

# Dairy Today: Challenges & Opportunities

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Leprino Foods



# LFC Cheese Forms



- Shredded & Diced QLC®-IQF (individually quick-frozen)
- Block/Loaf
- String IQF
- Ribbon™ (bulk and wrapped)
- Gas Flush shredded cheese

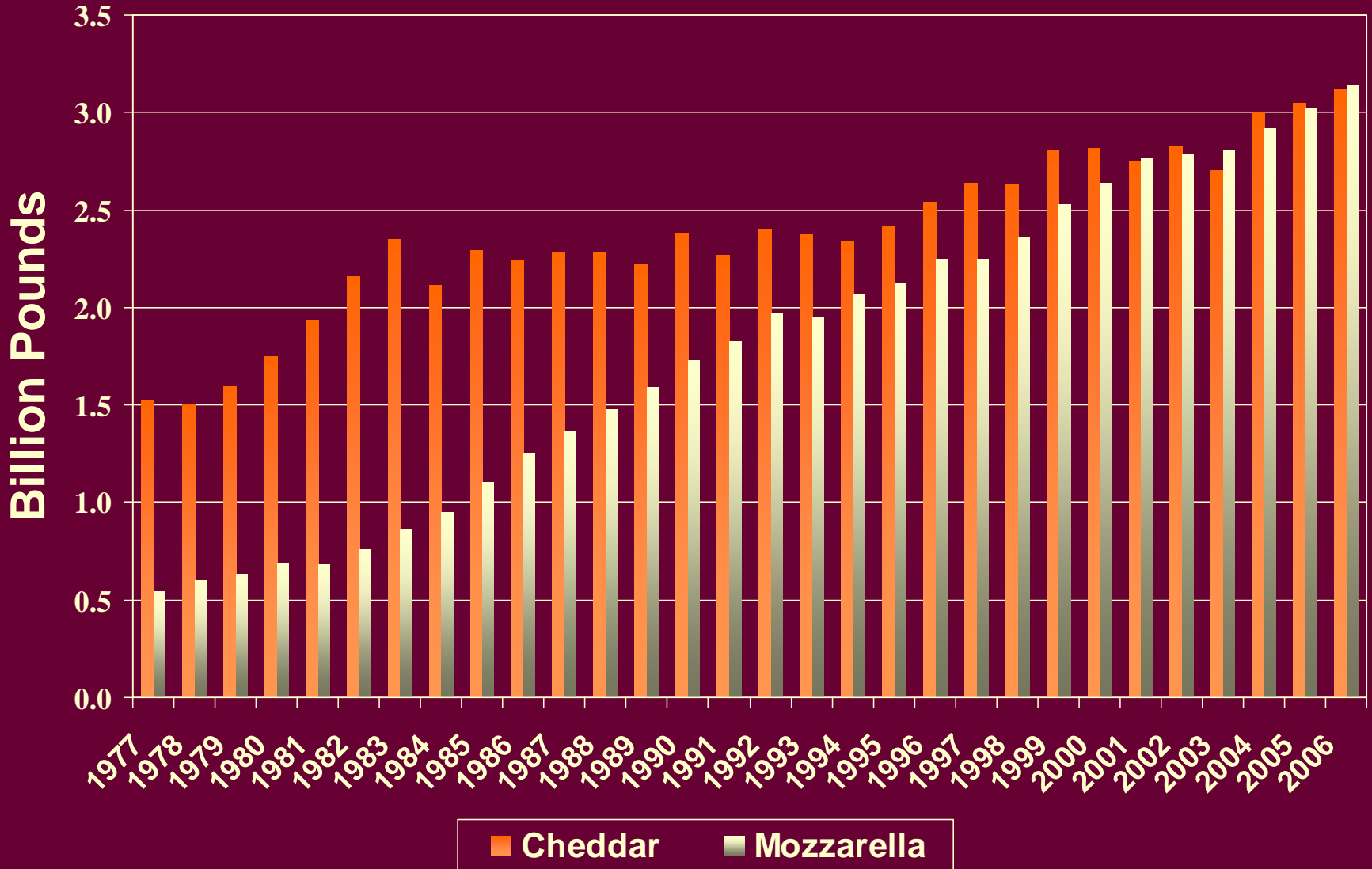


# LFC Cheese Variations

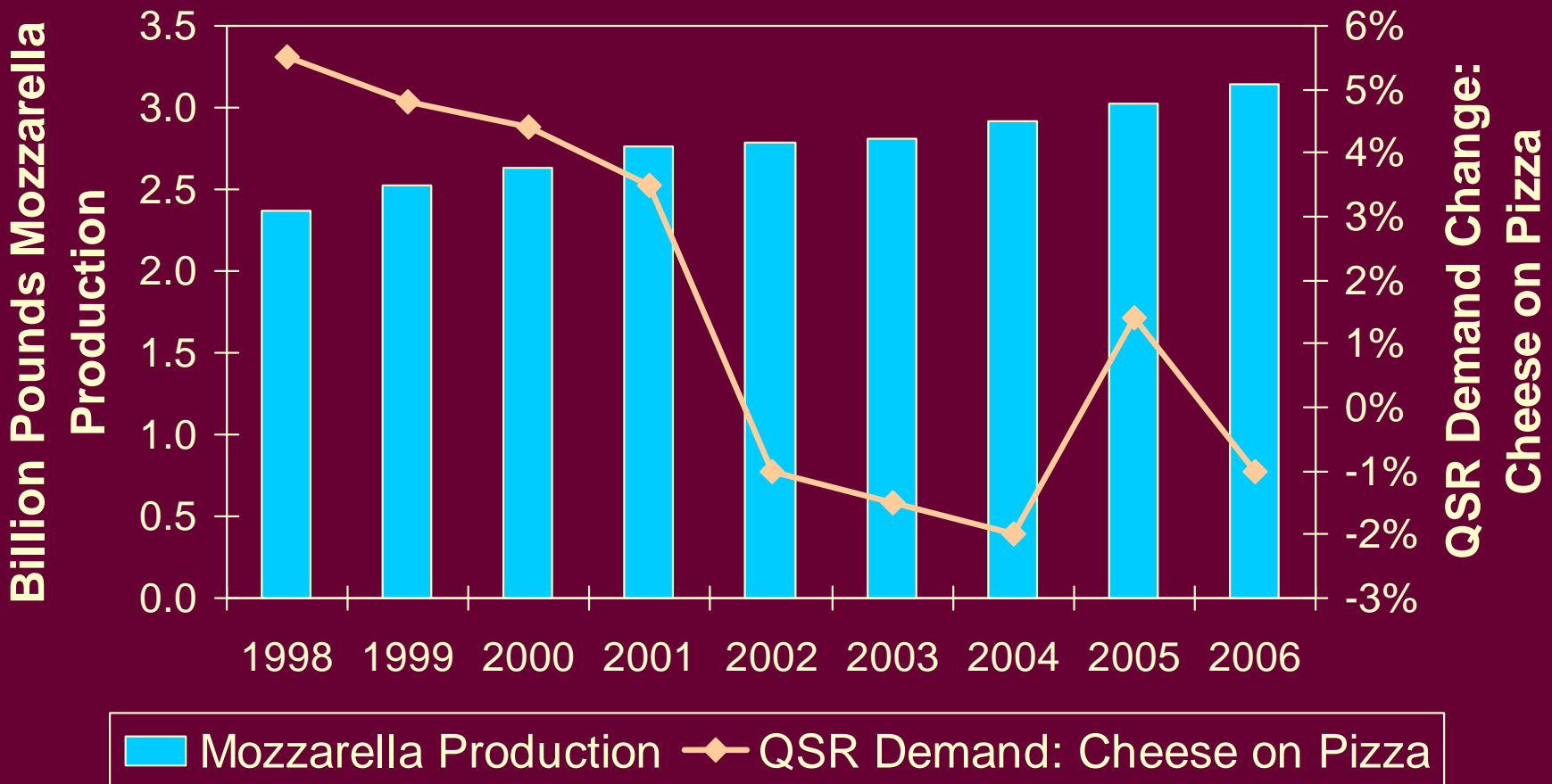


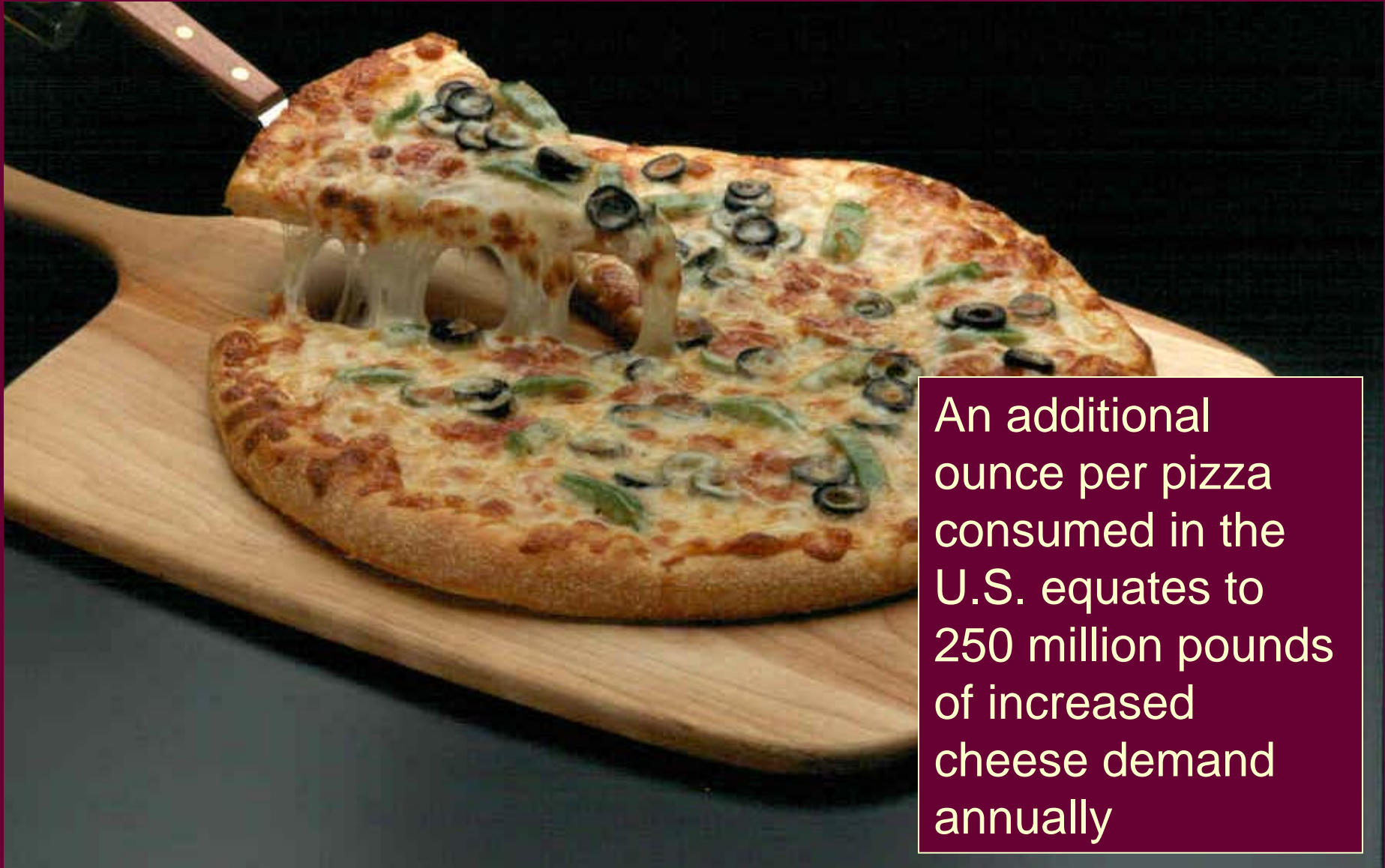
- Flavor profiles
  - Natural cheese flavors – Cheddar, asadero, smoke, etc.
  - Spice – Chipotle, garlic, etc.
  - Fun – Grape, bubble gum, blueberry etc.
- Colors – whimsical to traditional
- Function – melt control

# Mozzarella vs. Cheddar Cheese Production



# Mozzarella Production Growth vs. QSR Demand





An additional ounce per pizza consumed in the U.S. equates to 250 million pounds of increased cheese demand annually



# The Demand Side – What are our Customers telling us?

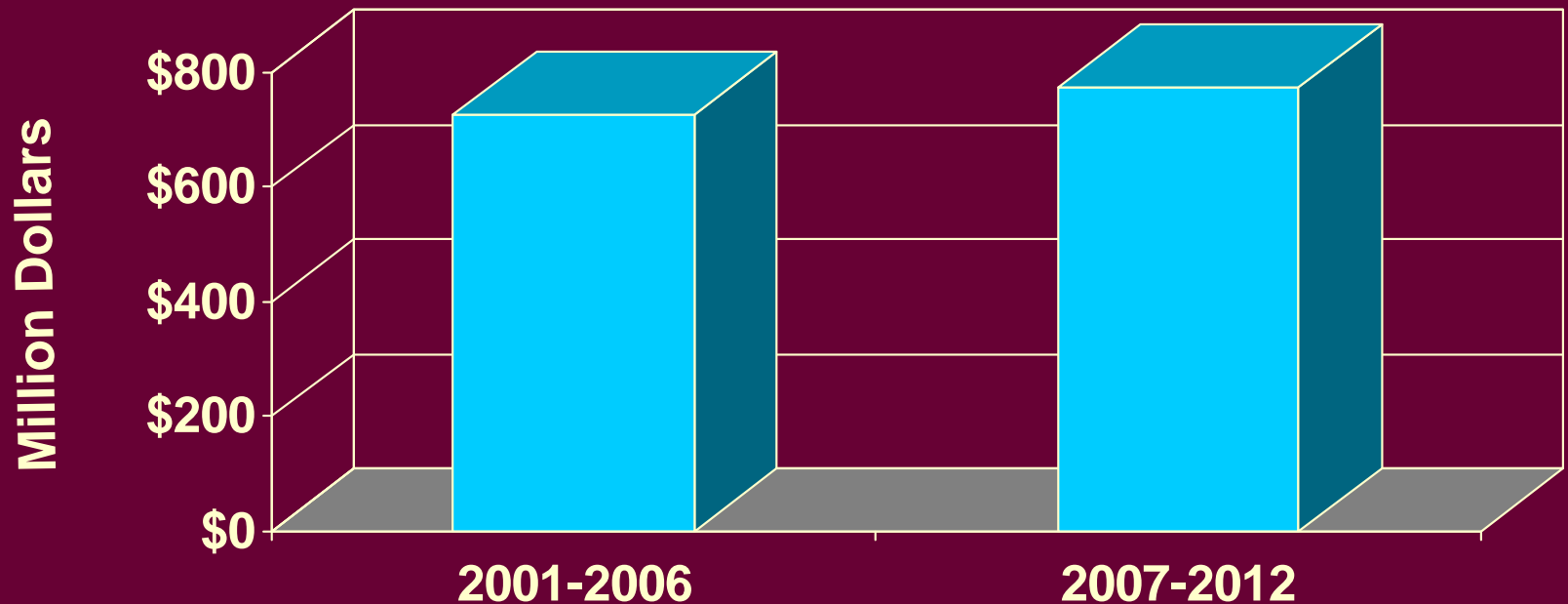
- Traditional markets provide a strong foundation but growth potential is limited
- U.S. exports can grow but the price surface for cheese is still not consistently competitive
- Good news – people like dairy
- Find more creative ways to use dairy food ingredients
- Innovation and collaboration are critical
- Pay attention to nutritional trends
- Quality, service and value are not optional



# The Supply Side

- Scale, efficiency and innovation are critical

## LFC Investment in Domestic Plants & Infrastructure





# The Supply Side – As we see the Future

- Continue to drive efficiencies in the industry to be a competitive world player
- Energy and water impacts have a greater consequence
- The environment and sustainability



# Policy and Regulation

- Recognize the “globalization” of our industry
- No entitlements – the industry must adapt to the customer
- Encourage infrastructure investment for environmental stewardship and energy conservation
- Don’t discourage scale and entrepreneurship
- Recognize our strengths
- Be nimble but prudent with change



Questions?