SORENSEN

foodlines

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Free trade, one of the greatest blessings which a government can confer on a people, is in almost every country unpopular.
-- Lord Macaulay

Milk . . . the Bountiful Food

Milk is generally recognized as a nutritious food. One glass of milk contains about one-fourth of the body's daily needs for protein plus substantial amounts of a whole host of other essential nutrients. Milk has plenty of carbohydrates and fat. In fact, fat accounts for half of the calories in whole milk. The ease of removal of this fat and its value in butter and cheese make skimming an attractive diet aid and source of additional profit. But since fat makes major flavor and texture contributions to milk, how much can be removed without serious taste deficiencies?

The "Moo" Challenge

Sixty regular milk drinkers blind tasted and ranked milk with four different fat contents:

	BUTTERFAT CONTENT				
	Rank	Skim 0.2%	1.0%	2.0%	Whole 3.8%
Like best	1	17%	22%	28%	33%
	2	18	28	28	25
	3	32	27	25	17
Like least	4	33	23	18	25
Average ranks:		2.8	2.5	2.3	2.3

Percentage of consumers assigning rank

Although whole milk received the most first choices (like best), on average it did not rank any better than 2% milk. This is because it also received a large number of fourth choices (like least). The general trend of increasing acceptance with increasing fat content was also observed with flavor and mouth feel attributes but not with sweetness. The number of interviews was too small to draw statistically reliable conclusions but in general it seemed that skim milk was clearly inferior to 1% and 2% milk and that these latter were equivalent or nearly so to whole milk in overall acceptance.

This may simply be a reflection of the trend toward increasing sale of partially skimmed milk. But it points up the possibility of increased production of dairy products (butter, sour cream, etc.) from the excess cream.

A Problem

About 138 billion pounds of milk is being produced in the U.S. this year (1983). Using the rule of thumb, "a pint's a pound, the world around," this translates into nearly a quart a day for every man, woman and child in the country. We're not really drinking that much. In fact, we're drinking less and less:

Year	per capita consumption
1930	102 gallons
1960	82 gallons
1981	68 gallons

(All figures include use for cheese, butter, etc.)

But we are paying for it anyway:

Year	U.S. Government Purchases
1979	0.3 billion gallons
1981	1.6 billion gallons
1983	2.1 billion gallons

In the current year we are taxing the economically productive sector $2.5 billion to support overproduction of a commodity that has a receding market. The technology exists and the cows seem to be willing to accommodate even further increases in production. The potential for a first class economic disaster seems clear.

A Solution

Four basic strategies are available:

1. Continued governmental misappropriation of market resources.
2. Allow the bottom to fall out of the market, i.e., severe price drops and extensive damage to the production system.
3. Market expansion to create demand equal to or greater than production capabilities.
4. A combination of one or more of the above.

Option 3 is, of course, the winner that fires the imagination of creative profit seekers everywhere. And why not?

- The beverage industry is thriving on growth and profitability.
- Milk (a beverage) has never participated in the general distribution and marketing of beverages.
- The long-term potential for beverages is outstanding because it is a fast and convenient way to take in nourishment and refreshment.
- Milk is the premier beverage of nutrition.

The solution is to develop milk products that can be distributed by the soft drink delivery system and merged into that market.