



South Dakota Dairy Promotion Highlights

July 1, 2020–June 30, 2021

Domestic and International Partnerships

National partnerships play a foundational role in the checkoff's work and its mission to drive dairy sales and trust by working with and through food and beverage industry leaders both domestically and internationally. These partnerships focus on immediate and long-term sales opportunities with a concentrated focus on product, menu, and packaging innovation along with advertising to help drive dairy trust and relevancy.

Domestic Foodservice Partnerships

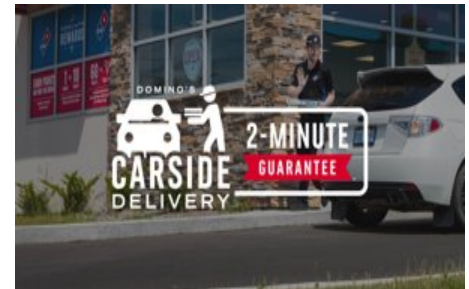
Checkoff has continued its partnerships with foodservice leaders **Domino's®**, **McDonald's®**, **Pizza Hut®** and **Taco Bell®**. Since the start of our first foodservice partnerships in 2009, checkoff has delivered +2.2B milk equivalent pounds of growth. The checkoff's foodservice partners have averaged 3 percent growth in milk equivalent pounds since the cumulative start of each partnership. In 2020, despite declines driven by the pandemic, our partners' sales still outperformed the Quick Serve Restaurant (QSR) industry by 4 times as of 2020, our partners had nearly 4,450 locations within the Midwest Dairy region, with nearly 100 in South Dakota alone. Additionally, our partners collectively invest ~\$1.5 billion in national advertising to help tell our dairy farmer story.

Checkoff supports the partnerships with a team of experts including dairy food scientists and other subject matter experts in consumer insights, innovation, marketing and nutrition. This partnership team collaborates with their foodservice partner colleagues to advance dairy-focused product innovation, menu development, marketing and technology efforts to drive dairy sales and trust. Efforts include leveraging dairy in new ways to meet evolving consumer needs, including new menu occasions such as snacking and beverages.

Our checkoff partners are category leaders capturing the attention of competitors nationally and locally. The competition often mirrors our partners' efforts, resulting in what we call a "catalytic effect." This catalytic effect helps drive dairy sales and trust at other chains with no additional investment from the dairy checkoff.

While the pandemic has affected our partners (e.g., product launches, sales, traffic, marketing investment), they continue to elevate and support dairy within their efforts.

- **Domino's** continues to deliver strong sales growth driving dairy sales. Most recently, they launched the 2-minute guarantee carside delivery to deliver against consumer needs and maintain a positive consumer experience. Additionally, they continue to invest in Smart Slice pizza which is now in more than 12,000 schools.
- **McDonald's** supported McCafé with a bakery mobile app promotion in Q4 which exceeded expectation. In May, they launched a caramel brownie alongside their popular crispy chicken



sandwiches. This limited time offer included a mobile app promotion which resulted in significant media placement and record-breaking consumer redemption.

- **Pizza Hut** launched the Detroit Style pizza in January, a concept driven by our partnership team in H2 2020. This limited time menu item exceeded Pizza Hut's expectations and promoted cheese front and center. For reference, the domestic partnership was not renewed for 2021, however we are continuing to partner with Pizza Hut internationally.
- **Taco Bell** relaunched the Quesalupa earlier this year which features 5 times the dairy of a regular taco. Additionally, after the great success of last year's the Pineapple Whip Freeze which included dairy, Taco Bell launched the Mountain Dew Baja Blast Colada Freeze featuring delicious dairy cream in May.



Domestic Fluid Milk Partners

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

- Stabilizing the 40-plus year decline in fluid milk sales with a focus on growing "milk as milk" through new products.
- Growing milk-based beverages that lets milk "be the competition." This means milk serves as a primary ingredient in coffees, teas, smoothies and other ready-to-drink beverages.

Through this initiative, we partnered with four core dairy/food companies: **Dairy Farmers of America®**, **Darigold®**, **Kroger®** and **Shamrock Farms®**.

These efforts have led to sustainable change for the category through the partner making investments in infrastructure (e.g., new plant construction, upgraded facilities), advertising, staffing and product innovation.

Our partners launched new beverages in growth-driving segments below and continue to support them with marketing:

- DFA launched Siips in Q4 2020 targeting youth in new, appealing aluminum packaging.
- Shamrock Farms launched Swirled which puts a new twist on chocolate milk by blending in creamy coconut and real almonds to help drive dairy relevancy and category loyalty.
- Kroger is readying a kid-focused product set to launch in July 2021.

Additionally, partners continue to invest in infrastructure, including Darigold which invested over \$65M in an aseptic line set to start production in Q3 2021 along with finalizing a location for a Greenfield plant set to be operational in 2023.

We continue to work with Amazon and kicked off a General Mills partnership to continue to explore new channels and partners to drive dairy sales and trust.

Finally, checkoff has continued to invest in eCommerce creating relevant tools to educate the dairy value chain on eCommerce through eComm 101 and 201 training.

International Partnerships

Checkoff has embarked on direct partnerships with companies who supply or purchase U.S. dairy to accelerate international sales. This effort builds on the successful domestic partnership model with foodservice companies and dairy cooperatives and processors by serving as expert consultants to provide marketing, packaging, insights, innovation, supply chain and social responsibility support to advance U.S. dairy.

Global foodservice partners include **Pizza Hut® Asia Pacific**, **KFC® Latin America and Caribbean** and **Domino's® Japan** which have delivered positive results for U.S. dairy exports:

- **Our Domino's Japan** partnership has already launched two new menu items since January featuring U.S. cheese. The Ultra Jumbo Pizza, which is 4 times the size of a medium pizza, and the Pizza Rice Bowl which combines a familiar Japanese dish, butter rice, with pizza toppings. Since the beginning of the partnership in 2019, US cheese volume at the chain has doubled!

Additionally, due to the success of the Domino's Japan partnership, the Domino's international partnership expanded to include the Middle East in February. The Middle East represents a high-growth opportunity for our partner leading to upside for U.S. dairy sales.

- **Our Pizza Hut Asia Pacific** partnership continues to create new menu items using U.S. cheese. Most recently, the team held a workshop to continue U.S. cheese innovation to formulate a U.S. dairy-centric product pipeline. Since the start of the partnership, U.S. volume at Pizza Hut Asia Pacific has grown over 85%.

Additionally, as Pizza Hut international continues to grow, we expanded our partnership to include the Middle East as a growth opportunity for U.S. dairy sales.

- **KFC Latin America and Caribbean** has placed a hold on a few new innovations due to pandemic related impact, but looks to ramp up in H2 2021.



Midwest Dairy Promotion in Action

Midwest Dairy focuses on dairy promotion plans developed by dairy farmers at the national level, as well as a variety of state-specific initiatives developed for various local key audiences to drive demand and confidence of dairy foods nationally, regionally and locally. Our goal is to bring dairy to life for a better world by working with partners to give consumers an excellent dairy experience. The impact of national programs such as partnerships with McDonald's, Domino's, Pizza Hut and Taco Bell help increase sales of dairy through new menu and product innovations, while strategies to work with and through thought leaders and partners help dairy farmers tell their stories to build overall consumer confidence and trust in dairy foods and farming practices.

Midwest Dairy has partnered with South Dakota schools to increase access and consumption of dairy foods and supported opportunities for students to engage with dairy through virtual farm tours and online resources. Midwest Dairy also worked with and through partners to increase demand for dairy and reached out to retail and food service partners, and thought leaders, including health and wellness professionals, to help them better understand how dairy foods get from the farm to the store. Additionally, Midwest Dairy pursued research benefiting our industry priorities, supported the national Undeniably Dairy campaign and worked to develop young dairy leaders.

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

School Partnerships Support Student Meal Participation

Midwest Dairy partnered with the Sioux Falls School District to provide funding for seven buildings to pilot classroom eating due to the pandemic. Plans are in place to expand breakfast districtwide, as well as implement milk and yogurt-based smoothies at 11 middle and high schools in the 2021-2022 school year. Projected sales for this project are anticipated to be around 3.3 million pounds of milk.

Through Fuel Up to Play 60, six schools in the Brandon Valley School District received carts for serving Grab and Go breakfast and lunch, which is a demonstrated serving model to increase student participation directly impacting dairy sales of milk, cheese and yogurt offerings on the menu. The district plans to add milk and yogurt-based smoothies to their menu at the middle and high school during the 2021-2022 school year.

Additionally, Midwest Dairy supported GENYOUth's COVID-19 Emergency School Nutrition Fund which continues to offer grants to help schools continue serving meals during the pandemic. The grants are approved on a rolling basis, and to date, 18 schools in South Dakota have received funding.



Midwest Dairy provides equipment for schools to add milk and yogurt-based smoothies that students love to their menu.

Virtual Farm Experience Developed to Bring Dairy to Life for Youth



An interactive virtual farm experience was developed for youth and rolled out at the Sioux Empire Fair in August.

Despite the challenges that the pandemic posed, Midwest Dairy continued to strive to give youth and health-conscious consumers a variety of interactive and unique dairy experiences to grow trust in dairy.

In partnership with Pipestone System, Midwest collaborated with Carlson Dairy in Minnesota to create an interactive virtual farm tour. This new dairy experience was first introduced in the Pipestone Discovery Barn at the Sioux Empire Fair in Sioux Falls, South Dakota, in August and was used by various partners throughout the year such as the Washington Pavilion, reaching their 78,739 social media followers. The virtual experience is also available on Midwest Dairy's [website](#).

The interactive tour takes the user through various stops at the farm showcasing the milking process, feed components, baby calves, milk chilling and transportation as well as recycling sand and manure. Icons show videos and photos throughout the experience with messaging around cow comfort and dairy's role in a healthy and sustainable food system.

Midwest Dairy Engages Thought Leaders through Dairy Experiences

Midwest Dairy focused on bringing dairy to life for a better world by connecting with thought leaders throughout South Dakota through on-farm and educational experiences that prepared them to answer consumer questions about dairy foods and how they are produced.



Fourth year medical student Connor Fullerton visits with dairy farmer Doug Stensland of Stensland Family Farm.

Midwest Dairy and a local dairy farmer were guest speakers at the University of South Dakota (USD) Sanford School of Medicine and School of Health Sciences first ever Rural Health Interest Group which reached about 30 future health professionals in August. In addition, as a result of a relationship with the Dean of Rural Medicine at the USD Sanford School of Medicine, Midwest Dairy has been hosting fourth-year medical students on dairy farm tours as a part of their One Health elective course, reaching about 8-10 future physicians in 2021. Many of the participants have never been on a dairy farm before but are interested in learning more about the links between human, animal and environmental health. These individual farm tours have been taking place at Stensland Family Farm, a family-owned and operated multi-generational farm just outside of Larchwood, Iowa. The Stenslands regularly open their farm to the public and have an on-site creamery, allowing these fourth-year medical students to see dairy as it moves from farm to table and incorporate examples of dairy's role in a healthy and sustainable diet. To learn more about this partnership, read this [article](#) recently featured in *Dairy Herd Management*.

In an effort to grow and build relationships with environmental, community and sustainable nutrition influencers and connect them to dairy's farm-to-table journey, Midwest Dairy hosted a virtual Moo & Brew Cheese Chat in partnership with Ag United and Look's Market, a specialty grocery store, restaurant and brewery in October. About 30 influencer guests attended including thought leaders and professors from South Dakota State University's Health and Nutritional Sciences Department, University of South Dakota's Sustainability Department, board members from the Friends of the Big Sioux River organization, leadership from the USD Sanford School of Medicine, as well as thought leaders from partner organizations including the Sioux Falls Chamber of Commerce, Downtown Sioux Falls, South Dakota Soil Health Coalition, Feeding South Dakota, Live Well Sioux Falls, Washington Pavilion and SDSU Extension. Guests all received a variety of local and regional cheeses paired with craft beers selected by the experts at Look's Market in Sioux Falls, where the "live" portion of the event was held with speakers and entertainment.



Midwest Dairy engages South Dakota influencers at the first-ever virtual Moo & Brew Cheese Chat in October.

With help from a local dairy farmer and USD professor who attended the Moo & Brew Cheese Chat, Midwest Dairy also shared dairy's sustainability efforts and commitment with USD's Sustainable Environment class, virtually reaching 78 undergraduates in April with plans to continue this partnership into the next school year.

Midwest Dairy Brings Dairy to Life through Partners to Reach Consumers



SDSU Head Football Coach John Stiegelmeier was a part of the video created that was shared on SDSU channels.

Even though the South Dakota State University football season was postponed until spring due to the pandemic, Midwest Dairy was able to partner with SDSU Athletics and local Hy-Vee stores to promote the benefits of chocolate milk for athletes.

The promotion reached SDSU Athletics' approximately 57,000 social media followers with 164,500 impressions and showcased a series of video clips featuring well known SDSU coaches and thought leaders discussing the role chocolate milk plays for their student-athletes, as well as a partner-sponsored chocolate milk giveaway. Local Hy-Vee stores also shared the promotion on social media, extending the reach.

To reach consumers and conflicted health seekers, Midwest Dairy partnered with Ag United and Downtown Sioux Falls (DTSF) for their annual Restaurant Week in April. Seven participating restaurants featured dairy in at least one of their three courses: appetizer, entrée, or dessert. Guests visited the participating restaurants throughout the week to enjoy a three-course meal for \$40.



Dairy farmer Doug Ode shares his farm story at the DTSF Restaurant Week Appe-teaser event.

To kick off Restaurant Week, an “Appe-teaser” event was held, allowing 150 guests to experience a taste of each menu by sampling “teasers” from participating locations. In addition to visiting with local chefs and restauranteurs, guests had the opportunity to interact with local farmers to learn more about sustainability efforts, production and farm-to-table stories. As a part of this partnership, Midwest Dairy also collaborated with DTSF on social media content for their channels reaching their more than 75,000 followers.

In addition, Midwest Dairy partnered with Ag United on a “Table for 6” concept connecting local dairy farmers to influencers during Downtown Sioux Falls' Restaurant Week. This was an opportunity to learn more about the dairy community and get questions addressed, helping to further build their

trust in dairy.

In response to the pandemic and food supply challenges, the South Dakota agriculture community pulled together last year to create a unified campaign that builds trust with consumers on the safety, convenience, affordability, and sustainability of the U.S. food supply system, specific to South Dakota. A goal of this "Together, we're always growing" campaign was to positively impact consumer confidence metrics by informing, engaging, and changing consumer perceptions using several tactics including both cable and network TV, radio and social media.



Midwest Dairy was a part of South Dakota's unified agriculture campaign.



Dairy farm open houses reached 2,100 consumers in 2021.

Through a partnership with Ag United, two dairy farm open houses were hosted in June, reaching 2,100 people. Dairy Fest reached more than 1,000 diverse consumers through their drive-through experience that showcased sustainability messaging and a link to Midwest Dairy's virtual farm [experience](#).

State Fair Gives Consumers an Excellent Dairy Experience



Each day of the fair, a family was selected to pose in front of the new photo wall at the South Dakota State Fair. The families received an Undeniably Dairy prize pack.

Midwest Dairy partnered with the South Dakota State Fair to add new Undeniably Dairy elements to reach fair-goers in 2020, including a photo wall and ice cream cut outs for photography, an Undeniably Dairy Fair Family of the Day promotion that reached more than 24,500 followers on the fair's social channels, and an Undeniably Dairy Scavenger Hunt that reached over 100 participants.

To ensure dairy products were available at the fair, despite the challenges presented by the pandemic, a local vendor, Dakota Snow, took over the malt wagon operations. The wagon was set up outside the Dakota Marketplace and served malts in three flavors along with white and chocolate milk.

Midwest Dairy teams up with Discover Dairy to promote the Adopt-A-Cow program to students and schools across South Dakota.



The desire to connect students with dairy farmers to learn more about where their food comes from and why it matters is one of the main reasons Midwest Dairy partners with the Discover Dairy Adopt-a-Cow program. This year, Midwest Dairy will reach more than 262,000 students, including 2,860 from South Dakota, growing participation in the Midwest Dairy region by 1,558% over the previous school year. The original goal was to increase participation by 40%, however, that goal was exceeded due to teachers looking for more engaging virtual content for their classrooms during the pandemic and use of partners and digital channels to make more teachers aware of the program.

In partnership with Discover Dairy, Midwest Dairy reaches over 262,000 students during the 2020-2021 school year.

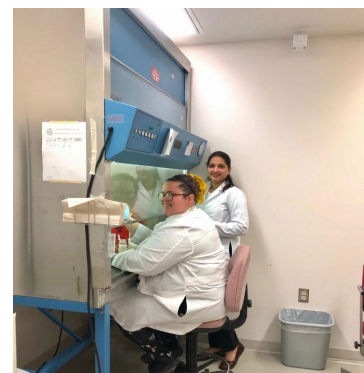
Midwest Dairy has seven dairy farmers serving as hosts for the program where they will virtually provide a calf for the students to “adopt” for the year, watching it grow and learning more about the dairy farm family, animal care and environmental stewardship.

As a bonus for participating in the program, third-grade classrooms will also be receiving a Midwest Dairy Ag Literacy Kit. These kits will include the new My Family's Dairy Farm book from the Iowa Ag Literacy Center, lesson plans, posters and a fun TabMOO game for students to learn more about the farm.

Midwest Dairy Invests in Research

New Research Funded at SDSU

The new research titled “Development of probiotic butter and whipped cream using whey protein encapsulated probiotic organisms” is being funded by Midwest Dairy at South Dakota State University starting from January 2021. Dr. Sanjeev Anand and the graduate student working on the research will be testing the feasibility of using dairy protein encapsulated probiotics in butter and whipped cream. The research is expected to be complete by December 2022. The research will lead to the development of the technology required to develop value added dairy products such as probiotic butter and whipped cream, which are high in fat and protein content and suitable for trendy diets such as keto and paleo.



Dr. Sanjeev Anand's graduate students working on microbial testing.

SDSU Participated in 2021 MDFRC Research Planning Meeting

Professors from South Dakota State University participated in the Midwest Dairy Foods Research Center (MDFRC) Spring Research Planning Meeting. About 35 industry members, 15 faculty, farmers and checkoff representative participated in the research brainstorming process. The pre-proposal review process for 2022 research funding kicks off on July 28, 2021 where invited faculties from all six MDFRC member universities will be providing a 10-minute overview of their research.

Institute of Dairy Ingredient Processing Assists Partner Projects

The Institute of Dairy Ingredient Processing (IDIP) pilot plant at South Dakota State University (SDSU) has been actively involved in innovation, education and application activities over the last several years. The pilot plant equipment and facility are available to industry personnel for experiments, training, seminars and product evaluation activities. Between July 2020-June 2021, the IDIP facility supervised by Steve Beckman at SDSU assisted more than 170 partner projects on troubleshooting, innovation, and educational activities.

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



In an effort to build both dairy sales and trust with consumers, Midwest Dairy partnered with select retailers within the region including Coborn's, Hy-Vee, Casey's and Pizza Ranch. Activations included a variety of tactics that also help the partner satisfy their customers' needs and drive dairy sales, such as special promotions that include dairy, newsletter and social content featuring local farm

families, video assets and in store signage. These partnerships have resulted in 3,517,972 pounds of incremental milk sold and reached 5,529,740 consumers year to date in 2021.

Midwest Dairy Provides Programs to Develop Dairy Leaders

As consumers become further removed from agriculture, yet more interested in how their food is produced, it has become increasingly important to prepare future leaders in the dairy community. The year 2021 marked the fourth year of the South Dakota Dairy Ambassador Program offered through Midwest Dairy. Five students were selected through an application process to participate in activities to strengthen their communication, leadership and dairy advocacy skills.

Additionally, Midwest Dairy provided a summer internship in South Dakota in 2021. Tiffany VanBuren, a junior at South Dakota State University who is pursuing a bachelor's degree in dairy production and agriculture communications, was selected for this opportunity. Midwest Dairy also supported a shared intern with Ag United of South Dakota, providing leadership and consumer engagement experiences. April Hamilton, who is studying agricultural leadership at South Dakota State University, was selected for this internship and spent the summer organizing events and managing social media platforms.



The South Dakota dairy ambassadors represent the dairy industry in a variety of activities throughout the year.

Scholarships Encourage Education and Dairy Advocacy

The South Dakota Division Board of Midwest Dairy awarded \$10,000 in scholarships to students furthering their education within the South Dakota State University (SDSU) Dairy and Food Science program. Annually, the South Dakota Division provides funding for two \$3,500 scholarships and three \$1,000 scholarships.

Scholarships were awarded to outstanding students within the dairy science department; recipients included Rebecka Hoffman, Anna Donnay, Ross Herber, and Stephanie Post.

Board Leadership Steers Midwest Dairy South Dakota Division



*Allen Merrill re-elected
as Midwest Dairy
Corporate board chair.*

Allen Merrill of Parker, South Dakota, was re-elected as the Corporate board chairman of Midwest Dairy at the annual meeting in April, 2021. At Midwest Dairy's annual meeting in April, the South Dakota Division board elected the following officers to serve in 2020-2021: Jim Neugebauer, Dimock, was re-elected chair; Annelies Seffrood, Summit, was re-elected vice-chair; Chris Fieber, Goodwin, was re-elected secretary; and Gary Jarding, Alexandria was re-elected treasurer.

ADA of South Dakota officers are Annelies Seffrood, chair, Tim den Dulk, vice-chair; and Doug Ode, secretary/treasurer.

Undeniably Dairy National Campaign Builds Trust for Dairy

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



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

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

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

In 2020 and 2021, the longstanding campaign efforts focused on building trust and relevance around dairy as a sustainably nutritious food expanded to incorporate dairy's essential role in nourishing

people. This was reinforced by content that celebrated dairy's nutrition profile, commitment to communities, and central role in family lives. In 2021, our partnerships with athletes, fitness and nutrition influencers, chefs and wellness influencers highlighted the unique nutritional make-up of dairy foods and the role they play in modern lifestyles.

In the first half of 2021, Undeniably Dairy's combination of integrated communication and marketing efforts garnered more than 150 million impressions, reaching our target audience with content that resonates across paid media, earned, social and partnerships.