

Annual Report



**MAKING
EVERY
DROP
COUNT**



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23 2023 FINANCIAL REPORT



A Note from CEO, *Geri Berdak*



Dear Southeast Dairy Farm Families,

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

The dynamics, opportunities, and challenges that exist in our region have required us to rethink checkoff's focus 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. 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.

For 2023, our organization has proven that when strategic priorities are aligned, your dairy checkoff organization will Make Every Drop Count. The enclosed 2023 Annual Report demonstrates how The Dairy Alliance is responsibly investing your 10-cent checkoff contribution into efficient, impactful programs to grow milk volume in targeted programs through our four priorities: Transform Dairy, Build Reputation, Drive Volume and Amplify Checkoff at Work.

In this report, you will see how we collaborated with schools, healthcare professionals, processors, thought leaders, retail stores, influencers, athletes, food service, and others to provide relevant resources, content, and promotions to meet shifting consumer wants and needs. This focus led to innovative and impactful activations boosting consumer confidence in dairy and driving dairy sales.

There is tremendous opportunity for dairy in the Southeast. The Dairy Alliance, your farmer-led checkoff organization, is seeking all avenues, promoting milk and dairy to our growing population, supporting partners, and working to elevate dairy farmers on many fronts. Over the last 3 years, we have built momentum, and we will keep moving ahead for the next 3 years and beyond because every win we have and every action we take will lead us to new opportunities.

We are excited to share the results of our 2023 programming in this report and how your checkoff dollars are at work.





A Note from President, *Michael Ferguson*

As The Dairy Alliance President, I have the privilege to represent the 1,200 dairy farm families across the Southeast at the national and local level remaining focused on the priorities of our unique region. I work alongside farmer board members with representation from each of our 8 states to oversee dairy checkoff priorities and strategies. In addition, I have the opportunity to serve at the national level on the Dairy Management Inc. (DMI) board to bring a Southeast perspective to the national level.

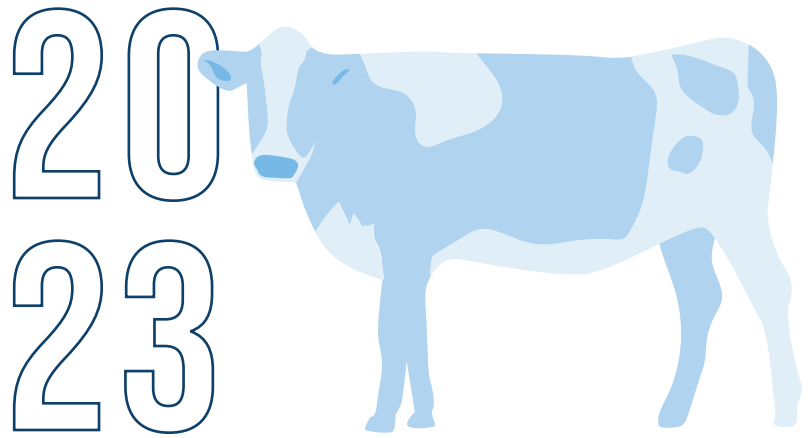
I take pride in the progress The Dairy Alliance has made in the last three years, starting with the seating of our new CEO Geri Berdak. Geri has brought a renewed strategic vision to the organization with the ultimate goal of growing milk volume by 3% in targeted programs and sustaining the Southeast dairy industry. In 2022, The Dairy Alliance invested in consumer research to better understand our target audience in the Southeast region and what impacts their purchasing decisions. The results of this research have reshaped the marketing strategies of the organization, rallying around benefit-led

messaging and sports marketing to reach Gen Z, their millennial parents, and people of color.

As an investor in the Dairy Checkoff, I feel confident in the return on my 10-cent investment locally and 5-cent investment nationally. Your Dairy Checkoff leaders are making strides in building trust with consumers and turning that trust into increased sales of dairy products. That much is evident in the latest data from USDA reporting per capita consumption of all dairy products reached 653 pounds per person in 2022, 63 pounds above the historical average dating back to 1975.

Your Dairy Checkoff staff, and the dairy farmer board members that provide oversight, will continue to work diligently on your behalf to continue the momentum built under new leadership to rethink checkoff's focus in the Southeast to Make Every Drop Count.

Michael M. Ferguson



BY THE NUMBERS



10 MILK

campaigns leveraging MilkPEP messaging



967% INCREASE

in reach & impressions



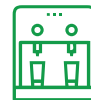
615M

more units at retail



21% INCREASE

in milk sales at schools receiving equipment grants for dairy programs



12 NEW ITEMS

on menus launched at 4,626 locations



23% INCREASE

in consumer trust surveys



25% INCREASE

in trust of dairy at participating College & Universities

2023 Marketing Campaigns

Driving Milk Reconsideration through Benefit-Led Integrated Marketing

The Dairy Alliance positioned milk as the top choice for post-workout hydration, balanced nutrition and recovery in 2023. Our strategic marketing team ran 10 integrated marketing campaigns in top Southeast consumer markets, focusing on three key areas that consumers care about:

- **Immunity:** Highlighting how dairy products can contribute to a strong immune system.
- **Hydration:** Emphasizing the role of dairy milk in maintaining proper hydration.



- **Balanced Nutrition:** Educating consumers about the nutritional benefits of dairy products.

These marketing campaigns utilized various channels to reach their audience. They included billboards, targeted ads on e-commerce platforms and social media, engaging blogs, TikTok videos, media appearances, and social media influencers. Our top three milk campaigns generated an impressive 165 million impressions through their social media posts and advertisements.

10 MILK

campaigns leveraging MilkPEP messaging

967% INCREASE

in reach & impressions

Along with our Sports Marketing campaigns and our new public relations work, collectively we generated over **721 million impressions in 2023**, reaching people with milk benefit messages. **This is a 967% increase over 2022.**

Each campaign tested new ways to reach consumers, with learnings used to improve campaigns for 2024. As an expansion of the summer hydration campaign, The Dairy Alliance exhibited at the Peachtree Road Race in Atlanta, receiving **44.4 million impressions** and distributing 4,700 pints of milk to attendees. Thanks to these successes, The Dairy Alliance will expand into exhibitions and promotions at other races across the region in 2024.



▷ Peachtree Road Race

Top Milk Benefit-Led Campaign Results

IMMUNITY

22 million

total impressions through billboards, social media posts, and social ads



HYDRATION

38 million

impressions through billboards, social media posts, and social ads

2.4 million

impressions through retail video at the pump ads

2.8 million

impressions through ecommerce ads

2 million

impressions through health advocates media appearances and social posts

44.4 million

impressions through Peachtree Road Race presence

89.7 million

total impressions

BALANCED NUTRITION BY MILK

49.5 million

impressions through billboards, social media posts, and social ads

4.4 million

impressions through retail video at the pump ads

53.9 million

total impressions

Leveraging the authenticity and influence of Collegiate Athletes to Promote Milk

Southeast consumers are a bit different than others in the U.S. Family values, nature and a strong sense of faith are all part of our DNA. When it comes to sports, we LOVE sports! It's a family affair with generational ties and passion. Nearly all families attend high school and college games where kids are playing. To make milk the center point in our southern culture, we worked with several college athletes in Georgia and Tennessee to position milk as a go-to wellness beverage for fitness enthusiasts and fans alike, with the program expanding in 2024.

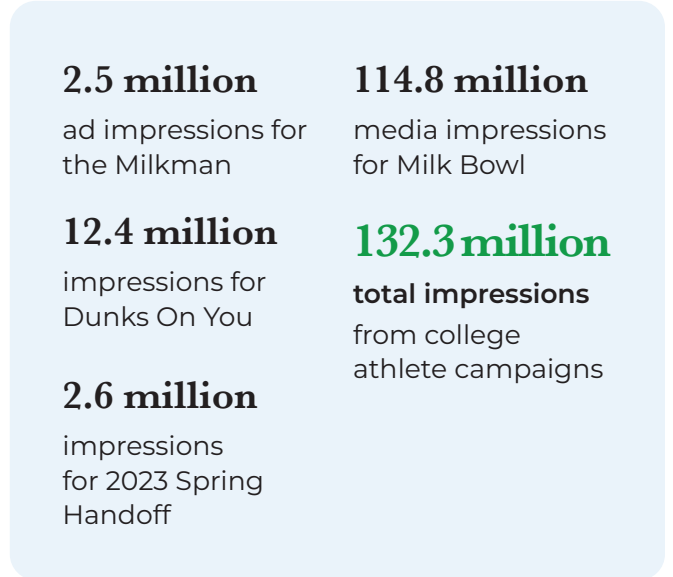
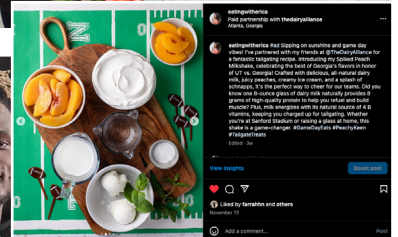
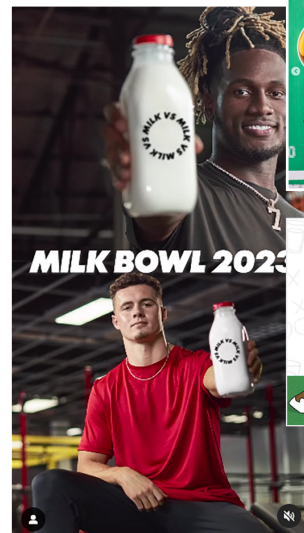
The University of Georgia's Stetson Bennett launched efforts as the Milkman in the fall of 2022. The Milkman messaging was delivered across digital channels, presenting milk's benefits to football fans.


Stetson handed off the milk bottle for spring 2023 to a new group of Georgia players. Softball players Sydney Chambley and Jaiden Fields, soccer player Tori Penn, and basketball player Kario Oquendo showcased milk's benefits during their respective seasons on their social channels. Heading into this year's handoff, Jaiden is one of the players who will return to tout milk to fans.

During the handoff, basketball players Zakai Ziegler of the University of Tennessee Knoxville and Kendric Davis of the University of Memphis went head-to-head during March Madness 2023 in the Dunks On You campaign. Zakai was such a fan of the campaign that he will return in March 2024.

Though college athletic campaigns were paused for the summer, The Dairy Alliance returned strong for the Milk Bowl campaign featuring the University of Georgia's Ladd McConkey and the University of Tennessee's Joe Milton. Users voted for which milk health claim and player is their favorite, with Joe Milton and milk's role in strength winning the innovative competition.


In total, these campaigns gained **132.3 million impressions** for content positioning milk's vital role in sports nutrition. Due to the success of these campaigns, The Dairy Alliance will continue to feature college athletes in 2024 targeting Southeast sports fans, beginning with the University of Kentucky basketball player Reed Sheppard for the spring Milks Got Game campaign.





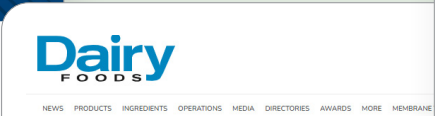
The Dairy Alliance Champions High School Athletics With Nature's Drink

Official Milk Partners sponsor fall high school championship events across Southeast




THE OFFICIAL MILK PARTNER

ATLANTA, GA (October 18, 2023) – The Dairy Alliance, a leader in the dairy industry raising awareness about the nutritional advantages of dairy milk, is teaming up with high school athletics associations across the Southeast to be the Official Milk Partner for the season. The organization will sponsor a variety of high school sports championships across Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia.





The Dairy Alliance promotes milk at schools

Dairy milk benefits athletes by providing 13 essential nutrients that support energy, wellness and strong bones.



October 11, 2023

The Dairy Alliance, which raises awareness about the nutritional and wellness advantages of dairy milk, is teaming up with high school athletics associations across the Southeast to be the Official Milk Partner for the season.

SCHSL teams up with Dairy Alliance

October 26, 2023

The Dairy Alliance Champions High School Athletics With Nature's Drink

Official Milk Partners sponsor fall high school championship events

COLUMBIA, SC (October 18, 2023) – The Dairy Alliance, a leader in the dairy industry raising awareness about the nutritional advantages of dairy milk, is teaming up with the South Carolina High School League to be the Official Milk Partner. The organization will sponsor a variety of championships across the state of South Carolina.

"We are delighted to show our support for high school athletics in our region as a Sponsor for these exciting championship games," said Geri Berdak, Chief Executive Officer of The Dairy Alliance.

EIN Presswire | Newsmatics

The Dairy Alliance Celebrates Female Farmers This March

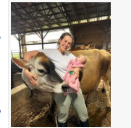
NEWS PROVIDED BY EIN Presswire Mar 14, 2024, 4:02 PM ET

The organization highlights the significant contributions of women in agriculture all month long

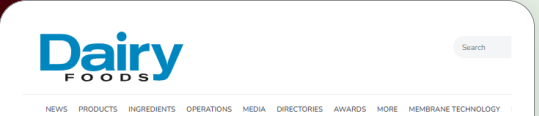
ATLANTA, GA, USA, March 14, 2024 (EINPresswire.com) – The Dairy Alliance, a leading nonprofit funded by dairy farm families in the Southeast, is shining a light on female farmers this Women's History Month and throughout National Ag Week on March 17 – 24, 2024. As part of its ongoing commitment to recognizing the vital role played by women in agriculture, The Dairy Alliance aims to highlight the achievements, dedication, and resilience of its female farmers.

The Dairy Alliance is shining a spotlight on remarkable female dairy farmers such as Dore Hunt, Hunt, who manages Choney Dairy Farm in Bowling Green, KY, while also raising two young children including a newborn, embodies the dedicated women strengthening farming communities and enhancing the areas they serve. Through sharing stories like Hunt's, The Dairy Alliance aims to highlight the vital contributions of these women to the agricultural landscape.

"Female farmers across the United States play a vital role in supplying agricultural products to our nation and the global community. Their impact goes beyond the fields, as these dedicated women stand as unsung heroes," said Geri Berdak, Chief Executive Officer at The Dairy Alliance. "We extend deep gratitude for the indispensable role that farmers, especially women, play in our communities. We are honored to spotlight dedicated and talented individuals like Dore, who contribute significantly to guaranteeing a safe, reliable, and delicious food source for us all."



The Dairy Alliance Celebrates Female Farmers This March



Dairy Innovations

ARRIVING APRIL 2024

THIS MONTHLY NEWSLETTER HIGHLIGHTS THE LATEST INDUSTRY INNOVATIONS JUST FOR YOU!

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The Dairy Alliance, VDSA team for new initiative

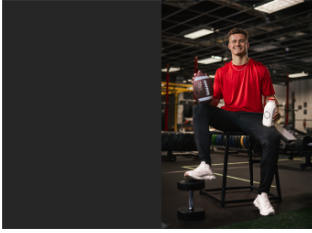
They have joined forces to offer equipment grant funding for school nutrition programs.

The Dairy Alliance, a nonprofit funded by dairy farmers in Southeast, and the Virginia State Dairywomen's Association (VSDA) have joined forces to offer equipment grant funding for school nutrition programs. The initiative assists schools with the transition to serve bulk milk sourced directly from local dairy farms, promoting both nutritional benefits and support for the local agricultural community.

The Dairy Alliance and VSDA funded and facilitated the acquisition of three-spout milk dispensers and

McConkey vs. Milton in 'The Milk Murray' grad teams with The Dairy Alliance to promote benefits of drinking milk

By Daniel Mayes danm@mydairyjournal.com Nov 11, 2023



University of Georgia wide receiver Leland McConkey, a North Murray High School graduate, is part of a social media campaign highlighting the benefits of drinking milk.

The Dairy Alliance aims to foster a culture of informed and sustainable nutrition in the region. This reflects the organization's commitment to a community where individuals are not only well-informed about their dietary choices but also actively engaged in practices that promote long-term well-being of both themselves and the environment.

EIN Presswire | Newsmatics

The Dairy Alliance Goes "Beyond the Table" for National Nutrition Month

NEWS PROVIDED BY EIN Presswire Mar 04, 2024, 8:33 AM ET

Educates consumers on informed choices and sustainable nutrition practices

ATLANTA, GA, USA, March 4, 2024 (EINPresswire.com) – From farm to table, The Dairy Alliance, a leader in the dairy industry in raising awareness about the nutritional advantages of milk, is embarking on "Beyond the Table" for National Nutrition Month this March. Led by the Academy of Nutrition and Dietetics, this national observance unfolds with a captivating theme for the year – "Beyond the Table." The Dairy Alliance will be supporting this initiative throughout the Southeast, which addresses the farm-to-fork aspect of nutrition, including practical tips on how to eat healthy on-the-go, how to maintain a healthy diet on a budget, and how to make mindful choices for the environment.

"National Nutrition Month not only encourages us to make informed dietary choices but also shines a spotlight on the dedication of dairy farmers who work tirelessly to provide us with nutritious and sustainable dairy products," said Geri Berdak, Chief Executive Officer at The Dairy Alliance.

The Dairy Alliance aims to foster a culture of informed and sustainable nutrition in the region. This reflects the organization's commitment to a community where individuals are not only well-informed about their dietary choices but also actively engaged in practices that promote long-term well-being of both themselves and the environment.




The Dairy Alliance Goes "Beyond the Table" for National Nutrition Month

The Dairy Alliance Sips Up National Milk Day

Start the new year right with nutrient-packed dairy milk and celebrate National Milk Day

Jan. 11, 2024

PREPARED BY JANUARY 10, 2024



ATLANTA, Ga. — The Dairy Alliance, a leader in the dairy industry in raising awareness about the nutritional advantages of milk, is encouraging you to take a glass of milk for your wellness. Celebrate National Milk Day on Thursday, January 11 by sipping dairy milk to strength-building and recovery benefits that fuel peak performance and the local farmers across the Southeast who form the backbone of the national food system.

Dairy milk plays a vital role for athletes and individuals alike, as it's packed with a variety of nutritional benefits and supports a strong immune system, which is important during the winter months when colds, flu, and other viruses are prevalent," said Geri Berdak, Chief Executive Officer at The Dairy Alliance. "Delicious dairy milk can be enjoyed in a number of ways, and we're delighted to celebrate and inspire you to enjoy it as an everyday staple."

NATIONAL CLIPS

- AASD Stays of Action Influence Focus on Dairy Cattle
- Beef Blueprint: Step 2 to a Strategic Cattle Growth Action Plan
- Eggs to Drive Pro: Eggs to Eat
- MITTLES TOLEDO Launches Dairy Generation of Laboratory Biotech
- Harvesting Resilience: Soil Health, Worker Safety, and FARM Program Updates

Energy Bill Program Florida Will Cover

EXPANDING OUR REACH THROUGH Public Relations

Public relations is one of the most effective and cost efficient way to get our messages out. That's why in 2023, we added a public relations strategy to our marketing mix. The Dairy Alliance's focus on public relations drove mass awareness of milk's

benefits. From implementation in March 2023 to December 2023, The Dairy Alliance reached **468 million impressions** through press releases, interviews, and events. **This equates to media value of more than \$10.8 million!**

Build Reputation

Improve perception of dairy & dairy industry among young adults, teens, and Millennial moms by 10% in targeted programs.



23% INCREASE

in consumer trust surveys



21% INCREASE

in milk sales at schools receiving equipment grants for dairy programs



25% INCREASE

in trust of dairy at participating College & Universities



Building Trust in Dairy Amongst Youth in Schools

The New York Times has dubbed, Generation Z as the “Not Milk generation” because they bought 20% less milk than the national average last year. The Dairy Alliance works with and through schools to build trust in dairy by placing food service equipment utilizing grants, placing dairy educational curriculum, and conducting school milk experience trainings. In a recent survey conducted in September 2023, The Dairy Alliance nutrition staff trainings led to:

97% > Agreeing the dairy industry is looking out for me and my family's best interests.

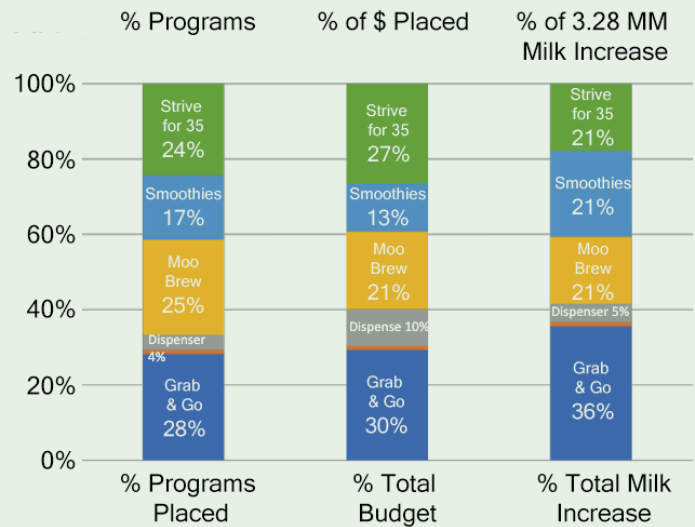
98% > Agreeing dairy products are healthy and nutritious.

97% > Agreeing dairy products are safe for them and their family to consume.

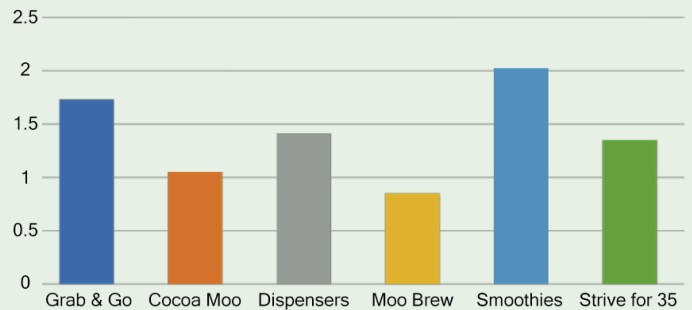
98% > Agreeing dairy products are environmentally friendly.

Experience has taught us that in order to build trust with students and build healthy eating habits for life, we must introduce dairy products in tasty, relevant ways. In the school year ending in June 2023, The Dairy Alliance awarded **349 school milk experience grants** leading to a **1.11 ounce incremental increase (21%) in milk consumed** per student, per day. The participating schools saw an overall increase in school meal participation, with a 5% increase at breakfast and a 4% increase at lunch.

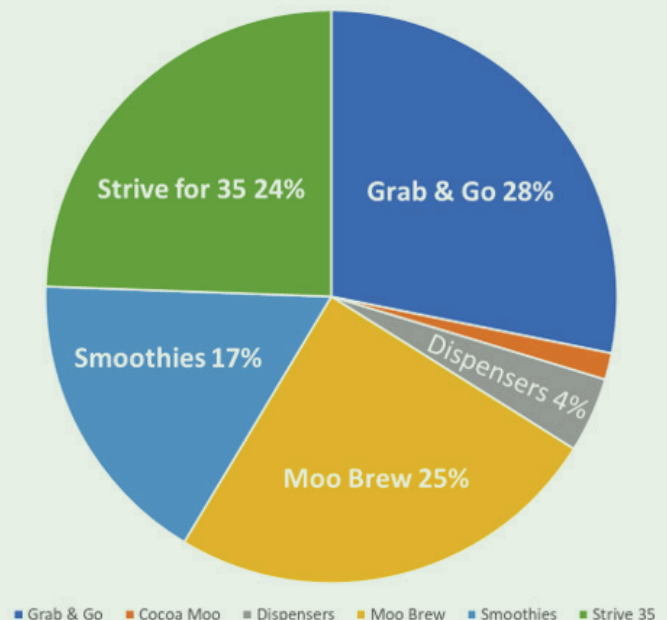
Are program results aligned with investment?



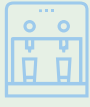
Average Increase: Incremental Milk Oz/Student



School Milk Experience Programs



In the school year ending in June 2023, The Dairy Alliance awarded grants for:



34
milk dispensers



37
mobile meals



121
Moo Brew Programs



66
smoothie programs



82
Strive for 35 programs



9
Initiatives to improve the school milk experience



COLLEGE AND UNIVERSITY

Dining Hall Pilots

Building on the success The Dairy Alliance has fostered at K-12 schools, we are extending this program to college and universities where students are, maybe for the first time in their lives, making all their own food purchasing decisions. The Dairy Alliance college and university dining hall pilot programs aim to improve perception of dairy with Gen Z, the

next generation of consumers. As of early 2024 we have at least one pilot in every single state in our region reaching university dining halls like Ole Miss, University of Louisville, and Virginia State University AND we continue to grow. Pilots focus on bringing the facts on dairy nutrition and sustainability to students through dairy optimization like moo brew for athletes and milk dispenser magnets. In one pilot at University of Louisville we saw an increase of over **20% trust** by students who saw educational content posted throughout the dining hall.



Health Professional Outreach

People's eating styles have dramatically changed over the past 20 years. Today we have a wide range of styles driven partly by the ability people have to travel more and mostly by having access to more information – like going to Dr. Google for health and nutrition advice. Doctors and dietitians are one of the most trusted sources of information when it comes to what people eat so this work is pivotal to ensure they are informed on the role dairy foods play

in a sustainable diet. The Dairy Alliance community wellness team of RD's reached **nearly 2,000 health professionals** including dietitians, physicians, pediatricians, and public health employees in 2023. Engagement included speakers at statewide conferences educating on topics that highlight the role that dairy foods can play in supporting health and one on one interaction with staff through exhibiting and showcasing of the educational resources the dairy alliance has to offer. In addition, your checkoff staff works with future nutrition professionals that will eventually go on to be nutrition experts that the public listens to. Through just guest lectures and mentorship alone with various college and university programs, our RDs educated **623 nutrition students** throughout our region and had an **average of 31% trust movement** among those they interacted with.



Dairy Advocate Trainings



Training dairy advocates is key to ensuring we have respected thought leaders in our region that we can call on to help correct misinformation and be a champion for dairy. In 2023 we trained **28 new dairy advocates** through 2 advocate trainings, 1 focused on sports RDs and 1 focused on social media RDs. We saw **over 20% increase in trust from attendees** of our advocate trainings. These dietitians are highly respected thoughts leaders in our region that leave our training equipped with the resources they need to confidently recommend dairy as part of a sustainable diet. Last year alone we activated past trained advocates nearly 100 times through media appearances, speaking engagements, guest blogs, and more. Since 2015, we have activated our dairy advocates over 900 times!



Promoting Sports Nutrition to High School Student Athletes

As mentioned, sports in the Southeast is a family affair with generational ties. The Dairy Alliance sets a foundation at the High School level by promoting the role milk plays as a performance beverage to student athletes. In 2023, the Virginia High School League (VHSL) garnered **1.2 million impressions** through in-person events and social media and **7,195 engagements** via website resources promoting dairy-centric content to student athletes and coaches.

Because of the success with VHSL, The Dairy Alliance will continue with programming in Virginia and expand to other state public and private high school athletic associations across 7 other Southeast states through 2024, with sports nutrition resources shared with students and their families to promote dairy’s important role in the diet.



Trust-Building ADOPT A COW 2023 Program Registrant Numbers Are In

When schools transitioned to remote learning in 2020 at the start of the Covid-19 pandemic, The Dairy Alliance quickly looked for alternative ways to reach K-12 students with dairy educational materials. The Adopt a Cow program was and continues to be a cost-effective channel to connect young people with their local dairy farm families and learn how farmers care for their cows and land.

For the 2023-2024 school year, 11,567 classrooms across the Southeast registered to adopt a calf. This is a **16% increase in enrollment** over the previous year, bringing **an additional 170,000 students** to the program.

Alabama: 1,045 classrooms

Georgia: 1,765 classrooms

Kentucky: 1,124 classrooms

Mississippi: 1,755 classrooms

North Carolina: 1,946 classrooms

South Carolina: 1,196 classrooms

Tennessee: 1,399 classrooms

Virginia: 1,307 classrooms

Total: **11,567 classrooms**
and over
638,424 students

VIRTUAL FARM TOURS REACH

Influential Audiences with Life on the Farm

Consumer research of the Southeast shows that both Gen Z and African Americans index lowest when it comes to trust of the dairy industry, the audiences for these tours were targeted with that in mind. In fall 2023, The Dairy Alliance livestreamed **two virtual farm tours** with one promoted to university students enrolled in nutrition programs and the other promoted to dietitians and historically black colleges and universities. These tours provided attendees with the facts about dairy farming and the tools they need to advocate for the inclusion of dairy in the diet to their future clients. We reached nearly **500 attendees** with an overall **19% increase in trust** post tour.



Jim Elgin
Dairy Farmer, Life on the Farm Dairy



Nathan Souther
Owner/Dairy Farmer
Mountain View Dairy Farm, NC



Pete Gelber
Dairy Farmer, Barrington Dairies



Samantha Craun
Davis Brothers Dairy

Sharing positive stories about how Southeast farmers are

Committed to Sustainable Farming

Our consumers want environmental sustainability, they also want to continue to enjoy their favorite foods. Research shows that if they can see that the dairy industry is making serious steps with sustainability, that's the permission they seek to buy more dairy foods. Farm owners across the Southeast shared how they utilize technology and local resources and implement best management practices to preserve natural resources in their communities through the Sustainability Video Series launched by The Dairy Alliance. From April to August, the series received over 548,000 impressions with more than 2,500 post engagements. Total impressions garnered through press releases and articles amplifying the series reached **4.1 million consumers**. Additionally, the series was amplified by Dairy Management Inc. (DMI) through their See Dairy Differently campaign that targeted thought leaders spanning academia, sustainability and supply chain professionals. These paid advertisements received over **3.5 million impressions** and over 1 million video views and a few of the videos hold a permanent spot on the USDEC Farmers in Action webpage.



After a successful launch in 2022, The Dairy Truth documentary received 7 International Telly Awards in 2023. The short-form documentary follows multiple dairy industry leaders and environmental experts as they detail the innovations and technology the industry is leveraging to become greener, specifically, Leatherbrook Holsteins, a Georgia dairy farm that is leading the way in dairy farming innovation.

Checkoff at Work

Build awareness and understanding of Your Dairy Checkoff to stay accountable to dairy farmer funders.



Making Every Drop Count

Your Dairy Checkoff is building awareness of and creating support for the value of the checkoff, its programs and results through the Making Every Drop Count campaign. A pilot program in Kentucky featured local farm families strategically placed on billboards with the goal of increasing milk sales. These billboards, along with other paid advertising, drove farmers to an updated The Dairy Alliance webpage to learn more about their checkoff investment. The Dairy Alliance farmer communications strategy has received a refresh, and our team is committed to reaching farmers where they are. A few examples included refreshed Your Dairy Checkoff Check-in newsletters, state highlighters, weekly e-newsletters, articles placed in trade magazines such as *Farmers Pride* and *Virginia State Dairy Association*, and feed truck decals.

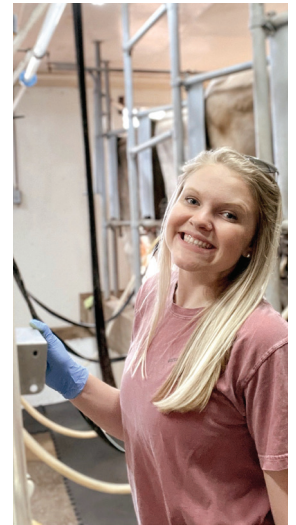
8.9 million Total Impressions from billboards and paid advertising	200 farmer members in Your Dairy Checkoff Facebook Group
12,000 Your Dairy Check-in Newsletters mailed	5 issues and crisis emails distributed in 2023
1,477 local checkoff e-newsletters sent weekly	2,135 farmers engaged at Checkoff supported events

Farmer Spotlights Engage Communities

WITH THEIR LOCAL FARMERS

When it comes to who consumers trust the most within the food system, the clear answer is farmers and that is why The Dairy Alliance continues to provide a platform for our farmer ambassadors to share their stories across social media. Throughout 2023, dairy farmers from across the Southeast were featured on The Dairy Alliance social media channels in short videos and blogs. These spotlights encourage social media users to interact with the posts and provide the featured farmers the opportunity to become involved in checkoff work and connect with their community. Farmer videos continue in 2024.

40 farms spotlighted receiving 181,940 total impressions



WaveMakers Share Their Dairy Story

Aligning with The Dairy Alliance campaigns and topic focus, the Digital Dairy Ambassadors help consumers learn more about dairy farming and its products through impactful milk messaging shared on their social media accounts. The ambassadors reached over **57,500 people in 2023** with their creative social media post. Ambassadors also reported an increase in followers and engagement levels throughout the program.

The Dairy Alliance also held its first training in 2023 for the Community Engagers initiative. This

program provides training and resource tools for farmers and industry affiliates to share unique farm experiences and professional expertise in communities across the region. At the July training, **eight farmers and industry partners** participated in a media training and sharpened their communications skills for correcting common myths about milk and dairy farming. The Digital Dairy Ambassador program and Community Engagers is part of Wavemakers, a community outreach initiative designed to offer impactful connections between farmers and consumers online and in-person through community events.

Transform Dairy

Facilitate 2 new products and/or infrastructure innovations in the Southeast dairy category, seeking a potential differentiator for Southeast milk.

Transforming Dairy in the Southeast

The Southeast Dairy Industry has experienced significant, altering change over the past few years. Post-pandemic challenges still impact the supply chain and the loss of over 5 processing plants since 2020 have impacted school and retail milk supplies far more than we could have predicted. Through our Dairy Transformation projects, we are seeking all avenues, supporting our partners, and working to elevate our farmers on many fronts. It is the first step in moving the industry forward, seeking dairy innovation in fluid milk, and rebuilding our processing capacity. In 2023, The Dairy Alliance introduced projects to support both existing and new processors and manufacturers in our region.



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

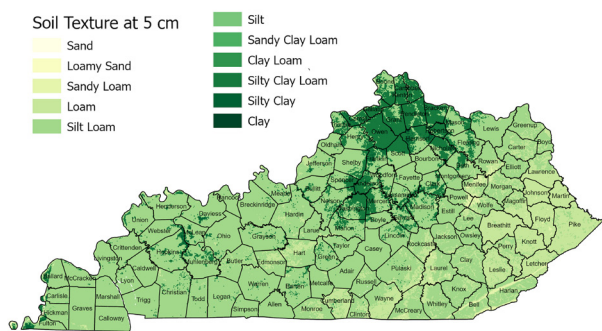
with the Health and Wellness Innovation Landscape developed by DMI

This work will continue into 2024. Since the dairy transformation initiative began in 2022, we have gathered input from stakeholders throughout our states. We have identified three priority strategies:

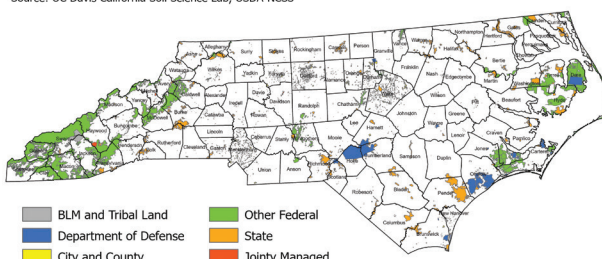
1 GUIDE INVESTMENT INTO HIGH-GROWTH DAIRY OPPORTUNITIES:

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.



Source: UC Davis California Soil Science Lab, USDA-NCSS



Source: 2022 Protected Areas Database of the United States (PAD-US), USGS-GAP

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.

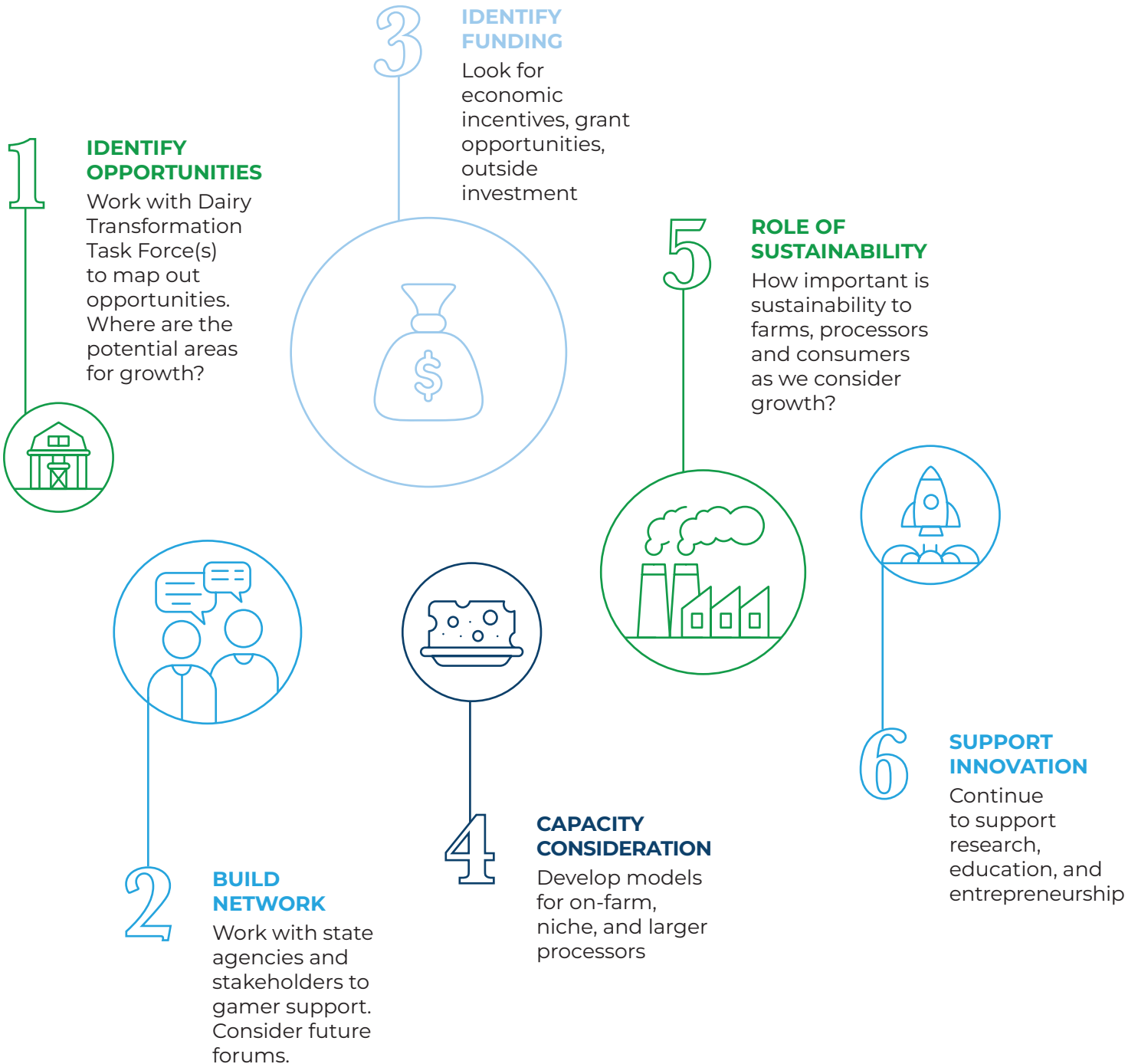
With 17 land grant schools and other colleges and universities, we have the opportunity to expand dairy research. We continue developing relationships and supporting research and education while identifying new technologies, packaging options and health and wellness experts to expand our network.

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.

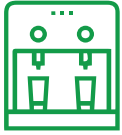
We have advanced our goal to grow dairy in the Southeast during 2023 and look forward to the exciting new opportunities in 2024!



Grow Dairy Volume

Maintain and grow milk volume sales by 3% in targeted programs.

THROUGH PARTNERSHIPS



12 NEW ITEMS

on menus launched at 4,626 locations

Bringing Trendy Dairy to Partners' Menus

In 2023, The Dairy Alliance worked with restaurants to bring trendy dairy offerings to menus. Using trends and flavor profiles, The Dairy Alliance and its partners are bringing exciting menu innovations that appeal to consumers and move dairy. Highlights include:

The Dairy Alliance collaborated with Pretzelmaker to introduce two pretzel flavors paired with dairy-based dipping sauces to its **280 locations**. This collaboration also introduced a combo box and holiday box redesign.

Your Pie added the Philly Cheesesteak and Spicy BBQ Pulled Pork pizzas to menus in its **70 locations**.

The Dairy Alliance partnered with Fazoli's to introduce flatbreads to the menu, with the four new flatbreads (Cheesy Garlic, Pepperoni, Loaded Italian Meats, and Parmesan Garlic Chicken) becoming a national menu offering at its **213 locations** in 2024.

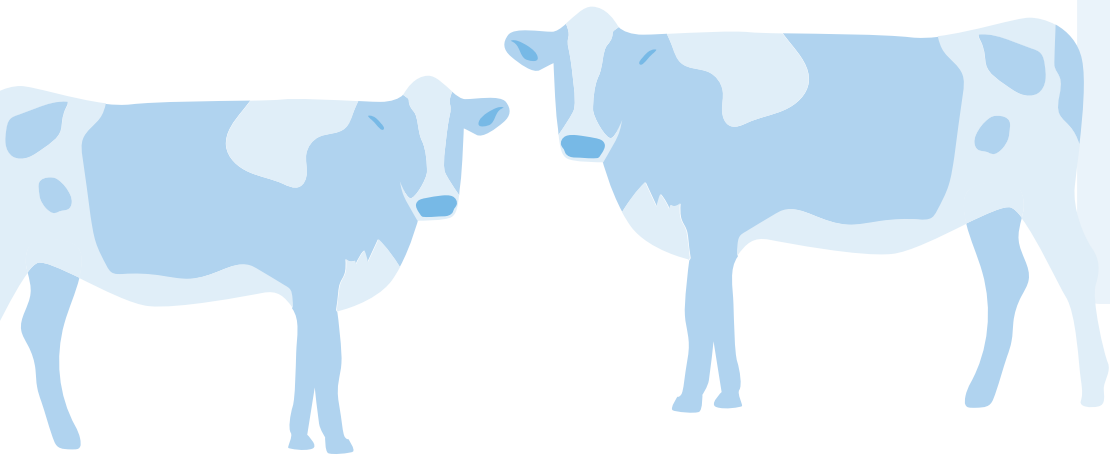
Our partnership with Handel's Homemade Ice Cream brought five horchata ice cream and milkshake options (pint, quart, cone, sundae, milkshake, and smoothies options of the flavor), with the options becoming a menu offering across all **117 locations** in 2024.





Moving Milk through Shoppable Ads

To encourage the sale of fluid milk in the Southeast region, The Dairy Alliance promotes the consumption of milk through Instacart using lifestyle imagery and messaging around milk's benefits like protein, immunity-strengthening, and providing energy. 2023 e-commerce efforts garnered **4.6 million impressions** to consumers. The ads have a direct impact on fluid milk conversions, driving **\$4.3 million in direct sales** in 2023.



The Dairy Alliance and Partners Launch

Goo Goo Milk

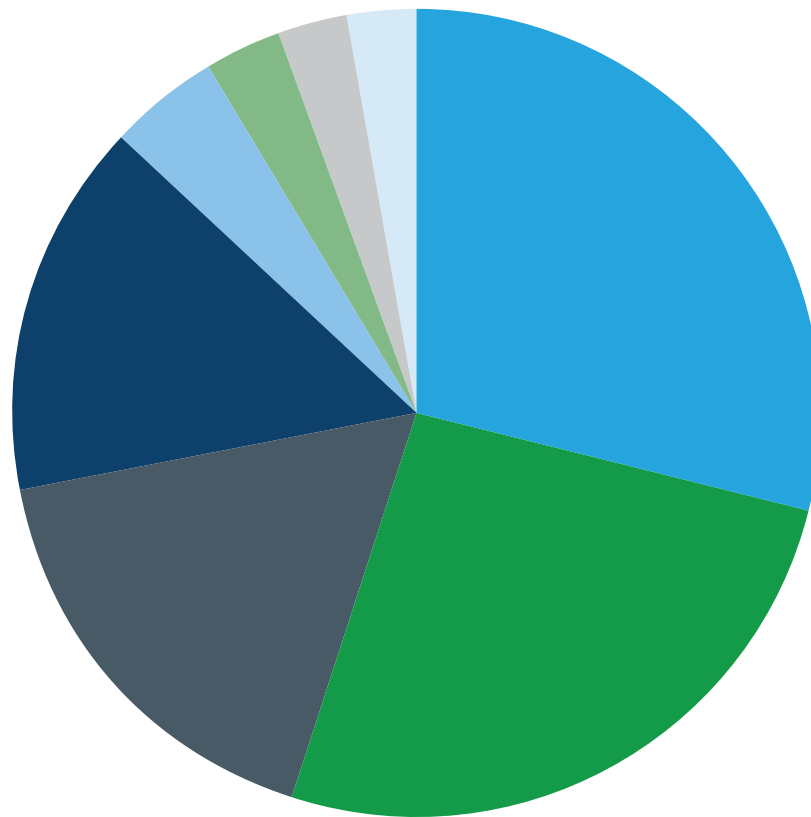
Twice Daily, Flower's Creamery, and Goo Goo Cluster in partnership with The Dairy Alliance launched Goo Goo milk, flavored chocolate milk with added caramel, marshmallow, and peanut flavors, selling the milk exclusively in Twice Daily's 79 locations.

Goo Goo Clusters are a beloved treat in the Nashville area, and the flavored milk offering proved to be a hit with locals. Its success opens the opportunity for more flavor innovation to drive milk sales.

2023 Financial Report

Total Expenses \$11,322,079

2023 Expenses by Spending Category



- Strategic Marketing (28.9%)
- Health & Wellness (26%)
- Ag & Environmental Affairs (17%)
- UMP National Programs (14.7%)
- Dairy Transformation (4.5%)
- Community Wellness (3.2%)
- Administration (2.8%)
- Other Local Programs (2.5%)

[Click Here for a More Detailed Expense and Annual Report](#)

