

# DAIRY CHECKOFF LONG-TERM SALES IMPACT STUDY

MAKING  
EVERY  
DROP  
COUNT

your  
DAIRY  
CHECKOFF  
Dairy Management Inc.

Quantifying Your Checkoff's Investment Impact

## BUILDING TRUST & DRIVING SALES

### Executive Summary

DMI completed a custom analysis of checkoff's long-term investments in driving sales. This study, conducted by Dr. Oral Capps of Texas A&M, looked at the impact of four of DMI's sales strategies over multiple years.

The results of this study highlight the impact of farmer and importer leadership and strategic direction in the four areas of domestic foodservice, whole fat science, fluid milk innovation and exports.

This long-term analysis reflects the dairy checkoff's continuous, adaptive approach, including yearly adjustments and ongoing evaluations to ensure effective, market-responsive programs. No single checkoff program is effective overnight, which is why leadership creates both short-term and long-term strategies and measures key performance indicators along the way.

Since shifting checkoff's business plan from consumer advertising to a "with-and-through partners" strategy in 2008-2009, these key programs have effectively addressed unmet product demand, revitalizing dairy consumption.

This study is proof that these four strategic areas are building trust and growing sales. Gaining consumer trust is essential for building strong sales, which are being achieved with and through our partners and as a result of the investments the checkoff is making in science and exports.

### About the Study

To isolate the impact of checkoff programs from other market factors as much as possible, the model evaluated the sales volume driven by these checkoff programs. The analysis adjusted for volume, population growth/inflation, market changes due to COVID and other factors.

# YOUR CHECKOFF IS BUILDING TRUST AND DRIVING SALES

## FOODSERVICE

### WHY WE INVESTED

Dairy was under-represented in menu innovation; foodservice players were reducing dairy usage. The Board determined checkoff needed to partner with restaurants

### WHAT WE DID

Invested in innovation and provided product science for commercialization.

### HOW WE DID IT

Partnered with foodservice leaders to drive dairy menu innovation, test products, grow volume and build trust in dairy.

### OUTCOME

**3.49**  
to 1  
Cumulative  
2009-2024

**7.87**  
to 1  
2024  
(invested \$5.19 Million)

## WHOLE FAT SCIENCE

### OUTCOME

**34.55**  
to 1  
Cumulative  
2012-2024

**34.68**  
to 1  
2024  
(invested \$1.16 Million)

### WHY WE INVESTED

Butter and whole fat dairy were considered "bad" and lower fat dairy was growing. The Board determined checkoff needed to change perceptions and reset the sales trajectory of whole fat products.

### WHAT WE DID

Invested in human science studies helping prove higher-fat dairy's health benefits. Promoted science to health care professionals, thought leaders and consumers.

### HOW WE DID IT

Funded research and activated it in practice, resulting in whole milk's retail fluid milk share increasing from 27% in 2013 to 49% in 2025. (Circana)

## FLUID MILK INNOVATION

### WHY WE INVESTED

Milk lacked relevance and demand was declining. The Board decided the checkoff needed to make milk relevant again.

### WHAT WE DID

Partnered with brands to drive new product innovation and marketing of value-added milk.

### HOW WE DID IT

Assisted in developing, testing, and launching new value-added milk products and supported their marketing. This led to over \$2.2 billion in new industry infrastructure and increased product marketing.

### OUTCOME

**1.68**  
to 1  
Cumulative  
2018-2024

**6.39**  
to 1  
2024  
(invested \$1.93 Million)

## EXPORTS

### OUTCOME

**12.17**  
to 1  
Cumulative  
2013-2024

**9.30**  
to 1  
2024  
(invested \$37.88 Million)

### WHY WE INVESTED

Milk production outpaced U.S. consumption. The Board decided checkoff needed to create new markets and opportunities around the world.

### WHAT WE DID

Built international relationships through research and collaboration, and innovated through partnerships to meet international demand.

### HOW WE DID IT

Built local advocates, learned to offer products made for international and culturally diverse diets, working through the checkoff-created U.S. Dairy Export Council.

Each of the four areas was analyzed based on available data. Not all areas were measured across the exact same timeframe nor using the same data sets based on data availability.

## **What can farmers and importers take away from this study?**

This study provides insights into how some sales focused initiatives funded by checkoff dollars are performing. Overall, the programs delivered positive results, generating between \$1.68 and \$34.55 in dairy revenue for every \$1 invested. This analysis helps shape future strategy. The results serve as a guide to refine and adjust where and how we invest checkoff resources moving forward.

This study measures impact on the industry, not on individual farms – because each farm is different and influenced by many variables. The results reflect the collective value of dairy checkoff investment across the marketplace.

## **Can we measure other checkoff activities, including evaluating trust-based priorities and strategies?**

This study is based on sales data. There are many areas of the checkoff focused on research or building trust, which use different measures to quantify. Plans are in development on how to assess the impact of efforts as we know that consumers do not purchase products they do not trust.

## **If these strategies deliver such good results, why don't we put all the checkoff money toward these areas?**

It's important to remember that the checkoff sales impact analysis only covered one area of the checkoff's mission: building sales. Protecting and growing trust is intimately tied to sales – including efforts such as thought leader and health professional outreach, school-based activities, issues management and crisis preparedness, and more. Checkoff leaders look to the future by diversifying checkoff spending in programs intended to further grow trust and sales.

## **What is the difference between this study and the annual USDA Report to Congress?**

This study offers a long-term perspective, examining the cumulative impact of four main national checkoff-funded programs (domestic foodservice partnerships, whole fat science, fluid milk innovation and exports) over several years. The checkoff sales impact analysis used a variety of methodologies for each program area as that level of data wasn't consistent across the four sales strategies.

The Report to Congress is required annually and analyzes all programming in a year's time and data from 1995 to the most current year being evaluated. The report includes all Qualified Program expenditures in addition to the National Dairy Board and Fluid Milk Board.

## **What do the study findings mean to the checkoff and future planning?**

It's important to remember that the Checkoff Sales Impact Analysis is one of many evaluative tools that checkoff leaders consider in setting long-term priorities and strategies. However, by taking a longer lens on programs' strategic impact, leaders can adapt and shift programs to bring increased impact to checkoff investments. Checkoff leaders are continuously learning and adapting strategies to ensure they meet the evolving needs of its funders and our relevance and impact in the end marketplace.

## **How can I use this information in discussions?**

The results of the checkoff sales impact study offer one more proof point to assist in sharing the value of the checkoff with others. By sharing why the checkoff invested in these key areas (domestic foodservice partnerships, whole fat science, value-added milk, exports), along with what and how these investments came to life, these results aren't the story, but rather, more evidence of the checkoff's value to our funders.