

BRITISH COLUMBIA DAIRY COUNCIL

MILK CONTAINER RECYCLING PROGRAM MID-YEAR STATUS REPORT: as of June 30, 2008

Consumer Awareness

Based on the findings of a consumer research program conducted in 2007 it was determined that there were three key elements to increasing recovery rates to be employed during 2008:

- An increase in the number of depots accepting milk containers
- Location-specific consumer awareness programs
- Focus awareness on milk cartons rather than milk jugs

Based on the findings from consumer research noted above, the 2008 awareness campaign is depot centered and geographically targeted.

Highlights

- Newspaper advertisements – Large (8"x11") newspaper advertisements in blue and black placed in 51 publications around the province. This size advertisement permits the inclusion of maps to local depots as well as greater program detail. A total of 166 advertisements were planned but, with bonuses provided, this is a minimum number.
- Newspaper advertorials – Advertorials permit more detailed explanation of the program and its value to B.C. residents. Twelve advertorials placed in newspapers in metro Vancouver and Victoria, each 5"x14" in size.
- Milk Month Radio – A concentrated three week period of 30 second radio spots in September focused on the metro Vancouver market. The three stations involved provide coverage of 150 Gross Rating Points (GRPs) which is significant market penetration.
- New grocery store and community promotional kits which include consumer brochures and brochure holders, posters and other program information
- New depot signage including a window decal
- Press releases and media monitoring
- Total consumer awareness expenditures for 2008 have been budgeted at approximately \$400,000

Collection Network

The collection and recycling of milk containers in B.C. has three major components:

- Collection from commercial and institutional accounts by, or on behalf of, dairy processors
- Curbside, drop-off and other municipal collection systems
- The depot program described in this report

This report is limited to describing the depot program but will incorporate collection data from the other two sources in order to provide a more complete picture of recycling performance for milk containers.

Depot Participation

Depot participation in the program is voluntary which requires each depot to decide whether or not to sign an individual agreement with Encorp.

Growth in the number of participating depots:

October 2006	51
Mid-year 2007	117
March 2008	122
June 2008	124

Container Recovery Rates By Weight (Kg):

COLLECTED (Kg)	PLASTIC January-June 2008	POLYCOAT January-June 2008
ENCORP	85,378	60,637
CURBSIDE (MERLIN PLASTICS)	1,333,557	---
DAIRY INDUSTRY*	22,500	---
TOTALS	1,441,435	60,637

SALES (Kg)	1,713,760	1,142,615
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RECOVERY RATE	84.1%	5.3%
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During the January to June period in 2007 the program was still in its initial rollout phase so there are no exactly comparable figures for that period. Comparing the above figures to the full year 2007 results show that the 2008 recovery rate to date represents an increase for both polycoat and plastic containers.:

COLLECTED (Kg)	PLASTIC January-December 2007	POLYCOAT January-December 2007
ENCORP	130,024	63,159
CURBSIDE (MERLIN PLASTICS)	3,078,801	---
DAIRY INDUSTRY*	53,000	---
TOTALS	3,261,825	63,159
SALES (Kg)	4,259,160	2,816,772
RECOVERY RATE	76.6%	2.2%

**One major dairy collects empty milk jugs from commercial accounts and sends them for recycling to a processor other than Merlin Plastics*

Summary

The recovery rate for polycoat containers experienced a sharp increase over the past year, albeit from a very small base. Increased awareness of recycling options along with more convenience for consumers should continue this growth but likely at a slower rate of increase. Intensive consumer awareness programs during September should be reflected in recovery numbers over the next few months.

Although not the primary focus, HDPE milk jug collection has also improved as a result of the program and has brought recovery rates for these containers to very high levels.

In addition, Encorp Pacific has compared container redemption volume growth at depots which offer additional consumer services, such as the dairy program, with those that do not. The data seems to indicate that those depots with additional programs experience higher rates of growth for their core business of deposit-bearing container redemption than those depots that don't.

The BC Dairy Council is committed to the long-term success of this program and continues to work with its contractor, Encorp Pacific (Canada), to refine and expand its scope.

Note regarding soy and milk substitute containers:

When establishing this voluntary program, milk processors agreed to accept soy and other milk substitute containers even though the producers of such products were neither part of the BC Dairy Council nor contributing financially to the program. Increased sales of soy milk and other substitutes have made this position increasingly difficult to continue; in effect, milk producers are subsidizing their competition. The industry association representing soy milk producers is scheduled to discuss its participation in this program in the Fall of 2008.

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