

Glossary

ACC	Associated Co-operative Creameries, an operating division of CWS , and a major processor .
ADC	Weighted average distribution cost per litre.
AFC	Average fixed cost per litre.
AMCo	Aberdeen Milk Company Limited, a milk group , successor to the ADMMB; it was acquired by Wiseman in 1999.
Arla	Arla Foods Plc, a major processor , until recently registered as MD Foods Plc. Arla is the UK subsidiary of a major Danish concern.
ATC	Average total cost. Includes both AFCs and AVCs per litre.
AVC	Average variable cost per litre. Also includes average total variable cost per litre.
AVDC	Average variable distribution cost per litre.
AVPC	Average variable processing cost per litre.
Blakes	Blakes Chilled Distribution Limited. A wholly-owned subsidiary of Express .
BMBs	Bottle milk buyers, also referred to as sub-purchasers , which act as intermediaries between processors and those who sell milk to the public.
Border	References in the report to the border are to the border between Scotland and England.
Bottle milk buyers	See BMBs .
Butterfat	The fat content of milk or milk products. The butterfat content of raw milk is established when milk is sampled and analysed.
CAP	Common Agricultural Policy.
Catering market customers	These include hotels and restaurants which buy milk in packs for individual use or in large containers. Typically they purchase milk in pergals (these are 13.64-litre or 3-gallon containers used to dispense milk), or in 2-litre plastic containers or 500-ml paper cartons. See also public sector bodies . They are excluded from the terms of reference (see Appendix 1.1).
Central Belt	Most densely populated part of Scotland spanning an area from the Firth of Forth in the East to the Ayrshire coast in the West and incorporating Edinburgh, Glasgow and several other central Scottish urban areas.
Claymore	See Express/Claymore Dairies (Claymore).
Contract processing	The processing of raw milk into dairy products by a processor under contract to a milk group or other processor, the ownership of the milk and resulting products remaining with the milk group or other processor concerned.
Co-op	A store or shop operated by a co-operative society.

Creamery	A plant for processing raw milk and cream into dairy products with longer life than liquid milk , such as butter and cheese—although sometimes used to cover all types of processing.
CRTG	Co-operative Retail Trading Group, the central procurement agency for CWS and a number of other Co-ops .
CWS	Co-operative Wholesale Society Limited, the most significant group of co-op retail outlets in the UK. CWS has a number of different types of business and manufacturing interests. (See also ACC .)
Dairy	A plant for processing and packaging raw milk into fresh processed milk and other dairy products . Sometimes used more loosely to include creameries .
Dairy Crest	Dairy Crest Limited, a major processor .
Dairy farmers' co-operative	An organization constituted under the Industrial and Provident Societies Act 1965 or similar. It markets its members' milk to processors . In this report, dairy farmers' co-operatives are treated as milk groups .
Dairy products	Products made from raw milk such as fresh processed milk, UHT , cheese, butter, cream, condensed milk, yoghurt, ice cream, milk powders, and chocolate crumb.
Depot	A refrigerated facility where fresh processed milk is held before distribution to customers. Normally separate from a dairy .
DGFT	Director General of Fair Trading.
Direct supply	The sale of milk by producers direct to processors , ie without the use of an intermediary supplier such as, especially, a milk group .
Doorstep	Section of the market in which fresh processed milk and other dairy products are delivered directly to the home (or 'doorstep'). It is excluded from the terms of reference.
Express	Express Dairies plc, a major processor .
Express/Claymore Dairies	Claymore Dairies Limited is a Nairn-based medium-sized Scottish processor . It has two shareholders, Express (51 per cent) and NMC (49 per cent). Claymore Dairies was the processing arm of what was the NSMCSL . NSMCSL , now called NMC , succeeded the NSMMB , a co-operative. In December 1998 NMC entered into an agreement to sell 51 per cent of its liquid milk business to Express . This business was transferred to a new company that took over the Claymore name. In the report this company is referred to as Express/Claymore .
Farm gate price	A price paid to producers for the purchase of their milk. It includes all bonus payments, but excludes transport costs.
Fat content	See butterfat .
Fresh processed milk	Milk for the liquid milk market which has been pasteurized. The term also includes pasteurized and homogenized milk, but excludes UHT and sterilized milk.
Gilmours	Gilmour's Dairy Limited. Gilmours was a medium-sized processor based in Ayrshire. It was acquired by Wiseman in April 1999.
Glanbia	Glanbia Plc, a major processor and creamery group based in Ireland whose UK liquid milk operations were acquired by Express in 1999.

Graham's	Grahams Dairies, a medium-sized processor based at Bridge of Allan, Stirlingshire.
Highlands and Islands	This region consists of (a) the Highland Council area of Scotland, ie, Scotland north of a line incorporating the Grampian Mountains from Loch Linnhe on the west coast to Nairn in the North-East, and (b) the islands north and west of this line, including Orkney, Shetland and the Western Isles.
Independent retailer	A retailer which is not part of a larger retail chain or symbol group . Such retailers are also referred to as shops other than supermarkets .
Larger supermarkets	This is the term used to cover the large national supermarket groups which have been excluded from the terms of reference. These are set out in Appendix 1.1 and consist of ASDA Group Ltd, Marks and Spencer plc, Safeway plc, Sainsbury's Supermarkets Ltd, Somerfield plc, Tesco plc and each of their subsidiaries.
Liquid milk	Processed milk which is sold in liquid form.
Liquid milk dairy	Dairies processing milk for the liquid milk market.
Middle ground	Retailers and customers other than larger supermarkets and doorstep retailers. The terms of reference (see Appendix 1.1) relate to middle-ground retailers.
Milk group	A raw milk producer group—ie a company or other association of producers acting as a milk wholesaler, agent or intermediary between the farmers who are its members and one or more purchasers. For the purposes of this report, dairy farmers' co-operatives are also considered to be milk groups.
Mlpa	Million litres per annum.
MMB	Prior to deregulation, one of the milk marketing boards in the UK.
NMC	North Milk Co-op, formerly NSMCSL , a farmers' co-operative based in Nairn. Its current operations include the selling of its members' raw milk to Claymore and a 49 per cent shareholding in Express/Claymore. See Claymore .
NRC	Non-returnable container. Mainly used to distinguish between returnable glass bottles, used predominantly for doorstep deliveries, and non-returnable cartons or plastic containers.
NSMCSL	North of Scotland Milk Co-operative Society Limited, a dairy farmers' co-operative, and successor to the NSMMB . NSMCSL became NMC in November 1998. See Claymore .
NSMMB	North of Scotland MMB . Broadly, its area extended north and north-west of Oban in the West of Scotland and to Elgin, Morayshire, in the North-East. It became NSMCSL in October 1994.
Other supermarket groups	Used in this report to distinguish these groups from the larger supermarkets . Other supermarket groups include retail chains such as Iceland, Alldays and CWS, including discount groups like Aldi and Lidl, and symbol groups such as Spar and Mace. Both groups are middle-ground retailers encompassed in the terms of reference.
ppg	Pence per gallon.

ppl	Pence per litre.
Processor	A manufacturer which processes raw milk obtained from milk groups and/or producers into liquid milk and dairy products .
Producer	A farm that produces raw milk .
Public sector bodies	These include institutions such as hospitals and schools. Milk is generally purchased by these customers on fixed price (one- to three-year) term contracts. They typically purchase pergals or paper cartons in 1-litre, 500-ml and also 250-ml sizes (see catering market customers). They are excluded from the terms of reference (see Appendix 1.1).
Raw milk	As defined in Council Regulation (EC) No 2597/97 of 18 December 1997, 'milk which has not been heated above 40°C or subjected to treatment having equivalent effect'. In practice the term denotes milk that has not been pasteurized or processed in any way.
Retail chain	A group of stores and shops that are owned or managed by the same company. See other supermarket groups and larger supermarkets .
Roundsmen	People or companies which deliver milk to the doorstep. Roundsmen can be employed directly by a dairy (in which case they are referred to as 'own roundsmen'), or they can be 'franchised roundsmen'. Franchised roundsmen are those who, in return for the agreement of the supplying dairy not to employ or franchise any other roundsmen in a specified area, typically agree to purchase all their requirements of milk from that dairy and to meet minimum sales targets.
Scottish Milk	Scottish Milk Limited, the milk group successor to the SMMB .
Scottish Pride	Scottish Pride Holdings plc. This was the processor successor to the SMMB . It entered receivership in March 1997 and its liquid milk assets were largely acquired by Wiseman , and its UHT plant at Kirkcudbright by Express.
SDA	Scottish Dairy Association. The principal representative body for processors in Scotland.
Secondary market	Trade in raw milk between processors .
Semi-skimmed milk	Defined in Council Regulation (EC) No 2597/97 of 18 December 1997 as 'heat-treated milk whose fat content has been reduced to at least 1.50 per cent (m/m) and at most 1.80 per cent (m/m)'.
Shops other than supermarkets	See independent retailer .
Skimmed milk	Defined in Council Regulation (EC) No 2597/97 of 18 December 1997 as 'heat-treated milk whose fat content has been reduced to not more than 0.50% (m/m)'.
SMD	Scottish Milk Dairies Limited, a medium-sized processor based in Hamilton in which Scottish Milk holds an 80 per cent shareholding. Until May 2000 SMD was called Drakemire Dairy Foods Limited.
SMP	Skimmed milk powder, ie skimmed milk concentrated under vacuum and spray-dried.
Sorn	Sorn Milk Ltd, a milk group based in Mauchline, near Kilmarnock in Ayrshire.
Sub-purchasers	Often referred to as bottled milk buyers (BMBs), although despite this name they buy non-returnable containers as well. They also buy a range

of packaged milks for sale to shops and **catering market customers** as well as for their own **doorstep** delivery rounds or to sell to other doorstep deliverers.

Symbol group	A commercial group of independently-owned shops or stores which use a single name as a marketing mechanism and which, among other things, benefit from centralized procurement. See other supermarket groups .
TNS	Taylor Nelson Sofres plc, a market research organization.
UHT	Ultra heat treated: high-temperature-processed milk products with several months' shelf life.
Unigate	Unigate Dairies, formerly part of the dairy division of the Unigate Group and the manufacturer of butter, powder and cheese previously carried on within St Ivel Limited, which is now part of Dairy Crest . Unigate PLC, excluding the dairy business, has changed its name to Uniq PLC.
Whole milk	Defined in Council Regulation (EC) No 2597/97 of 18 December 1997 as 'heat-treated milk which, with respect to fat content, meets one of the following requirements: —standardized whole milk: milk with a fat content of at least 3.50% (m/m). However, Member States may provide for an additional category of whole milk with a fat content of 4.00% (m/m) or above, —non-standardized whole milk: milk with a fat content that has not been altered since the milking stage either by the addition or removal of milk fats or by mixture with milk the natural fat content of which has been altered. However, the fat content may not be less than 3.50% (m/m).'
Wiseman	Robert Wiseman Dairies PLC, the major Scottish based processor . Its trading subsidiary is Robert Wiseman & Sons Limited.

