

DAIRY PROMOTION



DMi DAIRY MANAGEMENT INC.™

CHECKOFF UPDATE

BUILDING TRUST AND DEMAND IN DAIRY



2021 CHECKOFF HIGHLIGHTS

Despite a year with continued COVID-19 challenges, the dairy checkoff delivered on its mission to drive sales and trust. This issue will dive into some of the successes that the dairy community saw in 2021 as a result of the work from Dairy Management, Inc. and the American Dairy Association Mideast.

Checkoff foodservice partners continued to grow sales of U.S. dairy foods and more domestic dairy headed into the international marketplace. There also were increased efforts to connect with the valued Gen Z consumer and dairy's sustainability journey reached new levels.

SOME PARTNERSHIP HIGHLIGHTS FROM 2021 INCLUDE:

- Checkoff partners Domino's, Taco Bell and McDonald's grew overall sales anywhere from 3% - 6% this year.
- Checkoff scientists at Taco Bell's headquarters helped launch the Mtn Dew Baja Blast Colada Freeze, which features a dairy-based creamer. They also helped relaunch the Quesalupa, which uses seven times more cheese than the chain's regular taco.
- Pizza Hut launched the "Detroit-Style Pizza," using 50% more cheese than traditional hand-tossed pizza.
- E-commerce milk sales grew 24% and cheese sales by 16%, fueled by the checkoff's partnership activities with Amazon and Kroger.
- Fluid milk partners Darigold, Kroger and Shamrock Rocking Protein launched or expanded value-added products this year with checkoff support.

American Dairy Association Mideast

2800 Corporate Exchange Dr #260

Columbus, Ohio 43231

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**MAKING
EVERY
DROP
COUNT**





01 | GROWING INTERNATIONAL SALES THROUGH FOODSERVICE

The foodservice partnership model that has worked so well domestically found more footing internationally. Selling more dairy into foreign markets is important – 1 of every 6 tankers of milk heads into the international marketplace.

DOMINO'S INTERNATIONAL

In June, checkoff entered a partnership with Alamar Foods Company, which owns 455 Domino's stores in the Middle East, North Africa and Pakistan region. The partnership will focus on about 300 locations in Saudi Arabia and the United Arab Emirates with a goal of increasing U.S. cheese sales. Domino's Japan launched two menu items featuring U.S. cheese – the Jumbo Pizza and the Pizza Rice Bowl. This innovation combines a familiar Japanese dish with the toppings of pizza. Since the beginning of the DMI/Domino's Japan partnership in 2019, U.S. cheese volume at the chain has doubled.

PIZZA HUT INTERNATIONAL

For Pizza Hut, the focus in Asia-Pacific was driving value promotions in support of takeout and delivery across key markets in the region, including Japan, Korea and Indonesia. To date, U.S. cheese growth across Asia-Pacific has more than doubled since the on-set of the partnership.

DAIRY EXPORTS

Further growth of U.S. dairy sales internationally is being achieved through the checkoff-founded U.S. Dairy Export Council. Through October, total U.S. dairy exports were up 11% from the same period a year earlier and remain on a record pace. Export value was up 17% to \$6.48 billion for the same period, also a record pace.

02 | BUILDING TRUST WITH CONSUMERS

Checkoff teams continued work to reach Gen Z consumers (ages 10 to 23), who constitute 20% of the population. They have about \$100 billion in purchasing power and high influence on their parents when it comes to products brought into the home.

RESET YOURSELF WITH DAIRY

Reset Yourself with Dairy is a youth-centric campaign that uses new, relatable content and channels to reach Gen Z with digital media, cultural influencers, outreach on 400+ college campuses and retail promotions, and is on track to reach 230 million impressions through January 2022.

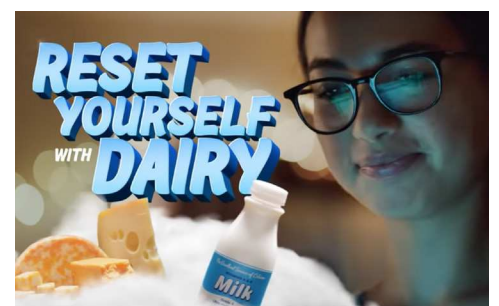
ONLINE PRESENCE

In 2021, ADA Mideast generated about 133 million impressions across multiple channels as a result of social and traditional media, influencer programs, Drink-Milk.com and online promotions.

Another way to reach consumers with positive dairy messages is through its partnership with Ohio State Athletics. This partnership reached 144+ million people during football and basketball seasons. Digital efforts throughout the year resulted in 4 million impressions.

ADA Mideast sends a monthly digital newsletter to consumers.

The newsletter features stories about dairy farming and sustainability, recipes, videos, cooking and entertaining tips, nutrition facts and other dairy-related content. Each issue reaches more than 18,000 subscribers per month from Ohio and West Virginia, as well as across the country.



03 | EDUCATING STUDENTS ABOUT THE BENEFITS OF DAIRY

Today's youth are the next generation of consumers. Reaching them now with the right messages is key to keeping them for the long term. To accomplish this in 2021, your dairy checkoff found success in multiple ways:

FUEL UP TO PLAY 60 PROGRAM

The farmer-founded Fuel Up to Play 60 program was repositioned in a fresh way last year to help students and educators navigate the new school year. Fuel Up to Play 60 unveiled an easy-to-navigate website, educator dashboard and an enhanced student app that allows teachers and parents to learn about the program and access resources focused on dairy nutrition and dairy farmers' care for the environment. In the first week, the new website garnered 75,000 page views and the Student Zone app was downloaded 13,000 times.

BUILT WITH CHOCOLATE MILK

Chocolate milk is the official beverage of high school sports in Ohio and West Virginia. As a partner of OHSAA and WVSSAC, ADA MidEast is inspiring student athletes to power their potential through its Built With Chocolate Milk campaign. The campaign, which harnesses the credibility of well-known athletes and sound science to promote chocolate milk, was promoted to 950 schools in 2021.



BRINGING THE FARM TO THE CLASSROOM

More than 2,100 Ohio and West Virginia classrooms virtually adopted an Ohio dairy calf for their classroom through the Adopt A Cow program. They receive monthly updates on their calf and corresponding lesson plans.

ADA MidEast hosted a virtual farm tour that was attended by more than 400 classrooms representing over 8,300 students nationwide, including 226 Ohio and West Virginia classrooms. In a follow-up survey, an overwhelming 99% of participants agreed the experience was beneficial and 96% said their opinion of dairy farming is the same or better after participating!



04 | POSITIONING DAIRY IN A GLOBAL FOOD SYSTEM

Through the efforts of the checkoff, U.S. dairy continued to be recognized as an essential and sustainable food source.

FEEDING AMERICA PARTNERSHIP

National and local checkoff teams, along with dairy companies and other organizations, helped move 664 million pounds of dairy into Feeding America's network of 200 food banks during its recent fiscal year. This is an increase of 195 million pounds from the previous year for the checkoff partner, which seeks to distribute more than 900 million pounds of dairy annually by 2025.

To date, more than 2.2 billion servings of milk, cheese and yogurt have been distributed through the Feeding America network.

KROGER LITTLE CLINIC PARTNERSHIP

Through a partnership with Kroger, ADA MidEast helped create 60,000 booklets entitled "Eat Better, Eat Together with Real Dairy" that were distributed in 250 Kroger Little Clinics around the country. The partnership also included a dairy nutrition presentation to 35 Kroger corporate dietitians, who assist Kroger customers.