



2022 Annual Report

Learn More at MidwestDairy.com

A Letter from Molly Pelzer, Midwest Dairy CEO

Throughout 2022, Midwest Dairy worked diligently on your behalf, focusing on being efficient and effective regarding your 15-cent investment for promotion and research regionally, nationally, and globally. Our continual pledge is to Make Every Drop Count, focusing on building demand for and trust in dairy food and dairy farmers.

Midwest Dairy is proud to be farmer-led. Our dairy farmer board leaders give our staff an inside look into what dairy farmers feel is important regarding checkoff. The Corporate and Division boards are made up of dairy farmers from across the 10-state region who bring their peers' voices to the table. These boards give Midwest Dairy staff direction and insight so we can plan promotion and research efforts that resonate with what is important to dairy farmers. The staff at Midwest Dairy are experts in their fields and use the direction provided by farmer boards when planning how to meet consumers where they are to build dairy demand. Staff are dedicated to bringing dairy to life for consumers, and we are passionate about serving you. Your dairy story – the unique wellness benefits of dairy and your dedication to caring for the earth and your cows is always at the center of what Midwest Dairy does.

In 2022, we learned how important it is to unify dairy's unique nutritional benefits with the dairy farmers' commitment to being good stewards of the land. Effective alone, nutrition and sustainability topics resonate with consumers, but these two terms became a more powerful statement when combined. Midwest Dairy continually married nutrition and sustainability topics whenever possible in activations to further showcase dairy's commitment to consumers. This was especially seen during Earth Day. For example, Midwest Dairy partnered with Coborn's, which has 66 stores throughout Illinois, Iowa, Minnesota, North Dakota, and South Dakota. The campaign "Making Red Barns Go Green" highlighted dairy farmers' efforts in upcycling, recycling, and facts about dairy's carbon footprint with e-blasts to shoppers that included vendor-driven promotion of dairy products. Also included was a Dietitian's Digest email with dairy recipes that reached an additional 250,000 shoppers. Additionally, the grocery chain's social media platforms featured a local dairy farm family and Coborn's registered dietitians telling dairy's nutrition story.

As you continue interacting with parts of the annual report, I hope you find pride in the work of your dairy checkoff. Your investment was focused on activations across Midwest Dairy's 10-state region. Our work and our partnership with Dairy Management Inc. (DMI) reached millions of consumers in our region, nationwide, and even globally, to encourage all to choose dairy more often. On behalf of the Midwest Dairy staff, we salute you as we worked together to move the needle for dairy in 2022.

A Letter from Allen Merrill, Midwest Dairy Corporate Board Chair

It's hard to believe another year has come and gone, and once again, I thank you for taking the time to read the 2022 Midwest Dairy Annual Report. Your initiative to check in on your checkoff dollars and support the programs and activations they fund is always appreciated. Sharing your dairy story is important and a job that falls on the industry as a whole, thank you for all you do to support Midwest Dairy.

It is an exciting time for the Midwest as we build off 2021, where the consumer consumption rate of dairy grew by 12.4 pounds per person over the previous year, making 2021 the highest per capita since tracking began. Midwest Dairy capitalized on this opportunity in 2022 and worked hard to connect dairy to consumers, and I am optimistic about dairy's future in the marketplace. We especially see opportunities in the big cities across the Midwest, including Chicago, St. Louis, Omaha, Minneapolis, St. Paul and more. We must promote dairy's best qualities, including dairy products' wellness benefits and the farmer's dedication to caring for the earth and our cows, to densely populated areas because these cities allow for our dairy story to reach a mass group of people, making your checkoff dollars go further.

I am honored to serve as Chair of the Midwest Dairy Corporate Board. Your Midwest Dairy Corporate and Division boards work hard to make sure your farmer voice is heard, and we appreciate your opinion. We take your ideas and feedback and truly try to create programs and projects better. For example, in 2022, we listened and heard your concerns with the Undeniably Dairy Grants and made some changes. Thank you for your direction and commitment to improving these grants. Undeniably Dairy Grants allow you to bring dairy to life in your own community with your own ideas, and I encourage you to utilize these funds. I am eager to see how these funds and resources reach consumers to promote dairy in 2023.

As we celebrate Midwest Dairy's 23 years of operation, we must remember where we came from. Farmers in Iowa, Missouri, and eastern Kansas formed Midland Dairy Association in 1971, and their counterparts in Minnesota, North Dakota, and South Dakota combined their state promotional organization in 1993, forming the American Dairy Association and Dairy Council of the Upper Midwest. These two larger organizations then joined forces in 2000, forming the Midwest Dairy Association that we are proud to be today. The same year, we added dairy farmers and territory in Arkansas, western Kansas, and eastern Oklahoma. The American Dairy Association of Illinois joined Midwest Dairy a year later, and The American Dairy Association/Dairy Council of Nebraska became part of Midwest Dairy Association in 2011. I truly believe we are stronger together. We have experienced 23 years of meeting consumers with dairy promotion where they are at, and together, we will continue to do just that for many more years to come.

The 2022 Annual Report includes countless examples of Midwest Dairy's work with partners to increase demand and sales, build trust, facilitate research and innovation, and develop dairy leaders. Midwest Dairy continues to work with you to maximize your checkoff investment, and we are confident that our shared commitment, focus, and modernization will power our continued success.

2022 Expenses by Spending Category

\$24.8 Million Total Expenses

Where Your Checkoff Goes:

Partnership & Research Projects (28%) – Funding for UDIA membership agreement and the Unified Marketing Plan including research and U.S. Dairy Export Council.

Dairy Experience (42%) – Strategic initiatives to reach consumers working with partners that are executed across the organization.

Sales - Demand (11%) – Initiatives focus on increasing retail and food service dairy sales.

Sales - Youth (5%) – Projects to build dairy sales in schools.

Global Positioning (5%) – Includes relationship building and communications with key thought leaders and health professionals on nutrition and sustainability topics.

Trust - Adult (12%) – Programs to build confidence in dairy, including influencer presentations and farm tours; traditional and social media; and thought leader communication support.

Trust - Youth (8%) – Projects to build trust inside and outside schools, leveraging environmental sustainability and wellness messages to reach youth.

Strategic Innovation (1%) – Resources to improve relationship management and increase program success rates along with measurement processes to gauge the impact of strategic plan in the regional marketplace.

Research (4%) – Covers process innovation and growth through support for export, processor, and manufacturer collaboration, market development research, and retail consultation. Support dairy product research through the Midwest Dairy Foods Research Center.

Agricultural Affairs (15%) – Work concentrated on building coalitions with agriculture groups focused on reaching consumers, farmer leadership development programs, and work in environmental stability.

Farmer Activation (6%) – Includes efforts to engage farmers with consumers using the Promotion Center and farm tours.

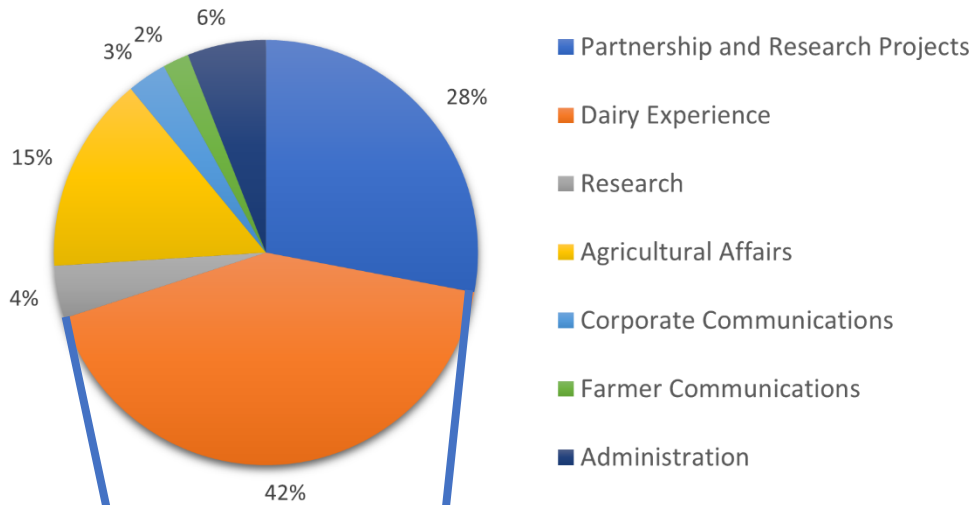
Other Agricultural Affairs (9%) – Includes scholarships, state agriculture coalition programs, Cooperative and Processor Support (CAPS), princess programs, the Dairy Ambassador program, leadership development, and sustainability efforts.

Corporate Communications (3%) – Provides overall reputation management for the organization; farmer communications, including various newsletters and reports targeted at dairy farmers to raise awareness about checkoff value, MidwestDairy.com; social media amplification, communications training; and issues/crisis management.

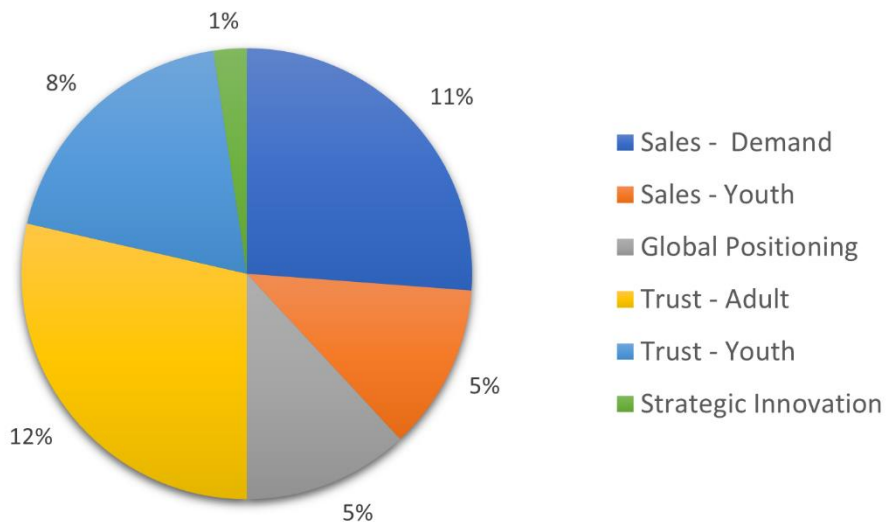
Farmer Communications (2%) – Includes funds for the Dairy Promotion Update newsletter, other publications, and farmer annual meetings.

Administration (6%) – Includes board expenses; audit; legal fees; and staff expenses of accounting, administrative, and computer network staff.

2022 Expenses by Spending Category



Dairy Experience Breakdown



Midwest Dairy is Funded by Farmers

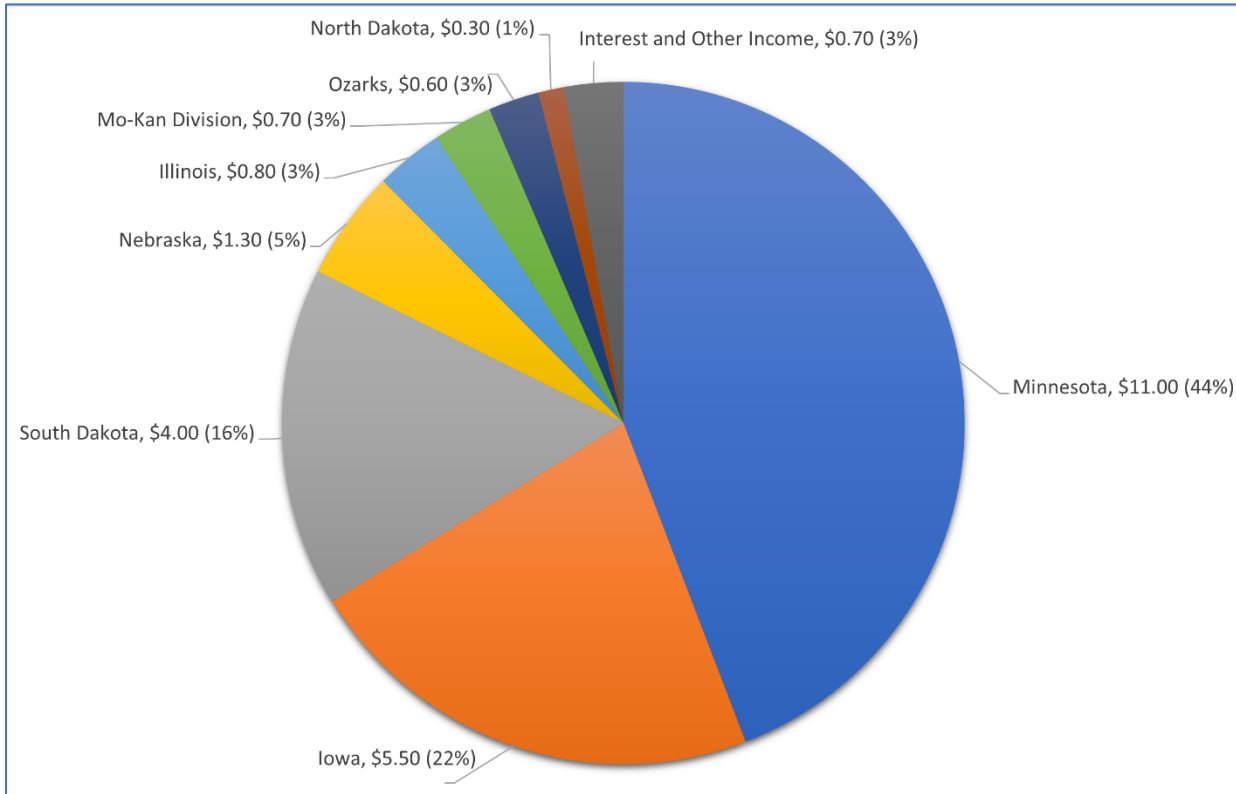
2022 Revenue by Division

Total Revenue: \$24.9 million

Minnesota	\$11.0	44%
Iowa	\$5.5	22%
South Dakota	\$4.0	16.5%
Nebraska	\$1.3	5%
Illinois	\$0.8	3%
Mo-Kan Division	\$0.7	3%
Ozarks	\$0.6	2.5%
North Dakota	\$0.3	1%
Interest and Other Income	\$0.7	3%

Revenue by Division

Total Revenue: \$24.9 million



2022 MIDWEST DAIRY BOARD LEADERSHIP



ALLEN MERRILL, CHAIR

Allen Merrill, of Merrill Farms, Inc. in Parker, South Dakota, is the chair of Midwest Dairy. He farms with his father and son and is pursuing a new business plan for his operation that includes off-farm investments in milking cows with other dairies. He also raises heifers for his farm and for others, and grows corn, soybeans, alfalfa, and oats.

Merrill plays a prominent role in in the dairy industry. In addition to serving as Midwest Dairy chair, he is as an officer on the Midwest Dairy South Dakota division board and serves in leadership positions on the United Dairy Industry Association and Dairy Management Inc. boards. He also sits on the South Dakota Dairy Producers board and Dairy Farmers of America Central Area Council.

Merrill supports his community by providing dairy cattle for non-farm children in 4-H to show at the county fair, as well as volunteering his time to FFA projects. He is passionate about the School Breakfast Program and ensuring all students have access to healthy meals.

Merrill is married to his wife, Kristi, and they have two children.



MOLLY PELZER, CEO

Molly Pelzer is the CEO of Midwest Dairy, the dairy promotion organization working on behalf of dairy farm families across 10 Midwestern states to build trust and demand for dairy products. Pelzer is the organization's third CEO in its 19 years of dairy history. Her proven experience in developing programs and resources comes at an exciting time as the organization continues its focus on consumer-centric goals to drive sales and enhance consumer trust for dairy. Her longstanding service to

Midwest Dairy, family ties to agriculture and expertise as a registered dietitian root her to an industry she is committed to serving.

In her role as CEO, Pelzer provides strategic guidance to Midwest Dairy's staff of more than 60 employees as they work to fulfill both the organization's vision: to bring dairy to life, and its mission: to give consumers an excellent dairy experience. Through her leadership, Midwest Dairy is focusing on maximizing dairy farmers' investment in the dairy checkoff by strategic collaboration with targeted retailers, foodservice, wellness and industry partners as well as

focusing on research that leads to the development of products that meet the needs of today's changing consumer.

Pelzer also plays the lead role in ensuring the Midwest dairy industry captures its share of the growing global and domestic demand for dairy. Consumers in the U.S. and around the world are increasingly turning to dairy foods because they taste great and offer a strong nutritional profile that includes protein, a nutrient many are looking for in their diets. The U.S. dairy industry is committed to sustainable nutrition, a position recognized favorably among domestic and multinational food companies.

Pelzer joined Midwest Dairy in 1984 and has held various executive leadership roles. In her most recent position as chief experience officer, Pelzer led the development of the organization's strategic priorities. Prior to Midwest Dairy, she worked with the Midland Dairy Association, as well as Dairy Council, Inc., both former checkoff organizations that are now part of the Midwest Dairy region. A registered dietitian, Pelzer graduated from the University of Missouri – Columbia.

CORPORATE BOARD OFFICERS FOR 2022



Corporate Board officers include Barb Liebenstein, Treasurer; Charles Krause, First Vice Chair; Dan Hotvedt, Second Vice Chair; Allen Merrill, Chair; and Rita Young, Secretary.

DIVISION BOARD LEADERSHIP



Board Officers:

- Amy Hildebrandt, Secretary
- Bill Deutsch, Chair
- Brent Mueller, Vice Chair
- Glen Meier, Treasurer

2022 ILLINOIS DIVISION

Illinois Division Board Members

Bold indicates Corporate Board member

- Doug Block, Pearl City
- **Bill Deutsch, Sycamore**
- Kristi Dinderman, Orangeville
- Frank Doll, Pocahontas
- Bryan Henrichs, Breese
- Amy Hildebrandt, South Beloit
- David Jarden, Staunton
- Kurt Johnson, Greenville
- Kappy Koch, Tremont
- Donald Mackinson, Pontiac
- Glen Meier, Ridott
- Craig Meng, Freeburg
- **Brent Mueller, Garden Prairie**
- Steve Obert, Orangeville
- Toby Probst, Wheeler

DIVISION BOARD LEADERSHIP



Board officers:

- Larry Shover, Treasurer
- Dan Hotvedt, Chair
- Lee Maassen, Vice Chair
- Jonna Schutte, Secretary

2022 IOWA DIVISION

Iowa Division Board Members

Bold indicates Corporate Board member

- **Pam Bolin, Clarksville**
- Doug Carroll, (Ex Officio to Corporate Board), Ryan
- Gerrit Davelaar, Inwood
- Dan Dietzenbach, Fort Atkinson
- Jeff Dresser, Keokuk
- Jolene Duitscher, Rolfe
- **Alan Feuerhelm, Le Mars**
- Fred Hall (Ex Officio), ISU
- **Robert Horst, Bristow**
- **Dan Hotvedt, Decorah**
- Patrick Jones, Spencer
- **Lee Maassen, Maurice**
- Dennis Mashek, Calmer
- Anthony Nunes, Sibley
- **Matt Schelling, Orange City**
- **Jonna Schutte, Monona**
- Larry Shover, Delhi
- Madison Skubal, Wayland
- Anna Wilson, Garnavillo

DIVISION BOARD LEADERSHIP



Board officers:

- Rita Young, Secretary
- Suzanne Vold, Treasurer
- Kate McAndrews, Vice Chair
- Kristine Spadgenske, Chair

2022 MINNESOTA DIVISION

Minnesota Division Board Members

Bold indicates Corporate Board member

- Anthony Anderson, Henning
- **Mindi Arendt, Mazeppa**
- **Megan Herberg, St. Peter**
- Megan Hill, Paynesville
- Eric Hoese, Mayer
- **Shirley Hulinsky, Burtrum**
- **Margaret Johnson, Fountain**
- **Karen Kasper, Owatonna**
- **Charles Krause, Buffalo**
- **Sarah Kuechle, Eden Valley**
- **Barb Liebenstein, Dundas**
- **Kate McAndrews, Sauk Centre**
- **Doug Popp, Royalton**
- **Dave Schwartz, Slayton**
- Eric Sonnek, Foreston
- **Kristine Spadgenske, Menahga**
- **Suzanne Vold, Glenwood**
- Tom Walsh (Ex Officio), DeGraff
- **Rita Young, Plainview**

DIVISION BOARD LEADERSHIP



Board officers:

- Steve Ohlde, Vice Chair
- Curtis Steenbock, Treasurer
- Byron Lehman, Chair
- Donna Telle, Secretary

2022 MO-KAN DIVISION BOARD

Mo-Kan Division Board Members

Bold indicates Corporate Board member

- Alfred Brandt, Linn
- Amy Dudeck, Oregon
- Lynda Foster, Fort Scott
- Brian Haverkamp, Seneca
- Chris Heins, Higginsville
- **Byron Lehman, Newton**
- Orville Miller, (Ex Officio to Corporate Board), Hutchinson
- Tom Oelrichs, Mora
- Steve Ohlde, Linn
- **Alex Peterson, Trenton**
- Robert Riegel, Washington
- David Rottinghaus, Seneca
- Curtis Steenbock, Longford
- Steve Strickler, Iola
- Donna Telle, Uniontown

DIVISION BOARD LEADERSHIP



Board officers:

- Joyce Racicky, Vice Chair
- Mary Temme, Chair
- Jodi Cast, Secretary/Treasurer

2022 NEBRASKA DIVISION

Nebraska Division Board Members

Bold indicates Corporate Board member

- Mike Amen, Norfolk
- Greg Bleeker, Emerson
- Jodi Cast, Beaver Crossing
- David Crook, Humboldt
- Paul Kononoff, PhD (Ex Officio), UNL
- Doug Nuttelman, Stromsburg
- **Joyce Racicky, Mason City**
- Marshall Reece (Ex Officio), AMPI
- Larry Schuster, Pickrell
- Heath Snodgrass (Ex Officio), Orchard
- **Mary Temme, Wayne**

DIVISION BOARD LEADERSHIP



Board officers:

- Lilah Krebs, Treasurer
- Kim Ledger, Secretary
- Sue Kleingartner, Chair
- Terry Entzminger, Vice Chair (not pictured)

2022 NORTH DAKOTA DIVISION

North Dakota Division Board Members

Bold indicates Corporate Board member

- Marc Bauer (Ex Officio), NDSU
- Scott Boll (Ex Officio), Cass Clay Creamery (AMPI)
- Terry Entzminger, Jamestown
- Doug Hanson (Ex Officio), Dean Foods
- Jonas Heyl, Towner
- Janal Hoff, Richardton
- **Sue Kleingartner, Gackle**
- **Lilah Krebs, Gladstone**
- Nathan Kroh (Ex Officio), ND Department of Agriculture
- Kim Ledger, Bismarck
- Denise Rohweder, Wishek
- Toby Tormaschy, Richardton
- Piet vanBedaf, Carrington

DIVISION BOARD LEADERSHIP



Board officers:

- Carrie Rantz, Secretary
- Nathan Roth, Chair
- Mark Fellwock, Treasurer
- Marilyn Calvin, Vice Chair

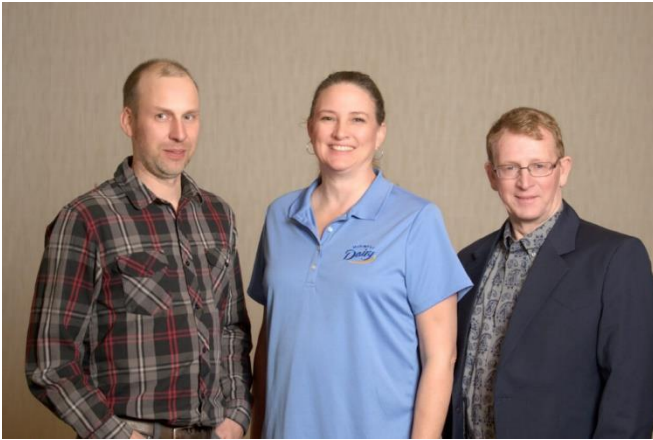
2022 OZARKS DIVISION

Ozarks Division Board Members

Bold indicates Corporate Board member

- Ryan Anglin, Bentonville
- Marilyn Calvin, Mt. Vernon
- Charles Coblentz, Chouteau
- Jack Dill, Conway
- Earl Dotson, Marionville
- **Mark Fellwock, Monett**
- Randy Mooney, Rogersville
- Gene Morrison, West Plains
- Carrie Rantz, Spokane
- **Nathan Roth, Mountain Grove**
- Scott VanZyverden, Marshfield
- Craig Westfall, Halfway

DIVISION BOARD LEADERSHIP



Board officers:

- Jogchum Andrengra, Treasurer
- Annelies Seffrood, Vice Chair
- Dan Thyen, Secretary
- Jim Neugebauer, Chair (not pictured)

2022 SOUTH DAKOTA DIVISION

South Dakota Division Board Members

Bold indicates Corporate Board member

- Sanjeev Anand, Ph.D. (Ex Officio), SDSU
- Jogchum Andringa, Brandt
- Tim den Dulk, Beresford
- Evan Grong (Ex Officio), Valley Queen Cheese
- Cole Hoyer, Bruce
- Gary Jarding, Alexandria
- Kim Maher (Ex Officio), Agropur
- **Allen Merrill, Parker**
- **Jim Neugebauer, Dimock**
- Doug Ode, Brandon
- **Marv Post, Volga**
- Hunter Roberts (Ex Officio), SD Department of Agriculture
- **Annelies Seffrood, Twin Brooks**
- Daniel Thyen, Waverly
- Kevin VanWinkle, Canistota



Midwest Dairy enters year five of the Adopt A Cow partnership

Midwest Dairy is committed to providing educational resources and opportunities to connect youth with the world of dairy farming. We continue to work with farmers and partners to help youth develop a connection with where their food comes from by showcasing why dairy is an important part of a healthy lifestyle. The world continues to change, including how youth learn and can experience a working farm. With the help of technology, farmers can invite entire classrooms onto their dairy farms and give students hands-on experiences without them ever leaving their desks. Midwest Dairy has invested in new programs for educators and caregivers to provide students with even more opportunities to learn about dairy's farm-to-table journey in a fun and safe way.

Midwest Dairy connects with students in the classroom through a partnership with Discover Dairy's Adopt a Cow program. This program was created to provide educators and students with a free, year-long virtual experience where they can care for a calf and interact with a dairy farmer. Students learn first-hand all about the cow and her lifecycle, as well as important lessons about dairy farming along the way. Ideal for virtual or in-person instruction, the Adopt a Cow program is interactive with farm tours, virtual chats, lots of video footage, and so much more.

The 2022-2023 school year marks the fifth year of partnership, and Midwest Dairy has seen tremendous success with the Adopt A Cow program throughout the 10-state region. Six farmers participated in the program from Iowa, Illinois, Kansas, Missouri, Minnesota, and Nebraska for the current 2022-2023 school year, and seven farmers participated last year during the 2021-2022 school year. In fact, enrollment increased by 60 percent from the 2021-2022 school year to the 2022-2023 school year, reaching 118,043 students in the Midwest Dairy region. This proves that it is more crucial than ever to find new and creative ways to engage with youth and where their food comes from to help them learn about how dairy is good for them and how our farmers care for the land and the animals.

In-school programs, such as Adopt A Cow, are a great way to continue to tell dairy's on-the-farm story, build trust and bring dairy to life for the next generation of dairy consumers. It also opens up opportunities for longer relationships and connections between these students, teachers, and farmers. One Midwest Dairy Adopt A Cow farmer even met a classroom teacher in person over a holiday break.

Berning Acres is located halfway between East Dubuque and Galena, Illinois, in the small town of Menominee. Matt and Natalie Berning, along with their five children, run this family farm consisting of 400 milk cows. Besides running a household and a busy farm, Natalie Berning also finds time to be a farm host for the Adopt A Cow program. Berning is a former teacher and truly believes in the importance of the Adopt A Cow program.

Berning Acres provided Discover Dairy with pictures and updates of two calves: Shimmer and Ada. Many surrounding area classrooms have adopted these two calves, including the school of teacher Nicole Michel at James Otis World Language Academy, a Chicago Public School.

Michel planned to spend the holiday break in Galena, Illinois, and reached out to Berning about visiting the local farm while they were in town. So, in late December, Michel, her husband, and two daughters ventured to the farm to meet dairy calf Shimmer and farmer Berning. The Berning family took this time to show the Chicagoans around their farm and give them a hands-on look at how they cared for their cows and calves during the extreme cold temperatures the winter often brings. Michel took loads of photos and was eager to share pictures from her visit with her students.

Michel shared with Berning that "the students ask to see her pictures and the pictures of your beautiful farm daily, and every day they come into class asking for an update about the cows. These students have

never been out of the city and are just fascinated with learning about rural life and farming. I am thrilled that I signed up to participate in this beautiful program. I have been teaching for 20 years, and I am always looking for ways to engage the students, and this has just been so great! Thank you for all you do, for being part of this program, and for showing my students a whole new world outside of the city.”

While getting every student out to a dairy farm is hard, checkoff resources can make an impact and build trust with urban youth through programs like this. Midwest Dairy is thankful for farmers like Berning who go the extra mile and take any opportunity to share the industry.

Building trust at the College World Series

Midwest Dairy relies heavily on current consumer research and insights to develop strategies and action plans that positively impact sales and trust across our 10-state region. Research shows that when consumer sentiment toward the dairy industry is positive, consumers are more likely to purchase dairy when at the dairy case. For this reason, Midwest Dairy works with partners with a large consumer audience, including the targeted audiences of Generation Z (Gen Z) and their parents, to build trust in and around dairy.

In Nebraska, one significant event in which a diverse audience of Gen Z and their parents gather is the NCAA Men's College World Series. The College World Series is an annual baseball tournament held in June in Omaha, Nebraska metro. This national event has an annual reach of just over 300,000 attendees from across the country, making it a unique opportunity for dairy to share its story with a large, diverse, crowd. For the second year, Midwest Dairy had an on-site presence to engage with consumers through various opportunities to learn more about dairy's unique nutritional benefits and sustainably produced features and sample some yummy dairy products.

The Midwest Dairy booth was stationed in the Omaha Baseball Village venue during the opening ceremony and the first five days of the two-week tournament. The booth brought to life the Midwest dairy farmers' story by highlighting the unique wellness benefits of dairy and the farmers' dedication to caring for the planet and their cows. Activities in the booth were interactive and encouraged passing consumers to stop in and spin the dairy trivia wheel or drop a Plinko chip to answer dairy-related nutrition and sustainability questions. Activities offered encouraged learning while allowing families to have fun. Dairy treats were also available to sample, thanks to generous donations by processors. More than 1,000 chocolate milk pints, 4,000 cheese sticks, and 500 drinkable yogurts were enjoyed by attendees throughout the week. Consumers could also stop by to snap photos in the ice cream cone cutouts stationed right outside the booth.

Back by popular demand from the previous year, Jason and Jodi Cast of JJC Jerseys brought two dairy calves, appropriately named Babe and Ruth, for the crowd to interact with. These calves were a huge hit and the real stars of the show. Many visitors noted that the College World Series was the first time they had interacted with a farm animal in person and were excited about their genuinely memorable and unique dairy experience. Dairy farmer Jodi Cast shared information with consumers about cow care and sustainability and answered other questions that arose. The Undeniably Dairy booth was even highlighted in a news segment promoting the Omaha Baseball Village Hero Day, where stadium-honored Hero Jimmy was seen interacting with Midwest Dairy calves.

Volunteering in the booth were dairy farmers and advocates Mary Temme, Nebraska division board chair; Lowell Mueller, past Nebraska division board member along with his wife, Lois, and sister, Vickie Gilligan; Jen and Brooke Hilgenkamp of Hilgenkamp Farms Inc.; and three Midwest Dairy ambassadors, Abby Langdon, Jenna Albers and Kaitlyn Hanson, who served as on-site experts and interacted with consumers answering all questions. A special thank you to this group for volunteering their time and expertise.

Finding ways to reach consumers with dairy's farm-to-table story in out-of-the-box places is important and large events like these shine a positive spotlight on the dairy industry nationwide. Reaching this vast

consumer base with a unique experience helps to bring dairy to life in a fun way while educating consumers on important topics and giving them a taste of the dairy products, they love. Midwest Dairy is excited to bring dairy back to the ballpark as we begin to plan for the next College World Series in 2023.

Reclaiming dairy's wellness benefits through gaming and esports

Midwest Dairy prioritizes making authentic connections with consumers by bringing dairy to unexpected places. Throughout 2022, you might have heard about the opportunity the Generation Z (Gen Z) consumer brings to dairy and saw many Midwest Dairy activations aimed towards this audience. Our research shows Gen Z has the opportunity to make a sizeable increase in sales and trust for dairy because they are high-impact consumers who are on track to be the best-educated generation yet and have more than \$100 billion in spending power and \$360 billion in disposable income. This doesn't include the influence they also have on their parents. Research shows that average daily milk consumption declines for young adolescents and continues to fall into adulthood. If we don't reach Gen Z where they are now, they'll turn to other foods and beverages that align with their wants, needs, and values.

This is where gaming comes in. Have you ever heard of Candy Crush, Mario Kart, and other popular video games? You can bet the Gen Z audience has. Ninety-four percent of Gen Z identify as video gamers and watch and engage with gaming content on different devices daily. To be more specific, research shows these gamers spend, on average, around 11 hours a week playing and interacting with online games, and 44 percent say they have made a purchase decision based on a recommendation from a social influencer, like a gamer. Because of these numbers and more, dairy is stepping into the gaming arena. These statistics prove that the Gen Z audience has shifted their attention away from TV programs like in past years. In 2022, Midwest Dairy expanded our work with influencers in the gaming world and on social media platforms by focusing our tactics on providing these gamers with reasons to enjoy dairy because it can provide them with the energy and focus to excel in the gaming field.

Midwest Dairy participated in our first-ever pilot within the esports gaming world. Version1 is an esports organization based in Minnesota with a worldwide following. We entered a three-month pilot where we positioned Undeniably Dairy as the official nutrition partner of the Version1 Rocket League game. In this family-friendly game, cars play soccer in a battle arena. The partnership aims to connect with young video game players about how nutrition, including dairy, can optimize cognitive and physical performance for esports athletes. Esports games are live streamed, like NFL or college sports games, so dairy was also mentioned on these live streams. As part of this initiative, a new content series called "Cooking with Comm," hosted on YouTube, was also created, where a popular gamer made recipes featuring dairy ingredients. These cooking segments were so successful that we continued a second series around the holidays. Check out one episode of Cooking with Comm [here](#).

Our goal for the pilot was to deliver dairy's nutrition message to an audience of at least 15 million, and Midwest Dairy is happy to report that this pilot nearly doubled that number, with just over 29 million impressions made. The Holiday Quick Bites edition of Cooking with Comm featured two episodes around Christmas and New Year, making nearly 821,000 impressions.

We are also meeting gamers on a local level. For example, in the Fall of 2022, Midwest Dairy saw success when teamed up with the Science Museum of Minnesota (SMM) to craft an engaging online experience that connected learning with gaming by utilizing a popular game loved by individuals of all ages, Minecraft. The goal throughout this partnership was to get participants thinking about food and where it comes from.

Through this collaboration, contestants were tasked with building the world's best dairy farm, challenging them to include essential farming equipment and ample space, food, and water that dairy cows would need to live comfortably. To help gamers learn about farm needs, Midwest Dairy provided links to virtual farm tours available on Midwest Dairy's YouTube channel and website, which were included in the instructions to give some participants more background.

The goal of this project was for thirty gamers to participate in the challenge; we exceeded that with 109 submissions that included builders of all ages. Eric Sonnek from Sonnek Farms shared his dairy expertise and time by joining the SMM staff to review and judge all entries. Check out the SMM recap [video](#) that shares the winner's excitement, learnings, and the [website](#) winner promotion.

Partnerships like these showcase the diversity and opportunity to reach Gen Z through messaging, experiences, and learning opportunities. Midwest Dairy is pleased to have seen success during our first time entering the gaming world and is excited to build on this momentum in 2023.

Smoothie carts programs are becoming popular among students

Studies show that the nutrients found in dairy, fruit, and vegetables are often missing in kids' diets – and getting kids excited about consuming those nutritious foods can be challenging. But, over 2022, Midwest Dairy found a way to get kids experiencing these nutritious foods and, even more importantly, get the next generation excited about dairy products.

Smoothies' popularity continues to rise in the marketplace. They are trendy and an extremely appealing solution that is both kid-friendly and registered dietitian-approved. Midwest Dairy has been working diligently to get smoothie cart programs added to school menus by offering toolkits, equipment, and other resources schools may need to get started. Besides the nutritional value these beverages bring, schools also love their versatility by incorporating them during breakfast, lunch, or as an evening supper service option. Schools are also utilizing them as a part of a reimbursable meal or as an a la carte option. As a result, 104 different schools participated in Midwest Dairy's smoothie program in 2022, resulting in nearly 90,000 incremental pounds of dairy sold.

St. Louis Public Schools (SLPS) was the largest smoothie cart program in 2022, with 61 schools participating. First, SLPS's Director of Food and Nutrition Services, Althea Albert-Santiago, showed interest in bringing the smoothie cart program to the district's 18 middle and high schools, so Midwest Dairy stepped up to support her mission by sharing smoothie toolkits and consulting the school when necessary. By October 2021, SLPS had agreed to implement the smoothie program and offer smoothies five times per week for breakfast, each containing eight ounces of milk. In addition, to meet student demand, each SLPS school participating received one immersion blender, multiple 5-gallon buckets and bucket lids to make smoothies on-site. The smoothie cart program became popular amongst students, and because of its success and the benefits it brought, SLPS decided to add smoothies to all 43 of their elementary schools in October of 2022. As a result, the district utilized 54,546 incremental pounds of milk during the 2021–2022 school year.

Other schools saw similar success with the Midwest Dairy smoothie cart programs across the Midwest region, including schools in Springfield, Missouri, and Sioux Falls, South Dakota.

Midwest Dairy also had the privilege of participating in a national pilot with Chartwells, a foodservice management company. This pilot was led by Dairy Management Inc. (DMI). Chartwells K12 introduced a new concept called the "Smoothie Station," which featured healthy drinkable breakfast, lunch, and snack options packed with fruits and dairy in more than a dozen flavor combinations. Midwest Dairy was proud to oversee The Smoothie Station launch in 33 Midwest schools in states including Arkansas, Iowa, Missouri, and Oklahoma. Schools participating in the pilot program received a Smoothie Station kit, a food service equipment manufacturer that includes a commercial immersion blender, insulated cooler bags to hold prepared smoothies, a transport cart, and more to make the adoption of this program as easy as possible for participating schools.

Keeping on-trend with smoothie restaurants across the country, Chartwells' new Smoothie Station offers a variety of flavor combinations for traditional smoothies as well as new smoothie bowls that students can customize with different fruit and grain toppings. Each smoothie contains at least one serving of dairy, providing students with a healthy beverage as part of their breakfast or lunch. Smoothie Stations also offer an excellent opportunity for kids to consume more yogurt, milk, and fruits by having the freedom to try new combinations they may not have tried before. Recipes range from the popular Strawberry Banana

Smoothie to more unique, adventurous combinations such as creamy Avocado Kale Mango or Mango Chili Lime smoothies, with additional options including mixed berries, strawberry, oats, and more.

Midwest Dairy strives to reach youth where they are, including schools. By offering trendy beverage options showcasing dairy products, we can continue encouraging the next generation of consumers to enjoy dairy in unique ways.

Providing thought leaders with resources and on farm experiences

To increase trust in dairy, Midwest Dairy works with and through different thought leaders who can positively showcase dairy in their professions and communities. Building relationships with thought leaders allows Midwest Dairy to serve as their trusted dairy expert as they share dairy's story with their already dialed-in audience. We must reach thought leaders, like health professionals and environmentalists, at the right place, right time, and with the right message, was a focused priority for Midwest Dairy throughout 2022.

Health Care Thought Leaders

In 2022 Midwest Dairy focused on bringing research-based resources, information, and intelligence to healthcare systems, specifically organizations with prenatal and pediatric professionals. Research tells us that Generation Z (Gen Z) and parents of Gen Z view their family doctors as their most trusted source for health and nutrition information, making healthcare professionals the perfect thought leaders for Midwest Dairy to partner with when sharing dairy's unique nutritional benefits. For the first time, the Dietary Guidelines for Americans (DGA) provides recommendations for healthy eating at every life stage, with dairy recognized as nutritionally important across the lifespan – from pregnancy and birth through early and late adulthood. While dairy is a foundational food for all ages in the nutrition guidance, about 90 percent of the U.S. population does not meet dairy recommendations – missing out on key nutrients for health and wellness.

Health professionals are essential when turning scientific evidence and dietary guidance recommendations into practice for their patients and clients. Knowing this, Midwest Dairy worked with healthcare provider thought leaders and educated them on the importance of adopting and providing dairy nutrition, sustainability messages, and patient education materials across the 10-state region.

For example, we worked with the Nebraska Women, Infants, and Children (WIC) program. WIC serves more than 6 million people each month, including 43 percent of the country's infants. Dairy foods are a central component of WIC and are redeemed by participants at higher rates than most other WIC foods. Specifically, WIC serves over 35,000 lower-income, at-risk pregnant mothers and children up to age five. While dairy is a key component of the WIC food packages, WIC registered dietitians shared concerns that participants don't always know how to use food items provided to them. After hearing these challenges, Midwest Dairy created three new resources to educate mothers on the importance of iodine during pregnancy and how dairy supplies this essential nutrient, how dairy serves as an important first food for their child, and the best tips for transitioning their child from whole milk to 1% or skim milk. These resources, plus seven others, were uploaded to the Nebraska WIC site that all clinics across the state can access for use with patients. Educating patients on how to use the dairy foods they receive in their packages can make them more confident about feeding themselves and their children a healthy and nutritious meal. In addition, reaching children at this young age lays the foundation for them to enjoy dairy throughout their life. Activating pediatric healthcare providers specifically allowed us to share dairy's positive message and the important role it plays in the growth and development of children with parents. Midwest Dairy Wellness staff continue to share patient resources with pediatric healthcare partners for adoption in their local pediatric outpatient clinics and WIC agencies.

Midwest Dairy was also eager to partner with Dr. Mumtaj Chand located in Chicago, Illinois, who reached out for MyPlate information to share with patients and their families. Dr. Chand is a pediatrician at the Ascension Healthcare Center, whose practice serves over 3,000 patients and is part of a medical system serving over 100,000 patients. We connected Dr. Chand with Maria Persky, a registered dietitian, to

create the requested materials. These materials reflected Dr. Chand's diverse audience, which consists of overweight and obese young children. Two handouts and one healthy lifestyle booklet were created to be used virtually and in person. Dr. Chand also received more MyPlate materials which recommend 3 servings of dairy foods each day, such as plates and posters, to give and discuss with her patients. But the partnership didn't stop in 2022; we are currently helping Dr. Chand use technology to help her share information in real-time through the MyChart app.

After further conversations and assessing the 10-state region-wide for partner obstacles, Midwest Dairy also established the need to update and translate multiple commonly used nutritional resources. We created consumer-friendly educational handouts based on National Dairy Council educational content, with most of the resources translated into additional languages, including Spanish, Hmong, Somali, Arabic, French, Polish, Russian, and Chinese, for the goal of universal use.

Environmental Thought Leaders

In 2022 we also saw the opportunity to provide more experiences to thought leaders. We appreciated their desire to learn more about the dairy industry and invited them on elevated farm tours that educated and showcased dairy's commitment to taking care of the earth.

Midwest Dairy took the opportunity to educate environmental sustainability thought leaders about dairy as part of the solution to improving our planet and nourishing people while increasing awareness of dairy farming advancements and commitments. We did this by activating influential environmental sustainability-focused organizations whose thought leader members presented the opportunity to use their personal channels and voice to proactively share dairy's sustainable nutrition story with consumer-facing audiences. Environmental organizations included those who focused on the environment, sustainability, food waste reduction, and collegiate academic programs or clubs.

A 2022 partnership used Midwest Dairy's continued relationship with the University of South Dakota's (USD) Sustainability Program to build trust in dairy's role as an environmental solution. Several faculty members from the department attended a Dairy Sustainability VIP Tour in the summer of 2022, which included a tour of a farm with a new methane digester and featured a panel of experts speaking on soil health, water quality, and feed additives to reduce methane emissions. After attending the event, Jenny Fierro, a professor who teaches a Sustainable Environment course to undergraduates at USD, added dairy sustainability to her topic list that students could select for their podcast project at the end of the semester. One group chose the topic and worked with Midwest Dairy to find relevant resources and interview a local dairy farmer. Dairy farmer Cole Hoyer participated in the interview by answering questions about his operation and what sustainability looks like on his farm. Once completed, the podcast was shared online with other students and faculty at USD.

Rush University's dietetic internship program, located in Chicago, Illinois, reached out to Midwest Dairy in the spring of 2022 and asked us to partner with them by being responsible for three groups of interns. To expose these young professionals to as much of the dairy community as possible, the interns participated in various activities. They partnered with No Kid Hungry and Prairie Farms to offer summer camp nutrition lessons in south suburban Cook County for Hispanic and African American 4-6 graders, presenting live non-cooking demonstrations, which reached thousands of students. They also supported activities at Bear Fest by creating and hosting a nutritional trivia contest at Soldier's Field, which reached over 8,000 attendees. Midwest Dairy also made time to get these students on a farm. The group visited Hilderbrandt Farms of South Beloit, Illinois, where they got a first-hand look at cow care and asked questions about sustainability practices. Finally, these interns ended their time with Midwest Dairy at the Illinois State Fair by doing the daily non-cooking demos and nutritional activities, reaching thousands of attendees.

Later in the year, Midwest Dairy partnered with Wichita State University's College of Innovation and Design on a project for the Applied Sustainability in Innovation course, providing a real-world challenge for students to research and create possible solutions for stakeholders. The challenge presented: "How might we reduce or reuse single-use plastic waste from dairy farm operations to reduce environmental pollution from the waste?" The semester-long project began with an introduction to the challenge and a

conversation with a dairy farmer, Dave Lane, of Goddard, Kansas, whose farm they would later tour. The tour was a valuable learning opportunity to help students understand how plastic is used on the farm and learn more about the industry's commitment to sustainability. Students worked an entire semester investigating several aspects of the challenge and presented their proposals and recommendations in early December to stakeholders, including dairy farmers Dave Lane and Steve Strickler of Kansas.

As you can see, sharing dairy's story to build consumer trust is a top priority for Midwest Dairy. Providing thought leaders with an abundance of materials and inviting them to experience a working dairy farm for themselves allows for an authentic conversation and real experiences they can share with others. Midwest Dairy's goal is always to listen to our partner's needs and help them come up with a solution that works to reach their audience most effectively with an abundance of helpful information, experiences, and resources.

Reaching Generation Z through influencers

Generation Z (Gen Z) has been a target audience for Midwest Dairy in 2022 and will continue to be critical in the future. We focus on Gen Z because we have a significant opportunity to grow sales and trust for dairy with this age group. Research shows that average daily milk consumption begins to decline for young adolescents and continues to fall into adulthood. If we don't reach Gen Z where they are now, they'll turn to other foods and beverages that align with their wants, needs, and values.

To successfully reach Gen Z, we target the channels they use daily, like YouTube, TikTok, and Instagram, to gain a large reach and earn engagement. Because Gen Z spends over 10 hours daily engaging with content online, Midwest Dairy works with social influencers who already have other Gen Z followers.

In 2022 Midwest Dairy partnered with five influencers to incorporate dairy good messages monthly into their content to reach their thousands of social media followers. Posts included new recipes, family activities, and simple ways to enjoy dairy. The goal was to generate conversations and impact their already established audience so that they can feel good consuming dairy.

One way to measure the impact of this work is to look at impressions and engagements. Impressions are simply the number of times people see our content. Our work with influencers averaged about 630,000 impressions each month. Engagements are the reactions to the content, including likes, comments, and shares. We got the conversation started as we saw many comments about these influencers' posts, such as "That bowl has all the healthy goods!" and even more personal comments, such as "My grandma always made us a whole milk strawberry smoothie. They were good! I miss them." Comments like these let us know we are reminding consumers that it's ok to enjoy dairy because it's good for them and they can feel good consuming it because it's good for the environment.

We saw outstanding success partnering with Valerie Garcia, better known as [@thosegarciagirls](#) to her 25.2K followers on Instagram. Garcia's platform is dedicated to her motherhood journey, recipes, travel tips, and fashion. She is a Kansas City based influencer whose Instagram is full of photos of her and her daughter, Leighton, living life. One of her most successful [dairy-inspired posts](#) had over 400 likes. In this post, she showcased a day well spent at the farmers market supporting local farmers. She purchased products such as raspberry jam, cheese, and milk produced locally at grocery store and enjoyed them with her daughter during a picnic on the way home. She shared appealing photos of the picnic and shared dairy facts, including each gallon of milk produced required 90 percent less land and 65 percent less water, with a 63 percent smaller carbon footprint than it did almost 70 years ago. Garcia helped Midwest Dairy start the conversation and authentically showcase how to enjoy dairy products, making her a great fit as an influencer.

Midwest Dairy also utilized athletic influencers through the Fuel Up to Play 60 program. Fuel Up to Play 60 is all about educators, students, and partners working together to make a difference in schools and communities. Through the program, students learn that fueling their bodies with nutritious food like dairy throughout the day gives them the energy they need to be their best. In addition, Fuel Up to Play 60

provides educational resources for students to learn more about where their food comes from, the people behind it, and how it is made with care for the planet. Many resources and deliverables have been created for teachers to use in the classroom and Midwest Dairy has partnered with athlete influencers to spread dairy's story.

Many of the NFL athletes we partner with are also highly passionate about nutrition and physical activity programs that encourage today's youth to lead healthier lives. Because these passions align well with Midwest Dairy's goals, these relationships have allowed everyone involved to bring the health benefits of dairy to today's youth as part of our Fuel Up to Play 60 contract, Midwest Dairy engaged more in social media to showcase fun ways to incorporate dairy into everyday life. This led us to partner with The Viking Entertainment Network, which is always looking for creative ways to work with partners to showcase the players off the field to resonate better with fans of all ages.

Midwest Dairy brought in two culinary students from Burnsville High School to join two Viking defensive tackles, Dalvin Tomlinson and Harrison Phillips, in a charcuterie board challenge. Remi Famodu, the Viking's registered dietitian, also participated as the judge. This contest was taped and then shared on social platforms. The video was released on [Facebook](#) and [Twitter](#) right before Christmas and reached over 127,000 fans and acquired 471 engagements between the two channels. Tomlinson and the [Burnsville School district](#) retweeted on their Twitter page as well. This was a fun and authentic way to showcase player personalities and student culinary skills while promoting cheese's deliciousness and versatility.

Fuel Up to Play 60 partnered with former Kansas City Chiefs player JuJu Smith-Schuster through the My Cause My Cleats program. The program allows NFL players from across the league to reveal their passions beyond football by sharing and wearing their hearts on their feet. Smith-Schuster cleats featured a dairy cow pattern to support Fuel Up to Play 60. He has a long-standing relationship with Fuel Up to Play 60 and enjoys helping kids understand the importance of healthy eating and exercise habits early in life. [Click here](#) to view the Facebook video reel highlighting their fun and creatively designed cleats supporting Fuel Up to Play 60.

Gen Z and the parents of Gen Z are an important audience to reach, and Midwest Dairy is committed to continuing to promote the dairy category as a source of comfort, enjoyment, and nutrition to all.



Working with convenience stores to grow dairy demand

Over 93 percent of milk sales are made in the retail and foodservice channels combined. Because of the opportunity retail and foodservice provide, Midwest Dairy focuses checkoff resources on these types of industry partnerships to drive demand for dairy sales. Our ongoing partnerships with retailers like convenience stores position us to provide category expertise, insights, and marketing support to boost sales in their stores. Midwest Dairy is proud to work with three major convenience store players across the Midwest; Casey's, Kum & Go, and Kwik Trip.

Casey's General Stores is headquartered in Ankeny, Iowa, and has 2,365 locations across Iowa, Illinois, Minnesota, Missouri, Nebraska, South Dakota, and North Dakota. Casey's has been a significant partner for Midwest Dairy, targeting dairy sales by driving shoppers directly to dairy products sold in the refrigerator case and focusing on promoting milk of various sizes. Whether it be in-store or online, Casey's is frequently promoting dairy products in a variety of ways. This past fall, Midwest Dairy partnered with Casey's during a back-to-school campaign that was estimated to reach over 6 million consumers and 4.2 million Casey's rewards members. Starting in September, the back-to-school activation highlighted dairy as an essential must-have for breakfast, snacks, or any time of the day, allowing members to earn bonus points with purchases of different dairy products. Next, in November, the

Burrito and Dairy Bundle activation was promoted. This bundle included milk in both pints and quarts, white and chocolate, plus a cheese burrito that could be enjoyed any time of the day. The duo was promoted across social media ads and an e-mail blast to reward members. The bundle purchase also drove dairy sales by offering 200 bonus points to members. Lastly, December celebrated the holidays with dairy. This consisted of 24 days of rewards, for example, celebrating national cookie day on December 4 with a free cookie when milk was purchased.

Other 2022 Casey's activation included a spring campaign promoting milk, cheese, and ice cream, as well as a campaign celebrating National Dairy Month promoting a pizza special. This is a large opportunity for cheese promotion, considering Casey's is in the top 10 in the country for pizza sales.

Kum & Go is also a convenience store Midwest Dairy partnered with throughout 2022. Currently, they have 440 stores in eighteen states across the United States, including Arkansas, Iowa, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, and Oklahoma. Kum & Go was looking to target Generation Z (Gen Z) customers, so Midwest Dairy helped them launch a popular campaign we created that spoke to Gen Z looking for immunity (overall health), calm, energy, and digestive health products, all things dairy offers. Beginning in March, when shoppers purchased milk, they saved \$2.00 when they also purchased Kum & Go's freshly made items such as sandwiches, salads, or snacking trays. Shoppers were targeted via in-app promotions, e-mail, social media, and in-store signage with Midwest Dairy wellness messages. This campaign drove dairy sales from March to April. Another 2022 Kum & Go activation included the "Fuel Your Adventure with Milk" campaign that ran in May.

Kwik Trip also focused on driving dairy sales by partnering with Midwest Dairy in 2022. Kwik Trip has over 800 locations and serves multiple states, including Illinois, Iowa, Minnesota, and South Dakota. Midwest Dairy partnered with Kwik Trip during the holiday season of 2022, focusing on November and December. The November activation drove dairy sales by offering \$.05 fuel discount when spending \$5 on a milk item. This deal was promoted on social media and by coupons which resulted in 625,000 impressions and over 85,000 coupons clipped. The December activation again offered a \$.05 fuel discount when spending \$5 on milk, butter, or ice cream products.

Partnerships like these allow Midwest Dairy to work behind the scenes by providing category expertise, insights, and marketing support to our partners so they can successfully promote dairy. It is important we listen to their needs and create deliverables or repurpose those already created because our partners truly look to Midwest Dairy as a valuable source of information. By partnering with three of the largest convenience stores of the Midwest Dairy region, dairy is reaching consumers where they are to drive demand.

E-commerce proves an opportunity for dairy

Ramping up e-commerce efforts was a priority during the pandemic for many retailers. Because consumers could not readily shop when convenient and wanted to avoid big crowds, they turned to new ways of shopping. In 2020, we saw 20 percent or fewer shoppers buying groceries online, but as the world changed, those numbers skyrocketed to 70 percent of consumers utilizing e-commerce grocery shopping. In 2022 we saw shoppers continue this trend, with more than 60 percent of consumers still using online grocery shopping. Because of this shift to online grocery shopping, there are new opportunities for dairy farmers and dairy products to be placed front and center for consumers.

The Demand team at Midwest Dairy is immersed in making dairy products stand out online and are working on getting a variety of dairy products well-represented in this online space. Dairy is the second largest category of grocery purchases online, making online grocery shopping something the dairy industry and retailers are equally excited about. Because consumers are creatures of habit, we must position the dairy case as a critical, top-of-mind purchase. We have seen that once dairy is in the shopper's cart, it usually becomes a permanent part of their list, and often, they will purchase that same product again in the future. User data indicates that milk is the number one searched term for e-commerce. This is exciting because it allows Midwest Dairy to promote product information and even

product reviews to a wide range of shoppers. This is also an opportunity for shoppers to see new products they may overlook in the physical store as they scroll online.

Getting the product in the shopper's cart is also an art Midwest Dairy works hard to perfect. We are exploring and utilizing new tactics, such as banner ads to promote dairy products and recipes containing dairy. By showcasing dairy's nutritional value and versatility in the kitchen, we hope to make the consumers' experience easy when purchasing by providing direct links to products and easy-to-access "add to cart" buttons right from the recipe.

Instacart, a form of e-commerce, is a grocery shopping and delivery service that allows customers to order groceries online from participating retailers—a service used by many retailers within the Midwest Dairy region. Research shows cheese sells very well during the holiday season, so through November and December of 2022, Midwest Dairy launched a campaign utilizing an Instacart banner ad to drive awareness and traffic by targeting consumers using purchase behavior and keywords. The banner ad featured cheese as a key ingredient for a hearty meal or general entertaining during the holiday season. We were also able to suggest a cheese purchase through our ad showing up on adjacent online "aisles" like snacking (deli, granola bars), milk, and bananas. To execute a campaign that covered a large geography within the 10-state region, we targeted Jewel-Osco, Schnucks, Hy-Vee, Cub Foods, and Price Chopper with banner ads that included the "shop cheese" feature. Once the customer clicked the "shop cheese" button, they were taken to the cheese category page to "add to cart" and purchased right from that page.

Midwest Dairy was pleased with the results. The campaign drove over two million impressions, almost 60,000 clicks, and \$611,000 in cheese sales. These numbers prove that consumers saw the ad and reacted, generating sales. Cheese items included in the campaign also saw increased units sold during the campaign weeks versus the four months previous. The average Return on Ad Spend (ROAS) was over \$12. This means that for every \$1 invested in this campaign, we drove \$12 in cheese sales.

These efforts go further than shoppers. Retailers are also conscious of what dairy purchases are doing for them and see how important a dairy purchase is to the overall dollars generated by that shopper. Grocery baskets are 75 percent greater in value when dairy is in the cart and contain 83 percent more units compared to purchases without dairy. Ultimately, we want shoppers to purchase dairy products and feel confident using them, so they return for more. We work closely with retailers and encourage them to work with their dairy vendor community to provide promotions and coupons for these dairy products.

Recipes are also an excellent way to inspire shoppers to add dairy to their meals. This strategy is especially useful with the high household penetration many dairy items have. Getting current users to use more dairy or more frequently keeps it on their shopping list. Our retail partnerships allow Midwest Dairy to bring ideas for activations forward for their consideration. These ideas can revolve around the nutritional benefits of dairy, a sustainability message, promoting the local farmer, and much more. The dairy checkoff has brought value to those stakeholders by reminding and educating them how important it is for dairy to have a presence in the online space.

By staying educated about relevant shopper marketing tactics like this, Midwest Dairy can help more dairy products find their way into consumers' carts – especially online. Online grocery shopping is projected to continue to grow, and Midwest Dairy remains dedicated to making dairy products more visible in the digital space, which will encourage more dairy consumption – a win for farmers, retailers, and shoppers.

Providing virtual checkoff resources to retail partners

Checkoff resources were hard at work in 2022 as we armed retail partners with innovative ways to drive dairy sales at the virtual dairy case. With nearly 54 percent of consumers buying groceries online, bringing dairy to the forefront of the digital shopping space is crucial. Midwest Dairy has been exploring

opportunities to do just that by using landing pages and creating new and unique recipes to pique consumers' interest in dairy.

A landing page is an individual webpage used to promote or educate about a specific topic. A website starts with a homepage, where the shopping journey begins. A customer can then search for more information which could take them to a landing page. Research shows that landing pages can be very effective with shoppers because they can offer engaging product or category information, including videos, recipes, and nutrition information. Landing pages also help by providing navigation buttons that lead visitors to the "Add to Cart" feature to complete their purchases.

In 2022 Midwest Dairy partnered with Hy-Vee, a large grocery and drug store chain, with 280 locations in Illinois, Iowa, Minnesota, Missouri, Nebraska, Kansas, and South Dakota, to bring dairy to life through online landing pages. We worked with Hy-Vee to create three Dairy Landing Pages for consumers via Hy-Vee AislesOnline. The AislesOnline landing page is designed to give the consumer an easy shopping experience and promote dairy products in different ways.

The Dairy Landing Page was updated throughout the year to showcase timely themes and provide new information about dairy. Each landing page included links to key dairy products sold at Hy-Vee, including butter, cheese, milk, creamers, and yogurt, and highlighted links to dairy items that Hy-Vee had on promotion. In addition, different fresh and flavorful recipes utilizing popular dairy items were displayed.

The theme of the first landing page incorporated the "Sustainability Starts with Us" campaign and educated consumers about milk being sourced from local farm families. The landing page called out the delicious, nutritious, and sustainable side of dairy. It included videos highlighting farmers' passion for the environment, animal care, and their community. The second theme, "FUNctional for all: Fuel your fun with the nutritional benefits of dairy," launched in July and showed how dairy could be part of family fun. This page included a video discussing how dairy could make a difference in people's health because of its unique nutritional value and featured recipes, and dairy items on promotion. The final landing page of the year was "Season's greetings from dairy! Enjoy the most wonderful time of the year with dairy." This holiday-themed landing page included a video from Dr. Erin Cortus discussing how dairy farmers are innovating to make products more sustainable along with holiday recipes, and dairy items on promotion. By collaborating with Hy-Vee, we drove awareness to this page through social influencers, key search word links, and monthly advertising, including email blasts and banner ads. As a result, the total reach of all three landing pages was almost 7.5 million customers!

Midwest Dairy also prioritized creating new and unique recipes to connect with shoppers in 2022. It is important to showcase how dairy products can be enjoyed throughout the day in many ways. Research shows that consumers are always looking for new recipes, so we work with our partners to understand their shoppers and their needs. For example, some partners look for quick and simple recipes during back-to-school mornings. Midwest Dairy provided dairy recipes that fit the bill, allowing partners to reach out to their dairy vendor community for promotions on ingredients featured in our recipes. The goal is to show consumers different ways to incorporate dairy into their diet in a nutritious and delicious way that could become a family favorite.

Price Chopper, a Kansas City-based retailer with over 50 locations in Kansas and Missouri, partnered with Midwest Dairy to celebrate Earth Day. They promoted sustainability messaging with new and delicious recipes developed by Ariel Johnston, registered dietitian of the Tasty Balance. The recipes created included Honey-Whipped Ricotta and Strawberry Toast, Feta Chicken Wrap, and Vanilla French Toast with Honey Butter. These recipes were then shared along with "What You Do Dairy Does Too" messaging to Price Chopper's followers through email and social posts showcasing on-farm sustainability practices. One recipe was also featured in Price Chopper's weekly print and digital circular ad along with sustainability messaging. Lastly, their quarterly Gatherings magazine featured a full-page ad featuring Ariel's Honey Whipped Ricotta and Strawberry Toast recipe.

Fifteen new and dairy-centric recipes were also created and added to Hy-Vee's website in 2022. These recipes include S'mores Overnight Oats, Apricot Brie, and Hot and Sweet Grilled Cheese. These recipes were shoppable, allowing consumers to quickly add dairy ingredients to their online grocery cart from the recipe page.

Partners view Midwest Dairy as an industry expert who can provide resources and research to better reach consumers. We are committed to bringing dairy products to the forefront of the virtual dairy case and showcasing the resources checkoff can provide to retailers to drive dairy sales in their stores.



Midwest Dairy launches DEAL Class 2 in 2022

The Dairy Experience and Agricultural Leadership (DEAL) program is an 18-month, three-phase program created by Midwest Dairy that provides young dairy farmers in the Midwest region with a better understanding of the dairy checkoff and other learning opportunities. In 2022 we welcomed the program's second class and continued to give these emerging dairy leaders the skills and opportunities to share their dairy farming stories with others, build trust, and drive demand in dairy. The 2022-2023 class was selected from applications across the Midwest Dairy region and includes participants from Illinois, Iowa, Kansas, Minnesota, Nebraska, and South Dakota.

The DEAL Program includes three phases with in-person meetings and local assignments like meeting local leaders and being a part of consumer events. In 2022 the first phase focused on diving into dairy checkoff as well as discovering each participant's personality strengths and how to use them in and outside the industry successfully. Phase 2 focused on engaging with consumers. During Phase 3 in July, DEAL members will learn more about Midwest Dairy leadership and how to conduct media interviews.

DEAL kicked off 2022 with 13 members meeting in the Dairy Block of downtown Denver, Colorado, where they had the opportunity to learn more about each other, network with peers, and take a deeper dive into the dairy checkoff.

The group began by learning about their personality strengths through a four-color leadership training taught by a professional trainer, Tracy Bowe. The next day, attendees took a deeper dive into the dairy checkoff by interacting with Bob Lefebvre, former Vice President of Ag Affairs for Midwest Dairy, who led a discussion about Midwest Dairy's history, mission, and strategic plan. They also heard from Bill Keating, Senior Director of Industry Image, and Relations for Dairy MAX, who shared more about dairying in Colorado and Dairy MAX. Later, Angela Tuxhorn, Senior Manager of Food Safety and Supply Assurance with Leprino Foods, provided a presentation about Leprino Foods, which is headquartered in Denver. The group then ventured to Top Golf during the afternoon and had a lot of fun getting to know their new peers.

On the final day, Kristiana Alexander, Director of Knowledge and Insights for Dairy Management Inc. (DMI), dove into consumer insights. The group also heard from Stan Erwine, Senior Vice President of Farmer Relations for DMI, as he spoke to the history and purpose of both dairy promotion and checkoff.

The group reconvened in Chicago, Illinois, for Phase 2 of the program in August, which offered training on connecting with consumers, both in-person and online. Farmers participated in an ENGAGE training provided by the Center for Food Integrity, which taught them how to communicate with consumers about shared values. Participants heard from industry leaders, including Don Schindler, Senior Vice President of Digital Innovations at DMI, who provided interactive workshops focused on branding, video editing, and answering tough questions online. Serena Schaffner, Senior Vice President of Communications at DMI, shared more about the environmental messages dairy farmers can leverage to connect with Gen Z.

While in Chicago, DEAL members got the opportunity to tour Bel Brands' USA headquarters and learn more about Bel Brands, including their corporate social responsibility and consumer insights, and integrated marketing communications areas of work. They also connected with GoodSport's Founder and CEO, Michelle McBride, and learned more about the history of her product. The meeting was then

rounded out by Midwest Dairy staff, who shared projects where checkoff resources are used to help build trust in and sales for dairy.

DEAL members had the chance to explore Chicago and connect with other farmer peers in between presentations. Five farmers presented to the group sharing more about their farms, families, and hobbies leading to great industry connections. Many participants also spoke to locals about why they were visiting their big city during other fun activities planned for the group putting their newfound skills to the test.

Once home, the DEAL members' homework began, where they were challenged to participate in a consumer-facing event that Midwest Dairy was involved in on a local level. At one such occasion, Midwest Dairy partnered with Jennifer Schmitt, Ph.D. and Senior Research Scientist in Sustainability at the Institute of the Environment, University of Minnesota, as well as three DEAL participants, including Paige Roberts, herd manager at Jer-Lindy Farms, and Kevin and Lindsey Borst DVM from Borst Farms joined the presentation remotely. The three stood in as industry specialists during a virtual dairy farm tour with 40 graduate students from sustainability, public health, and dietetic intern programs at the University of Minnesota and the VA Hospital.

The DEAL Class 2 program officially wraps up in July 2023, when Phase 3 will commence. Group participants will be invited to attend part of the Midwest Dairy Corporate Board meeting to learn more about the regional governance structure and join for lunch and dinner to allow for networking opportunities. They will also hear from a speaker about animal activists and how to better handle them in a crisis situation and undergo final media training.

Midwest Dairy would like to thank those participants from both Class One and Class Two, your commitment to the industry is inspiring, and we commend you for sharing your story. The application for DEAL Class 3 will open this fall. Check out MidwestDairy.com/DEAL for more information.

Telling Your Story: Connecting with Consumers

Developing farmer leaders is important to Midwest Dairy because telling dairy's story is a priority for all of us. It is important that we provide dairy farmers with the resources to do their part when telling their own story. Midwest Dairy offered many different farmer trainings throughout 2022, allowing confidence to build and connections to be made.

In 2022, we offered ENGAGE training provided by the Center for Food Integrity. This training focuses on helping farmers connect with consumers on shared values to have more meaningful conversations. In today's world, consumers are asking more questions than ever before about their food. The conversation is less about "What's for dinner?" and more about "Should I be feeding this to my family?" and "Can I trust that it was produced responsibly?" Research shows that connecting through values is three-to-five times more powerful in building trust than simply sharing facts. That's why ENGAGE training allows farmers to learn how to answer these ethical questions with more than just the facts because communicating with values is equally important.

Ultimately, Midwest Dairy wants to help farmers become better advocates for the industry, and we do this in various ways. For example, growing dairy farmers' skillset when talking to consumers is important and something we focus on during farmer training sessions. We have all gotten tough questions and know how hard it is to connect with farm-removed consumers. Midwest Dairy is always a resource farmers can tap into when needing talking points or help perfecting how they tell their farm's story. This training helps prepare farmers for those tough conversations online and in person.

Finding common ground with consumers is a great place to start during these conversations. Those tough questions can become easier to answer when we connect over shared values. When farmers share the values that are important to them, it humanizes them and lets the consumer know that farmers also care about their community. For example, some shared values farmers might incorporate in conversation include environmental messaging showcasing their commitment to the earth. Another example includes cow care and the dedication to keeping their livestock happy and comfortable. In addition, when farmers

share details about their operation, they find shared values amongst others and allow for better connections to be made.

In April of 2022, farmers from Iowa, Illinois, and Minnesota were brought together for a hybrid ENGAGE training where farmers gathered in person, by individual state, to participate in the virtual training. Each state had its own meeting location, and through Zoom had the opportunity to participate in the ENGAGE training and also network and learn with fellow dairy farmers. In all, 18 farmers met in Minnesota, 15 met in Iowa, and eight met in Illinois. Twenty farmers rated the training an 8.9 out of 10, agreeing they had learned something new that they could use when conversing with consumers. One farmer said, "The content was wonderful, and some great discussions were started." Another farmer commented, "The hybrid model was pretty good. It was nice to hear what some other groups came up with and not have to travel too far."

Another group of farmers from Arkansas, Illinois, Minnesota, Missouri, and Nebraska gathered in Kansas City to hear from dairy checkoff partners and participate in an ENGAGE workshop in 2022. Partners such as Casey's, KC Mom's Network, and Lee's Summit Public Schools were in attendance to share why they feel it is valuable to partner with dairy farmers and answer questions from the group. The event kicked off with an outstanding presentation from the "Voice of the Kansas City Chiefs" Mitch Holthus, including a private tour of Arrowhead stadium followed by other partners' presentations. The group ended the day at Jasper's Italian Restaurant, where Chef Jasper of Jasper, another dairy checkoff partner, prepared a special Italian meal for the dairy farmers. Dairy farmers also participated in an ENGAGE workshop. Through training like this, Midwest Dairy has also seen many relationships among farmers grow. By getting involved, farmers meet other farmers facing the same obstacles allowing for support and good conversation. Networking with peers is essential in allowing the Midwest dairy community to unite. Developing farmer leaders is important to Midwest Dairy, and we will continue to provide tools and offer training that supports farmers when telling their own stories.

Undeniable Dairy grants promoting Dairy at the local level

Midwest Dairy encourages farmers to engage with local consumers by utilizing Undeniably Dairy grants. These grants can be used for local promotion efforts to showcase how dairy benefits people, the planet, and communities. Individuals can apply for up to \$5,000 in one calendar year, but these are competitive grants, and funding is subject to availability. Once submitted, applications are evaluated based on project goals, audience size, and alignment with eligibility requirements.

The Undeniably Dairy grant allows individuals to bring dairy to unexpected places and host on-farm events to engage with consumers. Farmers are encouraged to focus their efforts on making connections with the next generation of consumers and those consumers that haven't had the opportunity to connect with dairy, including Gen Z (13-25 years old). Midwest Dairy is focused on Gen Z because we have a large opportunity to grow sales and trust for dairy with this age group, making them high-impact consumers. If we don't reach Gen Z where they are now, they'll turn to other foods and beverages that align with their wants, needs, and values. Undeniably Dairy grants are a great way for dairy farmers to connect with local youth to do just that.

Dairy farmers, dairy groups, and agriculture organizations are able to apply for grant money and, in return, are asked to showcase photos and a description of the event once completed. Keep reading to learn more about successful events that took place in 2022 because of Undeniably Dairy grants.

Power Up with Protein Event

Farm Group Name: Clayton County Dairy Promotion Committee (*Iowa*)

Power Up with Protein was a collaborative event between commodity groups in Clayton County. This event reached 500 local students focusing on K-12 youth. The goals of this event were to help students find high-protein options for an after-school snack and potentially provide more opportunities for dairy and dairy nutrition information to be introduced in the school system. Students had the opportunity to sample all kinds of dairy, including different flavors of cheese and milk. The Dairy princesses were also present and visited with students about how the protein in dairy is important in their everyday diet. Undeniably

Dairy branding was used in posters, promotions, and sponsorship information. Promotion items and flyers were also handed out explaining the importance of dairy nutrition.

Dairy Day at Dr. Dawn's

Farmer Name: Dawn Entzminger (*North Dakota*)

Veterinarian and dairy farmer Dawn Entzminger used an Undeniably Dairy grant to help educate over 800 adults and children at Dr. Dawn's Dairy Days in Jamestown, North Dakota. There were many activities available to guests, including a virtual dairy tour provided by Midwest Dairy. The county extension shared dairy information in the form of a game show, and a STEM demonstration was provided where each participant did an experiment using milk, food coloring, and dish soap. The bookmobile came with various farm-themed books and a dairy-themed story was read every half hour. There were also carnival games with dairy-themed prizes to be won. Attendees enjoyed a large dairy-themed coloring collage and a photo booth with dairy-themed props. The North Dakota Dairy Ambassadors and a North Dakota Division Board member assisted with the event and served as onsite experts to answer questions.

Friends and Family Ice Cream Social

Farmer Name: Amy Dudek (*Missouri*)

Amy Dudek at Bunse Dairy hosted their annual ice cream social during a summer evening in June. This event drew consumers from Kansas City and surrounding communities to join the social and experience life on a working dairy farm. They used dairy messaging at booths around the farm that showcased dairy cows, different dairy products, and their own family farm history allowing lots of good conversation to be had about the industry. Undeniably Dairy messaging helped add information in a fun way around the farm with infographics from Midwest Dairy, U.S. Dairy, and some they made themselves. The booth themes tied into the farm tour, adding another level of interaction, and promotional items were provided.

Interested in learning more about the Undeniably Dairy Grants and even applying for your own? [Click here](#) to learn more.



Dairy checkoff enters collaboration with Mayo Clinic

Midwest Dairy and the National Dairy Checkoff Program have been building research for more than 100 years about dairy's unique role in nutrition and health. It's because of that research that we continue to develop new collaborations with organizations that can truly make an impact in the health field. Midwest Dairy is proud to report in 2022, the checkoff entered a five-year collaboration with Mayo Clinic to explore research and consumer outreach efforts that improve public health and advance dairy's benefits. The collaboration will be incorporated across Mayo Clinic's campuses, including in the Midwest in Rochester, Minnesota, as well as Arizona and Florida.

This collaboration illustrates the checkoff's consumer-first focus and our commitment to leading with credible science. Mayo Clinic physicians and health professionals will lead initiatives focused on three areas:

- Research to discover how dairy foods, particularly whole milk dairy, impact cardiovascular health and metabolic conditions. Other potential research areas include dairy's role in calm, sleep, digestive health, and immunity.
- Communicating dairy's strong body of evidence, new research, and insights with the scientific community, health and wellness professionals, and consumers.
- Exploring dairy's role through digital platforms to propel people into a new way of precisely managing their wellness.

In addition, co-created content will help debunk dairy myths and help consumers maintain confidence in dairy foods, farms, and businesses.

The National Dairy Council (NDC) was founded in 1915. Now and then, dairy farmers believe in investing in science to discover the health and wellness benefits of dairy foods and educate the public about them. The NDC even supported Dr. E.V. McCollum's groundbreaking research that discovered vitamin D around 1917. It was Dr. McCollum who suggested milk be fortified with vitamin D, which helped to eradicate the childhood bone disease, rickets. Over the years, dairy farmer investment in research has advanced our understanding of public health issues. For example, emerging research indicates that whole milk, regular cheese, and whole milk yogurt can be part of calorie-balanced, healthy eating patterns that are linked to neutral or positive health outcomes. We also know from consumer data that in addition to taste, cost, and convenience, consumers are increasingly looking for foods that support functional wellness benefits – immunity, digestive health, inflammation, and cognition. Dairy Checkoff has research investments in these areas as well.

It's checkoff's job to lean on dairy's credentialed health professionals to communicate the science through education and outreach with health professionals. We work closely with groups like the Academy of Nutrition and Dietetics, the American Academy of Pediatrics, the School Nutrition Association, and Feeding America to help improve public health, wellness, and nutrition security.

This is a true milestone moment for dairy farmers who have had a century-long commitment to research and dairy nutrition.

Sharing dairy research and trends with partners

Partners view Midwest Dairy as an industry expert who can provide resources and research to drive dairy demand. We work through and with partners by providing insights that help inform them where there are growth opportunities for dairy and foster ideas on how they could successfully drive dairy sales.

In an increasingly complex and fast-moving world, Midwest Dairy helps our partners remain relevant to consumers by providing information about consumer trends and insights. With access to case studies and a cutting-edge food and beverage product database, Midwest Dairy can identify local and global trends and track the needs, behaviors, and consumption motivators of consumers. Our insights help partners and stakeholders understand what is driving today's consumers and turn consumer insights into action. Midwest Dairy can also help accelerate dairy innovation by working with dairy processors to develop products that resonate with today's consumers. Lastly, we can help uncover new opportunities in the marketplace to grow dairy sales.

Sharing this research with partners has led to projects with impact in 2022, including:

- Midwest Dairy provided Kum & Go with research on milk size and flavor performance to help them add more flavors of milk to their dairy case. Additionally, Kum & Go requested dairy category trends for the convenience store channel. Midwest Dairy was able to provide helpful research that allowed for a better understanding of dairy trends in the overall competitive marketplace.
- United National Foods, Inc. used our research and insights to validate milk category trends for their summer dairy category/milk segment line review.
- Midwest Dairy was able to provide yogurt research and data points for inclusion in Schnucks' Simply magazine with the "Good For You" theme, driving trust and incremental yogurt sales for this grocery chain.

Value-added milk showed opportunity in 2022

In 2022, the value-added milk category began to grow, and its options showed much promise, while plant-based alternatives began to show signs of weakness. Midwest Dairy held a [webinar](#) about the value-added milk topic and explored the exciting opportunities in this growing segment. This webinar was

presented live in August and also recorded to be shared on the [Midwest Dairy YouTube channel](#) for partners and processors to access throughout the year.

Within the past three years, retailers have experienced how hard it is to predict what consumers want and whether that demand can be met. We saw how COVID-19 severely disrupted routines and stressed supply chains and how inflation has caused consumers to make tough choices at the retail shelf. Despite these disruptions, annual retail sales show continued growth of value-added milk volume sales in 2022, while plant-based alternatives declined.

The value-added milk segment, which includes lactose-free products, organic, and health-enhanced milk, such as those with more protein, grew 0.3 percent, while plant-based alternatives declined 2.6 percent. The value-added milk segment makes up 13.4 percent of the total milk volume. In the entire U.S., value-added milk volume sales (441 million pounds) are just over 20 percent higher than plant-based alternatives (364 million pounds), making it a very promising subsegment of the dairy aisle and a potential driver of future growth.

Like most categories during the pandemic, volume sales of total milk jumped as consumers raced to stores to stock up on supplies in the first half of 2020. Specifically, milk volumes grew 2.2 percent in 2020. Then in 2021, volume sales contracted at an abnormal rate, given the abnormal growth rate in 2020.

The value-added milk segment has been growing over the last five years. As a result, this segment seems to have a leg up in addressing consumers' overall desire for more protein and less sugar/lactose and widespread consumer demand for nutrient-dense beverages.

When looking at volume sales among the different types of plant alternatives in 2022, numbers show that almond beverages drove losses in the segment. Almond volume contracted 6.8 percent in 2022, with a 1.7 percent decline in 2021. Oat was the only type to record growth in 2022, while soy and coconut continued to decline for the fifth consecutive year. As a result, alternatives flattened out in 2022 despite growth in the prior four years. The gap between value-added milk and plant-based alternatives widened in 2022 as value-added milk continued to grow while plant-based alternatives' growth flattened.

Part of the plant-based alternative contraction may be because consumers are tightening their wallets. Due to inflation and the tightening of budgets, consumers are making choices when at the dairy cooler and having to reconsider the more expensive alternatives. As a result, plant-based alternatives are priced higher than traditional milk. While value-added milks can also be priced higher, consumers believe the benefits of value-added milk are worth paying more for.

Across all types of value-added milk, lactose-free specifically drove growth up 4.9 percent in 2022. This increase was on top of double-digit growth in the prior three years. Protein-enhanced milk also grew at a similar rate, up 4.2 percent. Again, seeing very healthy growth in the prior four years also. The value-added segment continues to increase its share of the milk category and currently represents a sizable opportunity for the dairy industry.

Even in inflationary times, consumers find that value-added milk products are worth the extra expense. Our research shows that these products will likely continue to grow even in the face of inflation as they address consumers' health and wellness goals better than the plant alternatives. In addition, Midwest Dairy's 4,800 dairy farm families work to support their community's health and nutritional needs, bringing the value of dairy to retailers daily.