




Stronger TOGETHER



2014 Annual Report



ON BEHALF OF YOUR DAIRY FARMER BOARD

There's a very good reason I spend many days away from our farm helping to guide Midwest Dairy Association. It's because I feel it's very important we see a return on our investment of checkoff money, and that we bring promotion programs home to work in our states and communities. As your chairman, I can assure you both of those things are happening.

When Midwest Dairy was formed, we became Stronger Together because we combined 10 states under one umbrella to reduce overhead costs and increase our influence in the marketplace. Now, we're becoming Stronger Together because of working closely with partners across our territory.

Being Stronger Together starts with collaboration between the national nickel and local dime of our checkoff program. Without Midwest Dairy, the national programs we fund have no 'boots on the ground' to carry out the programs you read about here. In fact, Midwest Dairy's board is adding local dollars

to national programs to make them bigger, broader, and better.

What's the most important thing for you to know? It matters to our future, and ... it works.



Jerry Messer, Board Chairman
Richardton, North Dakota

Midwest Dairy Association takes its role in representing dairy farmers seriously. But the most important impact on dairy demand now and in the future cannot be made solely by your checkoff organization. Today's efforts are implemented across a broad sector of our food industry, making them Stronger Together.

ON BEHALF OF YOUR STAFF

Dairy farmers' vision to serve their market is spot-on. Just like on the farm, your dairy farmer checkoff leaders have figured out how to make every investment go as far as possible. With the experience that comes from running a dairy, they've kept their eye on what's really important and changed course when necessary. And just like members of a farm community, they've realized we're all Stronger Together.

That has brought us to where we are today at Midwest Dairy. We tap outside partners to expand our markets as much as we can. We use research to guide us in the right direction and make adjustments to stay current. We work together with the national checkoff to increase our impact within our states, and we work

closely with state government, schools, health and wellness groups, and fellow dairy and farm organizations to get things done more efficiently.

No dairy organization can afford to stand alone in today's environment and be at its best. We're all Stronger Together.



Mike Kruger, CEO





More school breakfasts mean more dairy offered to every student. Among 93 Grants to Grow School Meals distributed by Midwest Dairy in 2014, 84 projects focused on breakfast. In addition, 264 schools received Fuel Up to Play 60 funds that supported "healthy eating plays" carried out by student teams supporting breakfast.



"This project has really enlightened our kids on the importance of eating a healthy breakfast that includes low-fat dairy. We feel this project has given our students the knowledge and habits that they need to eat breakfast and get their dairy every day."

School Nutrition Director, South Dakota

Midwest Dairy provided 32 trainings to 930 key stakeholders including dairy farmers. This army of advocates shared the dairy story with others, multiplying our impact on consumer trust and sales.

"The training was very helpful ... I look forward to next season and all the improvements we can make in our Dairy Barn and our programming."

Kathi Limbocker, Deanna Rose Children's Farmstead, Overland Park, Kan.



CHAMPIONS FOR Dairy

The Health and Wellness staff from Midwest Dairy identified and met with more than 50 influential leaders on food topics during 2014. The result? At least half advocated for dairy at least once after the meetings, including three governors and 13 Department of Health and Department of Education leaders. Third-party support of dairy provides convincing evidence of dairy's role in health.



Midwest Dairy worked with Departments of Education and provided assistance to Summer Feeding programs across the territory, because each meal served offers milk, and often cheese or yogurt. The programs also address the issue of hungry kids during the summer months. Three separate events in 2014 drew attention to Summer Feeding.

"Thank you for all your efforts in support of the Summer Food Service program! I know personally from sponsors how much they appreciate the tools Midwest Dairy Council provides."

Jenny Butcher, Summer Food Service Program Coordinator, Minnesota Dept. of Education



Midwest Dairy's contribution to dairy foods research included a forum for processor partners to learn about the most recent findings and to explain how they can meet consumer needs by applying the research.

"It was beneficial ... to be presented with up-to-date, solid research to educate us on a very hot topic in the dairy industry. The speakers were knowledgeable, and it is always great to tap into our industry experts for their expertise and findings."

Dawn Raymond, Quality Assurance Manager, First District Association



Dairy-related information provided by Midwest Dairy was used by Roundy's, IGA, Hiland Dairy and others on their websites, in stores and to train dairy case managers on answering customer questions.

2014 REVENUE BY DIVISION

\$20.6 MILLION TOTAL REVENUE

Midwest Dairy is Funded by Farmers

Minnesota	\$9.2	(44%)
Iowa	\$4.6	(22%)
South Dakota	\$2.0	(10%)
Mo-Kan	\$1.2	(6%)
Nebraska	\$1.2	(6%)
Ozarks	\$0.9	(5%)
Illinois	\$0.8	(4%)
North Dakota	\$0.3	(1%)
Interest & Other Income	\$0.4	(2%)



2014 EXPENSES BY DIVISION

\$20.3 MILLION TOTAL EXPENSES

Where Your Checkoff Goes



Innovation & Market Development

Covers cheese, milk and ingredient innovation and growth through support for export, processor and manufacturer collaboration, market development research through the Dairy Foods Economic Advisory Council, retail consultation and support for research through the Midwest Dairy Foods Research Center including the University of Minnesota, South Dakota State University, Iowa State University, Kansas State University and the University of Missouri.

An expanded Business Development team at Midwest Dairy reached out to more than 50 companies involved in dairy sales, helping them access resources and information developed by the dairy checkoff.

"Midwest Dairy Association has been an excellent resource from a marketing and science perspective! They have helped us understand market trends and identify scientific resources necessary for our R&D efforts."

Joe Oberweis, President & CEO, Oberweis Dairy, Inc., Illinois



More than 100 government, university and other stakeholders attended a webinar to hear details of *A Path Forward*, a study commissioned by Midwest Dairy to outline the Midwest's competitive position to meet future global and domestic demand for dairy. Midwest Dairy's role is to address market access and public support for dairy, while partners pursue dairy development.

Throughout 2014, Midwest Dairy ramped up efforts to help the industry tap into research and resources developed by the checkoff. Two Fluid Milk Summits held with the national checkoff brought together stakeholders to address this challenging segment of the marketplace.

"Great information from a wide range of industry professionals helped deepen my understanding of the dynamics driving the Fluid Milk category ..."

Gigi Vita, Sr. Vice President, Strategic Innovation and Industry Business Development, Dairy Farmers of America



"As a producer it was encouraging to see most of the fluid milk stakeholders in one room at the same time."

Jon Huseth, Dairy Farmer, Minnesota



Midwest Dairy repositioned its staffing structure to reflect the future direction of dairy. A management arrangement with dairy membership organizations in Minnesota and Iowa was completed, to mirror those already in place in Nebraska and South Dakota and set the stage for less duplication and more cooperation within the industry.

In 2014, Midwest Dairy placed 56 Fuel Up to Play 60 coaches in 373 schools in 58 different school districts to increase sales, add dairy to the youth wellness conversation and trigger school meal innovation.

"Fuel Up to Play 60 has become embedded in our philosophy due to the hard work from our team of students and staff who ... plan activities such as smoothies as a healthy alternative breakfast option."

Trevor Bakalar, Fuel Up to Play 60 Advisor, Valley City, North Dakota



Addressing hunger helps build trust and sales for dairy. Midwest Dairy hosted a health and wellness advisory round table on the topic in each state, and developed 12 dairy nutrition education resources for agencies addressing hunger. Our support for three \$10,000 national food bank grants helped showcase the opportunity for food banks to offer a steady supply of dairy. State government leaders from across the territory endorsed dairy's role in this effort.



"Many of the people Iowa's Feeding America food banks feed each week are children who need nutritious foods, like milk, to help power their potential. The Great American Milk Drive is a solution to a problem that exists here in Iowa."

Governor Terry Branstad, Iowa



Consumer Confidence
Covers Consumer and Influencer Confidence programs, including influencer presentations and farm tours, traditional and social media, *DairyMakesSense.com* and *MidwestDairy.com* websites, communications training, thought leader communications support and issues/crisis management.



Health & Wellness
Covers Fuel Up to Play 60, NFL activities, Dairy Optimization projects, Nutrition Affairs programs, and communications with key thought leaders and health professionals on nutrition and health topics.



Division Local Programs
Covers consumer-targeted efforts by producers, princess program, Ag in the Classroom, scholarships, industry relations, local sponsorships, state agriculture coalition programs and sustainability efforts.



Partnerships & Research Projects
Covers funding of nutrition research on milkfat and dairy protein, and product research on cheese and whey through the Dairy Research Institute, and cheese, milk and food security initiatives with national partners through Dairy Management Inc.



Producer Communications
Covers cost of the producer newsletter and other publications, and producer annual meetings.



Administration
Covers board expenses, audit, legal fees, staff expenses of accounting, administrative and computer network staff.





Midwest Dairy provides an online destination and shares daily social media content to highlight dairy's nutritional and economic value compared to alternatives, plus farm stories and dairy recipes.



CHOCOLATE BANANARAMA MILK MIXER

Servings: 4 | Prep time: 5 mins | Total time: 5 mins

Ingredients

- 4 cups fat-free milk
- 1 package (4 ounces) chocolate instant pudding & pie filling
- 1 medium banana, cut into chunks
- 5 to 6 ice cubes

Preparation

Place ingredients in a blender. Cover and blend 1 minute or until smooth. Pour into glasses. Serve immediately.

Created by: Midwest Dairy Association

Find more recipes at midwestdairy.com



Calories	200
Total Fat	0.5g
Cholesterol	5mg
Sodium	460mg
Carbohydrates	41g
Dietary Fiber	2g
Protein	9g (8 grams from dairy)
Calcium	30% Daily Value

Fuel Up to Play 60, a child health and wellness program developed by the dairy checkoff and carried out with partners like the National Football League and the U.S. Department of Agriculture, is delivered by Midwest locally.



IT REACHES **12,420 schools** AND **5,562,538 students** IN OUR REGION.

HELP YOUR SCHOOL FUEL Greatness with Dairy!



For a complete list of details and assistance, contact Midwest Dairy's Producer Service Center at 1-877-360-FARM (3276)

FIVE STEPS YOU CAN TAKE:

- 1 Volunteer for your school's wellness committee.
- 2 Make sure your school is enrolled in Fuel Up to Play 60.
- 3 Encourage your school to consider new breakfast models. Every breakfast offers milk.
- 4 Donate a smoothie machine or other equipment to your school on your farm's behalf.
- 5 Connect your school's athletic department with a milk provider to make chocolate milk available to athletes.

Midwest Dairy staff and dairy farmers play roles in the Sustainability Council of the Innovation Center for U.S. Dairy, bringing its efforts to life here in our 10 states.

Cows in Midwest Dairy states produce enough milk to supply the needs of all the residents as well as another 18 million people.

OUR IMPACT



75% of a cow's diet, which includes both food and fiber, is NOT consumable by humans.

Nutrients from the manure produced by dairy cows in the Midwest Dairy area could fertilize **85,000** tons of vegetables.

Farm Smart™

Visit FarmSmart to access a new tool that helps you predict how changes in your farm's inputs affect your return on investment. Get the details at USDairy.com/FarmSmart and spend only 20 minutes projecting and protecting your future.



The Midwest Dairy Producer Service Center provides free promotion items and resources for your events, along with Farm Tour Guides and custom-produced farm brochures and business cards.

producerservicecenter@midwestdairy.com
1-877-360-FARM (3276)

Dairy farm moms help Midwest Dairy spread the word about farms and food. Two contributed to the The Lempert Report®, a nationwide update on food trends, and popular Chicago mom blogger Momma Cuisine visited an Illinois dairy farm.



2014-2015 DIVISION BOARD MEMBERS

Bold Indicates Corporate Board Member

■ Ex Officio

■ Serves as Ex Officio on Corporate Board

ILLINOIS

Don Berlage, Elizabeth
Doug Block, Pearl City
Mike Chwaszczinski, Ashley
William Deutsch, Sycamore
Ardash DeWall, Shannon

Kristi Dinderman, Orangeville
Frank Doll, Pocahontas
Linda Drendel, Hampshire
■ Mark Erdman, Chenoa

Amy Hildebrandt, South Beloit
David Jarden, Staunton
Kurt Johnson, Greenville
Donald Mackinson, Pontiac

Glen Meier, Ridott
Brent Mueller, Garden Prairie
Joe Probst, Wheeler
Richard Streutker, Downs

IOWA

Paul Bodensteiner, West Union
Pam Bolin, Clarksville
Bruce Brockshus, Ocheyedon
Jeff Burdick, Wesley
Gerrit Davelaar, Inwood

Dan Dietzenbach, Fort Atkinson
Jeff Dresser, Keokuk
Alan Feuerhelm, Le Mars
Dale Hackman, Fort Atkinson
Dan Hotvedt, Decorah

G. Joe Lyon, Toledo
Lee Maassen, Maurice
Randy Schaefer, Blue Grass
Jonna Schulte, Monona
Larry Shover, Delhi

Alan Steffens, Clermont
Jim Tentinger, Remsen
■ Leo Timms, PhD, ISU
Harvey VanEss, Sanborn

MINNESOTA

Kevin Buss, Hutchinson
Debi Clasemann, Long Prairie
Jim Dose, Lake City
Carolyn Freese, Lanesboro
■ Paul Fritsche, New Ulm
Dan Grunhovd, Gary

Ken Herbranson, Clitherall
Karen Kasper, Owatonna
Keith Knutson, Pine Island
Charles Krause, Buffalo
Barb Liebenstein, Dundas
Corrine Lieser, Belgrade

John Merdan, Avon
Ron Rinkel, Hillman
Peter Ripka, Ogilvie
David Schwartz, Slayton
Kathleen Skiba, North Branch

Kristine Spadgenske, Menahga
Christine Sukalski, Le Roy
Suzanne Vold, Glenwood
Tom Walsh, DeGraff
Rita Young, Plainview

MO-KAN

■ Lynda Foster, Fort Scott, KS
Larry Frederick, Baring, MO
Chris Heins, Higginsville, MO
Byron Lehman, Newton, KS

Orville Miller, Hutchinson, MO
Tom Delrichs, Mora, MO
Steve Ohlde, Linn, KS
Bob Riegel, Washington, MO

David Rottinghaus, Seneca, KS
Larry Schmidt, Laredo, MO
Bill Siebenborn, Trenton, MO

Curtis Steenbock, Longford, KS
Steve Strickler, Iola, KS
Donna Telle, Uniontown, MO

NEBRASKA

■ Joe Bouslaugh, DFA
Kenneth Cast, Seward
David Crook, Humboldt
Dean Engelman, Jansen

Deb Eschliman, Ericson
■ Jim Eschliman, Ericson
■ Paul Kononoff, PhD, UNL
Leah Marotz, Hoskins

Lowell Mueller, Hooper
Doug Nuttelman, Stromsburg
Joyce Racicky, Mason City

Dan Rice, Firth
■ Kevin Smith, AMPI
Mary Temme, Wayne

NORTH DAKOTA

■ Scott Boll, Cass-Clay Creamery
Kristi Doll, New Salem
Terry Entzminger, Jamestown
■ Doug Hanson, Dean Foods

■ Kenton Holle, Mandan
Heidi John, New Salem
Lilah Krebs, Gladstone
Dale Kuhn, Towner

Jerry Messer, Richardson
Rita Mossel, Linton
■ Shaun Quissell, North Dakota Dept. of Ag.

■ J.W. Schroeder, PhD, NDSU Extension Service
Austin Wald, Napoleon

OZARKS

■ Ryan Anglin, Bentonville, AR
Marilyn Calvin, Mt. Vernon, MO
Lloyd Gunter, Conway, MO

David Hutsell, Mountain Grove, MO
■ John Howerton, Berryville, AR
Alfred Million, Tahlequah, OK

Randy Mooney, Rogersville, MO
Larry Purdom, Purdy, MO
Edwin Rogers, Mountain Grove, MO

Nathan Roth, Mountain Grove, MO
Norris Sloan, Mountain Grove, MO

SOUTH DAKOTA

Chris Fieber, Goodwin
Mike Frey, Claremont
Gary Jarding, Alexandria
Wayne Jarman, Wilmot

Ron Krogstad, Baltic
Allen Merrill, Parker
■ Vikram Mistry, PhD, SDSU
James Neugebauer, Dimock

Doug Ode, Brandon
■ Jarrod Otta, Dean Foods
Marvin Post, Volga
Randall Schweer, Watertown

■ Steve Sneer, Land O'Lakes
Daniel Thyen, Waverly
■ Trudy Wastweet, South Dakota Dept. of Ag.



Your dairy checkoff organization's
2014 ANNUAL REPORT

TEAR-OUT
Tips for YOUR
Farm and Family

LET'S
STAY CONNECTED



1 800 642 3895
mycheckoff@midwestdairy.com