

The Grocer

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Focus On: Milk by Chris Walkland (chriswalkland@gmail.com)

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The supermarket milk price war continues to be the defining story of the liquid milk category. But it's also put more pressure on retailers to explain how they're working with processors and producers to safeguard them from retail price cuts. So how do the big retailers' approaches to dedicated supply and dairy farmer payments vary? Who offers the best deal for farmers? How are retailer premiums likely to change in light of the current volatility? And what impact have recent price cuts had on sales?

The market: 3% of the value of the liquid milk category has been wiped out as retailers have cut prices and ramped up promotions which has helped drive up volumes. So who's been at the forefront of these aggressive promotions? How do retailers' approaches differ? And with Sainsbury's, Tesco and Asda cutting the price of single and two-pint SKUs, is a new phase of the war beginning?

Producers & processors: This feature will explore producers and processors' thoughts on what ongoing events in the supermarkets mean for the future of milk. To what extent are they protected by retailer supply groups? How much do such schemes cost retailers? And with the supermarkets under increasing cost pressure, how sustainable are they? The feature will include a panel profiling the main retailers' approaches to ensuring their milk suppliers receive a fair price for their produce.

Returning value to the market: This feature will also look at recent efforts by players to add value back into the market with milk products with additional benefits. How successful have such products been? What kind of a premium do they carry over standard offerings? And what does the coming year hold in this area?

Box outs:

How are the retailers trying to safeguard supplier? What are Tesco, Sainsbury's, Asda, Morrisons, Waitrose, The Co-operative, Aldi and Lidl doing to protect liquid milk suppliers from the price war, through retailer supplier groups and so on.