



IDFA

**International
Dairy Foods Association**

2024 Georgia Dairy Conference

Winning the Future for Dairy

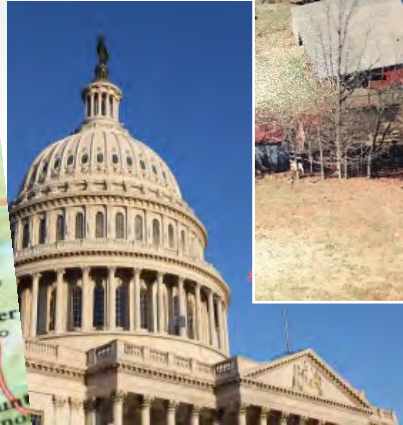
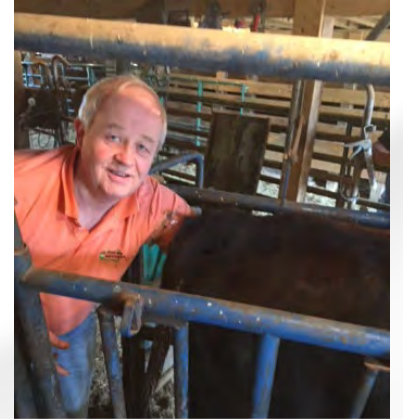


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My Background



AUBURN UNIVERSITY

COLLEGE OF
VETERINARY MEDICINE



IDFA: Broad Representation



Milk



Farmer Co-ops



Cheese



Yogurt



Ice Cream



Retailers

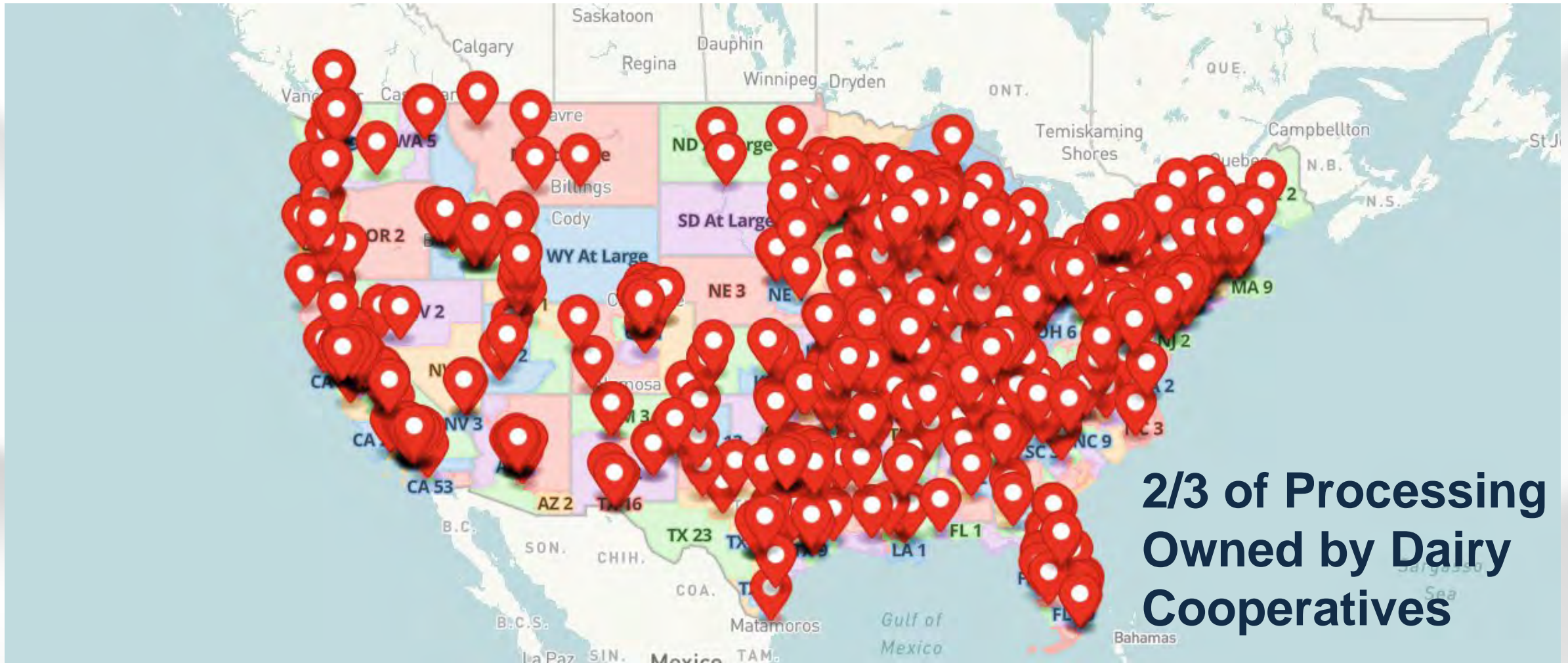


Infant Formula



Dairy
Ingredients

IDFA: Broad Membership



**2/3 of Processing
Owned by Dairy
Cooperatives**

Delivering Value for Our Members



Advocacy



Regulatory



Communications



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Membership & Programs



People Strategy

How Do We Win the Future?



Embrace A New
Vision for Dairy



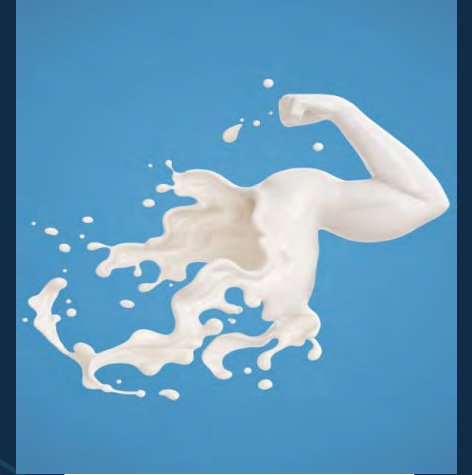
Reignite Our
Competitive Fire



Lean Into
Sustainability



Reclaim Our
Health Halo



Unite As Industry

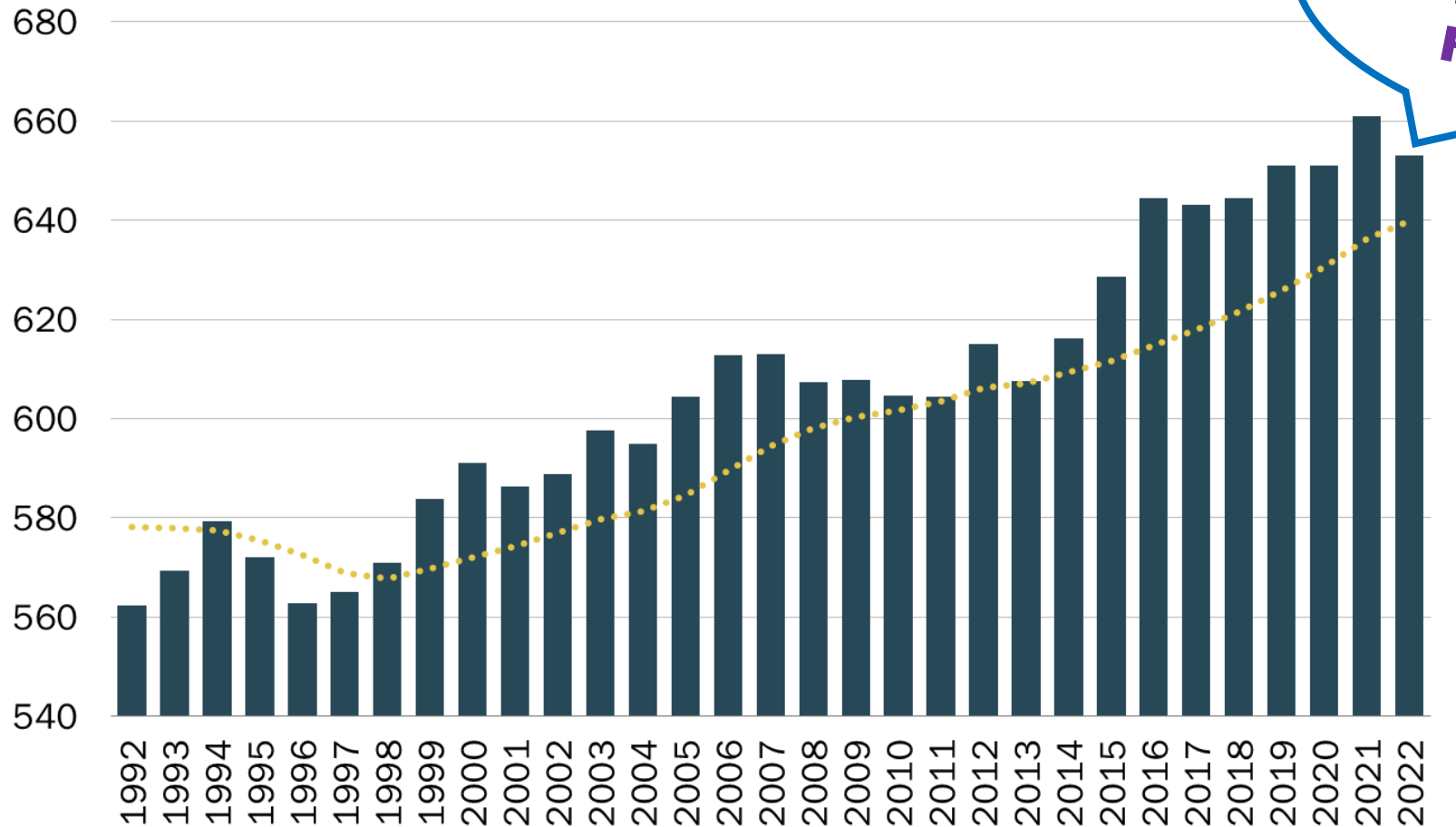
Embracing a New Vision for Dairy Begins with Harnessing Our Strengths



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The Domestic Market for U.S. Dairy

US Per Capita Dairy Consumption



Pounds Per Capita, Milkfat Basis; USDA ERS

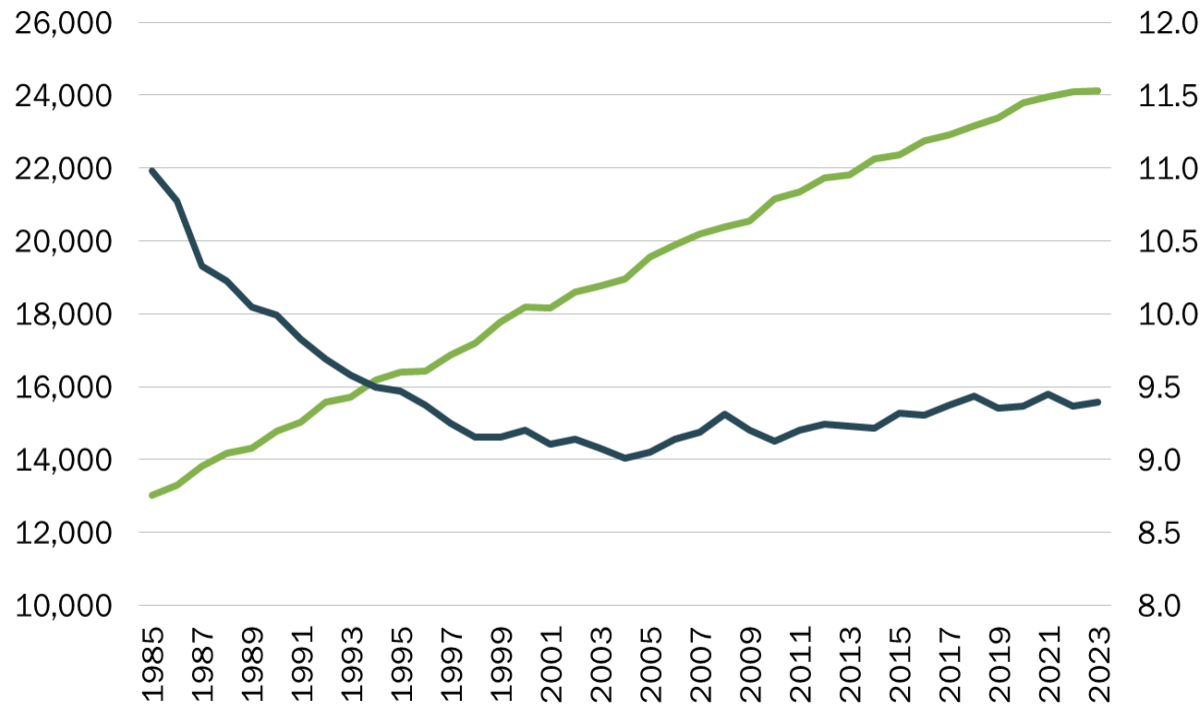
■ Per Capita Consumption Rolling 10YR Average

**2nd Highest
Total on
Record!**

U.S. dairy consumption is evolving: **We eat more than we drink** while the world demands more & more

U.S. Dairy Most Efficient In the World

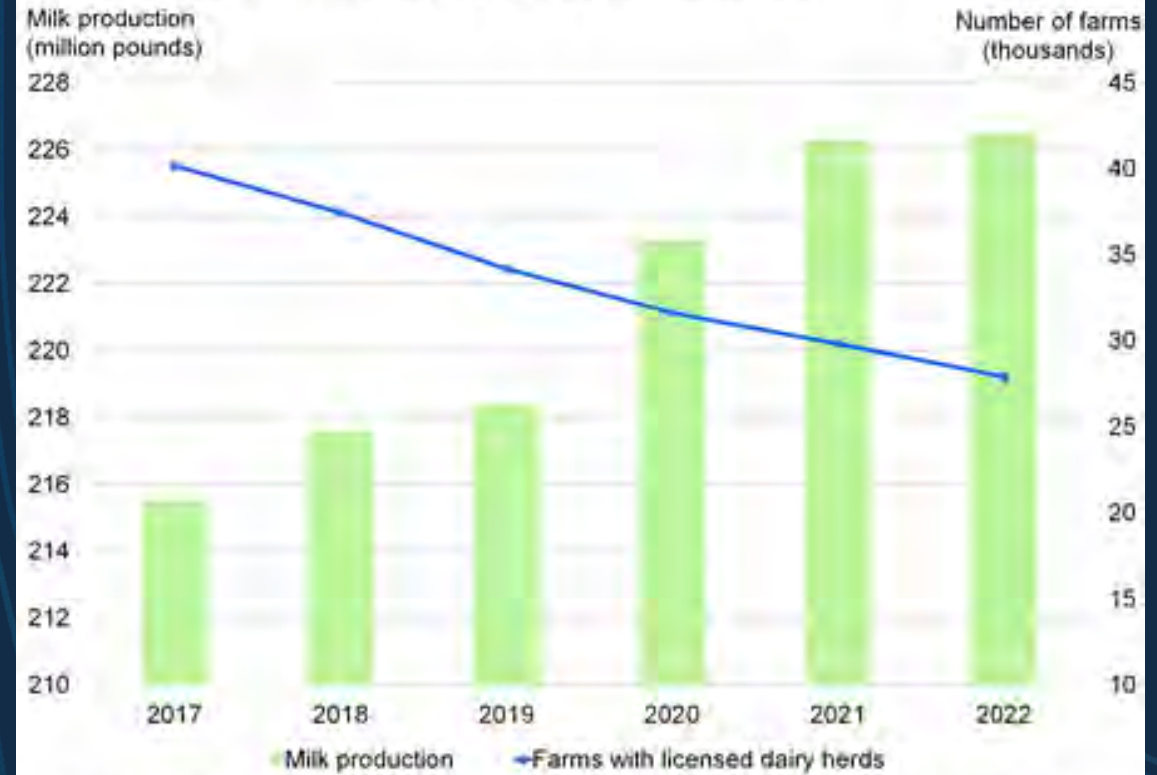
US Milk Per Cow & Number of Cows



Pounds Per Year, Million Head; USDA, Ever.Ag Insights

— Milk Per Cow (Left) — Cows (Right)

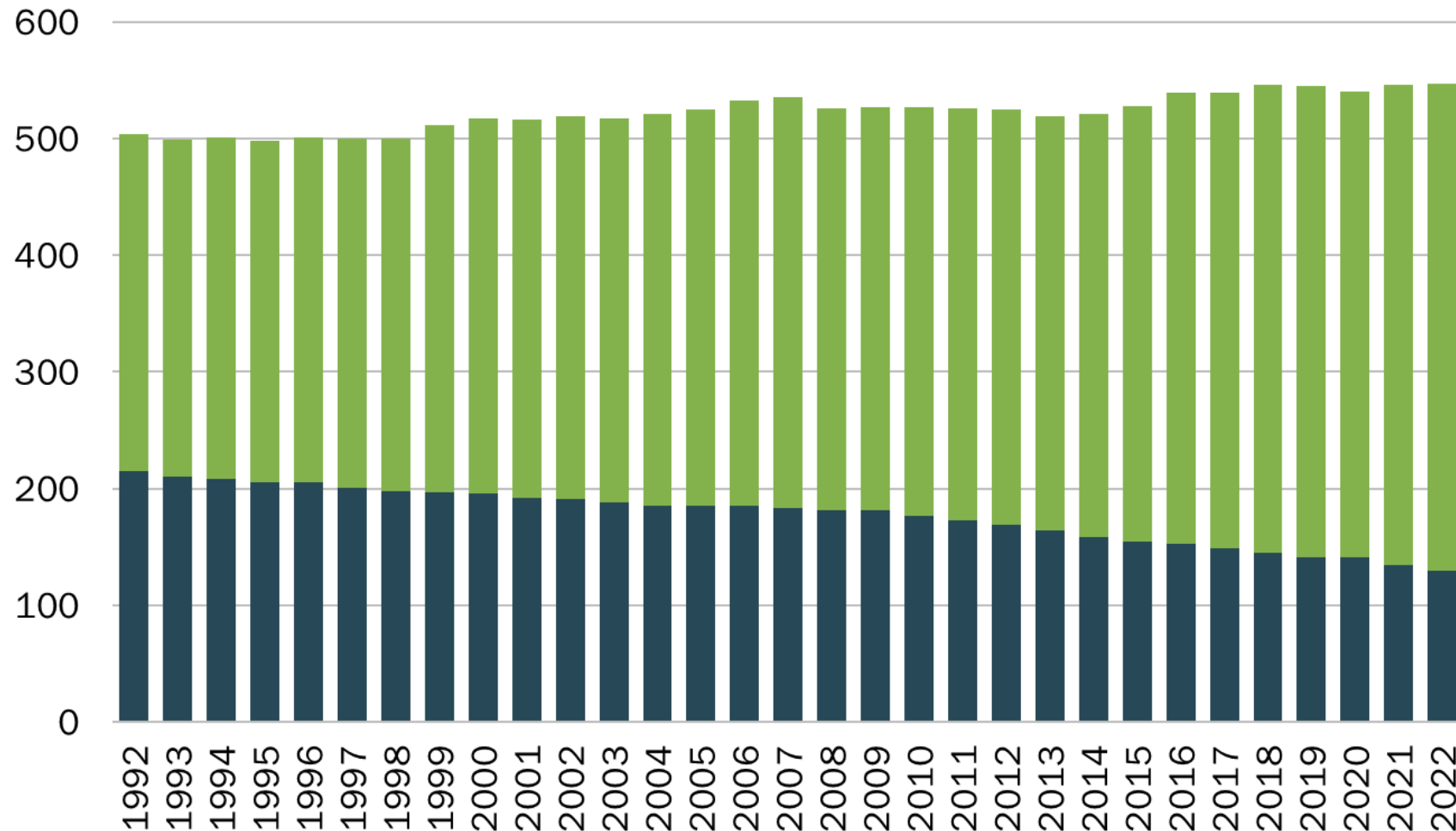
Milk production and number of dairy farms from 2017 to 2022



Source: USDA, Economic Research Service calculations using information from USDA, National Agricultural Statistics Service.

And U.S. Dairy Is Evolving

Milk Consumption Per Capita: Fluid + Cheese

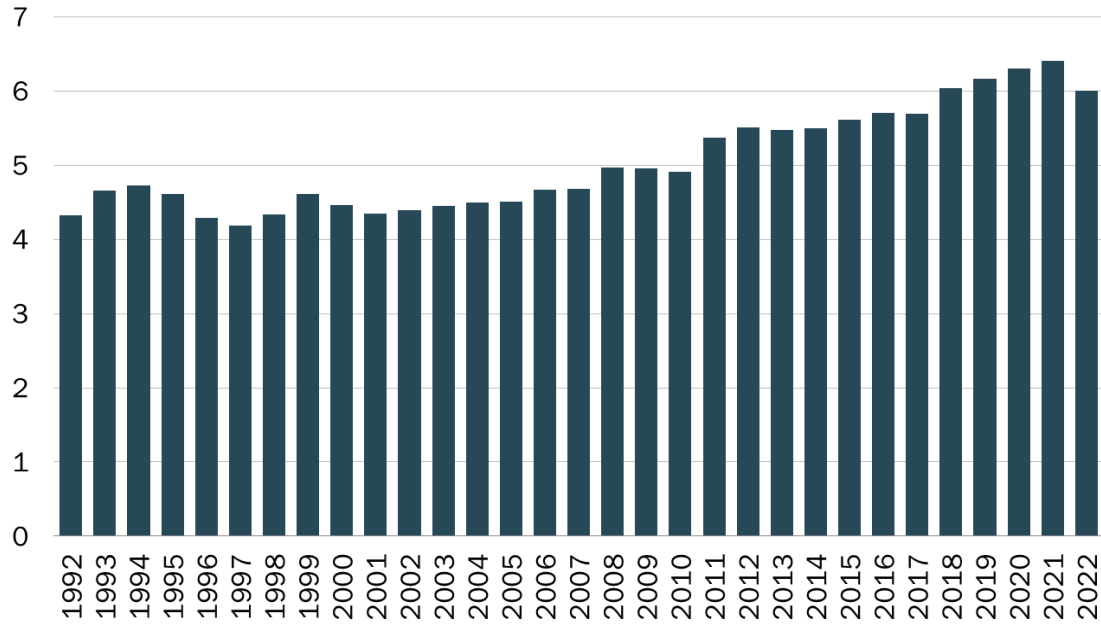


Pounds Per Person; USDA Data, Ever.Ag Insights Estimates

■ Fluid Milk ■ Milk in Cheese

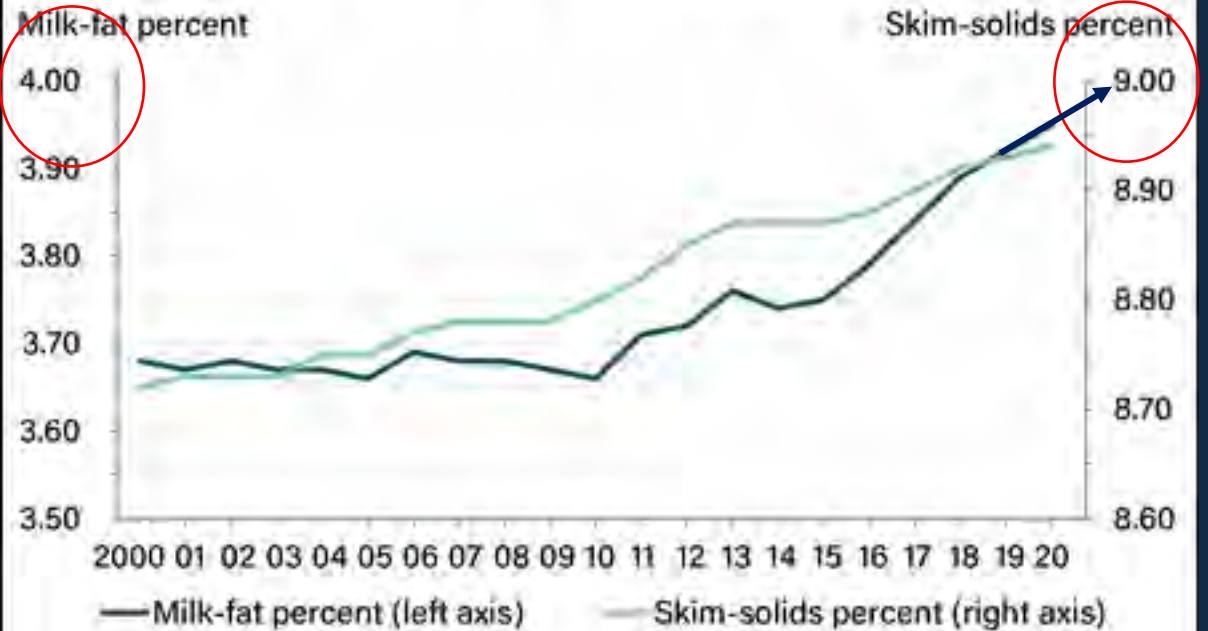
Milkfat Is Driving Premiumization

US Per Capita Butter Consumption

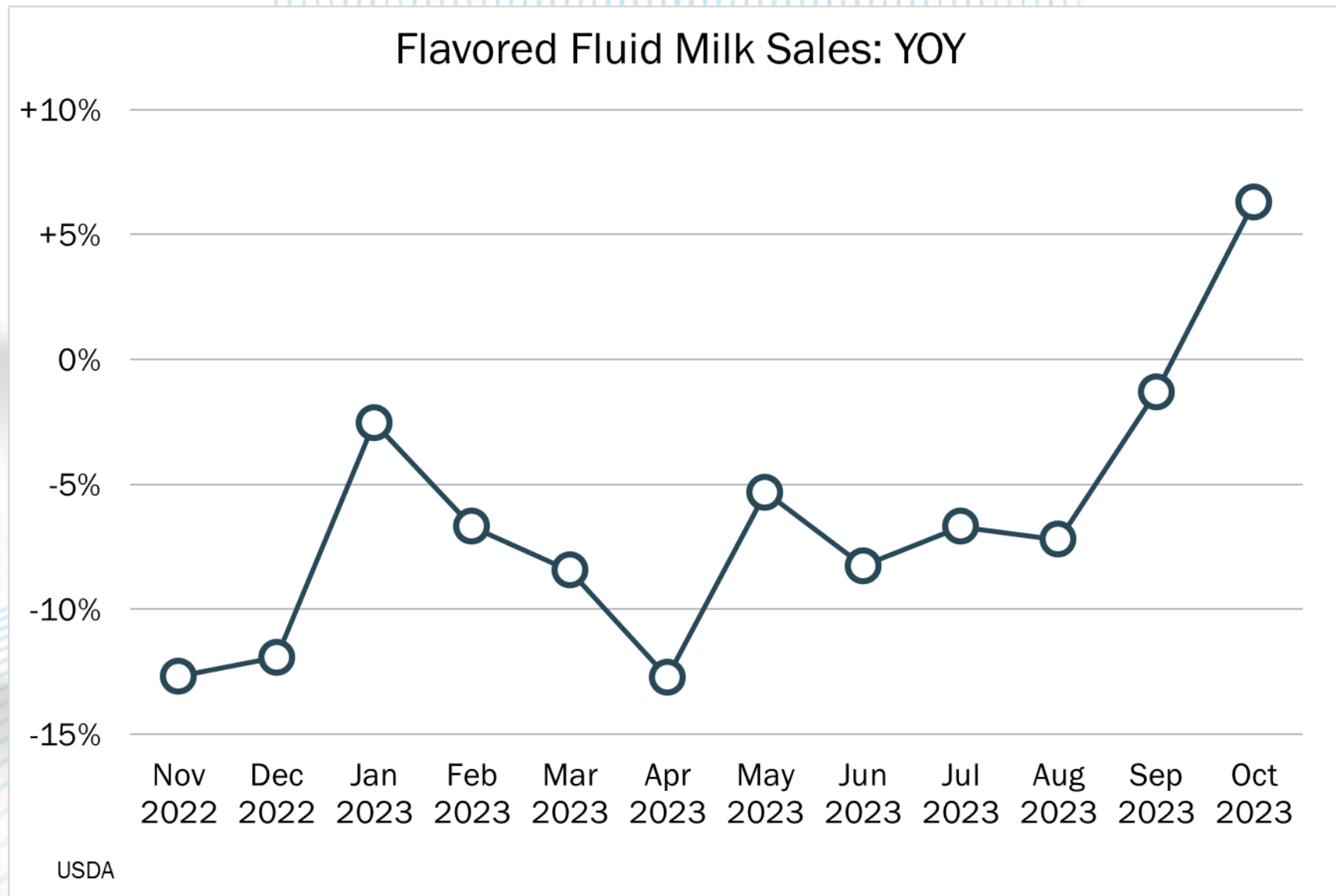


Pounds Per Capita; USDA ERS

Percentages of milk fat and skim solids in farm milk increased from 2000 to 2020

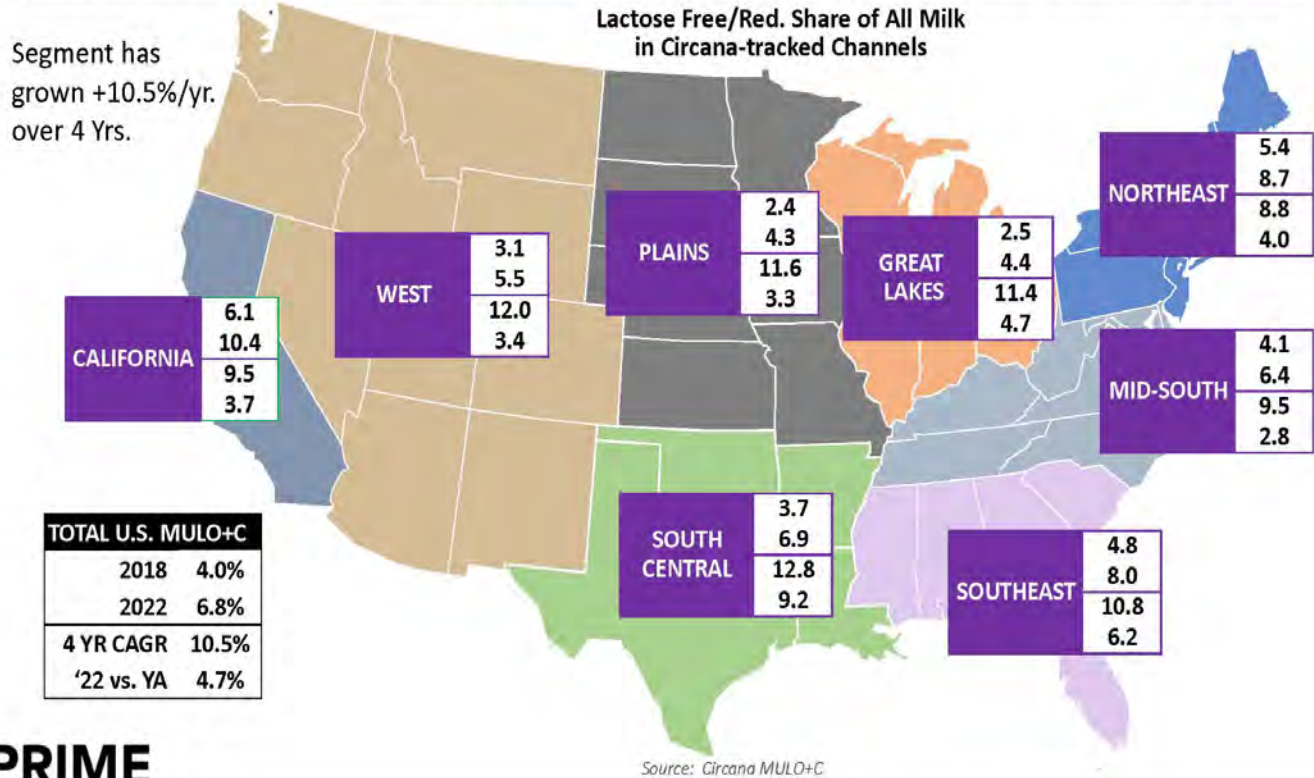


Flavored Milk: Premiumization + Nutrition



Lactose-Free & UF Milk Show Muscle

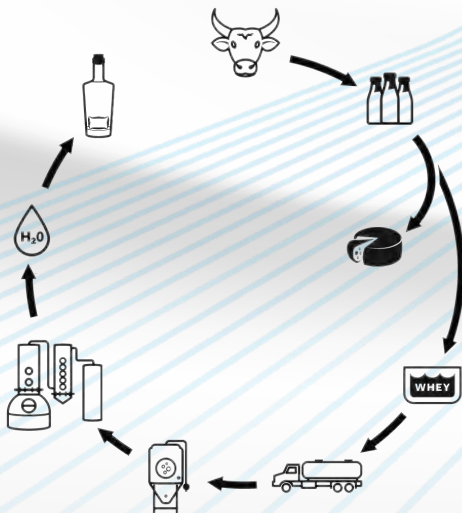
Lactose Free Share of Milk Has Risen in Tracked Channels



Ultrafiltered Milk **UP 7.7%** year-over-year through mid-November. UF Milk has 2.4% market share among milk.

Upcycling Byproducts = Added Value

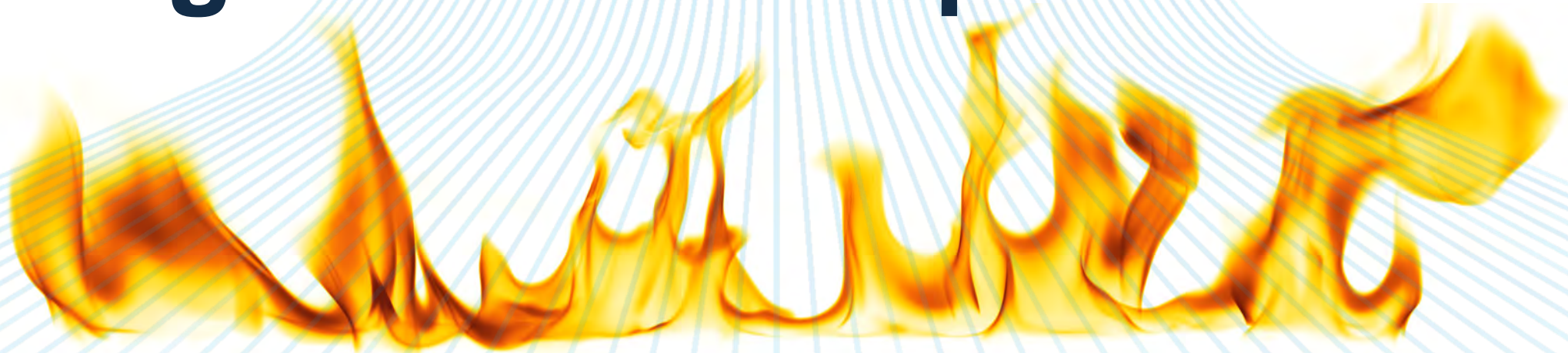
Dairy Distillery – Michigan Milk Producers



Innovative Thinking: Out-of-the-Jug



Reignite Our Competitive Fire

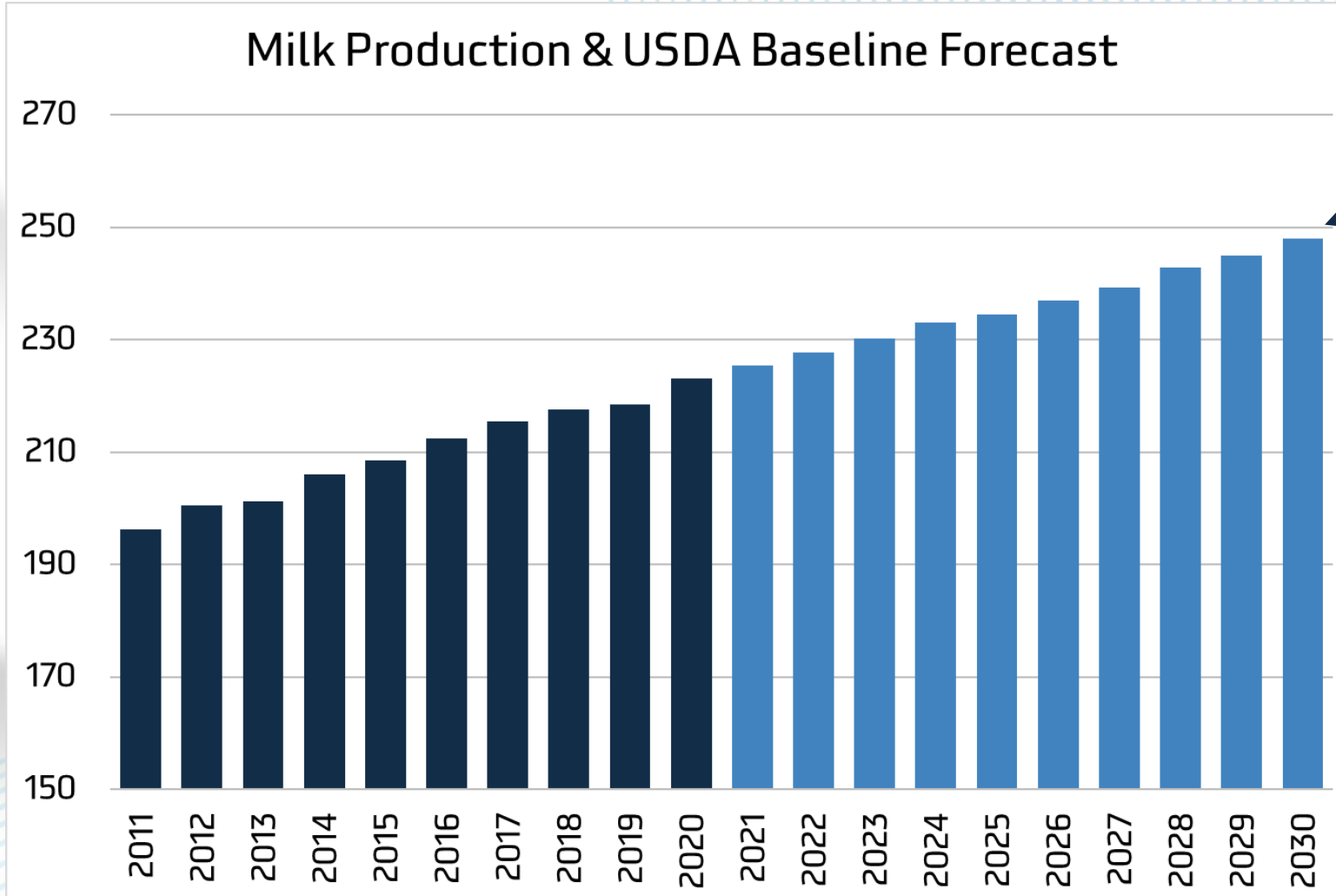


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U.S. Productivity Demands Export Markets



Milk Production & USDA Baseline Forecast



20B LBS
More Milk
Projected
by 2030

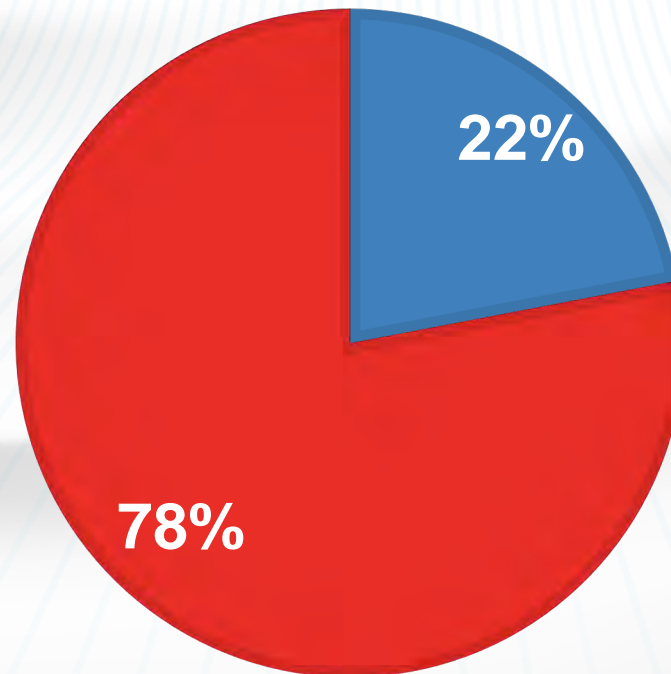
The goal is equal parts
high-value &
commodity goods,
supplied reliably &
sustainably, at
competitive prices.

U.S. Productivity Demands Export Markets

U.S. exports 18% of milk production
Must export 22% to keep pace with production
Milk production will grow by 20 billion pounds

2030 MILK UTILIZATION

■ exports ■ domestic





What Is the Game Plan?

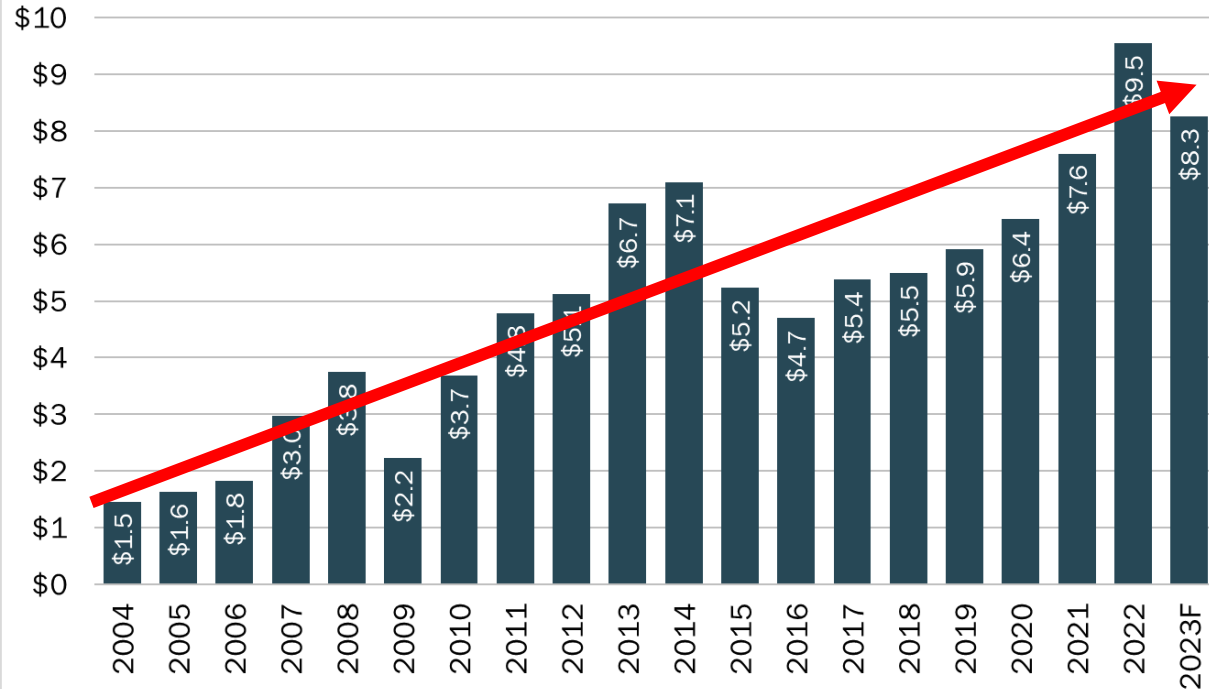
1. Build globally competitive market access
2. Defend against unfair barriers
3. Expand existing agreements
4. Embrace new tools & policies
5. Form new alliances



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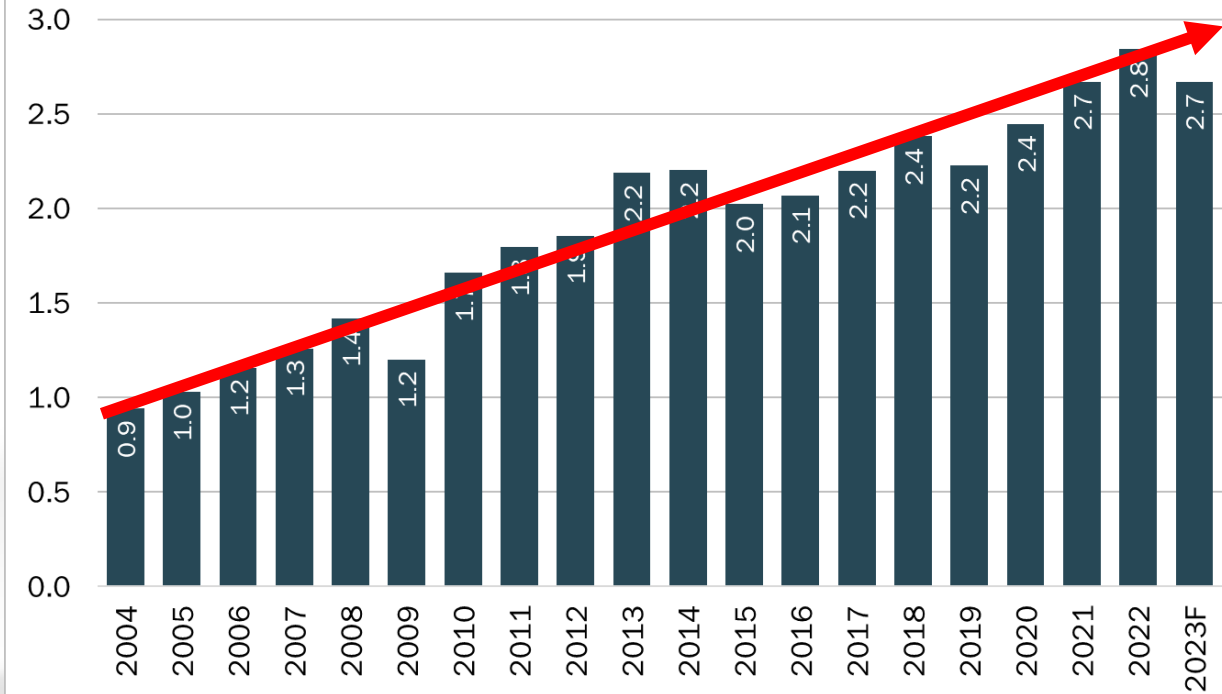
The Global Market for U.S. Dairy: Growth

US Dairy Exports: Value



Billions of USD; USDA, Ever.Ag Insights

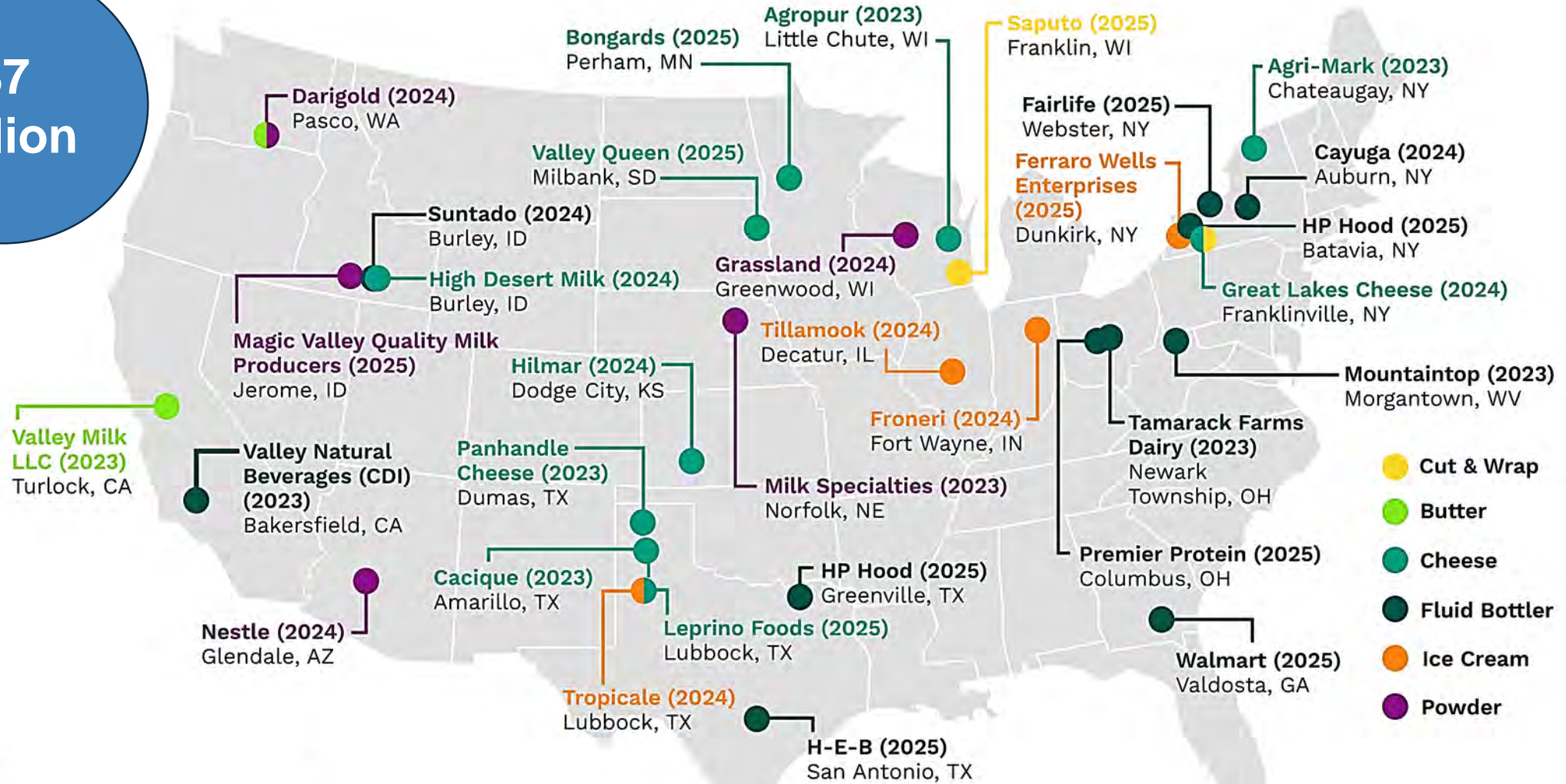
US Dairy Exports: Volume



Million Metric Tons; USDA, Ever.Ag Insights

Response? Adopt a Growth Mindset

**\$7
Billion**



Where Are Congress & Administration?

M. I. A.

Lack of engagement
putting:

- Capital at risk
- Jobs at risk
- Growth at risk
- Influence at risk



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10 Reasons for U.S. Dairy's Advantage



1. Economic Stability & Regional Peace
2. Advanced Infrastructure & Supply Chains
3. Lots of Land
4. Abundant Water (though shifting)
5. Record of Food Safety
6. Leaders in Ag Productivity
7. Robust Animal Welfare Standards
8. Growing Edge in Sustainability
9. Competitive Prices
10. States & Regions Where Regulation is Less Burdensome

We'll Need to Lean Into Sustainability to Win the Future



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U.S. Dairy's BIG Advantage

This U.S. glass of milk has the **LOWEST** carbon intensity footprint in the **WORLD!**



Let's Reclaim Dairy's Health Halo to Win the Future



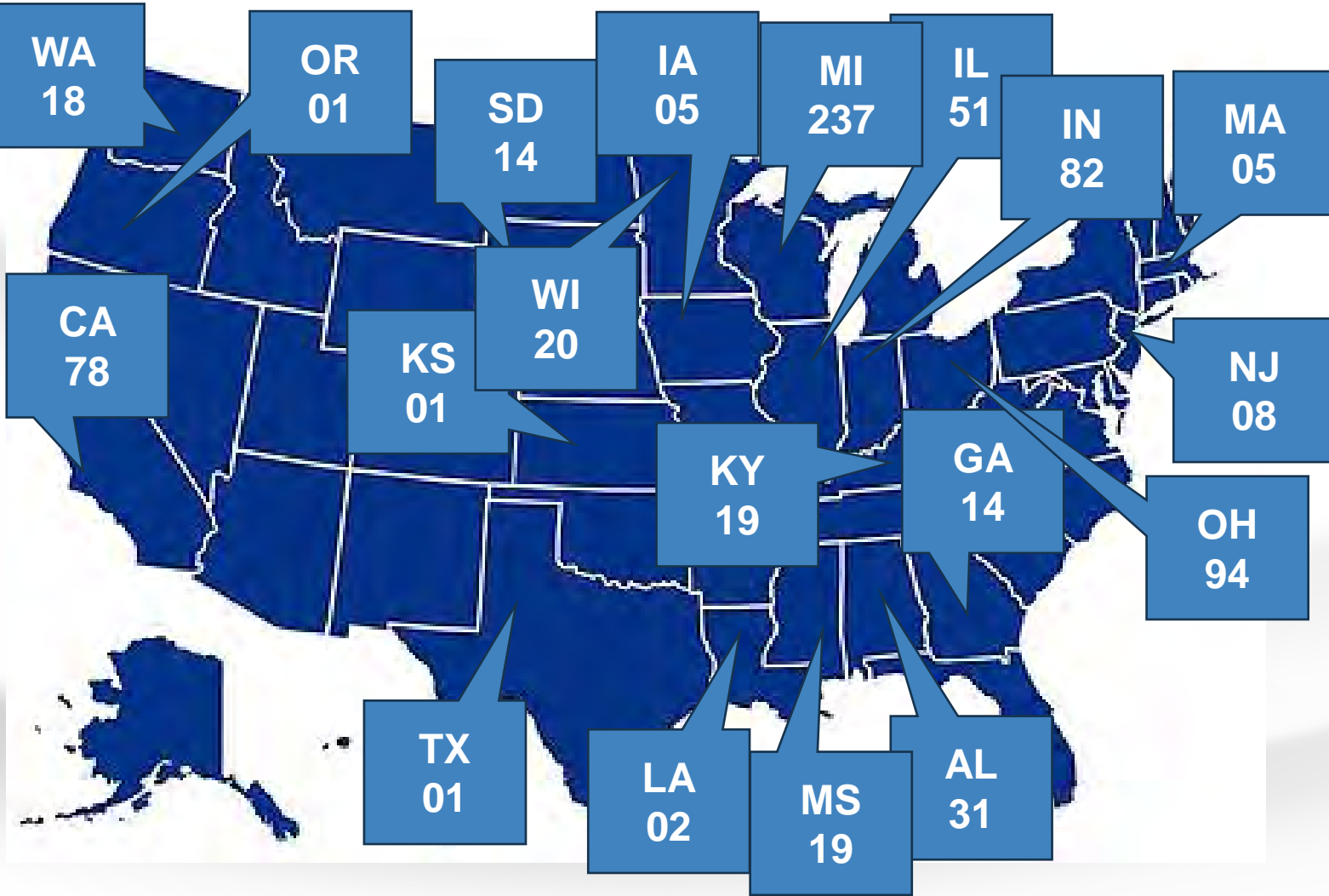
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Elevate Dairy In 'Good for You' Group



- Affirm & expand dairy in Dietary Guidelines
- Expand SNAP Healthy Fluid Milk Incentive Program
- Reverse harmful proposed cuts to WIC dairy benefits
- Return whole/2% & maintain flavored milk in school meals
- Showcase dairy's science showing health & nutrition benefits
- Ensure dairy foods can carry 'healthy' label

SNAP Healthy Fluid Milk Incentives



Healthy Fluid Milk Incentive Projects

- Add Milk! will be in 700+ locations across 19 states by the end of this year
- Program moving to Indian Reservations (Oglala Sioux Nation of SD pictured here)
- SNAP redemptions surging thanks to POS, education, & in-store promotion
- \$9M appropriated to date

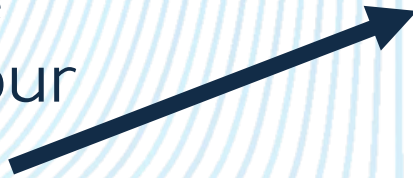
Dairy Nutrition Incentive Program

- Bipartisan bills introduced in House & Senate
- DNIP would expand the HFMIP to increase SNAP participant access to a variety of nutritious dairy products
- Includes whole, reduced-fat milk, cheese, yogurt, and more
- \$10M in mandatory, annual appropriations
- **What's next?** We need your advocacy



Let's Expand SNAP Dairy Incentives Right NOW!

Use this QR Code
to Advocate to your
Elected Officials



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Watershed Moment for Whole & 2% Milk

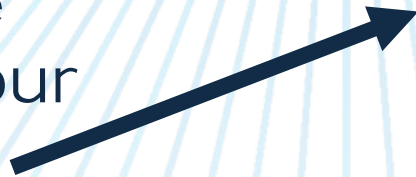


- Congress banned it in 2010, Congress can restore it in 2024
- Passed House 330-99 with huge Bipartisan support
- Up to 80% of voting adults & parents want whole & 2% back
- Growing Bipartisan support in Senate
- We need YOUR engagement!

Advocate TODAY for Whole & 2% Milk!

1000+
Letters
& Emails
Already!

Use this QR Code
to Advocate to your
Elected Officials



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We United to Save Flavored Milk!



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The following dairy companies have signed on to the Healthy School Milk Commitment.



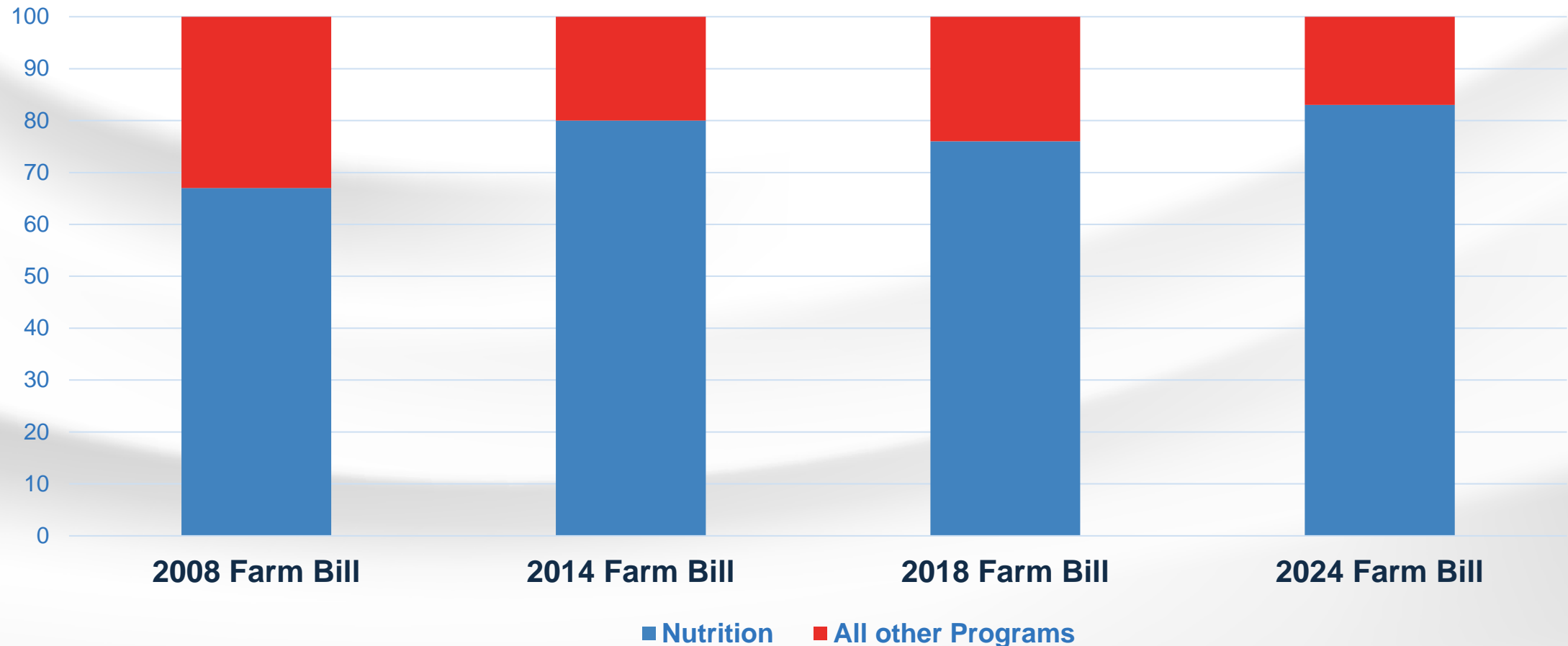
Long-Term Solutions Needed



- **Goal:** Keep milk on the tray
- School milk carton shortage impacting 10% of schools across the country
- IDFA worked with USDA to get emergency authorities/flexibilities
- IDFA working with processors, packaging companies, USDA, schools & other partners to solve short-term challenge
- **Long Term:** New packaging providers, shelf-stable, more realistic bidding process

Farm Bill – ??????????

Nutrition vs. Other Farm Bill Titles (% of Baseline)



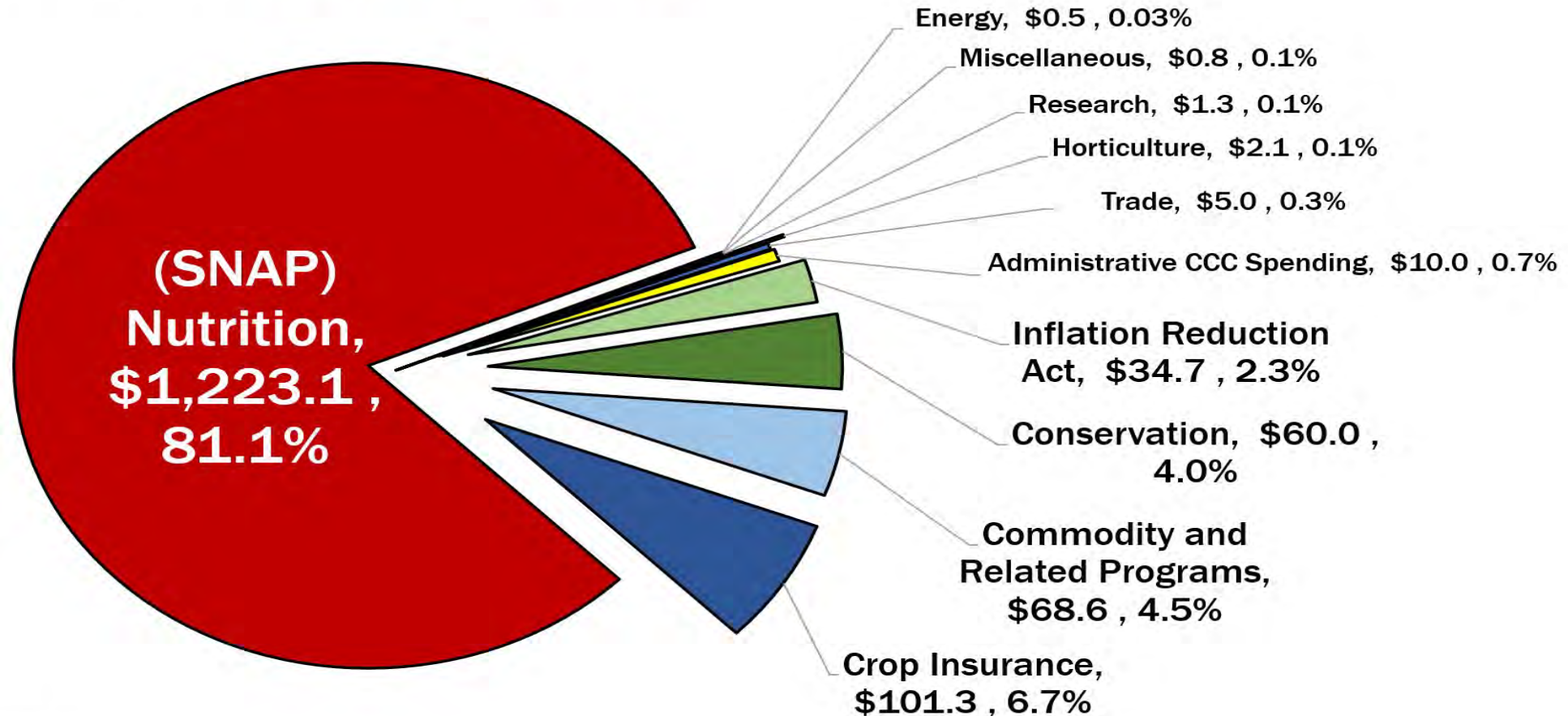
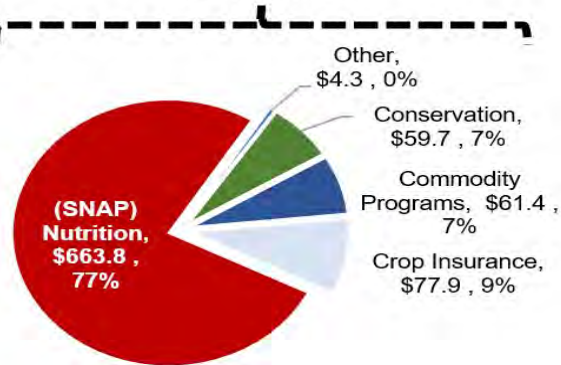
Nutrition Is Central to The Farm Bill

The 2023 Farm Bill Scoring Baseline*

Billion Dollars, Fiscal Year 2024 to 2033, Total Spending \$1.51 Trillion

\$867B

Estimated Cost of 2018 Farm Bill At Enactment



Farm Bill

- Expand the Healthy Fluid Milk Incentives Projects to include additional dairy products (*Dairy Nutrition Incentive Program*)
- Authorize USDA to conduct regular cost of processing studies
- Make the Dairy Forward Pricing Program (DFPP) permanent
- Keep FMMO issues out of Farm Bill

What's next? We need your advocacy and engagement to get DNIP across the finish line.



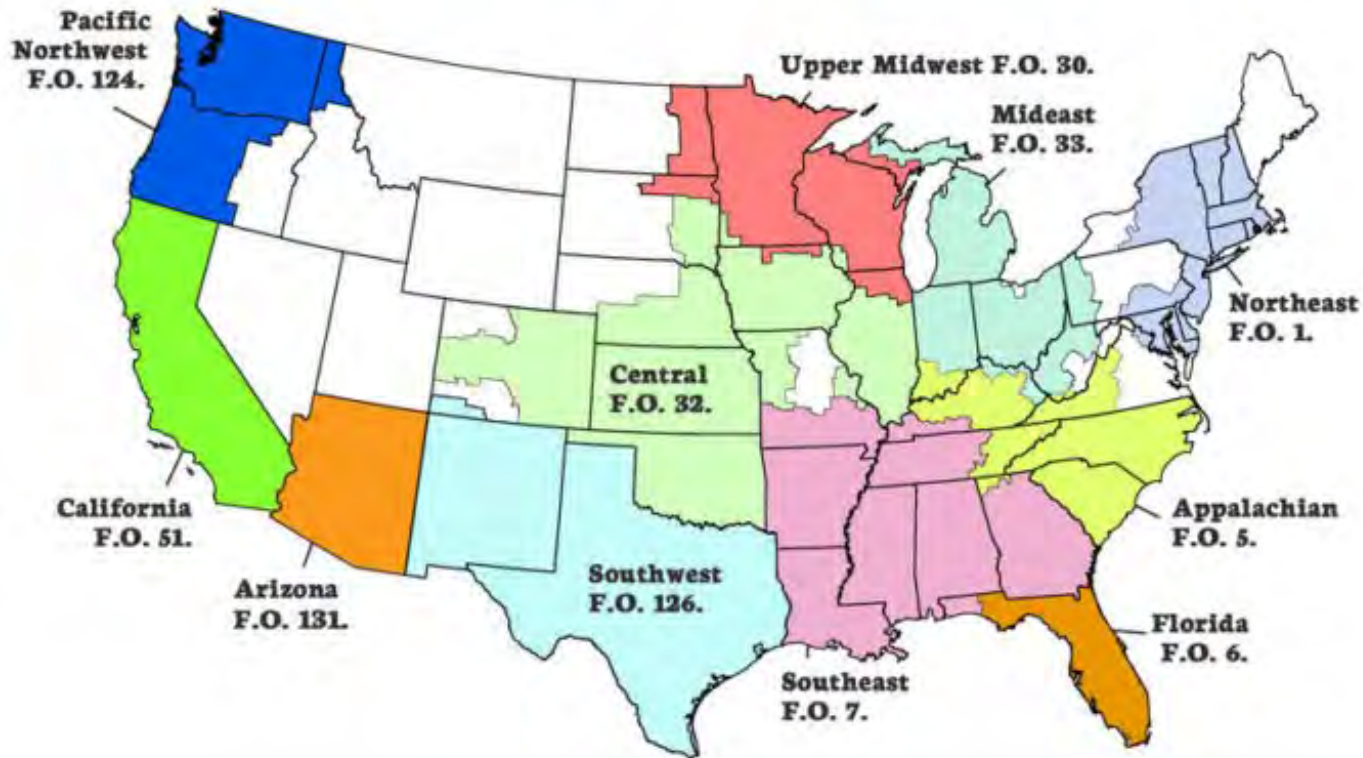
We Must UNITE to Win the Future



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FMMO Reform – You Will Decide

11 Federal Milk Marketing Order Areas



For dairy to succeed in the future at all levels, our pricing must evolve to support greater profitability & innovation throughout the supply chain.

The industry must emerge stronger & more united than ever before to win the future.



Thank You!

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President & CEO**

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