

National Dairy Checkoff Updates

Headlines from May 2020 DMI Board Meeting

DAIRY SALES

SIGNIFICANT INCREASE IN RETAIL VOLUME ACROSS MAJOR CATEGORIES

Following an initial spike in retail sales during peak-COVID shopping, sales across all categories (cheese, butter, yogurt, ice-cream and milk) remain above-average compared to a year-ago.

Week ending	VOLUME % Change vs. Year Ago					*excludes shelf-stable
	Cheese	Butter	Yogurt	Ice Cream	Refrigerated Milk*	
1/5/2020	-0.8%	1.80%	-2.90%	-0.5%	-4.10%	
1/12/2020	-1.0%	5.20%	-0.40%	-2.6%	-4.80%	
1/19/2020	-6.6%	-3.80%	-5.70%	-6.0%	-8.70%	
1/26/2020	-1.2%	-3.40%	-1.60%	-2.3%	-4.30%	
2/2/2020	-2.9%	9.10%	-1.30%	-2.6%	-6.70%	
2/9/2020	5.2%	-4.10%	6.20%	2.6%	-2.10%	
2/16/2020	4.0%	2.90%	3.80%	3.4%	-4.40%	
2/23/2020	0.8%	2.30%	-1.20%	1.2%	-4.40%	
3/1/2020	-1.8%	15.00%	-0.80%	-4.9%	-5.30%	
3/8/2020	4.1%	12.10%	4.00%	1.3%	-2.30%	
3/15/2020	64.3%	89.70%	41.50%	30.0%	33.70%	Peak COVID shopping weeks
3/22/2020	74.4%	108.30%	23.60%	36.2%	34.30%	Peak COVID shopping weeks
3/29/2020	25.8%	60.50%	-7.10%	17.4%	3.50%	
4/5/2020	33.5%	74.90%	-2.20%	27.0%	13.90%	
4/12/2020	35.1%	59.60%	-4.70%	27.5%	15.60%	
4/19/2020	11.0%	0.90%	-2.00%	12.3%	7.40%	
4/26/2020	36.8%	68.30%	10.70%	41.5%	15.10%	

BUILDING TRUST DURING COVID-19

UNIFIED MARKETING PLAN ADJUSTMENTS FOCUS ON MOST PRESSING NEEDS

National and local staffs immediately reprioritized work to focus on reassuring people that dairy farmers and the dairy community are working tirelessly to ensure a safe,

consistent supply; and to provide resources to people when they are searching for solutions—including dairy-centric recipes, safety and storage tips, and repurposing virtual farm tour content to support parents and educators who are suddenly teaching kids from home.

Later this month, we will be working on two new efforts that will speak to dairy and dairy farmers' essential role, bringing that theme more front and center in the news to reach thought leaders and consumers as we lay the runway for June Dairy Month. This includes a strong integration with Fox Network that will feature a 2-4-minute interview with a dairy farmer on "Fox and Friends," reaching 2.5M people in addition to a :30 second video on dairy's essential role that will air on Fox. Additional details will be shared in the coming days.

GENYOUth

ALEXIS GLICK: COVID-19 EMERGENCY SCHOOL NUTRITION FUND

Launched on March 30th to provide school nutrition professionals with the urgent funds needed to purchase resources and equipment for the daily distribution of vital school meals, GENYOUth's Emergency School Nutrition Fund now reports grant requests from over 10,500 U.S. schools. Since launch, GENYOUth has provided \$5 million in cash and in-kind resources to more than 6,000 schools. School grants are providing on average 8,000 meals/week per school, which include milk/dairy. To date, grants are helping to provide 46MM school meals per week.

GENYOUth and SAP, the market leader in enterprise application software, have partnered to create SAP4Kids, which combines SAP's technology and GENYOUth's relationships with school communities to develop a simple process that connects families to local feeding sites.

COVID-19 RESPONSE: EMERGENCY ACTION TEAMS

SCHOOLS, HUNGER, FOODSERVICE AND RETAIL

National and local checkoff staffs reprioritized work to focus on building sales and trust in our current environment by:

- Ensuring access to school meals
- Helping food banks meet growing need
- Convening partners across the supply chain, including foodservice and retail

Across all these efforts, the goal from the onset has been to redirect milk and other dairy products to people in greatest need, thereby limiting milk disposal and other negative dairy industry impacts and repairing channels and counseling the industry on how to redirect supply.

SCHOOLS

Seven percent of fluid milk sales runs through the school channel and that was completely disrupted as schools moved to remote learning across the country, posing significant challenges for children who depend on school meals and suppliers serving the channel. Checkoff teams convened and activated the industry, including GENYOUth, State/Regional dairy promotion organizations, USDA, foodservice partners and others to address the challenges.

- Domino's – conducted a pilot in Miami-Dade County serving approximately 46,500 meals to 31 public schools. The pilot expanded to Flint, Michigan.
- Pizza Hut introduced their Read and Feed Program, donating 250,000 personal pan pizzas.
- And, due in part to staff communication with USDA, a waiver was instituted that schools may provide bulk items. This means that as long as a minimum of 8 ounces of milk is provided with each meal being supplied, the milk may be in a larger container.

HUNGER

With unprecedented and rapid unemployment, Feeding America reports a 70% increase in demand. The team is working across the value chain to ensure availability of milk and other dairy products, redirect excess milk and support the capacity of local food banks and pantries to receive dairy and other perishable items.

- Identify and execute programs to deliver dairy foods to Feeding America and local food banks directly via alternative approaches including distributors, food trucks, etc.
- Across the country, local dairy promotion organizations are working to help support milk donations to redistribute supply, including a nationwide program with Kroger to process and donate more than 200,000 gallons to Feeding America food banks through 16 of their dairy plants.
- McDonald's – has donated more than \$3 M in food, including 1.1 million pounds of dairy.
- Publix announced a new initiative to purchase milk and fresh produce to assist farmers impacted by the coronavirus pandemic. Publix will donate these products directly to Feeding America member food banks in its operating area.

FOODSERVICE

Checkoff staff engaged partners to identify opportunistic ways to drive immediate dairy sales.

- Working with existing partners Pizza Hut and Domino's on promotions that encourage consumers to buy more pizzas per purchase or to feature items like stuffed crust pizzas that double the amount of cheese on each pizza. The board

also approved a new partnership with Papa John's will help move incremental cheese through activations running April-August.

- Taco Bell – Doritos Locos Promotion boosted sales and drove significant traffic. To date, this effort has resulted in 200-280K incremental milk equivalent pounds utilized during the promotion window.
- McDonald's provided free Thank You Meals to first responders and healthcare workers through May 5 – breakfast, lunch and dinner options, many of which include dairy.
- Subway – collaborated with fluid milk partner Shamrock Foods to help promote milk as part of Subway's new grocery program.
- Collaboration with U.S. Dairy Export Council to assure dairy products continue or resume flowing into critical export markets.

RETAIL

Early in the response to COVID-19, some retailers were placing limits on milk purchases. National and local teams have worked with most major retailers across the U.S. to have the purchase limit signage removed. If you see signs reappear, please contact local or national checkoff staff.

U.S. DAIRY EXPORT COUNCIL

SECRETARY VILSACK: EXPORT VOLUME UP DESPITE CORONAVIRUS OUTBREAK

In March, U.S. suppliers shipped 190,456 tons of milk powders, cheese, whey products, lactose and butterfat, 2% more than the same period the year prior. This is the highest figure since May 2018. On a solids basis, exports were up 3%. Meanwhile, the value of all exports was the most since August 2014 – \$592 million, 10% more than a year ago. For additional details, refer to the US Dairy Exporter Blog.

FLUID MILK REVITALIZATION

FLUID MILK AMONG KEY DAIRY PRODUCTS WITH STRONG PERFORMANCE AT RETAIL

DMI, in partnership with MilkPEP, has developed and shared a milk revitalization toolkit with brands and State/Regional dairy promotion organizations, featuring tips on how to win with customers, retailers via insights and fundamentals. The team is also adjusting work to address COVID-19 impacts including addressing milk/dairy limits at retail, ensuring milk availability in hunger and school channels and working with MilkPEP to explore what else can be done to promote fluid milk through retail and foodservice.