

# Your Dairy Checkoff

*Check-in*



**MAKING  
EVERY  
DROP  
COUNT**





# A Note from CEO, *Geri Berdak*

“All **change** may not be **progress**, but all progress is the result of **change**.” –John Wooden

During my last three years as Chief Executive Officer at The Dairy Alliance, the Southeast Industry has experienced significant, altering change. Post-pandemic challenges still impact the supply chain and the loss of over 5 processing plants since 2020 has impacted school and retail milk supplies far more than we could have predicted. Change is inevitable, and in the Southeast, we have experienced more than our fair share. This change in processing availability has led to farm consolidation and closure, further reducing dairy in the Southeast.

These dynamics, opportunities, and challenges that exist in our region have required us to rethink checkoff's role in the Southeast. The Dairy Alliance has shifted its focus and priorities to an organization that not only implements national programs at a local level; but strategically identifies opportunities and challenges that support dairy in the Southeast and advance dairy in the United States. We have evolved to become a consumer-centric, results-oriented organization that serves as an industry catalyst, acting as the voice of the federation for our farmers and consumers.



Under our Dairy Transformation strategic priority, we are working to facilitate new product and/or infrastructure innovations that will become a differentiator for Southeastern milk. For the next year, our objectives for this priority are to:

- Continue to develop state-specific planning and networking teams that sustain and hopefully grow the industry within each state and across the region.
- Implement and evaluate innovation research and mentorship programs.
- Continue targeted Southeast Dairy Transformation Forum Series to build partnerships that grow opportunities in our region.
- Develop a resource hub for value-add processors.

Change has been hard for our industry, but there is still opportunity for the Southeast, and we still are a key player in supplying our growing population. We are seeking all avenues, supporting our partners, and working to elevate our farmers on many fronts. This quarterly newsletter highlights the work our Dairy Transformation team is doing to support and sustain our region. It is the first step in moving the industry forward, seeking dairy innovation in fluid milk, and rebuilding our processing capacity.

# Hydration or Strength?

## College Football Players Compete in Milk Bowl

Leveraging Southeast consumers' love of college sports, The Dairy Alliance launched the **Milk Bowl** campaign in November. The Milk Bowl featured the University of Georgia's Ladd McConkey and the University of Tennessee's Joe Milton. While the two competed on the field November 18, off the field, the two battled about milk's role in hydration and strength throughout the month.

Users could vote for which milk health claim is their favorite by using the hashtags #milkbowlstrength or #milkbowlhydration to help each player score. In this year's Milk Bowl, Joe Milton and milk's role in strength won.

The campaign included TV and radio spots on gameday, social media posts from both players, billboards in Athens and Knoxville, social media and recipe support from influencers Erica Thomas of Eating with Erica and Emily Schaapman of DairyGirlFitness, and media pick up from publications like *Sports Illustrated*.

Though results are still coming in, television, radio, PR, and Meta platform spots garnered over **106 Million impressions** and **\$2.6 Million in publicity value**. The Milk Bowl reached

a total of 3.4M unique users online, 1.9M in Georgia and 1.5M in Tennessee.

The Milk Bowl is the latest in a series of athlete-featured sports campaigns featuring milk's benefits to players and fans alike. Recent campaigns include the Milkman social campaign with Stetson Bennet and the Dunks on You online competition with Zakai Zeigler.

Not only are Southeast consumers interested in college sports, but student athletes exemplify the fulfilled performance and health goals many consumers seek. Bringing the two areas of interest together through milk creates engaging entertainment and easy action steps for health-seeking consumers. Inspired by their favorite college athletes, more consumers can turn to milk to help them reach their goals.

Due to the success of these campaigns, The Dairy Alliance will continue to feature college athletes in 2024 campaigns targeting Southeast sports fans. More information will be available in the next edition of the Checkoff Check-in.

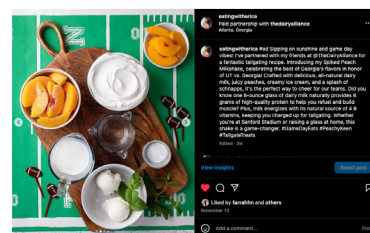


**AZ SPORTS**

**Sports Illustrated**

**Dairy FOODS**

**ON3**





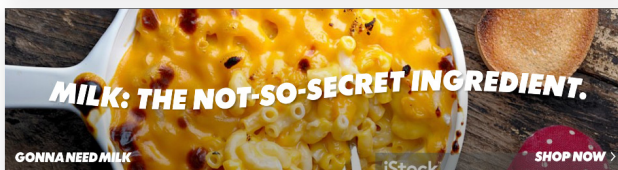
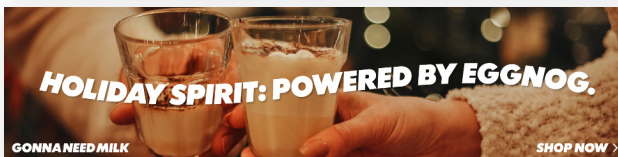
# Moving Dairy on Menus

As part of our collaboration with **Pretzelmaker**, we've introduced two mouthwatering new pretzel flavors complemented by dairy-based dipping sauces, including a cheese dip, to participating store of its **280 locations**. Promotional materials include the Undeniably Dairy and The Dairy Alliance logo and a callout that the dip is made with real cheese.

To reach Hispanic audiences, The Dairy Alliance partnered with **Handel's Homemade Ice Cream** to introduce five new horchata ice cream and milkshake options during Hispanic Heritage Month last September. The horchata offering is formulated with sweet cream, cinnamon and creamy milk. The offering was available

for a limited time in 2023 and will launch nationally in 2024. Handel's currently has **117 locations**. The Dairy Alliance board had the opportunity to sample the delicious new flavor during their board meeting in November and it was a hit!

These partnerships and innovations represent our commitment to create demand and expand our presence in the market through appealing dairy options.



## Choosing Milk Through Shoppable Ads

To encourage the sale of fluid milk in the Southeast region, The Dairy Alliance continues its efforts in

Ecommerce with **Instacart advertising** to promote the consumption of milk through messaging around milk's benefits during the key holiday time frames. The November and December Ecommerce assets used in shoppable advertisements on apps and grocery websites showcased milk's benefits through holiday favorites like eggnog, encouraging consumers to get into the Christmas spirit while helping fuel their bodies.

The holiday advertisements follow a successful run during the summer months where hydration lifestyle imagery and health claims were displayed on shoppable

display advertisements and websites of grocery partners. The Ecommerce Hydration Campaign had a direct impact on fluid milk conversions with consumers purchasing 388,000 milk units, bringing in **15% new users to the fluid milk segment and driving \$2.17 million** in direct sales from May 25 to August 31.

In addition, the Q4-Q1 Campaign is Balanced Nutrition by Milk, which will be highlighted in a future edition of the Checkoff Check-in. This messaging highlights several benefits, including protein, immunity-strengthening and providing energy.



# WHAT IS DAIRY TRANSFORMATION?

The Southeast dairy industry has been in decline, with the loss of dairy farms, processing and supporting infrastructure. However, dairy still contributes on average **3% of the Southeastern states' GDP**, having a total economic impact of over **\$81 billion** in the eight states in 2021.

Checkoff understands the need for innovation to create a positive long-term impact on the dairy industry. Supporting nutrition studies, investing in sustainable practices, and seeking new avenues for production are a few examples of how checkoff has focused on innovation to form an effective strategy that keeps dairy relevant to modern consumers.

To move the industry forward, we now must identify new models that will support both existing and new processors and manufacturers. Innovation and diversity are key to rebuilding this critical food supply chain in our region. Dairy transformation requires The Dairy Alliance and the industry to facilitate new product innovation and infrastructure to differentiate Southeastern milk.

### OUR STRATEGIC INITIATIVES

The Dairy Alliance has identified three strategic initiatives that aim to grow dairy in the Southeast region—

#### Drive Milk Volume, Increase Dairy's Reputation and Transform Dairy.

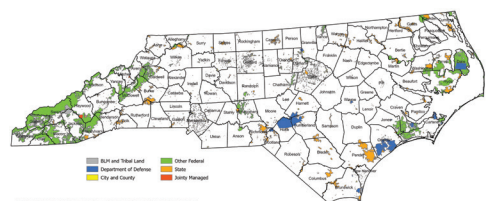
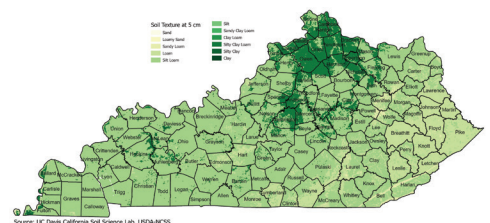
Our Transform Dairy initiative seeks to revitalize Southeast dairy. The initiative identifies high-growth opportunities, stimulates new infrastructure and secures investment in technology and innovation. Our dairy transformation initiative brings together key stakeholders to reposition dairy and ensure the Southeast remains relevant in a demanding consumer ecosystem. We aim to identify a plan forward for the Southeast dairy industry, recognizing issues and gaps that discourage innovation for existing and new processing and seeking opportunities to position the Southeast as a dairy region.

Since the dairy transformation initiative began in 2022, we have gathered input from stakeholders throughout our states. We have identified three priority strategies:

### 1 GUIDE INVESTMENT INTO HIGH-GROWTH DAIRY OPPORTUNITIES:

#### Develop a Southeast roadmap for potential volume, processing and innovation growth.

The processing model for the Southeast is different from other US regions, and so we must provide potential investors business models showing how processing can be successful here. We are working with a team at the University of Tennessee to map out potential growth areas. Once this mapping is completed, we will assess the feasibility of strategic plans for regional, subregional and/or state business models and how these models can be profitable. Assessing the impact on current farms and processing will be key as we move forward.





# 2

## **BUILD A PATH TO MARKET FOR DAIRY INCLUDING INNOVATION:**

### **Develop a Southeast portal to guide entrepreneurs and startups to business and innovation resources.**

Resources to support innovation are available through both national and state partners, but a Southeast portal is needed to provide an easy to access hub for these resources, supporting entrepreneurs and processors (including farmer processors) through the innovation process leading to (product) launch.

The Dairy Alliance will add this important portal to our website in 2024! The portal will include information on up-to-date research, trends, consumer insights, growth opportunities in the health and wellness space as well as local grants, trainings, food safety information and business support options. These resources will be available to assist partners in bringing dairy to their customers. Watch your checkoff updates for more information.

# 3

## **ATTRACT INVESTMENT FOR DAIRY RESEARCH AND INNOVATION:**

### **Expand and leverage the Southeast dairy network, including industry and universities, to attract investment in dairy for the Southeast.**

Universities have the potential to bring new technology, expertise and talent to dairy in the Southeast. An example of this work includes Dr. Drake's paper titled "Parental perceptions of children's school lunch milk" that was selected as an "Editor's Choice" in the October issue of the Journal of Dairy Science. The objective of this study was to evaluate the parental understanding and perception of school milk which would provide actionable insight for governmental bodies determining educational and nutritional policies for school meals and fluid milk processors seeking to optimize their products intended for schools.

With 17 land grant schools and other colleges and universities, we have the opportunity to expand dairy research. We continue developing relationships and supporting research and education while identifying new technologies, packaging options and health and wellness experts to expand our network.

## **OUR 2023 DAIRY TRANSFORMATION PROJECTS**

Dairy Transformation efforts are already making an impact. This year, we connected 7 retail stores to a fluid milk source. Additionally, The Dairy Alliance's supported research was used in the study *Parental perception of children's school lunch milk*. Other areas of functional and strategic projects in 2023 include:



**Plant Support**  
Research and education support integrating this new plant into existing infrastructure, reducing negative impact and supporting growth



**A2/A2/Lactose-Free Study Assessment**  
Assess tolerance, gastrointestinal distress and preference for milks varying in casein types and lactose content with Principal Investigator Drew Frugé



**NextGen Scientist Support**  
Assistance in 2 capstone projects on school milk and food safety  
**Milk Quality Research Support**  
Support research by Dr. Stephanie Ward



**Pecan Goo Goo Milk Innovation**  
Flavor innovation for new products coming in 2024



**Mapping and Growth Modeling** Identification of potential areas of growth



**First Wave Support**  
Support of 3 new dairy products being processed in North Carolina and debuting at Expo West 2024



**Southeast Dairy Foods Research Center Support**  
Support to Consumer views on Animal Welfare and impact on dairy consumption and Evaluating consumer acceptance of aseptic milk



**Connect 100+ partners**  
with the Health and Wellness Innovation Landscape developed by DMI

## **HOW DAIRY TRANSFORMATION AFFECTS FARMERS**

“There really is an opportunity to grow in the Southeast, but the models and level of growth will look different depending on your location. Even for farms that don't plan to increase size or production, growth of the dairy infrastructure will help support them as well, securing their future for as long as they want to stay in business. It really is a win for everyone.”

— Roddy Purser, White Rock Farms, North Carolina

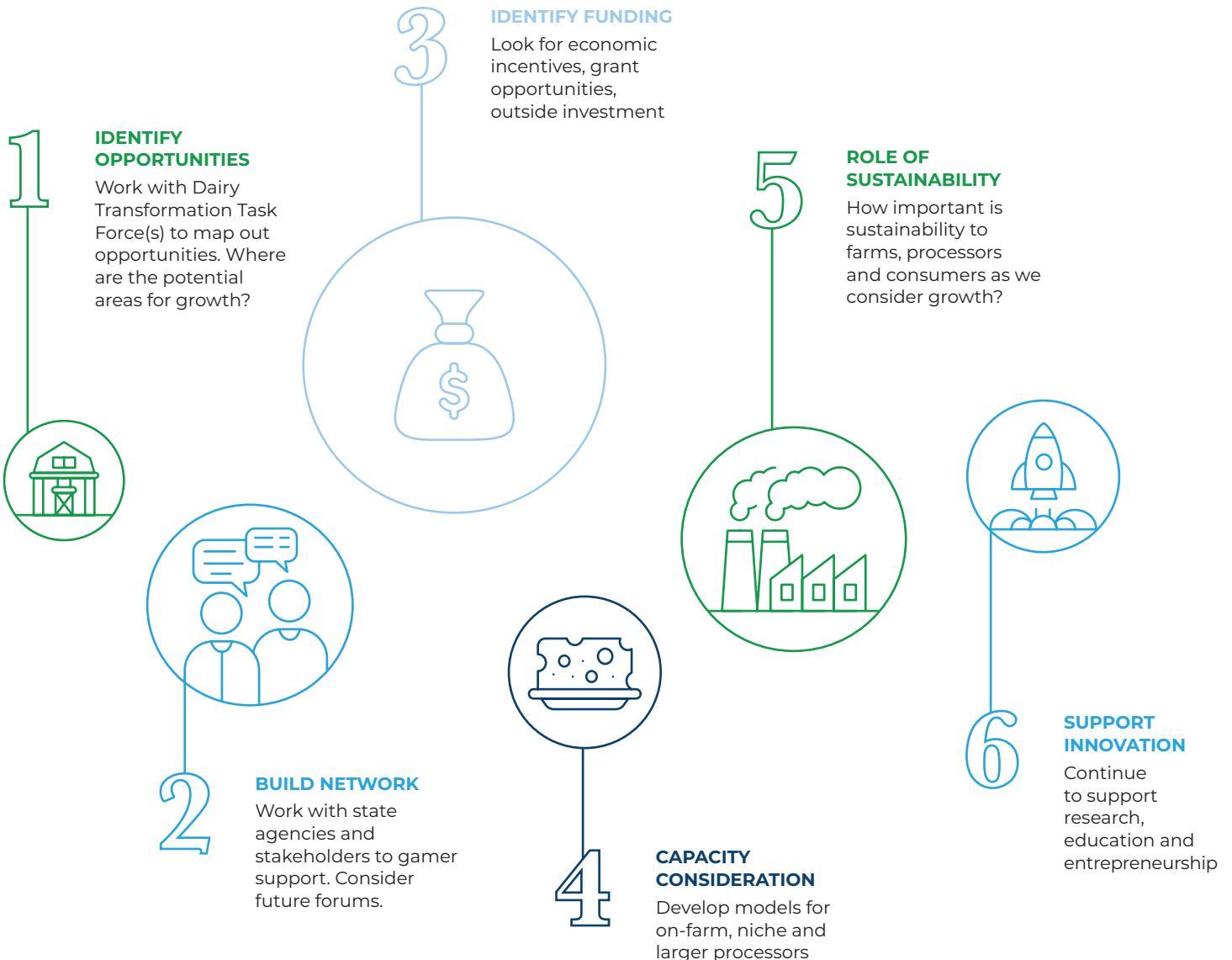
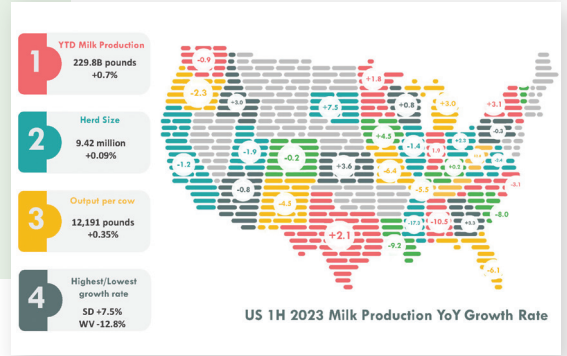
The Dairy Transformation initiative involves establishing regional infrastructure and ensuring local milk demand. This not only impacts on-farm operations but also opens avenues for new revenue streams. While exploring grant opportunities, our focus remains on producing nutritious dairy products for Southeast consumers.



## NEXT STEPS

The Dairy Transformation Initiative will continue to grow and evolve in response to both consumers' and processors' ever-changing needs. We held the Dairy Transformation Forum in Raleigh with sixteen stakeholders in attendance. During this time, we were able to identify the pain points and steps forward outlined below. We will hold additional forums across the Southeast as our plan evolves to ensure the Southeast is well represented and positioned for dairy transformation.

We have advanced our goal to grow dairy in the Southeast during 2023 and look forward to the exciting new opportunities in 2024!



# Have You Heard?

## UPCOMING EVENTS

### ALABAMA

January 23 | ADA of Alabama Board Meeting · *Wedowee, AL*

March 9 | ALFA Junior Dairy Expo · *Montgomery, AL*

### GEORGIA

January 15-17 | Georgia Dairy Conference · *Savannah, GA*

January 15 | ADA of Georgia Board Meeting · *Savannah GA*

February 10 | UGA Commercial Dairy Heifer Show · *Athens, GA*

February 21-24 | Georgia Junior National Livestock Show · *Perry, GA*

March 6-7 | The Dairy Alliance Board Meeting · *Atlanta, GA*

### KENTUCKY

February 27 | ADA of Kentucky Board Meeting · *Bowling Green KY*

February 28 | Kentucky Dairy Partners Meeting · *Bowling Green, KY*

### MISSISSIPPI

February 13 | ADA of Mississippi Board Meeting · *Jackson MS*

### NORTH & SOUTH CAROLINA

January 26 | ADA of North Carolina and South Carolina Board Meeting · *Dallas NC*

March 21-24 | Clemson Spring Dairy Show · *Clemson SC*

January 26 | NC All Breeds Dairy Show · *Winston-Salem, NC*

### TENNESSEE

January 25 | ADA of Tennessee Board Meeting · *Lebanon, TN*

January 26 | Tennessee Dairy Producers Association Annual Meeting · *Lebanon, TN*

February 5-7 | ADA of Tenn. & Tenn. Farm Bureau Area Meetings

February 6 | DMI Board Meeting · *Nashville TN*

### VIRGINIA

January 8 | Virginia Dairy Princess Pageant

January 8 | ADA of Virginia Board Meeting

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