

DAIRY MANAGEMENT INC. UPDATE

September 19, 2023

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Executive Vice President
Wellness, Insights & Innovation



aspire



a

ACTION

To drive the work of each priority, it takes action. A bias for action that will ensure greater impact here and in the global marketplace.

s

SUSTAINABILITY

U.S. dairy is viewed as an environmental solution - backed by science and proof - and economically additive for farmers, markets, and society.

p

PEOPLE

U.S. dairy is thriving, our work and success is visible, and the organization and category are sought after for employment.

i

INNOVATION

U.S. dairy's wellness and product leadership is powered by technology-enabled science and innovation.

r

REPUTATION

U.S. dairy's image and relevance is revitalized as a source of human nourishment and societal and planetary health.

e

EXPORTS

U.S. dairy is growing, consistent, and preferred supplier in key markets globally.

Vision: Harness the Full Power of Checkoff

MAKING
EVERY
DROP
COUNT

your
DAIRY
CHECKOFF
Dairy Management Inc.



Our Principles:

Clear expectations on structures, roles and accountability

Fewer, bigger bolder moves

"Value & volume" mindset

With and through partners and industry

Nimble and outcome-focused

A low-angle, close-up shot of a person's legs and feet as they run on a paved road. The scene is set during sunset or sunrise, with a warm, golden light illuminating the background and the road. The runner is wearing dark leggings and colorful athletic shoes. A dark blue horizontal banner is overlaid across the middle of the image, featuring the text 'BOLD MOVES' in a bold, sans-serif font. The word 'BOLD' is in yellow, and 'MOVES' is in white.

BOLD MOVES

In 2024, Checkoff will focus efforts to...



Drive Science for the Future

- Modernize science discipline
- Strengthen dairy research ecosystem
- Industry partnership model to maximize efforts



Leverage Modern Tech for Action

- Unlock science benefits by proving new applications and processing technologies
- Utilize dairy intelligence platform for social listening



Drive Positive Dairy Perception with Key Targets

- Improve perceptions of dairy's relevance in youth
- Design programs to address consumption in-home and at school



Secure Outside Investments

- Secure investment in nutrition, R&D, environmental research
- Catalyze innovation with H&W & channel leaders
- Leverage branded partners for marketing & consumer reach



INNOVATION



OBJECTIVE

Develop technology-powered breakthrough science and innovations that advance U.S. dairy's wellness AND product leadership.

Innovation Plan Outcomes

More Incremental Sales



Channel-leading partners to launch new innovation and growth platforms and new technologies (Encapsulation)

More Commercialized Science



Accelerated discovery and commercialization via platforms (Lactoferrin) and benefits (Immunity)

More Outside Investment



For product innovation, health and wellness science from non-dairy processors

More Trained Workforce



Connected technology, talent, and R&D capabilities to modernize and commercialize science and products

Activating Health & Wellness Science

DELIVERABLES

PROTECT

- Food Based Dietary Guidelines
- Childhood Health
- Dietary Patterns
- Health Disparities
- Whole Milk/Dairy Matrix
- Food Systems



Maintain 3-A-Day



Dairy as a Food Group

DISCOVER

- Discover & validate new benefits
- Fuel New Products
- Stronger claims & messaging
- Tech enabled to advance speed (Data and AI)
- Powerful research collaborations



Prove New Benefits



Commercialize More Science

PROMOTE

- Develop Dairy Food Systems Research Ecosystem
- Build foundation amongst leading Food Systems Universities (global)
- Address gaps age-cohorts & Socio-economic research
- Strengthen sustainable Nutrition positioning: Food Based Dietary Guidelines, Environment



Demonstrate Socio-economic



Prove Global Value

PUBLIC/PRIVATE PARTNERSHIPS



Discover & Validate New Science Platforms

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Using new technologies, market driven approach, linking to consumer needs and conditions and collaborative external planning

Technology



Market-Focused



Conditions & Benefits



External Experts



Biotransformation
(precision fermentation, biodegradable packaging)

Novel processing (milk mining, separation, fractionation, isolation) Encapsulation, stabilization

Exports: (e.g., Cheese formulation: Gouda)

E-Commerce: Packaging

Bioactive Ingredients

Bi-Products: Sustainable and Circular Product & Production systems

Protect: Childhood health, Dietary Patterns, Food Based Dietary Guidelines, Health Disparities and Dairy Matrix

Discover: Immunity/Calm/Energy/Digestive, Grow & Perform, Brain Booster, System Supercharge, Metabolic Health

Dairy Science Innovation Advisory Board

Dairy Research Centers

Global Dairy Scientists

Emerging Technology Experts



HEALTH & WELLNESS LANDSCAPE

Identified Top Health & Wellness Growth Spaces for Dairy

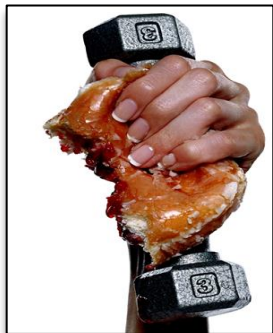
ENERGY



MARKET:

\$30.3B, 5.26%

PHYSICAL PERFORMANCE



MARKET:

\$24.8B, 5.96%

SKIN HEALTH



MARKET:

\$32.7B, 5.33%

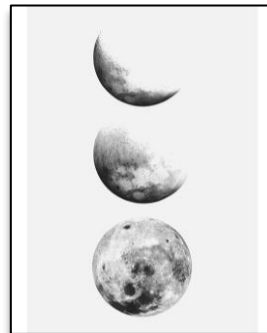
MENTAL/ EMOTIONAL H&W



MARKET:

\$1.9B, 9.27%

SLEEP



MARKET:

\$1.8B, 6.56%

WEIGHT MANAGEMENT



MARKET:

\$38.2B, .94%

BONE HEALTH



MARKET:

\$23.6B, 10.49%

Growth Potential Totaling Over \$350B

ORAL HEALTH



MARKET:

\$9.8B, 2.25%

VISION



MARKET:

\$2.4B, 2.62%

JOINT HEALTH/ MOBILITY



MARKET:

\$1.4B, 7.07%

HAIR & NAIL HEALTH



MARKET:

\$11B, 3.79%

DIGESTIVE ISSUES



MARKET:

\$32.2B, 5.05%

HYDRATION



MARKET:

\$1.7B, 8.01%

IMMUNITY



MARKET:

\$963.5M, 1.77%

In 2024, Checkoff will Work with Industry to Activate Against Top 5 Health & Wellness Areas

Now

Next

Future



Grow & Perform

Conditions:

- Bone Health
- Physical / Athletic Performance

Opportunity Size: \$59B



Healthy Heart & Weight

Conditions:

Heart Health

Opportunity Size: \$55B



Systems Supercharge

Conditions:

Digestive Health

Opportunity Size: \$26B



Mental / Emotional H&W

Conditions:

- Mindfulness
- Cognition

Opportunity Size: \$ 15B

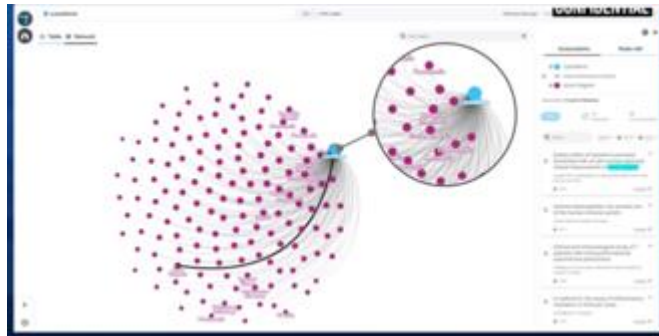


Opportunity Size Totaling \$155B

Checkoff will Leverage Technology and Science to Capture Milk's Full Potential

Identify key partner(s) in 2024 with goal to launch in 2025

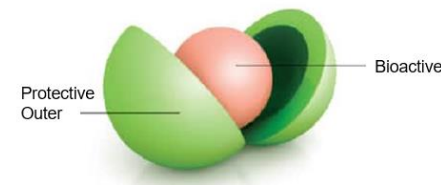
Artificial Intelligence to Accelerate Health Discoveries and Product Development



FORMULATED WITH SPHINGOMYELIN,
A COGNITIVE COMPOUND TO SUPPORT
HEALTHY BRAIN DEVELOPMENT



Encapsulation Technology to Enable New Benefits, Claims and Products



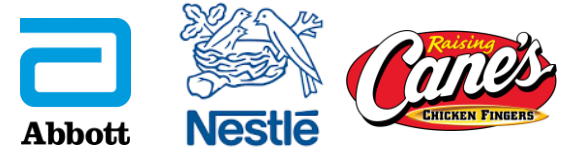
Checkoff Continues to Partner with Channel Leaders to Drive Dairy Growth in High Volume Areas

MAKING EVERY DROP COUNT



HIGH GROWTH POTENTIAL

- **Health & Wellness \$350B**
 - Grow & Perform
 - Healthy Heart & Weight
 - Systems Supercharge
 - Mental & Cognition
- **Beverages \$78B**
 - Fortify LT Wellbeing
 - Grown Up Strong Start
 - Routine/Special Treat
- **Food Service Growth Platforms \$240B**
 - Chicken (Raising Cane's)
 - Sandwich
 - Beverages Coffee/Teas



CATEGORY LEADERSHIP/VOLUME

- **Pizza \$62B**
- **Burgers \$149B**
- **Mexican \$56B**
- **E-Commerce Dairy Category \$80B**



STRATEGIC IMPERATIVE

- **School Milk**
- **Fluid Milk**



Innovation Partners - 2023 YTD Results

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- Grilled Cheese Burrito now permanent on menu
- Taco Bell Innovation featured in the New Yorker in April
- New Grilled Cheese Dippin Taco out new



- Strawberry Shortcake McFlurry Limited Time Offer sold out early
- Grimace Birthday Shake extremely popular
- New Peanut Butter Crunch McFlurry

Innovation Partners Results - 2023 YTD

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Ice cream and desserts
Satisfy your
sweet tooth



Build your own
ice cream sundae



Yoplait bars on
rotational launch at
Costco

LUXURY HAS ARRIVED
in the yogurt aisle



Haagen-Dazs
extending brand
into yogurt

- Global Flagship opened in Times Square on June 27th
- Second location near NYU coming soon
- Future Northeast growth plan

Fluid Milk Partners Results YTD

Good Culture Launch

AUTHORIZED

- TARGET June
- WHOLE FOODS May
- MDI March
- weis February
- Harris Teeter February
- StopsShop April
- Bozzuto's Inc. April
- Key Food May
- GIANT April
- MARKET BASKET April
- JD FARMS CREAMERY April
- Redner's April

PENDING/IN-PROGRESS

- Big Y
- Southeastern Grocers
- Kroger



Disney School Milk Pilot

TOY STORY **Disney MICKEY FRIENDS** **STAR WARS** **THE INCREDIBLES**

Feb Mar Apr May

Cartons shown: Dairy Pure 1% Lowfat Milk (Toy Story), KEMPS Dairy Chocolate Fat Free Milk (Mickey Friends), TruMoo chocolate fat free milk (Star Wars), KEMPS Select 1% Lowfat Milk (The Incredibles).



Fluid Milk Partners Results YTD

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- Continuing the Coffee Campaign through 2023:**
- Leveraging existing creative assets
 - Digital, In-store, E-commerce



Fluid Milk Partners Results YTD



Launched March date into Hyvee

- ✓ **UF Lactose Free***
- ✓ **ESL Whole Flavored Milk**
- ✓ **No Added Sugar**
- ✓ **All Natural no Artificial Flavors or Colors**
- ✓ **Direct From Midwest 4th Generation Family Farm**



EXPORTS



OBJECTIVE

Ensure U.S. dairy is a growing, consistent and preferred supplier in key markets globally.

Two Major Groups Addressing Export Opportunity on Behalf of Farmers

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Represents the global trade interests of U.S. dairy to expand export and increase export value



Dedicated team that works directly with partners to help grow exports via innovation and marketing platforms

Export Plan Outcomes

Sales Growth



U.S. Market Share Growth



Product/Channel Expansion



Exports Update - International Partnerships 2023 YTD Results

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Partnering with U.S. foodservice companies to drive menu and marketing innovation using U.S. cheese has led to significant success.



REPUTATION



OBJECTIVE

Revitalize dairy's image and relevance as a source of human nourishment, and societal and planetary health.

Reputation Plan Outcomes

Improved Perceptions



Perceptions grow by 3 points across targeted U.S. consumer life stages

Increased Recommendations



More customers, thought leaders and key consumer influencers assert dairy and dairy farming's benefit



SECURING DAIRY'S REPUTATION AT KEY LIFE STAGES

Adolescents

- *Channels:* Schools
- *UMP Focus:* Health and wellness, responsible production

Young Adults

- *Channels:* Social/digital, influencers
- *UMP Focus:* Gut health, responsible production

Early Parents

- *Channels:* Social/digital, influencers/health professionals
- *UMP Focus:* Childhood nutrition and development

Reputation Strategies

WIN IN KEY CHANNELS



Deliver breakthrough consumer content to grow share of voice in critical channels for youth and parents

EXPAND IMPACT IN SCHOOLS



Evolve and focus how dairy activates partners to improve school wellness through product availability and education

ACTIVATE DAIRY CHAMPIONS



Engage the most influential experts and thought leaders in media, medicine, science and education to scale credibility and reach to consumers

IMPACT VIA PARTNERS



Work with the most high-impact partners in H&W, environment and industry to secure dairy's role in diet and food systems

TECHNOLOGY TO SCALE ACTION



Harness new technologies to magnify impact through coordinated action with industry and partners

Win in Key Channels

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Deliver breakthrough consumer content to grow dairy's positive share of voice in critical channels for young adults and early parents



Cultural Influencers

- Leverage popular, diverse online influencers to promote dairy in relevant ways and drive purchase and usage



Always-on + Agile Storytelling

- Share dairy's story with key young adult and early parent audiences; dispel myths via "edu-tainment"
- Address barriers like digestive health and lactose intolerance with multicultural audiences



Searchable Content

- Use Search Engine Optimization (SEO) and Search Engine Marketing (SEM) strategies to help consumers find positive dairy-related wellness and sustainability content online



Media Partners

- Activate with media and retail partners (e.g., TIME, USA Today, Instacart, Amazon) engaging key audiences to tell dairy's story efficiently

Expand Impact in Schools

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Activate industry and partners through collective impact to:



Improve Milk Experience

Improve the student experience with school milk and the number of available touchpoints for dairy in schools



Expand Access to Breakfast

Increase participation in school breakfast and the availability of dairy breakfast options in districts with largest growth potential



Modernize Education of Nutrition

Improve exposure to dairy's essential role by delivering nutrition education in the most conducive school spaces

Activate Dairy Champions

Strategies 3 and 4 are interconnected as they reach Health and Wellness and Environmental Thought Leaders

Strategy 3: Activate Dairy Champions

Focus engagement on the most influential experts and thought leaders informing nutrition guidance and shaping dairy's sustainability reputation



**Pediatric Care
Specialists**



**Next Gen
Scientists**



Earned Media



**Thought Leader
Engagement**

Influencers

Dairy Dream Team 2023

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Jen Curley
Culinary



Matty Maggiasco
Fitness



Elena Besser
Culinary



Zeth
Parenting



Kourtney Marsh
Lifestyle &
Parenting



Derek Bauder
Gaming



Shari Gatewood
Parenting



Jocelyn Delk Adams
Culinary



Alexa Santos
Culinary



Sammy Purr
Lifestyle



Conor Wood
Comedy



Keren Swanson
Lifestyle &
Parenting

Next Gen Scientists

Next Gen Scientist Cohort 2021 - 2024



Oluwakemi Adeola, PhD, MS
Clinical assistant professor
Howard University



Juan Aguilera, MD, PhD, MPH
Assistant professor
University of Texas
School of Public Health



Linda Beckett, PhD, MS
Post-doctoral research
associate
Purdue University



Annabel Biruete, PhD, RD, FNKF
Assistant professor
Purdue University



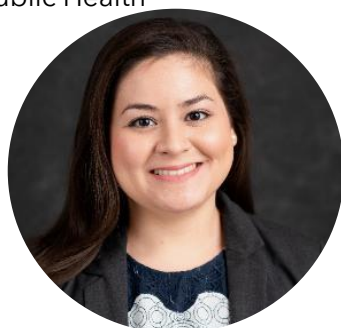
Laura Bollinger, MS, RDN, LDN
Assistant professor
Manchester University



Debbie Fetter, PhD
Assistant professor
University of California-Davis



Lauren Coheley, PhD, LD, CDE, FAND
Assistant professor
Texas A&M University



Karen Corleto, MS
Senior graduate student
Texas A&M University



Ginnefer Cox, PhD, AOS, RD
Assistant professor
University of Georgia



Karen Byrd, PhD, MBA, RD
Assistant professor
Purdue University



Ashley Toney, PhD
Post-doctorate
Cleveland Clinic Lerner Research Institute

Impact Via Partners

Strategies 3 and 4 are interconnected as they reach Health and Wellness and Environmental Thought Leaders

Strategy 4: Impact Via Partners

Focus investment on Health & Wellness and environmental partners who pack the most punch in protecting dairy's place in the diet

Nutrition-Focused Partners



FOCUS
Early childhood, health equity

Environmental-Focused Partners



Focus: GHG, water, soil, biodiversity

Dairy Community and Customers



Focus: Role clarity, value chain alignment

Growing Relationships with the Next Generation Health and Wellness Professionals of Color

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- ❑ NDC's Next Gen Scientist Cohort 3-year Pilot Program
- ❑ American Society for Nutrition Emerging Leaders
- ❑ National Organization of Blacks in Dietetics and Nutrition (NOBIDAN)
- ❑ All Access Dietetics
- ❑ Diversify Dietetics



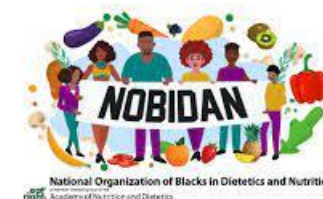
Oluwakemi Adeola, PhD, MS
Clinical assistant professor
Howard University
NDC Next Gen Scientist Cohort



Ginnefer Cox, PhD, AOS, RD
Assistant professor
University of Georgia
NDC Next Gen Scientist Cohort



Priscilla Mpasi, MD, FAAP
Pediatrician
ChristianaCare Health Systems
NDC Advisor



Continue to Effectively Reach Thought Leaders Through Media and Key Events

Focus on:

- ***Influential Paid Media***
 - Show up in surprising ways within influential media outlets 2-3 times/year
 - Showcase stories of progress via digital, a proven effective, resource-efficient channel
- ***Events***
 - Streamline to 2 high-profile events
 - Maximize surround-sound content and engagement opportunities to extend impact
- ***Earned Media***
 - Leverage partnerships, on-farm stories with recognition that reporters/outlets are increasingly seeking data-backed progress against commitments, goals
 - Continue to build on nutrition, innovation, trends



SUSTAINABILITY



OBJECTIVE:

Demonstrate that dairy, farmers, and cows, are environmental solutions – backed by science and proof and economically additive for farmers, markets, and society.

Sustainability Plan Outcomes

More Solutions



Additional decision support resources, measurement tools and access to technical and financial assistance

More Proof



Documented progress **COMMUNICATED BROADLY** that increases consumer trust

More Partners



Outside **PARTNERS AND INVESTMENT** extends checkoff dollars and influence

Partnerships



RESEARCH

Support with funding and technical expertise

- Foundations
- Non-Governmental Orgs
- Corporations
- Universities



IMPACT

Inform measurement methodologies and decision support resources

- Modeling experts
- USDA data



ACTION

Accelerate implementation

- Cooperatives & Processors
- Ag Service Providers
- Extension
- Non-Governmental Orgs
- Dairy value chain

2023 Goal: \$15M in Commitments

As of Today: \$7M Committed

Questions

