



MidwestDairy.com
DairyMakesSense.com
MidwestDairyCheckoff.com



Qual Dairy
Lisbon, North Dakota

A dietitian called when milk prices at the store were predicted to increase, asking for information to use for a media interview, commenting that Midwest Dairy Council is always her 'first stop' to get the most reliable, consumer-friendly and science-based information about dairy.

That evening on the news she was asked about alternative beverages to milk. Her reply? "There is no substitute – milk is a bargain at any price!"



How cool was that?

MidwestDairy® where good come from stories



Moonlight Dairy
Alcester, South Dakota

A communications rep told the South Dakota State University athletic management group and coaches they couldn't go wrong partnering with an organization funded by dairy farm families. He said dairy farmers are well-respected and provide a wholesome image to the products they market. He told them partnering with dairy will reflect positively on SDSU athletics.

2012-13 Division Board Members

Bold indicates Corporate Board member

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Ardath DeWalt, Shannon
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Harvey VanEss, Sanborn

When you walk into
a classroom and see
a student enjoying
breakfast with his
classmates with a big
smile on his face --
that is worth a
million dollars!

Lori Danella, school
nutrition coordinator,
Lee's Summit, Missouri



John Howerton, dairy producer
Berryville, Arkansas

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Jim Dose, Lake City
Carolyn Freese, Lanesboro
Paul Fritsche, New Ulm
Dan Grunhvd, Gary
Ken Herbranson, Clitherall
Judy Hoffman, Waseca
Keith Knutson, Pine Island
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Steve Ohlde, Linn, KS
David Rottinghaus, Seneca, KS
Bill Siebenborn, Trenton, MO
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Steve Strickler, Iola, KS
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Nathan Roth, Mountain Grove, MO
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Dakota Dept. of Ag.
Allen Merrill, Parker
Vikram Mistry (Ex-Officio), SDSU
James (Jim) Neugebauer, Dimock
Doug Ode, Brandon
Jarrod Otta (Ex-Officio), Dean Foods
Marvin Post, Volga
Randall (Randy) Schweer, Watertown
Steve Sneer (Ex-Officio), Land O'Lakes
Susan Sybesma, Platte
Daniel Thyen, Waverly

More to every story

by Jerry Messer
Midwest Dairy Association
Chairman

It's pretty easy to tell people what Midwest Dairy does. We promote dairy products. But like anything else, there's a lot more to the story.

We might be working with a retailer on how to build the dairy category in their stores, but in the meantime, they've learned how to answer customers' dairy questions with the real facts.

On the surface, what we're doing is getting more dairy on the menu

at big restaurant chains, but the real story is that their competitors are reacting by adding more dairy to their menu, too.

Fuel Up to Play 60 may be in 12,000 Midwest schools, but what really matters is that we're changing the way those schools and their students view health and dairy.

The checkoff may be bringing lots of people together through the Innovation Center, but the result is that dairy farmers' ideas are becoming part of the industry's business plan.

In your busy days in the dairy business, you may only have time to read the headlines – and we try to get them to you any way we can. But trust me on this – I could tell you stories about checkoff's



Jerry Messer (left) was on hand to greet the Governor and First Lady of North Dakota during a Fuel Up to Play 60 event.

impact all day long if I had the chance.

Instead, I hope you enjoy a few of the short stories in our 2012 Annual Report.

When we were kids, every good story started with "Once upon a time..." Often, we depended on our parents to keep repeating the same story to us night after night.

There was a time when the dairy checkoff made its impact by staff and advertising telling dairy's nutrition story repeatedly to the consumer. Today, we're depending on others to tell it for us. Football players, dietitians, teachers and students, governors, researchers, food manufacturers – they are dairy's 'army' and each program you fund is designed to get their endorsement.

Meanwhile, we're doing everything we can to give dairy farmers an opportunity to tell their own story to the right people using the right tools. Saying that you care about children's health, and showing it through a program like Fuel Up

Good stories, great plot

by Mike Kruger
Midwest Dairy Association
CEO

to Play 60, adds value to your image. Talking about what you do each day and your commitment to animals and natural resources makes a real difference.

A really good story has a great plot, great characters and a happy ending. Looking back on 2012, Midwest Dairy had all of those ingredients. Congratulations.



Midwest Dairy CEO Mike Kruger (right) gets a tour of First District Association's plant in Litchfield from Clint Fall, general manager.

The biggest thing that we learned [this year] is that the Fuel Up to Play 60 program is doable. Yes, we were busy, but completely supported and empowered through every step of the process.

Joy Wray, RN, Fuel Up to Play 60 Program Advisor,
Olathe, Kansas

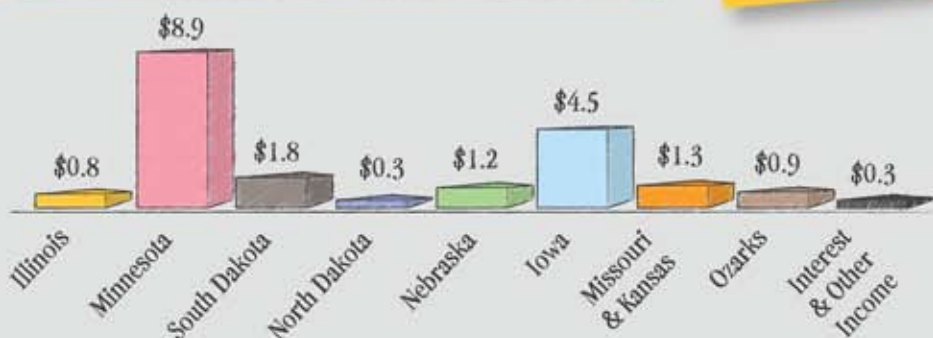


2012 Revenue by Division

Total Revenue
\$20.0 MILLION



Where Your Checkoff Comes From



We've got retired Vikings player Asher Allen promoting Fuel Up to Play 60 by donating his time to write a quarterly blog for us!

How great is that?



A St. Louis Rams rep told us the number of

completed school video entries for Back to Football Friday were at one point second only to the New York Giants! He told us, "Thank you again for being such fantastic partners."

A national student ambassador's mom thanked us for changing her son's life. He was being bullied because of his small size. When he got involved with the Fuel Up to Play 60 student team at his school he gained confidence and acceptance from his peers as a leader. At a GENYOUth event he was sitting at the table like an equal with the CEO of Quaker and the former surgeon general of the United States, and they were listening to HIM!



At a dietetic meeting, the speaker weaved in our message of chocolate milk as a nutrient-rich choice for children (or anyone). It sparked a discussion about children's need for milk in the diet, and the new meal requirements for the school lunch programs.

The carbohydrates and protein in **MILK** make it a smart beverage for athletes.



I just wanted to say that I had my first media interview since attending your training. It was fabulous and was made easier by your training. Thank you for the enjoyable and informative session. I wish I could attend again.


Bill Brase, dairy producer, Edwardsville, Illinois



Chris Heins
dairy producer, Missouri

We shared our Farm to Store and Science of Milk videos with FFA chapters across the state and one of the responses was, "Good stuff!"

Few words, but they say it all!



There is no better program that I know of than Fuel Up to Play 60 to have a positive effect on child obesity. Heck, I even feel guilty not being more active after I signed the pledge last year!

Walt Bones, South Dakota
Agriculture Secretary

We've established a great relationship with the Iowa governor's office – working with the Department of Health and Education on Iowa's Healthiest State Initiative.

It's great to have top state officials on our side!



Ohlde Family, Ohlde's Dairy, Linn, Kansas

Lactose Intolerant?

Try Yogurt!



Because we've worked with Kemps on our Retail Academy, Midwest Dairy was invited to speak at their sales meetings to help educate them about dairy.



A doctor who attended a physicians' conference in New Jersey heard about the benefits of Breakfast in the Classroom, and found us at the Nebraska Academy of Family Physicians conference to find out what he could do here.

We distribute a partner newsletter to more than 400 food contacts with the ability to impact dairy markets. Each month, at least three

new people ask to be added to the list.



Wendy Erbsen
dairy producer, Illinois

Students who eat **BREAKFAST** have better attention & memory.



We are honored to be part of such a great initiative.

Lynn Dugan
parent volunteer, Illinois



This program has blown my mind!

Jessica Brunscheen
program advisor, Illinois

2012 Expenses by Spending Category

Total Expenses
\$20.1 MILLION*

Administration \$0.9
Innovation \$1.8
Consumer Confidence \$3.8
Producer Communications \$0.4
Partnerships & Research \$5.2
Health & Wellness \$8.0



Where Your Checkoff Goes

Innovation

9%
of Expenses

22 projects were pursued with partners, ranging from establishing a Dairy Economic Advisory Council to assisting with **flavored milk** acceptance.

More than **10** new **research projects** were funded in 2012 through the Midwest Dairy Foods Research Center at the University of Minnesota, South Dakota State University and Iowa State University.



More than **240** meetings took place with roughly 40 companies to **share dairy expertise** with the potential to grow sales.

Midwest Dairy collaborated regularly with **16** retailers, processors, exporters and manufacturers to **expand product use** and understanding.

Health & Wellness

40%
of Expenses

65 Midwest schools participated in the checkoff's projects to **access and sell more dairy** in schools.

Fuel Up to Play 60 was supported by **nine** Midwest **governors** and more than **70** health and wellness groups.

Fuel Up to Play 60 reached **12,362** schools and **5,516,200** students and provided more than **\$524,800** to them.



Breakfast projects in **22** schools resulted in more than **20,500** additional students eating breakfast at school every day.

Midwest Dairy generated more than **\$100,000** in Fuel Up to Play 60 support from external partners.

* Spending in excess of revenue was funded by program savings from the prior year.

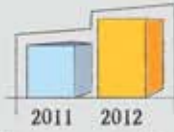
Consumer Confidence

[19%
of Expenses]

Consumer-targeted efforts by producers, princess programs, Ag in the Classroom, scholarships and industry relations helped **expand dairy's reach** across the Midwest.

DairyMakesSense.com and MidwestDairy.com together attracted more than **200,000** visits to **learn about dairy**.

Midwest Dairy's **social media efforts** expanded by more than **50%** in 2012.



More than **180** industry representatives attended **crisis drills** sponsored by Midwest Dairy and Dairy Management Inc.

Presentations and farm tours were provided to more than **2,500** dietitians, school nutrition staff, physicians and other key influencers.

Producer Communications

 **2%**
of Expenses

Five producer newsletters, the annual report, electronic updates and other outreach provided reports of **checkoff activity** to more than **12,000** dairy producers and industry members.



Barb Liebenstein
dairy producer, Minnesota

Partnerships & Research

Midwest Dairy shared expenses with Dairy Management Inc. on **eight** projects ranging from fluid milk innovation and quick-serve restaurant menu items to Pacific Rim pizza cheese sales and product research.

 **25%**
of Expenses

Five Midwest projects focused on global and domestic marketing and other **dairy sales efforts**.



Three projects at the national level funded by Midwest Dairy provided information on several topics: **the link between good nutrition and learning**, and nutrition research on milkfat and dairy protein, cheese, whey and food safety.

Administration



 **5%**
of Expenses

Midwest Dairy managed board expenses, audit, legal fees, staff expenses of accounting, administrative and computer network staff using **industry best practices**.



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LaClair Holsteins, Dakota, Illinois

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St. Paul, MN 55113

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Till Dairy
Maquoketa, Iowa



I want to thank you for the opportunity to attend the crisis drill today. It was so informative and helpful to be involved in a situation that mimicked an event that I could someday be a part of. In typical "Midwest Dairy fashion" the day was well organized and fun, too.

Janet Bremer, dairy producer, Hastings, Minnesota

Let's **STAY**
connected

