

NDDPC North Dakota Dairy Promotion Commission

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North Dakota Dairy Promotion Commission Summary of Activities July 2018–June 2020

Introduction

The North Dakota Dairy Promotion Commission (NDDPC) was established by the North Dakota Century Code (NDCC), chapter 4.1-05, and is responsible for funding of research, education programs and market development efforts to promote the increased sale and consumption of dairy products, as well as participation in programs under the auspices of state, regional, national and international dairy promotion groups. The intent of this summary is to explain how the North Dakota Dairy Promotion Commission (NDDPC) is fulfilling this legislative mandate.

Collection and Distribution of Funds

By federal mandate, each dairy farmer in the U.S. must contribute 15 cents per hundredweight of milk sold to a licensed plant. Five cents is directed to the National Dairy Board (NDC), and 10 cents is directed to the North Dakota Dairy Promotion Commission. **The North Dakota Dairy Promotion Commission contracts with [Midwest Dairy](#) to plan and implement its programs. Midwest Dairy covers 10 states: North Dakota, South Dakota, Minnesota, Iowa, Kansas, Missouri, Nebraska, Arkansas, Illinois and the eastern half of Oklahoma. Midwest Dairy reaches more than 39 million consumers in the region and represents about 5,800 dairy farmers. It currently administers a budget of \$22.5 million.**

It is important to note that North Dakota dairy farmers maintain control of their state-specific programs and the direction of their funds. The North Dakota Dairy Promotion Commission retains final approval of a contract each year with Midwest Dairy to carry out its promotion programs. Furthermore, all members of the North Dakota Dairy Promotion Commission serve as members of Midwest Dairy's North Dakota Division board, along with other North Dakota dairy producers and representatives of the North Dakota dairy industry.

Description of Group

On behalf of North Dakota dairy producers, **Midwest Dairy** works to build dairy demand by inspiring consumer confidence in our products and production practices. Our programs support the entire dairy community, rather than specific brands or dairy companies. We are prohibited from participating in regulatory activities or influencing government policy.

Midwest Dairy works to coordinate its spending with that of the national checkoff program, making it more efficient and effective while still focusing on Midwest priorities. The nickel that is contributed to the national promotion program and the dime received by Midwest Dairy come together to maximize the return on investment of our farmer funders.

The North Dakota Dairy Promotion Commission and the Midwest Dairy North Dakota Division board meet as a group twice a year to discuss and approve the budget, receive reports of national, regional and local promotion activities and discuss upcoming events and activities.

The North Dakota Division of Midwest Dairy also follows the contribution of the state's dairy farmers through the regional organization and on to the national level through board representation. North Dakota is represented on the [Midwest Dairy Corporate board](#) according to the state's share of the total budget. Thus, each year the North Dakota Division elects two of its members to serve on the Corporate board. The members serving from North Dakota during this biennium were as follows: Kenton Holle, Mandan, retired from the Board in April 2020; Sue Kleingartner, Gackle, was elected to the Corporate board in April 2020; and Rita Mosset, Linton, has served from April 2018 to present.

North Dakota dairy producers are well-informed about their dairy promotion programs. Annual dairy producer meetings are held in several locations throughout the state each year. Each dairy producer receives an invitation to attend one of these meetings where Midwest Dairy board and staff provide information on how checkoff dollars are invested, while soliciting their direction and feedback. The meetings provide grassroots accountability back to those who fund the program. In addition, every dairy producer in North Dakota receives [periodic newsletter reports and an annual report](#) from the organization, and many also receive a monthly e-newsletter on promotion activities carried out on their behalf. Additional promotion updates are given at industry meetings such as the North Dakota Dairy Convention.

Promotional Highlights for Current Biennium

Midwest Dairy focuses on dairy promotion plans developed at the national level, as well as a variety of state-specific initiatives developed for various local key audiences, partners and consumer events to drive demand and build overall consumer confidence and trust in dairy foods and farming practices. Midwest Dairy is committed to their vision of Bringing Dairy to Life and their mission of Giving Consumers an Excellent Dairy Experience.

Foodservice Partnerships

National partnerships play a foundational role in the dairy checkoff's work and its mission to drive dairy sales and trust by working with, and through, food and beverage industry leaders both domestically and internationally. These partnerships focus on immediate and long-term sales opportunities with a concentrated focus on product, menu and packaging innovation along with advertising. This includes leveraging dairy in new ways to meet evolving consumer needs, including offering new foods at new opportunities, including breakfast and snacking.

Checkoff has continued its partnerships with foodservice leaders **Domino's®**, **McDonald's®**, **Pizza Hut®** and **Taco Bell®**. These partners contributed more than 100 million incremental milk pounds in 2019,



continuing a long-term dairy volume growth trend over the last few years. In fact, the checkoff's foodservice partners have averaged 3% growth in milk equivalent pounds since the cumulative start of each partnership. In 2019, our partners had nearly 4,500 locations within the Midwest Dairy region with over 70 locations in North Dakota alone. Additionally, our partners collectively invest ~\$1.5 billion in national advertising to help tell our farmer story.

Domino's® supported our dairy trust efforts by incorporating dairy's story on pizza boxes, within their mobile Pizza Tracker and digital efforts. Additionally, they expanded Smart Slice pizza to more than 12,000 schools.



McDonald's® continued its focus on menu development including the reintroduction of a reduced-sugar chocolate milk and supporting the national Shamrock Shake event. They also supported trust efforts by showcasing a local Midwest Dairy farmer story on their website and have donated over \$1.5M of dairy products during COVID-19.

Pizza Hut® continues to deliver cheese-centric innovation with products like the Cheez-It pizza, Pizza Hut's spin on a favored consumer snack, Cheez-It®. Earlier this year, they launched the Mozz Crunch Pizza, the cheesiest pizza ever, with more than double the amount of cheese versus hand tossed pizza. Finally, they continue to offer the ever-popular Stuffed Crust pizza, which features cheese in the crust.

Taco Bell® continues to innovate with cheese with launches like the Toasted Cheddar Chalupa which features a new, aged cheddar cheese variety. Additionally, they launched a dairy-inclusive beverage, the Pineapple Whip Freeze, helping get dairy into their beverage menu.



Midwest Dairy partnered with Pizza Ranch for a June promotion to celebrate National Dairy Month and promote Pizza Ranch's connection and support of dairy farmers. To increase cheese sales, Pizza Ranch added extra cheese on any online large pizza order. Images of dairy farmers and farms throughout the Midwest were featured on promotional materials. This partnership helped to increase cheese sales and recognized dairy farmers for their ongoing commitment to producing safe and nutritious dairy foods.



Fluid Milk Partners

Revitalizing the fluid milk category remains a checkoff priority. To accomplish this, we work with targeted fluid milk processors who share farmers' commitment to invest in innovation, packaging and branded marketing efforts.

Through this initiative, we partnered with four core dairy/food companies: **Dairy Farmers of America®**, **Darigold®**, **Kroger®** and **Shamrock Farms®**. These efforts have led to sustainable change for the category through investments in advertising, staffing and product innovation. In 2019, these partners launched new beverages in growth-driving segments and continue to support them with marketing:

Checkoff has also partnered with the **Milk Processor Education Program (MilkPEP)** and leading brands to create the Milk Revitalization Alliance. This effort provides retail-specific category leadership and shopper/consumer trend insights to help retailers understand how they can leverage and build the milk category.

HIGHLIGHTS OF MDFRC	
ANNUAL FUNDING APPROX. \$1.1M	6 UNIVERSITIES
6 PILOT FACILITIES INCLUDING INSTITUTE OF DAIRY INGREDIENT PROCESSING (IDIP), SDSU, SD	OVER 25 PROFESSORS WORKING ON DAIRY RESEARCH
EXPERT RESEARCHERS	RESEARCH INVESTMENTS = OVER 300 PUBLICATIONS 17 BOOK CHAPTERS 12 PATENTS
Milk, cheese, whey, dairy ingredient processing, safety, flavor and nutrition of dairy products	

Midwest Dairy Foods Research Center Provides Research Expertise to Dairy Industry

The Midwest Dairy Foods Research Center (MDFRC) is a collaborative effort between dairy farmers and land-grant universities with a mission of delivering research and education that benefit consumers and fuel a strong market for Midwest Dairy.

Through the MDFRC, Midwest Dairy continues to invest in product and food safety research, as they are of critical importance to the dairy industry. The funds awarded to researchers are not only used to conduct research projects, but also to support graduate students who manage the research, as they are the future generation dairy leaders.

Apart from food safety research, Midwest Dairy has funded several product research studies that focus on extending the shelf life of dairy products, extending the potential of lactose and lactose-rich ingredients by converting them into dietary fibers and other sweeteners and exploring the functional and structure building properties of whey proteins. Expansion into any market beyond fluid milk has been possible because of science and research, and checkoff plays an important role by investing in quality research and developing future dairy ambassadors.

Promote Dairy Health and Wellness

Midwest Dairy has partnered with North Dakota schools to increase access and consumption of dairy foods and supported student activity through [Fuel Up to Play 60](#), a program designed to help schools meet their wellness goals and encourage youth to consume nutrient-rich foods, including dairy, and achieve at least 60 minutes of physical activity each day. Midwest Dairy also worked with and through partners to increase demand for dairy and reached out to thought leaders, including health and wellness professionals, to help them better understand how dairy foods get from the farm to the store. Additionally, Midwest Dairy supported the national Undeniably Dairy campaign and worked to develop young dairy leaders.

The presence of COVID-19 brought disruption and uncertainty to Midwest Dairy's strategic plan, but with quick pivots, Midwest Dairy was able to support our partners in schools, food banks and at retail to ensure dairy was not only available for students and families, but properly stored and cared for to ensure a positive dairy experience for consumers.

Following are examples of Midwest Dairy's work in North Dakota representing both the implementation of the national plan and activities unique to the state and region.

School Partnerships Support Student Meal Participation

During this biennium Midwest Dairy partnered with Bismarck Public Schools (BPS) on projects that increase student demand for dairy throughout the 2018-2019 and 2019–2020 school years. BPS is the largest school district in North Dakota, with more than 13,000 students enrolled from kindergarten through 12th grade. The District recognizes students as customers and provides them with appealing meal options that meet nutrient needs and taste great.

Nearly \$15,000 was awarded to BPS to purchase equipment to start or support Breakfast in the Classroom in five elementary schools and a Grab 'n Go breakfast program in two middle schools during the 2018–2019 and 2019–2020 school years. Not only did these programs increase breakfast participation but have increased dairy sales across the district.



Midwest Dairy quickly pivoted strategy and funds when the pandemic led to school closures in March 2020. To support North Dakota schools continuing to serve to-go meals that include dairy and to ensure a positive dairy experience, Midwest Dairy distributed more than 1,500 insulated cooler bags and 50 barrel coolers to school districts across our 10-state region, including 100 cooler bags and 10 barrels to over 20 school districts in North Dakota. These soft-sided, insulated milk crate cooler bags and barrel coolers were given to school nutrition departments to provide cold milk through curbside or bus-delivered alternative feeding methods. This was critical for the health of North Dakota's children and to continue the 7% of fluid milk that typically flows through the K-12 school channel.

Additionally, Midwest Dairy supported the launch of a COVID-19 Emergency School Nutrition fundraising campaign called Raise a Hand for School's Sake established by GENYOUth, a foundation founded by America's dairy farmers and the National Football League. As of June 2020, \$19,00 has been awarded to North Dakota schools to help continue to serve meals during the pandemic.

Midwest Dairy Supports Local Families in Need Through One Time Food Bank Donation and Refrigeration Grants

Food banks across the region saw unprecedented need as a result of the pandemic, setting records for daily and weekly food distribution and illuminated the urgency of new resources and avenues to connect community members with a sustainable food supply. With unemployment numbers climbing and schools— where many children receive most of their daily meals—closed this spring and summer, the demand for sustainable food was at a record high.



To provide more dairy products to those facing food insecurity, Midwest Dairy donated \$500,000 to food banks in the 10 states it represents—which included a donation to Great Plains Food Bank. As one of the recipients of a generous financial donation from Midwest Dairy, Great Plains Food Bank partnered with a local supplier to secure and distribute an additional 4,700 gallons of milk, to help those facing food insecurity.

Additionally, dairy farmers had the opportunity to apply for Midwest Dairy’s Community Relief Grants which supplied local food pantries with a new refriger-ation unit to be used to store dairy products and other perishable foods. Eight refrigerator units were provided to rural area food pantries in North Dakota.

Midwest Dairy Shares Dairy Research with Health Professionals

Midwest Dairy sponsored a national speaker at the North Dakota Academy of Nutrition and Dietetics Nutrition Symposium. Janice Giddens, MS,RDN, Director, Health and Wellness Partnerships for the National Dairy Council. Giddens presented information on the dairy food matrix and shared about dairy’s role in the diet with more than 100 dietitians from North Dakota.

The dairy food matrix is an emerging area of research that explains how unique combinations of nutrients and bioactives work together in synergy to impact health. Giddens highlighted the unique components of the dairy matrix and showcased research that supports how consuming milk, cheese and yogurt is linked to lower risks of cardiovascular disease, type 2 diabetes and overall bone health.

Midwest Dairy Brings Dairy to Life Through Local Consumer Events

In 2019, Midwest Dairy staff, Dairy Ambassadors and North Dakota dairy farmers reached thousands of consumers at a variety of events. Consumers of all ages enjoyed dairy treats at the Milkshakes and More Wagon at the North Dakota State Fair and had a chance to see firsthand how dairy farmers take great



care of their animals when visiting the dairy barn. The dairy display at the Red River Valley Fair helped tell the farm-to-table story and the importance of dairy in a healthy diet. Dairy farmers also had the opportunity to have conversations with community leaders at several Banquet in the Field events and dairy farm open houses.

to virtual experiences to continue to tell the dairy story. A virtual Moo and Brew event was held featuring a North Dakota dairy farmer, a brewer and a cheese expert to learn more about dairy’s sustainability practices (which can include using the byproduct of making beer as feed) while enjoying regional beer and cheeses. Virtual farm tours and online curriculum featuring dairy farm resources were offered to teachers throughout North Dakota to share with their students.

In 2020, we shifted from in-person events





Dairy Farmers Thank Essential Workers

Sanford Health in Bismarck and Midwest Dairy partnered to show appreciation to the essential workers during the COVID-19 pandemic. More than 2,000 Sanford health care workers and medical staff were treated with ice cream sandwiches and a message of thanks from one essential worker (dairy farmers) to another (healthcare employees). The effort demonstrated the good will of dairy farmers in North Dakota while helping to promote the Undeniably Dairy message of real enjoyment.

Local Dairy Farmers and Sanford Administrative Staff help hand out ice cream to healthcare workers in appreciation for all they do.

Midwest Dairy Engages Retail Partners to Grow Trust and Demand for Dairy

In an effort to build both dairy sales and trust with consumers, Midwest Dairy partnered with Coborn's to support a "With Love from a Dairy Farmer" campaign in the Coborn's and Cashwise Foods, a Coborn's-owned store. The results from the campaign, during which Coborn's chose to feature Land O' Lakes products, indicate dairy sales in these stores showed an average lift of 200 percent, or 1,872 pounds of milk.



Dairy Ambassador Program Shapes Industry Advocates



The Dairy Ambassador program was started in 2018 to give young adults in high school and college an opportunity to improve leadership and communication skills while advocating for the dairy industry. Since its inception, five North Dakota dairy ambassadors have been selected and have been active in promoting dairy by engaging in conversations with consumers, school-age children and peers. Many of the conversations involve learning more about the dairy industry and practices used within the industry. While serving as a dairy ambassador, they will have the opportunity to network with dairy industry partners, visit dairy farms and tour agribusinesses in North Dakota.

Undeniably Dairy National Campaign Builds Trust in Dairy

As part of its mission to protect and grow sales and trust in dairy, Dairy Management Inc. (DMI) and the Innovation Center for US Dairy launched an industry-wide initiative in 2017, Undeniably Dairy. In its third year, Undeniably Dairy serves as the dairy community's industry-wide, multi-stakeholder campaign that helps consumers and other stakeholders recognize the important role dairy plays in their lives.



Each year, Undeniably Dairy leverages an integrated multi-channel approach to expand reach, raise awareness and build participation and ultimately, trust, through:

- Integrated communications—A comprehensive approach that includes media and other channel partnerships, digital (websites, search, and social strategies), earned and social media, and through events and experiences.
- Influencer outreach—Establishing and/or strengthening relationships with critical media, reputational (e.g., dietitians, health professional organizations, environmental and animal care leaders) and cultural influencers (e.g., food and lifestyle bloggers) that reach consumers.
- Community engagement—Rallying the dairy, food and other relevant communities to amplify, customize and create content around Undeniably Dairy and its pillars to further unify and strengthen dairy's voice, including engagement among farmers, processors and manufacturers, retailers and agribusiness.

Undeniably Dairy does this by building on consumer insights that indicate people increasingly want to know more about where their foods come from. The campaign connects people with the farmers and the dairy community behind the real, nutrient-rich and responsibly produced milk and dairy foods they love, while also bringing a bit of dairy joy during culturally-relevant moments.

In 2019, efforts focused on building trust and relevance around dairy as a sustainably nutritious food. This was reinforced by content that shared stories of farmers' commitment to caring for the land for future generations and to using new technologies and innovations to protect and enhance natural resources. Additional content and partnerships with fitness and nutrition influencers highlighted the unique nutritional makeup of dairy foods and the role they play in overall wellness.

Projected Activities

Midwest Dairy will be implementing a newly developed three-year strategic plan for the years 2021–2023. The Vision being “Bring Dairy to Life for a Better World!” and the Mission being “Work with Others to Give Consumers an Excellent Dairy Experience.”

During this timeframe, Midwest Dairy will focus on six objectives which reflect both business needs and foundational needs of the organization.

- Increase dairy sales by working with retailers, school K-12 and foodservice partners.
- Grow trust in dairy by sharing dairy's environmental sustainability and wellness messaging with prioritized individuals and organizations.

- Advance research in dairy by sharing dairy checkoff's research and insights to increase trust and sales of dairy with processors and sales partners.
- Create dairy checkoff advocates by continuing to communicate checkoff activities with dairy farmers, processors and other influential decision makers.
- Develop farm and community leaders for dairy by promoting the Dairy Ambassador program and leadership opportunities for dairy farmers and community leaders.
- Enhance Midwest Dairy employee culture by continuing to recognize accomplishments and grow employee skills.

These objectives will assist Midwest Dairy in with programming and checkoff investment priorities.

Conclusion

The dairy checkoff promotion program was established in 1984 with one purpose—to increase demand for U.S. dairy products. While dairy farmers have experienced both the highs and lows of markets in the most recent biennium, domestic demand, particularly for cheese, has been a bright spot. Arguably, the dairy checkoff has played an important role in maintaining a positive demand curve.

The need for wholesome, nutrient-rich dairy foods, combined with the necessity of telling the dairy farm and farmer story in a consumer-friendly way, makes the case for the importance of an efficient, effective dairy checkoff program going forward. Midwest Dairy, on behalf of North Dakota dairy farmers and those in surrounding states, is committed to serving that role.

NORTH DAKOTA DAIRY PROMOTION COMMISSION
Bismarck, North Dakota

STATEMENT OF PROJECTED REVENUES AND EXPENDITURES
For the Current and Next Biennium
2019-2021 and 2021-2023
(UNAUDITED)

Prepared by the North Dakota Dairy Promotion Commission

	<u>2019-2021</u> <u>Biennium</u>	<u>2021-2023</u> <u>Biennium</u>
Beginning Balance	\$ 340,440	\$ 320,782
REVENUES:		
Assessments	621,820	630,500
Interest	2,970	1,400
Miscellaneous	50	50
	<u>624,840</u>	<u>631,950</u>
Total Revenues		
EXPENDITURES:		
Program Expenditures:		
Contract Payment to Midwest Dairy Association	<u>637,500</u>	<u>630,500</u>
Total Program Expenditures	637,500	630,500
Administration	<u>6,998</u>	<u>6,754</u>
Total Expenditures	<u>644,498</u>	<u>637,254</u>
Excess of Revenues Over (Under) Expenditures	(19,658)	(5,304)
Ending Balance	<u><u>\$ 320,782</u></u>	<u><u>\$ 315,478</u></u>