

CHECKOFF UPDATE

BUILDING TRUST AND DEMAND IN DAIRY



01 | BUILDING CONSUMER TRUST IN DAIRY

The American Dairy Association Mideast reaches **more than 125 million consumers** online each year about dairy foods and farming through Drink-Milk.com, social media and other digital communications.

Using third-party data, ADA Mideast strategically targets online users by geography, gender, age, household income, occupation, online behaviors and interests, which places relevant content across websites and social media platforms the target audience is browsing.

SOCIAL MEDIA PROMOTIONS

ADA Mideast uses social media to share dairy farmer stories, dairy's health benefits and dairy-centric recipes, as well as to encourage people to visit Drink-Milk.com.

To increase social media followers, ADA Mideast hosted a 2-week National Dairy Month sweepstakes on Facebook, resulting in more than 8,000 entries. The participant's emails were added to our **monthly consumer e-newsletter list which reaches nearly 20,000 people**.

ADA Mideast also hosted a Twitter party during National Dairy Month. The hour-long online conversation generated **6.2 million positive messages about dairy**.

PARTNERING WITH FOOD BLOGGERS

This year, ADA Mideast has partnered with 7 prominent national food bloggers to create new dairy-friendly recipes. The **bloggers have a combined 1.1 million readers and 1.74 million social media followers**, and played a major role in encouraging their followers to participate in the Twitter party.

From April to June, ADA Mideast and the bloggers have shared 11 new recipes on their websites, garnering **more than 75,800 views**. On ADA Mideast's social media channels, the recipes have **reached 430,000 users on Facebook and received 526,300 impressions across Pinterest, Twitter and Instagram**. The recipes have also received **nearly 2,700 shares** on the blogger's social media channels.

American Dairy Association Midwest

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Columbus, Ohio 43231

July 2020

CHECKOFF UPDATE



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 American
Dairy
Association
MIDWEST

DMI DAIRY MANAGEMENT INC.



02 | SUPPORTING FOOD PANTRIES WITH MILK COOLER GRANTS

In the midst of the COVID-19 pandemic, ADA Mideast continues to work to get dairy foods to those who need it most. Your dairy checkoff has heard from some farmers that their local food pantries can't provide milk to their clients because they lack refrigeration.

To address this, ADA Mideast is offering Ohio and West Virginia dairy farmers the opportunity to apply for a one-time grant to provide a food pantry in their area with a cooler to keep milk and dairy foods cold. The goal is to provide 15 coolers to non-profit food pantries that meet the requirements outlined in the application.

The grant deadline has been extended to Friday, July 31. Applications can be found at [Drink-Milk.com/Milk-Cooler-Grant](https://www.drink-milk.com/milk-cooler-grant)

03 | WORKING WITH FOODSERVICE PARTNERS TO INCREASE SALES

The checkoff continues to spark innovation and grow U.S. dairy sales through foodservice and dairy cooperative partnerships.

TACO BELL

Checkoff partner Taco Bell recently launched the Pineapple Whip Freeze, its first dairy-based beverage in years. Checkoff's food scientist Mike Ciresi, who works on-site with Taco Bell, played a critical role in developing this new beverage made with

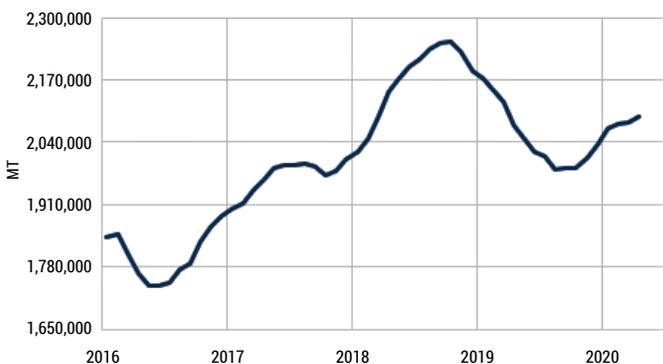
dairy-based sweet vanilla creamer.

PIZZA HUT & PAPA JOHNS

To help move more cheese, checkoff teamed up with Pizza Hut to support the chain's "3-Topping Stuffed Crust" pizza which uses nearly twice the amount of cheese as a regular pizza. Checkoff is also partnering with Papa John's to add 2 ounces of extra mozzarella cheese on several of its menu offerings through August.



U.S. EXPORTS - AGGREGATE VOLUME
(Rolling 12-months)



04 | FOCUSING ON EXPORTS

Robust trade was an unsung hero for dairy demand this spring. The U.S. Dairy Export Council, funded by the dairy checkoff program, reports record exports of dry ingredients to Southeast Asia, plus rebounding volumes of whey products to China, sent U.S. dairy exports higher for the eighth straight month, despite the pandemic.

In April, U.S. suppliers shipped 181,437 tons of milk powders, cheese, whey products, lactose and butterfat, 7% more than a year ago. On a solids basis, exports were up 10%. The value of all exports was \$521.0 million, 4% more than a year ago.

To learn more about U.S. dairy exports, visit [USDEC.org](https://www.usdec.org)

05 | INCREASING DAIRY SALES DURING COVID-19

Retail dairy sales saw an initial spike during peak-COVID shopping, and sales across all categories (cheese, butter, yogurt, ice cream and milk) remain above-average compared to a year ago.

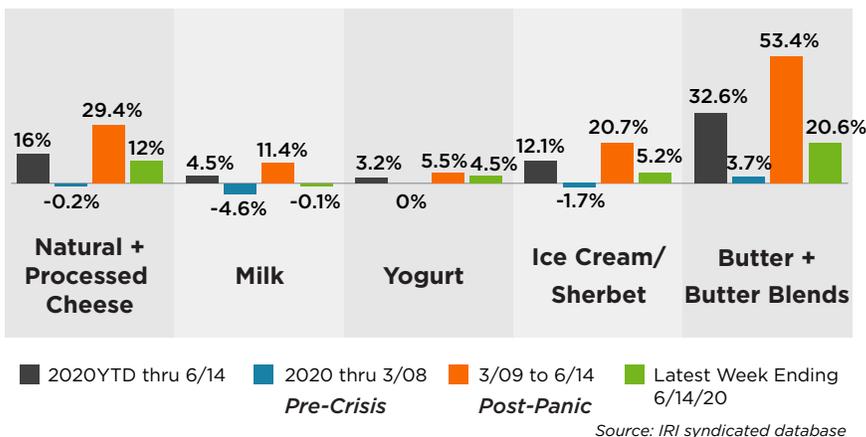
Dairy products that were on a downturn prior to the pandemic have reversed to a growth scenario and products previously trending upward, received a growth boost. Products that are carriers of dairy such as frozen pizza, cereal, coffee and bread are also seeing strong growth, helping to fuel additional dairy sales. Frozen pizza in particular experienced a sales boom as consumers sought convenient, affordable meal solutions.

Consumers have shown that they won't sacrifice the basics during this time, and your dairy checkoff is working to maintain this increase in dairy sales following the pandemic. DMI, in partnership with MilkPEP, developed and shared a milk revitalization toolkit with brands and partners featuring tips on how to win with customers and retailers via insights and fundamentals. This toolkit offers brands marketing tools on how to promote milk usage at home in baking, breakfast (pancakes, protein bowls) and smoothies as examples.

While retail sales are positive, it is important to note that the foodservice sector suffered significant loss with restaurant closures and more people eating at home. Your dairy checkoff staff are engaging with foodservice partners to identify opportunistic ways to drive immediate dairy sales.

VOLUMETRICALLY, LARGEST DAIRY CATEGORIES ARE SEEING GROWTH IN 2020YTD

Dairy Products Retail Volume - % Change vs Same Period Year Ago



06 | HOSTING FARM TOURS VIRTUALLY

To build trust in dairy foods, your local dairy checkoff program hosts farm tours and educational sessions each spring for those who influence consumers about healthy eating. Although many of these in-person events were cancelled because of COVID-19, ADA Mideast is working to ensure these health professionals receive important dairy information.

To reach dietetic interns and students whose dairy farm tours were cancelled, ADA Mideast hosted virtual "farm to fridge" presentations and self-guided video tours for 7 Ohio and West Virginia universities. More are planned for fall.

ADA Mideast is also providing resources to assist health and wellness professionals earn continuing education credit while working from home. These resources include webinars about fermented foods, common questions about dairy foods and farming, and dairy's role in health and sustainable food systems.

ABOUT ADA MIDEAST

The American Dairy Association Mideast is proud to serve dairy farm families in Ohio and West Virginia. ADA Mideast is one of 15 state and regional dairy farmer-funded promotion organizations that work together as a federation with Dairy Management Inc. to grow sales, build trust and position dairy in a global food system.

HOW THE DAIRY CHECKOFF WORKS

Dairy farmers pay 15 cents and dairy importers pay 7.5 cents for every hundred pounds of milk they sell or import into a generic dairy product promotion fund – familiarly called the “dairy checkoff.”

That money – with USDA oversight – is used to fund programs aimed at promoting dairy consumption and protecting the positive image of dairy farmers, dairy foods and the dairy community.

Locally, ADA Mideast is governed by a Board of Directors consisting of dairy farmers representing both cooperative and independent producers. The Board also appoints one non-voting advisory director representing dairy processors and manufacturers. They provide accountability to the dairy farmers they represent, set policy, approve program direction and establish budgets. Greg Conrad, a dairy farmer from New Holland, Ohio, serves as the chairman.

2020 BOARD OF DIRECTORS

Bill Besancon

Wooster, Ohio

Donald Bickel

New Vienna, Ohio

Rob Bouic

Secretary
Milford Center, Ohio

Greg Conrad

Chairman
New Holland, Ohio

Lois Douglass

Marshallville, Ohio

Greg Gibson

Bruceton Mills, WV

Larry Griffith

Bethel, Ohio

Mark Hoewischer

Vice Chairman
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Joe Miley

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Butler, Ohio

Travis Thompson, DVM

Navarre, Ohio

Bill Thurston

Delaware, Ohio

John Wuebker

St. Henry, Ohio

Advisory Director - Dannon

Minster, Ohio

2019 ANNUAL REPORT

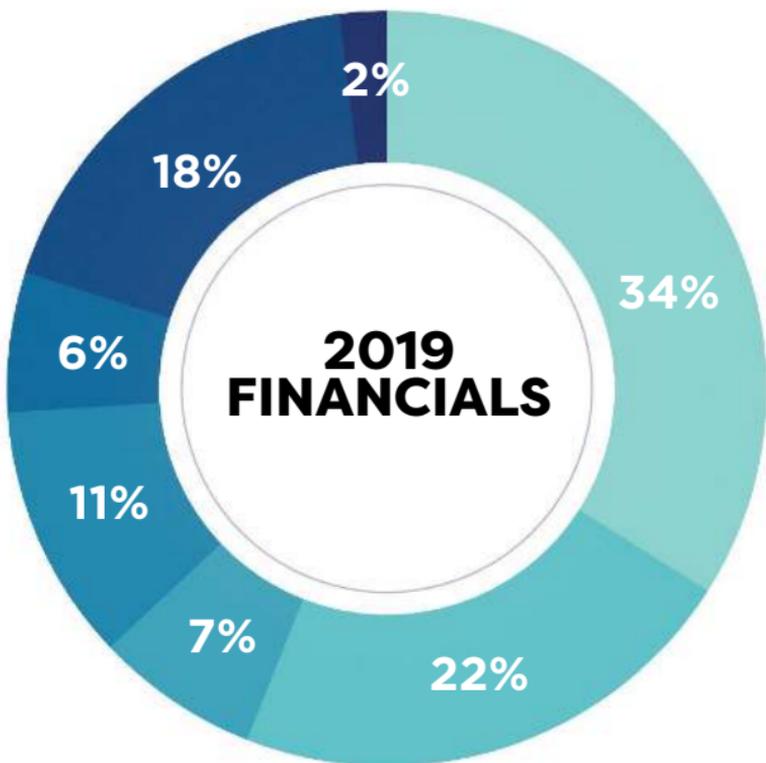
REVENUE

Producer Remittances	\$5,072,201
Other Income	104,894
Total Revenue	<hr/> \$ 5,177,095

EXPENSES

Integrated Communications	\$1,828,705
Youth Wellness	1,156,545
Social Responsibility	384,217
Management & General	579,917
Nutrition Affairs	321,437
Innovation Initiatives	987,745
UDIA Membership	125,000
Total Expenses	\$5,383,566

\$206,471 was used from reserves to fully fund our programs.



**SIGN UP TO RECEIVE OUR MONTHLY
CHECKOFF E-NEWS**

Drink-Milk.com/For-Dairy-Farmers

