

2024

ANNUAL REPORT



**MAKING
EVERY
DROP
COUNT**

**your
DAIRY
CHECKOFF**
Dairy Management Inc.

2024 Annual Report

About This Report

The 2024 Annual Report is published by Dairy Management Inc.™ (DMI), which manages the national dairy checkoff program on behalf of more than 24,000 dairy farm families and those who import dairy into the United States.

Dairy promotion and research priorities and strategies don't come to life in a vacuum, nor do they start and end within a single calendar year. Checkoff programs work continuously to advance dairy by:

- Accelerating sales growth through partnerships and innovation
- Building trust among key audiences
- Positioning dairy and its role in a global food system

This is accomplished through programs that drive priorities today and in the near term and building strategies to advance dairy farmers and the dairy community in the future.

The checkoff's approach continues to make impact, working with and through industry partners that co-invest in shared priorities that extend our resources, influence and voice.

The farmer-led DMI Board of Directors (which includes a dairy importer seat) provide input and review plans annually. National and local checkoff staff, dairy community leaders and others who provide industry, marketing and scientific expertise also provide input into plan development.

In this year's report, you will find more information about checkoff priorities and how they made an impact in 2024.

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A Message from the Farmer Chairs

As farmer leaders of the national dairy checkoff, we often are asked by farmers and importers who fund the program not only about its purpose and priorities – but its impact.

The checkoff's impact includes:

- Driving science-driven research and innovation,
- Growing dairy sales through national consumer and thought leader campaigns that help ensure consumers continue to choose dairy as a healthy and versatile part of their diets, and
- Working in partnership and collaboration with food and beverage leaders who share our common goals and amplify dairy's voice.

Now, this impact has been measured as part of a checkoff-commissioned, unprecedented study that analyzed the long-term impact of checkoff investments to drive sales. Conducted by Dr. Oral Capps, a leading agricultural economist with Texas A&M University, the study took a multi-year look at key checkoff strategies.

Focused on the period beginning in 2008 when the checkoff's business plan shifted from generic consumer advertising to a "with-and-through partnership" strategy, the study offered proof that the checkoff is growing sales and building trust. Highlights include:

- **Foodservice:** The checkoff invested in innovation and product science by partnering with foodservice leaders to drive dairy menu innovation, test new menu items and grow volume sales in dairy. The study found the impact was \$1.27 for every \$1 spent

since 2009, moving more than 4.4 billion pounds in additional dairy volume.

- **Whole-Fat Science:** The checkoff invested in research and promotion efforts to address negative perceptions of full-fat dairy foods, including whole milk, butter and butter blends. The study found the impact was \$23.90 for every \$1 spent since 2012, and whole milk's share of fluid milk retail sales grew from 27% in 2013 to 45% today.
- **Fluid Milk Innovation:** This initiative focused on igniting industrywide investment in product innovation, infrastructure and marketing to meet changing consumer needs for higher-protein, lower-sugar, flavored and other milk options. The cumulative impact since the checkoff started this work in 2018 was \$5.70 for every \$1 spent. Lactose-free milk sales alone grew by 139 million gallons between 2015 and 2022.
- **Exports:** Working in partnership with the U.S. Dairy Export Council®, the checkoff has invested in expanding markets around the world for U.S. dairy products and ingredients, including cheese, butterfat, lactose and nonfat dry/skim milk powder. The impact of this work was \$15.03 for every \$1 between 2013 and 2022 (skim solids), with 9.3 billion pounds of dairy (skim solids) exported since 2013.

You can find out more about the Impact Analysis study [here](#). And, more details about 2024 checkoff strategies and successes can be found throughout this report.



Marilyn Hershey

Marilyn Hershey
Dairy Farmer, Cochranville, Pa.
Chair, Dairy Management Inc.



Alex Peterson

Alex Peterson
Dairy Farmer, Trenton, Mo.
Chair, United Dairy Industry Association



Joanna Shipp

Joanna Shipp
Dairy Farmer, Boones Mill, Va.
Chair, National Dairy Promotion and Research Board

A Message from the CEO

Over the past few years leading the national dairy checkoff program, I've had the privilege to work for and meet with thousands of farmers from across the country, sharing the checkoff's priorities and outcomes that impact U.S. dairy today, tomorrow and in the future.

And in these conversations over the last year farmers have been laser focused on the shifting narrative of what I call a dairy renaissance.

What do I mean by this?

Dairy sales are growing year over year. In 2024, consumer dollar spending AND volume sales increased across all domestic dairy categories – cheese, milk, yogurt, ice cream, frozen novelties, butter, cream and half-and-half, whipping cream, sour cream and cottage cheese.

If you've seen the headlines or read the social media chatter, dairy is breaking through like never before. The last year alone saw a 29% increase in dairy conversations on social media.

Your checkoff played a critical role, through our Unified Plan, implementing sales-building activities through foodservice and brand partnerships, national e-commerce campaigns and trust-building campaigns reaching consumers and those who influence consumers alike to "See Dairy Differently."

Taking advantage of today's dairy renaissance and looking at the longer term, future checkoff strategies

will continue to positively position dairy to seize opportunities here in the United States and around the world with a focus in key areas:

- **Health and Wellness:** Consumer insights show that health and wellness continues to be a growth driver as people see dairy as a natural and essential solution to their nutrition and well-being, along with taste and versatility.
- **Technology:** Dairy science and technological advancements continue to revolutionize dairy innovation. The checkoff is discovering breakthroughs of milk's natural benefits for people's personal health through milk molecule and encapsulation initiatives.
- **Sustainability:** Economic, environmental and social sustainability remain integral to what we do to grow sales and trust here and globally. This work underpins our principles and values of doing business that emphasizes stewardship.

This report reflects 2024 results and demonstrates the hard work your checkoff continues to deliver. The work that makes every drop count.



Barbara O'Brien
Chief Executive Officer
Dairy Management Inc.

2024 Highlights at a Glance

The dairy checkoff focuses on building demand and creating markets that drive short- and long-term sales growth. This is achieved through two priorities: sales-enabling efforts that build consumer trust in dairy foods, farmers and the broader dairy community; and sales-driving initiatives that deliver measurable results.

Driving Sales

Launched **38 new science-validated claims** for bone health, physical and athletic performance, sustained energy and the first 1,000 days of life.

U.S. cheese exports soared in 2024, **growing 17%**. For the first time, cheese exports crossed the 1 billion-pound mark.

Checkoff-funded foodservice, retail and fluid milk partnerships **led to 12 new products in 2024**. These partnerships capitalize on U.S. households spending more money on meals outside the home.

Building Trust

"See Dairy Differently" continues to bring dairy's sustainability and nutrition story to life. The campaign garnered **more than 46.8 million** impressions in 2024.

Mayo Clinic collaboration continues to explore research and consumer outreach on **cardiovascular benefits** of dairy.

Secured more than \$23 million in partner investments to support environmental research and sustainability programs that drive on-farm action.

Visit **dairycheckoff.com** to learn more about checkoff programs and their impact on driving sales and building trust of U.S. dairy.



Advancing Sales & Innovation



The primary purpose of the dairy checkoff is to grow sales by meeting evolving consumer needs. That's why the checkoff's focus on innovation engages nutrition and product scientists to advance dairy's health and wellness benefits, and new uses and applications to keep dairy top-of-mind and relevant for today's consumers.

In 2024, the checkoff team launched **38 science-backed claims** in areas such as bone health, physical and athletic performance, sustained energy, and dairy's benefits in the first 1,000 days of life. These insights were incorporated into the newly developed Health and Wellness Playbook, a collaboration with the Innovation Center for U.S. Dairy. The playbook serves as a critical resource for activating research findings into actionable claims, commercialization and messaging strategies shared with the dairy, food and beverage industries to spur new product development and other innovation.

Another pathway to increasing sales is through foodservice partners. Over half of consumers' food budget is spent on meals outside their home. Through checkoff's relationships with domestic foodservice partners checkoff insights and expertise **launched 12 dairy-centric menu items**. Partners

included foodservice and retail leaders such as Dominos®, Taco Bell®, McDonald's®, and General Mills. Furthermore, targeted investments in General Mills health and wellness products are helping the yogurt category deliver **8.9% volume growth** year over year.

With 96% of the world's consumers living outside the U.S., the checkoff is actively engaged in key export markets for dairy. **The U.S. Dairy Export Council**, funded in large part through checkoff dollars, works to expand existing global markets and identify new opportunities worldwide. These international efforts contributed to a U.S. dairy **export value of \$8.3 billion** in 2024, the second-highest on record, underscoring the growing global acceptance of U.S.-produced dairy.

International partners also drove U.S. dairy sales in key markets, including Southeast Asia. The checkoff works with foodservice and processing partners to develop culturally relevant menu items and secure retail shelf space for U.S. dairy foods. National and local checkoff teams supported the return of Darigold milk to the Philippines with retail expansion expected in early 2026.

For more information, visit the Dairy Checkoff and U.S. Dairy Export Council websites.

2024 Highlights



Domino's introduced **5-Cheese Mac & Cheese**, developed with checkoff support, which delivered strong sales and contributed to increased orders. This product launch replaces two existing pasta menu items that contained no dairy.

A peer-reviewed study commissioned through the checkoff's **National Dairy Council** and published in the Journal of Nutrition Research revealed consuming whole milk resulted in improved body composition such as lower BMI, waist circumference and prevalence of obesity.



Outreach efforts with next-generation scientists, researchers and industry professionals resulted in **reaching 500-plus students** at nine universities and more than 40 companies and retailers to continue educating about dairy's health and wellness research findings.

Pizza Hut Japan increased U.S. cheese use by 30% across all menu items, while **Pizza Hut Indonesia** introduced the successful Cheese Overflow platform.



Checkoff's on-site food scientists helped develop and bring to market **Taco Bell's Churro Chillers**. This product is the first shake-type beverage on the Taco Bell menu so each purchase drives additional dairy consumption. Dairy beverages at Taco Bell started with checkoff-developed dairy-based creamer for whips and freezes, and are now expanding into frozen, blended beverages.



Trust & Reputation

A key dairy checkoff priority is maintaining and building trust with consumers, thought leaders and others – work that lays the foundation for growing category sales. This outreach is critical, as today's increasingly diverse consumers rely on a wide range of information sources, making targeted engagement more important than ever.

The **"See Dairy Differently" thought leader campaign** brought dairy's sustainability and nutrition story to life by combining powerful advertising creative with media placements in high-profile outlets including Forbes, USA Today and The New York Times. Specifically, a placement in the Los Angeles Times showed an 8.3% increase in the belief that dairy farmers are taking steps to help the environment. By inspiring thought leaders and enhancing the industry's reputation, this campaign helped reshape perceptions of dairy and its commitment to nutrition and sustainability.

Building trust also means protecting dairy's reputation during challenging times. The dairy checkoff played a key leadership role in stakeholder meetings, and co-developed and co-implemented an industry-wide communications plan addressing H5N1. DMI also conducted consumer sentiment analysis and reviewed sales data that showed this unified response ultimately maintained consumer trust, as evidenced by no discernible effect on retail sales.

Sharing dairy's important role in health and wellness has played out through the checkoff's work in sharing nutrition research findings with thought leaders and others who advance nutrition guidance and public health. **National Dairy Council** submitted 13 sets of public comments to the Dietary Guidelines for Americans committee with

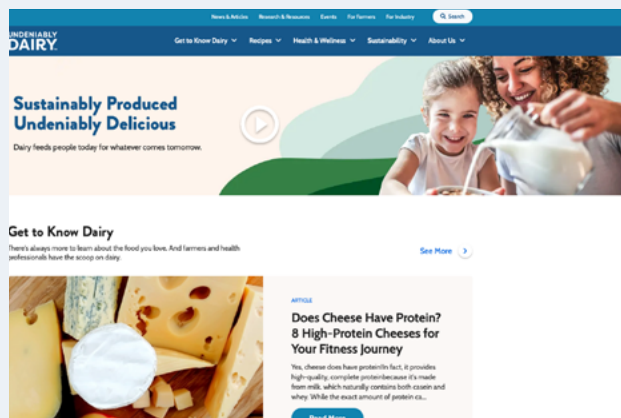


information from dairy nutrition research and third-party experts.

Health and wellness work is furthered through the collaboration with **Mayo Clinic**. In addition to exploring dairy's role in cardiovascular health, this collaboration has helped share the importance of dairy in the first 1,000 days of life. This information has been shared through podcast episodes, webinars and in-person events at large consumer events such as the **Minnesota State Fair**.

Overall, these efforts collectively contributed to building trust and driving sales, reinforcing the dairy industry's positive impact on health, the environment, and cultural relevance.

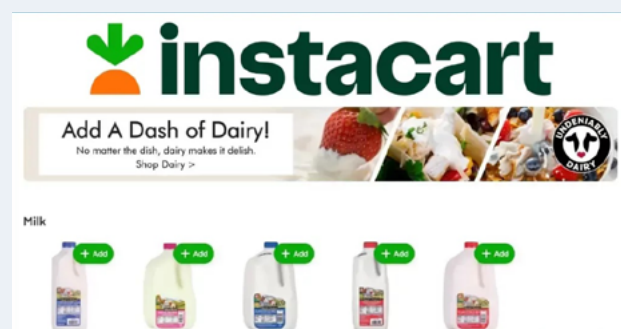
2024 Highlights



The See Dairy Differently campaign, highlighting dairy's nutrition and sustainability story, garnered **46.8 million impressions** with **14,700 clicks** back to USDairy.com.



First 1,000 Days campaign has reached **60,000+ pediatric care specialists**. This campaign includes collaboration among National Dairy Council, 13 state and regional organizations, and MilkPEP. In addition, the U.S. Dairy Export Council shared the campaign's theme to help advance U.S. dairy trust and sales in international markets.



A checkoff-created eCommerce campaign, which included in-store activation with Dollar General and digital efforts through Walmart and Instacart, drove a return of **\$17.09** in dairy sales for every dollar invested. Instacart alone generated sales equivalent of **29.4 million** pounds of milk. DMI partnered with 13 state and regional organizations on the campaign, which featured messaging about dairy's affordability, versatility, and nutritional benefits.

A parenting hub with educational information about dairy's nutrition and role in a healthy diet was created on Mayo Clinic's website. This resource was promoted through a partnership with Everyday Health, which resulted in **12 million impressions** with nearly **50,000 unique visitors**.



Working through the industry-wide Dairy Communications Management Team, DMI conducted consumer research to monitor and measure consumer attitudes on milk quality and safety during the outbreak of H5N1 in dairy cattle. This unified approach contributed to consumer confidence in the safety of dairy products with no discernible effect on retail sales.



Global Positioning of Dairy



Today's consumers are looking not only at the attributes of the foods and beverages they consume, but increasingly they are looking at how the product is made and its impact on people and the planet. That's why the checkoff works to advance dairy perceptions over the long term and reinforce dairy's role as an essential and sustainable food source.

One way the checkoff accomplishes this is working in collaboration with others across the value chain to advance dairy sustainability. This work demonstrates that dairy is an environmental solution here and around the world (backed by science and other proof points) AND is economically viable for farmers, markets and society.

[Greener Cattle Initiative](#), a research collaboration with partners across the value chain, announced a second round of funding of \$5 million for research focused on reducing enteric methane. Collectively, this program has made \$10 million available for research, representing a **10:1 return** on checkoff investment.

The checkoff also conducts research and outreach with health professionals and other thought leaders

to reinforce and build dairy's role in nutrition, health and wellness. Targeted outreach with leading organizations led to dairy-specific endorsements, including a National Medical Association journal endorsing dairy's role across a lifespan for black Americans and an American Academy of Pediatrics-endorsed education program that highlights dairy recommendations in overall food guidance.

In 2024, DMI made significant progress toward delivering more solutions for farmers through research, education, and outreach to help further demonstrate that dairy is an environmental solution. Supporting farmers by increasing awareness of and access to public funding opportunities for on-farm sustainability projects was explored through a pilot program with Midwest Dairy and Lasso. The pilot was able to support **30 farmers** through the grant process. Midwest Dairy has plans to continue the grant support with two additional state and regional checkoff organizations looking to start pilots in 2025.

Overall, these initiatives collectively contributed to enhancing the global positioning of dairy, ensuring that it remains a trusted and sustainable choice for consumers worldwide.

2024 Highlights

The checkoff shared dairy's critical contributions to health and wellness



Dietary
Guidelines
for Americans

for the **Dietary Guidelines for Americans** 2025-2030 planning cycle by investing in research, third-party expert engagement, and submission of **13 sets of public comments**.

DMI's collaboration with Mayo Clinic, a world leader in healthcare, continues to provide opportunities for credible dairy science and storytelling. Through the relationship with Mayo's Cardiovascular Research Center, the checkoff was able to further connect with Mayo's Food and Nutrition Services, which influences healthy eating choices of consumers.

The U.S. Dairy Stewardship Commitment supports farmers, cooperatives and processors who



voluntarily advance sustainability leadership and transparently report progress. As of 2024, companies representing more than 77% of U.S. milk production have adopted the Commitment. This proof of action, built on programs U.S. dairy has in place helps to positively position U.S. dairy with domestic and global customers and consumers.

The checkoff launched the Dairy Conservation Navigator, an online platform providing science-based information about dairy conservation



topics, practices, and technologies that can reduce a farm's environmental footprint. The site has drawn more than **1,144 visitors** and nearly **2,600 site sessions**.

The checkoff works through the Innovation Center for U.S. Dairy, which fosters collaboration across the dairy value chain to build a healthy, sustainable future and ensure the safety of milk and dairy foods.



Primarily

funded by processors, the food safety program offers resources including an extensive online catalog and training workshops that have reached more than 5,000 dairy professionals.

Last year, **six new research projects** were initiated to provide further data in areas such as emission reductions with subsurface drip irrigation and expansion of a user-friendly tool for manure management technologies. Research also was conducted to update the Life Cycle Assessment, which will help measure proof points and data required to tell US dairy's sustainability story.



Farmer Relations

As funders of the checkoff program, dairy farmers and importers deserve clear information about the strategies, progress and impact of their investment.



That's why national, state and regional organizations engage in multiple ways to share the priorities and outcomes of checkoff work. This includes direct engagement through small-group visits at farmer, tradeshow and cooperative meetings; outreach through dairy and agricultural media; and digital communications.

In 2024, DMI launched farmer- and importer-facing website, DairyCheckoff.com, to directly reach funders with information, and relevant progress, results and details about key checkoff priorities and programs.

The checkoff also continued its **Making Every Drop Count** initiative to reach the nation's more than 24,000 dairy farmers. This campaign shares a complete 15-cent checkoff story to help raise awareness and understanding of local, national and global checkoff organizations' priorities and results. In 2024, these efforts led to more than **12.5 million impressions** through dairy and agriculture trade media, social media, digital channels and other farmer information sources.

Other activities included:

- More than 500 placements in dairy and agricultural media through interviews, articles, and podcasts featuring voices of checkoff farmer leaders and executives.
- Collaboration between national and local checkoff staff reached more than 3,000 farmers representing over 6.2 million cows at 40 national and regional farmer meetings and events.
- Partnership with state and regional checkoff organizations on six emerging farmer leader events.

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For more information about the checkoff, you can:

- Visit DairyCheckoff.com for checkoff-related resources and an interactive map to find your state or regional checkoff organization
- Follow and like the Your Dairy Checkoff [Facebook](#) page for regular dairy news, videos and more
- Sign up for the dairy checkoff's [newsletter](#) from the DMI CEO for a roundup of relevant checkoff news
- Listen to the [Your Dairy Checkoff](#) podcast to take a deeper dive into checkoff-related topics, along with periodic bonus content



2024 Financial Report

National dairy checkoff plans and budgets are reviewed and approved annually by the DMI Board of Directors, which consists of dairy farmers from across the country who are elected by their peers or appointed by the U.S. Secretary of Agriculture. In addition, one board member representing companies that import products into the United States serves on the National Dairy Promotion and Research Board (NDB). Board members – along with national, state and regional checkoff staff who develop and implement programs on behalf of farmers and the dairy community – help the checkoff realize its mission to grow sales and trust in dairy foods, dairy farmers and the dairy community throughout the year.

2024 Dairy Checkoff Marketing Plan Program Revenues (in millions)¹

National Dairy Promotion & Research Board	\$120.6
United Dairy Industry Association (UDIA).	\$134.0
Total Revenues	\$254.6

NDB was established by the U.S. Department of Agriculture under the Dairy Production Stabilization Act of 1983. The 37-member board carries out coordinated promotion, research and nutrition education programs to help build demand for and expand domestic and international markets for dairy. NDB funds, in part, Dairy Management Inc., which manages the national dairy checkoff program.

UDIA is a federation of state and regional farmer-funded promotion organizations that provides marketing programs developed and implemented in coordination with its members. UDIA is overseen by a board of 41 dairy farmers elected by their member organizations' respective boards.

2024 Dairy Checkoff Marketing Plan Program Expenses (in millions)²

(Includes national program and allocated core costs, and local program and implementation spend)	
Reputation ³	\$110.5
Innovation ⁴	\$ 57.9
Export ⁵	\$ 31.2
Sustainability ⁶	\$ 15.6
Farmer & Community Relations ⁷	\$ 20.6
Strategic Intelligence ⁸	\$7.1
Other ⁹	\$11.7
Total Expenditures.	\$254.6

¹ Reflects both national and local Unified Marketing Plan funding

² Includes national program and allocated core costs, and local program and implementation spend

³ Includes marketing and communications, youth wellness programs, and scientific affairs and outreach

⁴ Includes domestic partners, nutrition research, product research and dairy innovation

⁵ Includes international partnerships, U.S. Dairy Export Council and Global Dairy Platform (DMI funding)

⁶ Includes environmental initiatives and research

⁷ Includes farmer and community communications and relations

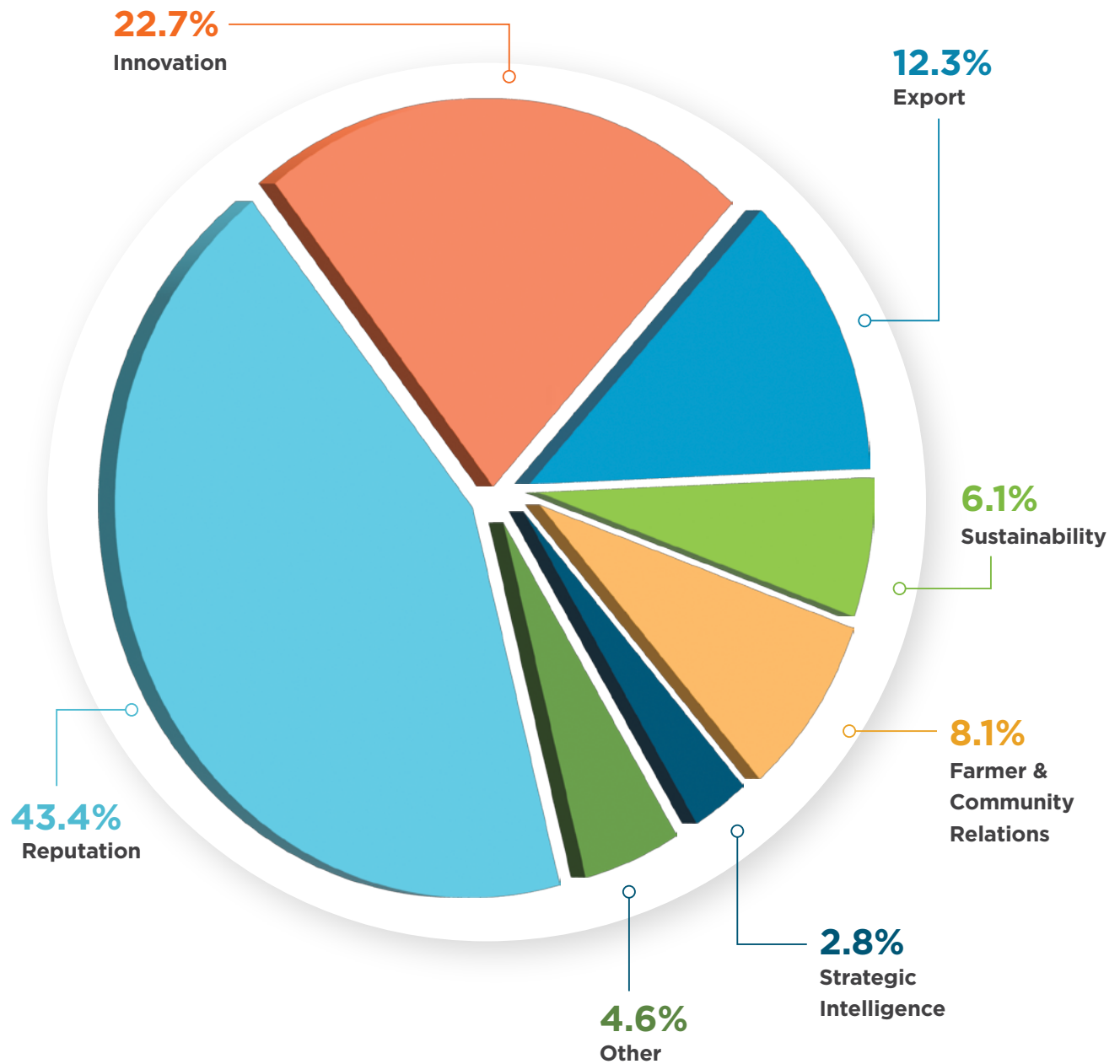
⁸ Consumer and stakeholder market research and insights

⁹ Includes headquarters cost for DMI-related expenditures, Innovation Center and National Dairy F.A.R.M. program administrative funding

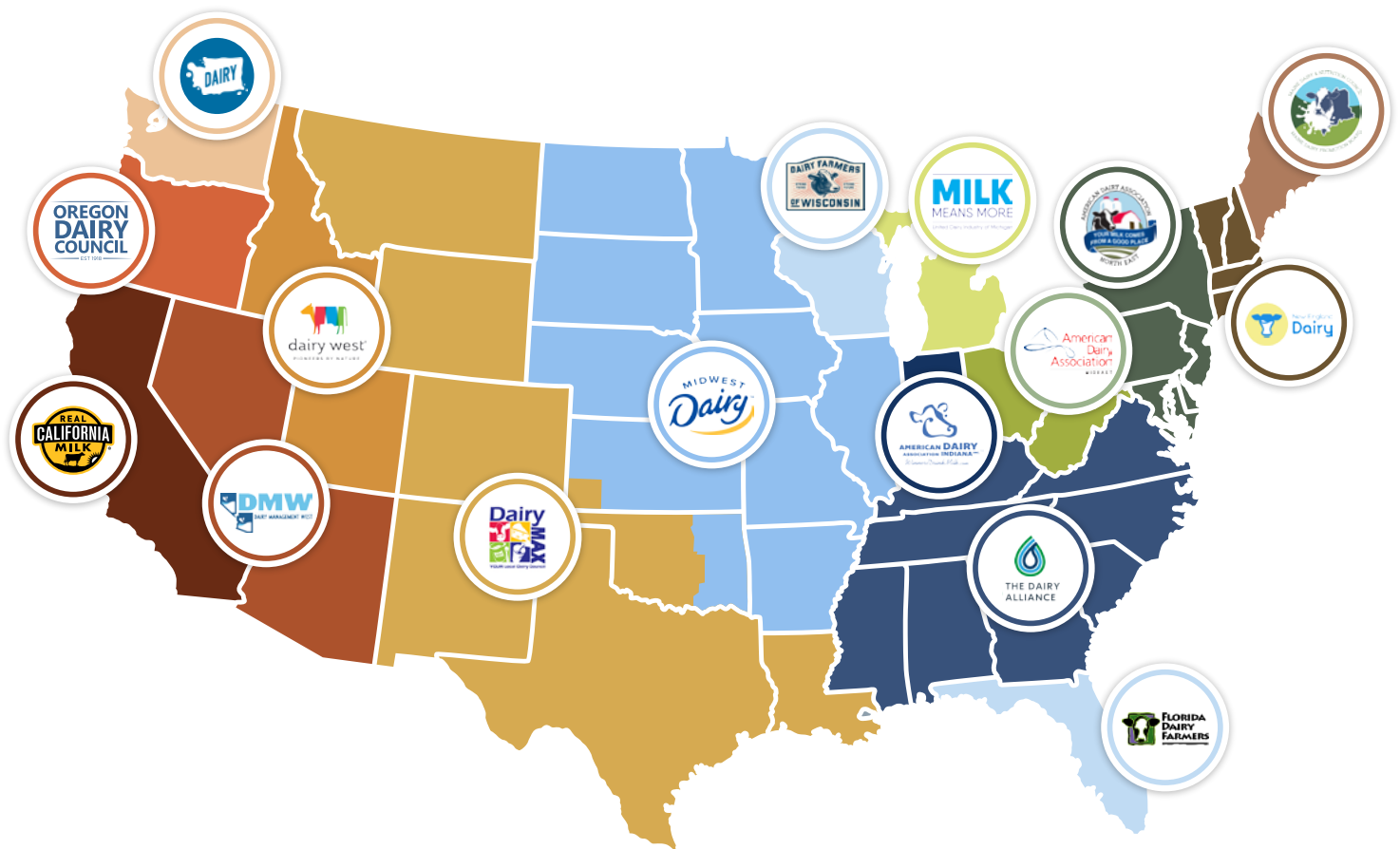


2024 Financial Report

2024 Expenses (Percentage of Total)



State & Regional Promotion Organizations



For local dairy promotion organization information, visit
<https://www.dairycheckoff.com/local-checkoff>.

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