

To: All NYS Dairy Foods, Inc. Fluid Milk Distributor Members

From: Bruce W. Krupke, Executive Vice President

Date: January 2, 2006

Subj: School Milk and 2006 Wellness Policy

Dear Member,

If you distribute milk, dairy products or other foods to a school that participates in the federal government meal program, you need to be aware of and take action now regarding a program that was mandated by USDA. By the start of the 2006-2007 school year, USDA has mandated that each school district in the nation adopt a Wellness Policy. It is a three part policy that includes nutrition education, physical activity and most importantly sets nutrition guidelines for all foods sold on school property at all times.

Law makers have left it up to each school district to develop on their own the policies and this is where you and your company could be at risk. Through communications I've had directly with various school districts, the NYS School Food Service Association, nutritionists and registered dietitians, I've come to learn the Wellness Policy could pose risks for products you might be currently selling and potentially affect what you might be able to sell in the future to schools.

Milk is mandated to be part of a federal government subsidized meal and cannot be replaced, see enclosures. Recently I've attended various informative meetings on the topic and through these I've learned some fluid milks, including the higher fat content and flavored varieties could be viewed as not viable options for sale in schools if adopted in Wellness Policies.

Because of the Wellness Policy mandate by USDA, school districts will be scrutinizing all food products they sell. They could for example decide to exempt for sale products with certain too high sugar content, set specific serving sizes, package sizes, fat contents, Trans fat content, limit artificial colors and ingredients and more. During the process of deciding what they want to make available to students, each school district could for example eliminate chocolate milk from the menu based on sugar content alone. Other dairy products could be at risk as well that are for sale a la carte or in vending machines such as ice cream, certain cheeses and higher fat yogurts.

It is urgent that we in the dairy industry remind school districts the dairy industry and foods we sell are not the enemy and have high nutritional benefits that should not be excluded from their menus or for a la carte sale. I'm recommending that you contact each school district you currently sell to and also the district where you and or your business reside in and pay taxes and provide them with the following recommendations and information. They need to hear from you now while they are deciding their Wellness Policies, if the don't hear from you your products could be outlawed!

Enclosed you'll find helpful and factual information the National Dairy Council has prepared to provide to school districts and food service managers. The Dairy Council is trying to contact each school district as well, although their resources are limited.

These concise information pieces provide solid explanations why milk and dairy products need to be part of school menus and lunch programs. I highly recommend that you now make copies of each of these information pieces and attach them to a cover letter to each school you sell to encouraging them to follow a sound nutrition policy that includes dairy foods. I've attached a sample cover letter for school districts you could copy and use. You should consider providing a copy to not only the school administrator but the food service manager and parent teacher organizations as well.

I've also attached a temperature chart I suggest you provide each school district to post on their cooler doors to remind them to keep milk COLD, it helps sell more milk!

High quality copies of each of the enclosures can be found on our association's website for you or a school to download for future use. Click www.nysdfi.org and then look for School Wellness Policy Info.

Again I can't stress enough how important it is to have a say in the process of Wellness Policy development in school districts. To put it simply, the crazies could come out of the woodwork on this issue and we don't want to be left out in the cold.

If you have any questions, please don't hesitate to contact myself or if you need the help from professional nutrition specialists and representatives contact the American Dairy Association and Dairy Council in Syracuse, at 315-472-9143.

Thank you for your help.

Sincerely,

Bruce W. Krupke
Executive Vice President