1.0%	1.0%
PrivLabel	2.0%	3.7%	-5.4%	-0.9%	-1.4%	1.9%	1.9%

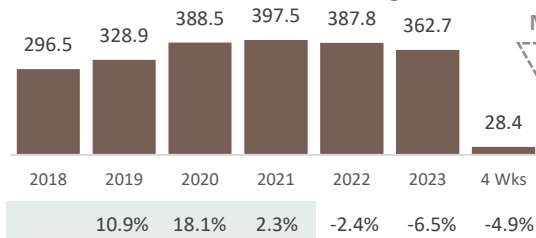
Volume Share of Flavored Milk Private Label Branded



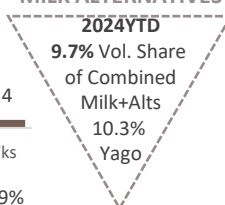
Vol. % Chg vs Yago	2018	2019	2020	2021	2022	2023	4 wks
Branded	-5.0%	1.3%	4.9%	-8.8%	-7.0%	-0.7%	-0.7%
PrivLabel	4.8%	-1.1%	0.5%	-6.5%	-2.3%	1.9%	1.9%

NON-DAIRY MILK ALTERNATIVES

Total Milk Alternatives Volume, mil gal



NON-DAIRY MILK ALTERNATIVES



2024YTD & latest 4 wks through 1-28-2024

	2024YTD Vol. Share	2023 % chg vs Yago	4 Weeks % chg vs. Yago
Tot Milk Alts	100.0%	-6.5%	-4.9%
Almond	65.2%	-9.8%	-8.4%
Oat	17.2%	1.4%	0.1%
Coconut	6.8%	19.9%	20.0%
Soy	6.8%	-7.1%	-0.4%
Pea	1.3%	2.5%	1.6%
Cashew	0.6%	-20.4%	-12.2%
Rice	0.5%	-16.4%	-12.3%
Goat	0.5%	0.4%	3.4%

E-COMMERCE SALES

e-Commerce RFG Milk

2022 Sales: \$1,086M

+\$237M vs Yago

2023YTD Sales: \$1,195M

+\$109 vs Yago

% Chg vs Year Ago

	Dollars	Units
2022	27.9%	13.5%
2023	10.0%	13.1%
4 wks	17.0%	21.6%

Latest 4 wks through 1-28-2024

e-Commerce RFG Plant Milk Alts

2022 Sales: \$208M

+\$42M vs Yago

2023YTD Sales: \$241M

+\$34M vs Yago

% Chg vs Year Ago

	Dollars	Units
2022	25.1%	14.3%
2023	16.1%	7.1%
4 wks	0.7%	5.8%

COLD CEREAL SALES



Historically, 25-30% of milk sales are tied to cereal performance

	2019	2020	2021	2022	2023	Latest 4 wks ending 1-28-24
Cold Cereal	-0.7%	+7.0%	-9.4%	-3.4%	-4.6%	-3.1%
Milk	-1.1%	+2.0%	-7.1%	-3.0%	-2.0%	-1.7%

2023 cereal pricing up 10.2% vs. year ago, 4.8% in latest 4 wks.

NEW PRODUCT SPOTLIGHT



USA Feb 2024
Konce Upon a Farm Creamy A2A2 banana, strawberry cream, or triple berry organic milkshake in a spouted pouch. No added sugar.



USA Jan 2024
Organic Valley Whole and 2% milk with DHA omega 3 to support brain health.



USA (Import from Vietnam) Jar 2024 Elp
Strawberry coconut milk in glass bottle.



USA (Import from Vietnam) Jan 2024
Califia Farms Complete Plant-based milk with 8g (pea) protein and excellent source of calcium, vitamin A & D. 50% less sugar than dairy milk.

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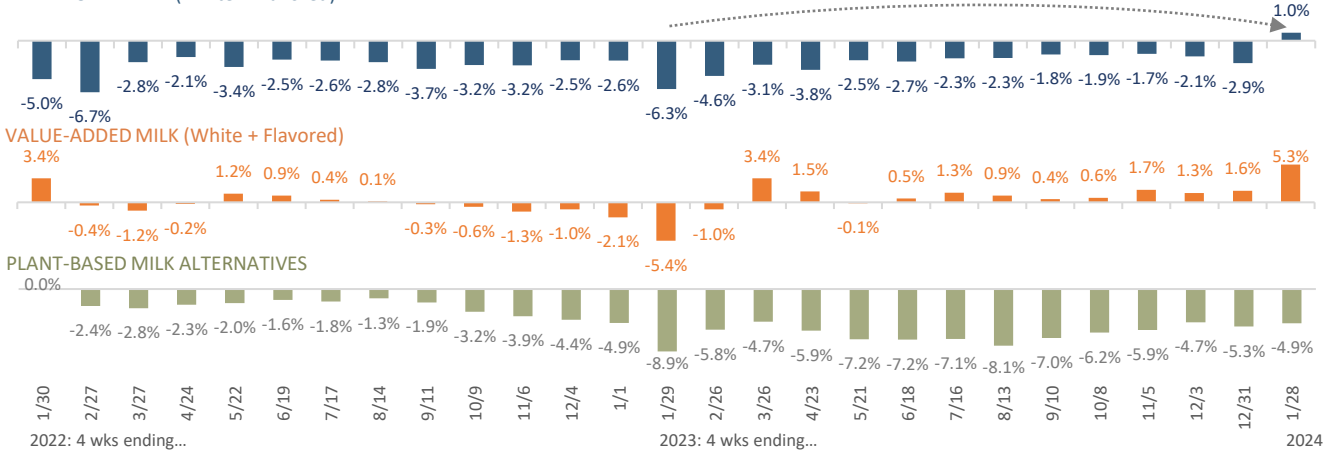
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MILK AND PLANT-BASED ALTERNATIVE DOLLAR & VOLUME, LATEST 52 WEEKS



MILK AND PLANT-BASED ALTERNATIVE VOLUME % CHANGE BY QUAD WEEKS

TRADITIONAL MILK (White + Flavored)



MILK BUYING DYNAMICS

		% Households Buying	# Buyers	Vol./Buyer, gal	Trips per Buyer	Vol./Trip, gal
52 Wks Ending						
TOTAL DAIRY MILK	1-31-2021	93.7	117,950,030	31.1	29.2	1.06
	1-30-2022	92.2	116,753,026	29.1	28.2	1.03
	1-29-2023	91.6	116,720,536	28.3	27.9	1.02
	1-28-2024	91.5	117,220,392	27.9	27.6	1.01
TOTAL TRADITIONAL MILK (White + Flavored)	1-31-2021	87.1	109,615,926	28.7	26.1	1.10
	1-30-2022	84.6	107,110,171	26.8	25.1	1.06
	1-29-2023	84.2	107,311,907	25.9	24.8	1.05
	1-28-2024	83.4	106,854,670	25.6	24.6	1.04
TOTAL VALUE-ADDED MILK (White + Flavored)	1-31-2021	34.3	43,177,126	11.1	14.0	0.79
	1-30-2022	34.9	44,193,125	11.1	13.9	0.80
	1-29-2023	34.4	43,819,615	11.2	14.1	0.79
	1-28-2024	33.3	42,702,412	11.8	15.1	0.78
TOTAL PLANT-BASED MILK ALTERNATIVES	1-31-2021	49.9	62,812,880	6.6	9.4	0.70
	1-30-2022	50.7	64,206,462	6.5	9.4	0.69
	1-29-2023	49.3	62,847,973	6.5	9.4	0.69
	1-28-2024	47.8	61,199,754	6.2	9.2	0.68