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IDFA
INTERNATIONAL
DAIRY FOODS
ASSOCIATION

dairy
FORWARD

DAIRY
FORUM 2019



President's Breakfast

Leading Dairy Forward



Michael Dykes, D.V.M.

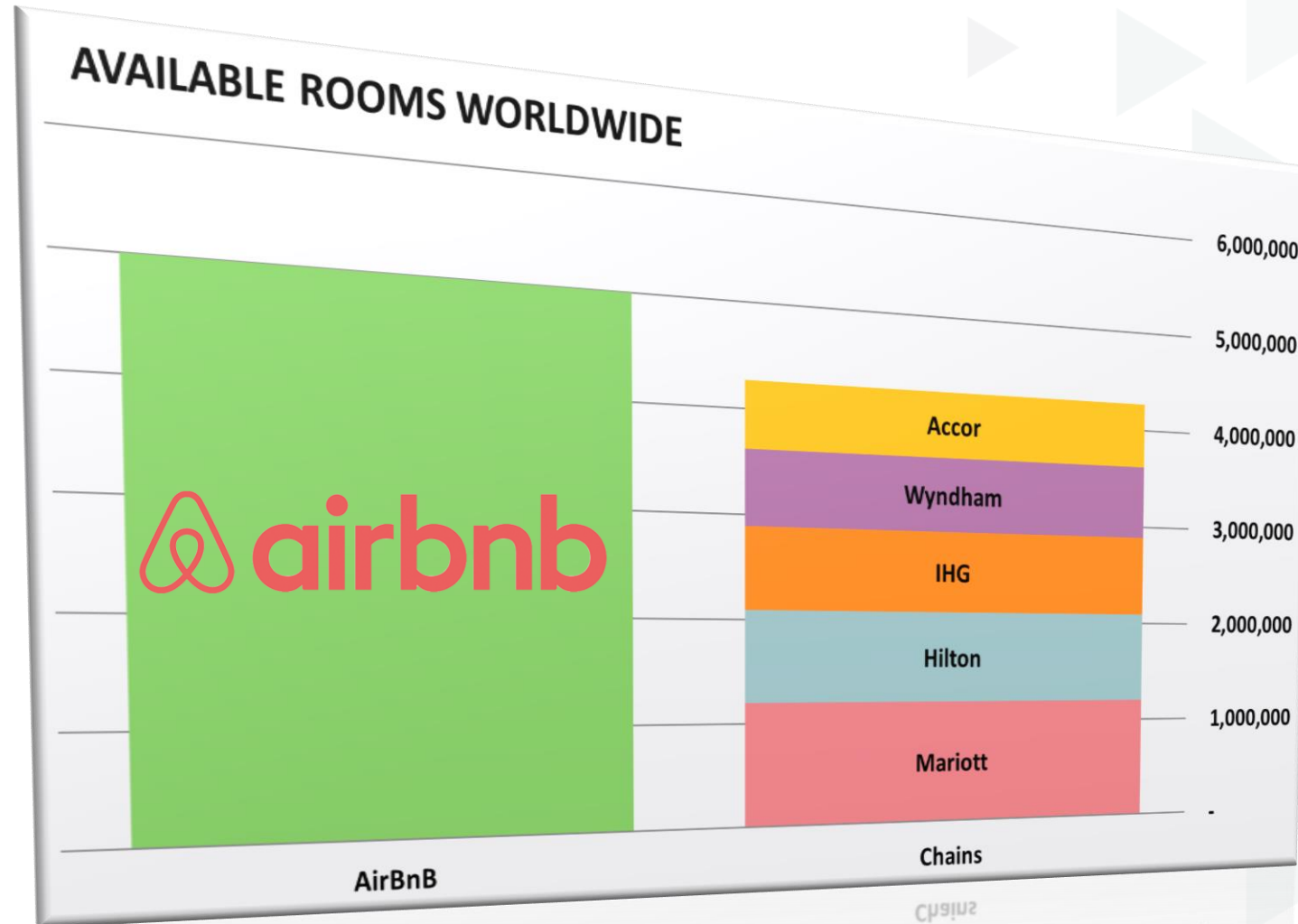
President and CEO
International Dairy Foods
Association

The background features a complex, abstract pattern of thin, overlapping lines in various colors including blue, red, yellow, and purple. These lines swirl and curve, creating a sense of motion and depth, reminiscent of a digital or optical illusion.

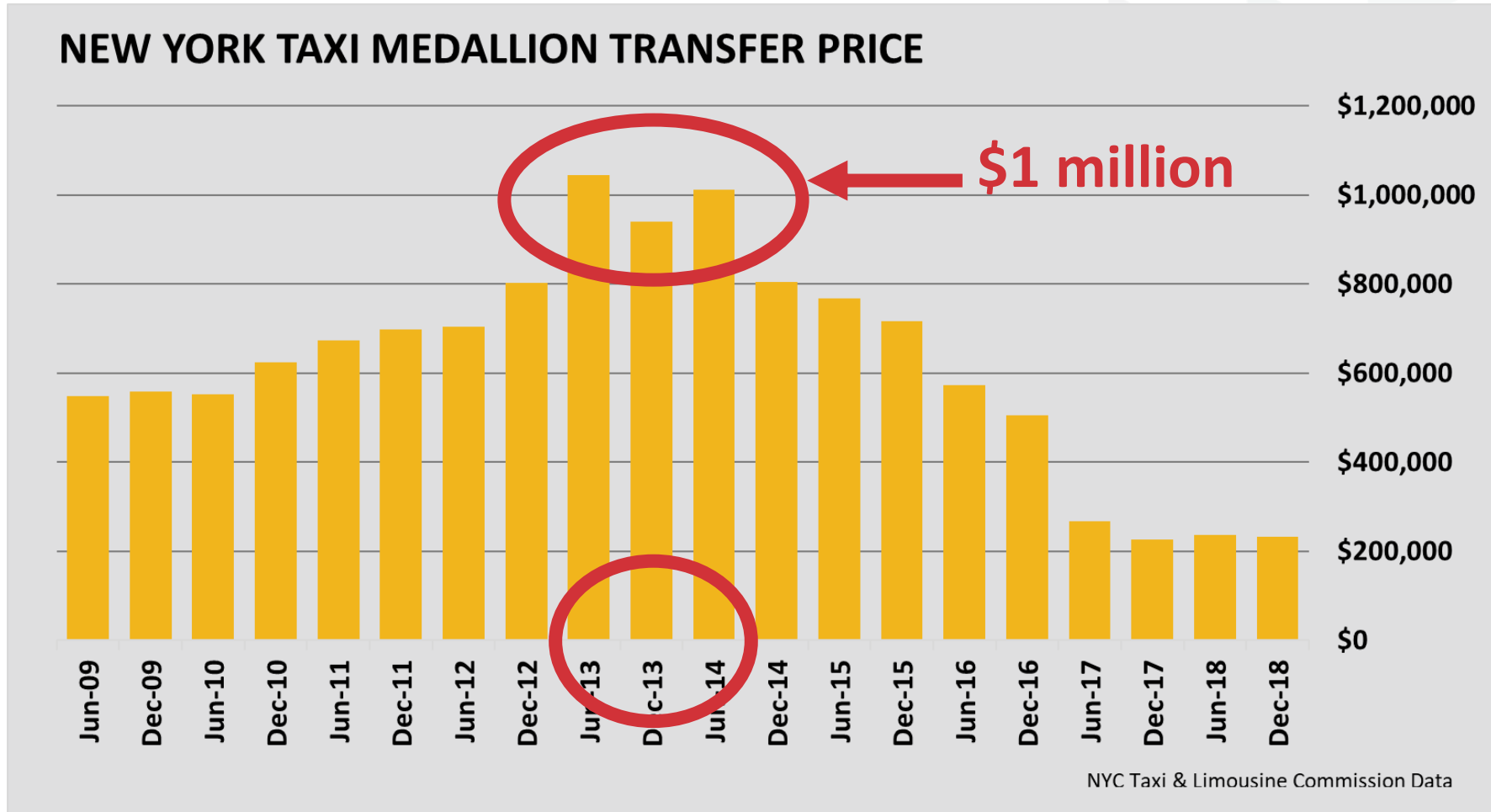
Disruption

Can you name the
world's largest **hotel chain**
or the world's largest
taxi company?

AirBnB: 12 Years to 5 Million Rooms



NYC Taxi Licensing Fees



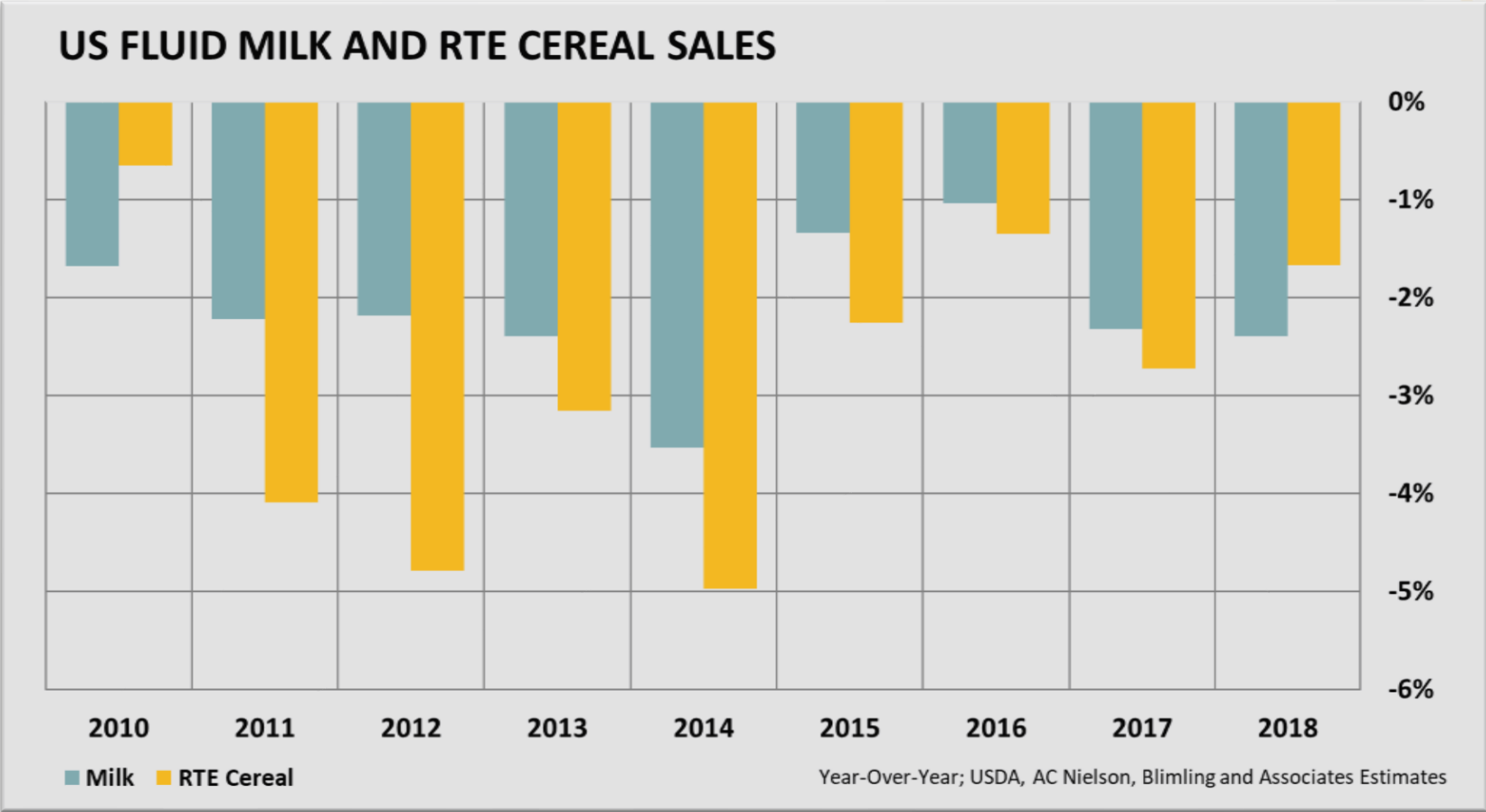
Uber Impact!






Cereal and Milk: Best Friends

Milk Down 18%...Cereal Down 21%



The background features a dark blue, textured surface with several diagonal lines in shades of red, orange, and yellow. Three prominent teal arrows point upwards and to the right, positioned behind the central text.

Change

amazon go



Companies Embracing Disruption



Companies Embracing Disruption



Unilever

DOLLAR SHAVE CLUB

amazon

prime





**Consumers
Want Protein**

Big Companies Invest in “Lab Grown”



Perfect Day
**Dairy Reinvented:
Sustainable. Kind. Delicious.**

We help craft animal-free dairy products that taste like the real thing.

A clear plastic bottle of Perfect Day Animal-free Milk. The label is white with black and red text. It says "Perfect Day" at the top, followed by "Animal-free Milk" in red. Below that, it says "2% Brewed with love in San Francisco, CA". At the bottom of the label, it says "48 fl oz (1.42 L)". There is a small circular logo on the right side of the label.



**Cellular
Agriculture
is Here**



**Consumers
are in Charge**

“We started listening to our critics rather than being defensive. We started learning about social and environmental sustainability, and we began to see an overlap between doing good and succeeding financially. We set some big goals: to be powered by 100% renewable energy, create zero waste, and sell products that sustain people and the environment... **Customers want to buy products they feel good about.** In embarking on our sustainability journey, we quickly came to realize that people want to feel good about the products they purchase.”

-- Doug McMillan, CEO, Walmart



**The Same Old
Same Old...
Is Not An Option!**



**Adapt or perish.
Innovate or fail.
Disrupt or
become
disrupted.**

More Nimble, Inclusive, Effective

New IDFA Organization

IDFA Executive Council

Industry Segment Boards

IDFA Fluid
Milk Board

IDFA Ice
Cream Board

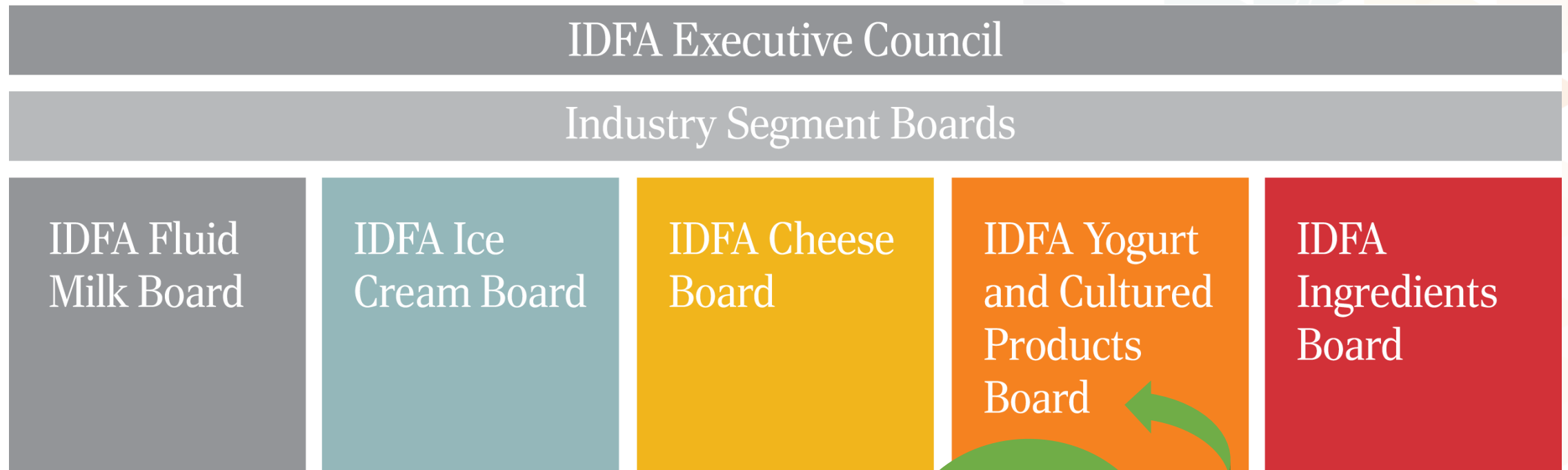
IDFA Cheese
Board

IDFA Yogurt
and Cultured
Products
Board

IDFA
Ingredients
Board

More Nimble, Inclusive, Effective

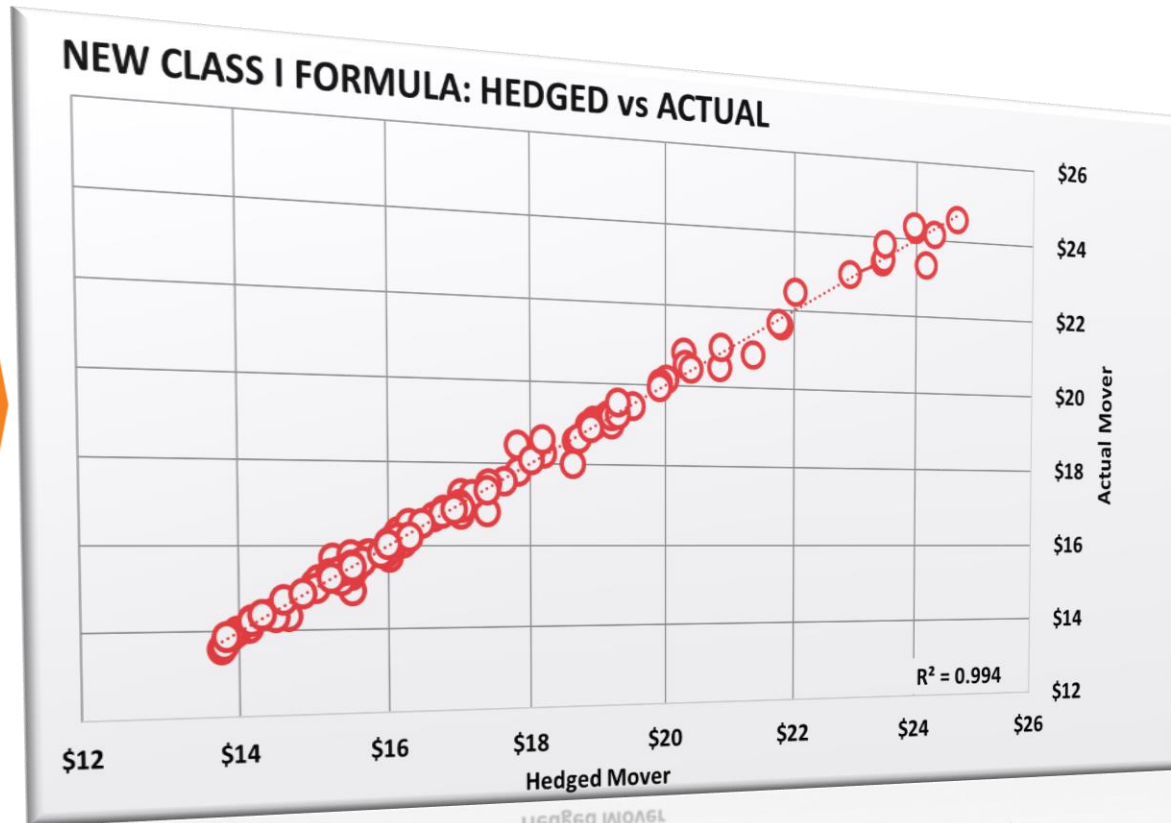
New IDFA Organization



A group of women are shown from a top-down perspective, with their hands stacked in a circle in the center. They are all smiling and looking towards the camera. The background is a plain, light-colored surface. The text "Working Together to Move Dairy Forward" is overlaid in white, bold, sans-serif font, centered over the hands. A thin white vertical line is positioned to the left of the text.

Working Together
to Move
Dairy Forward

Manage Price Risk for all Classes of Milk



Eliminated the 'higher of' factor from Class I pricing

Increased Class I Hedge Effectiveness

Extended the current dairy forward pricing program for Class II, III and IV milk

Fluid Milk Part of USDA Purchases



\$135
Million





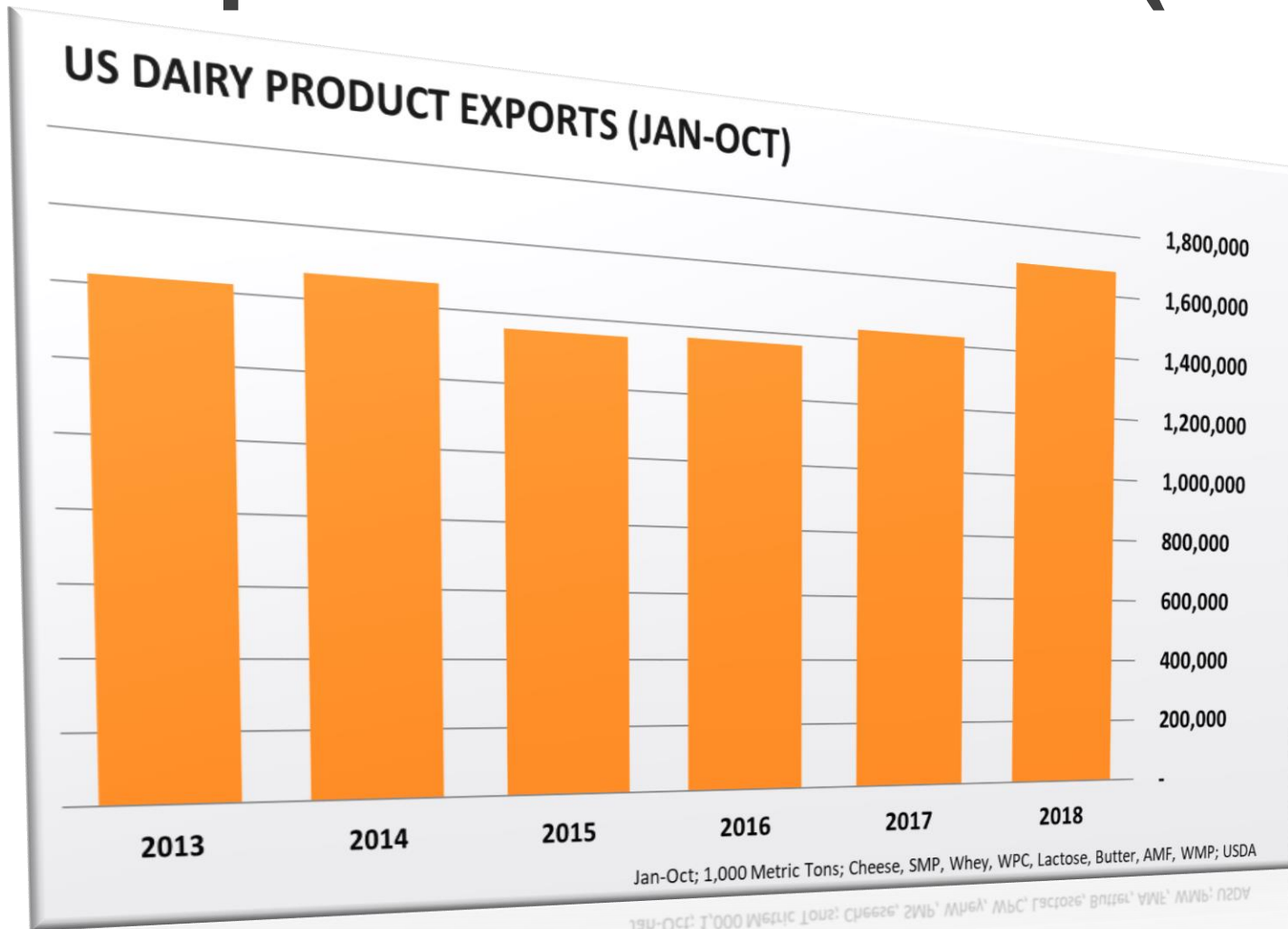

U.S. CONGRESSMAN
GLENN 'GT'
THOMPSON
 Serving the 15th District of Pennsylvania



Chocolate Milk Goes Back to School

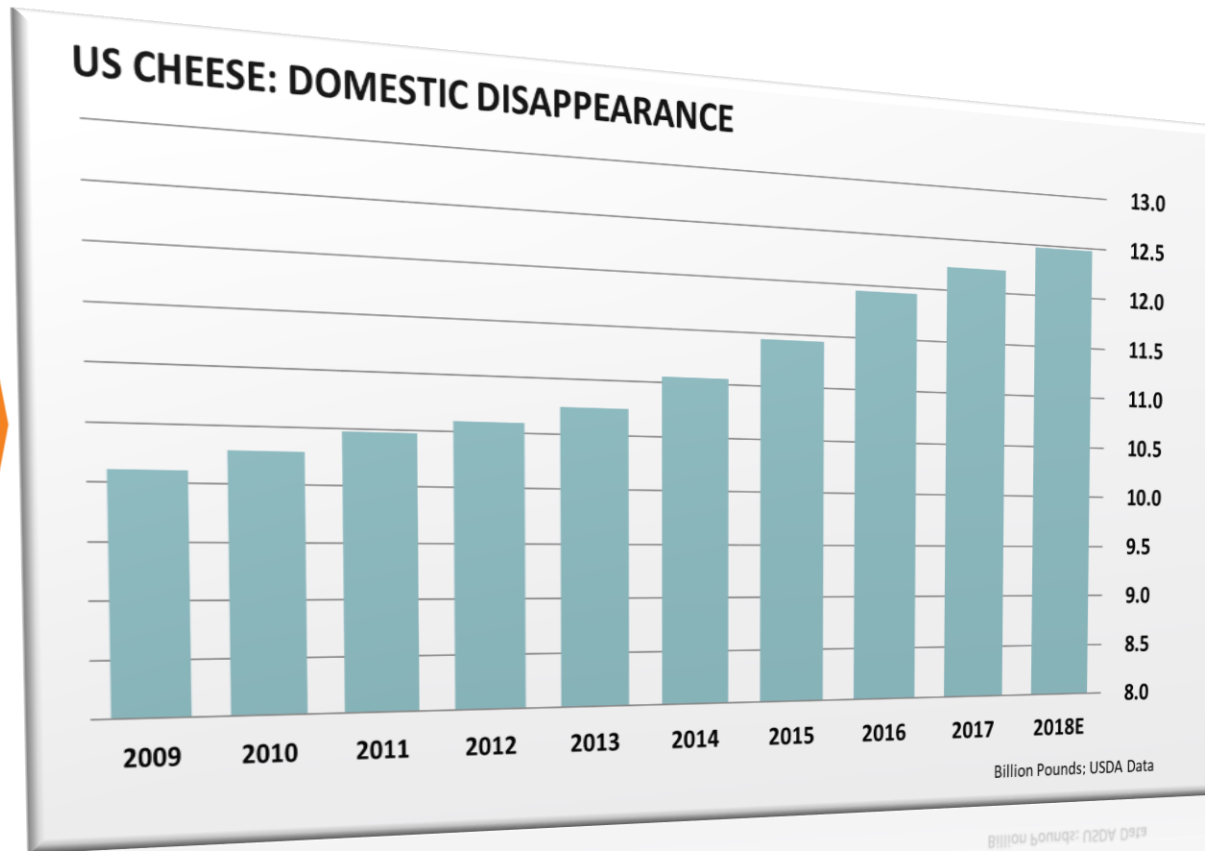


Exports: Good Pace (Before Tariffs)



Exports up 1.7 million metric tons, up 17% from the same period in 2017.

Cheese & Butter Demand Up



Domestic Cheese Consumption

- **12.5 billion pounds** last year
- Up by more than **2%** over 2017
- More than **16%** over five years

Butter Demand

- **1.9 billion pounds**
- **Up 3%** over 2017
- **Up 7%** over the past five years.

Ice cream

- Dollar and unit sales above year-prior levels

**Major Accomplishments
It's Not Nearly Enough...
We Must Do More!**

McKinsey & Company



McKinsey & Company to Unveil New Research & Examine Strategies for Growth at Dairy Forum

WEDNESDAY, JANUARY 23

9:30 – 10:30 a.m. Closing Session –
Resilience and Growth: Perspectives from McKinsey & Company

dairy
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Three Things to Lead Dairy FORWARD



Sustainability...



Innovation...



Trade...

Sustainability: Dairy Companies Engaged



Animal Protein in the Crosshairs



The EAT-Lancet Commission on Food, Planet, Health

Can we feed a future population of 10 billion people a healthy diet within planetary boundaries?

Bloomberg Businessweek

Big Dairy Is About to Flood America's School Lunches With Milk

The Department of Agriculture is throwing out Obama-era school nutrition standards and tossing a lifeline to the dairy industry. It's called more fat, sugar, and salt.

By Peter Robison and Lydia Mulvany

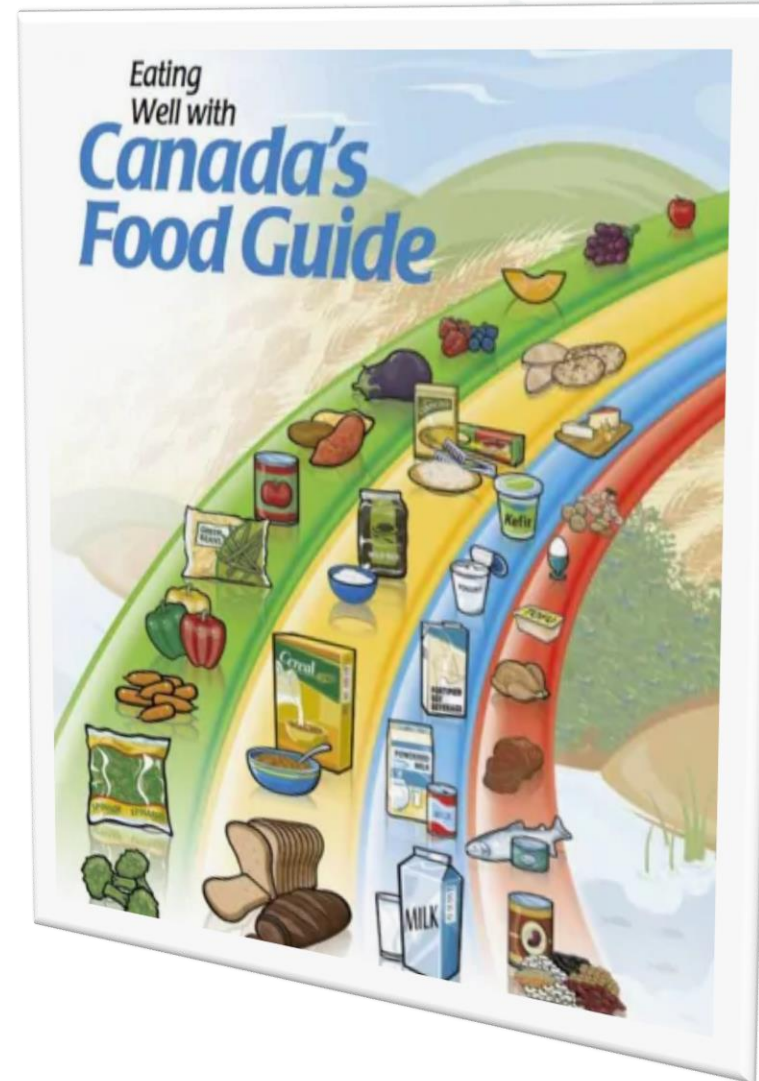
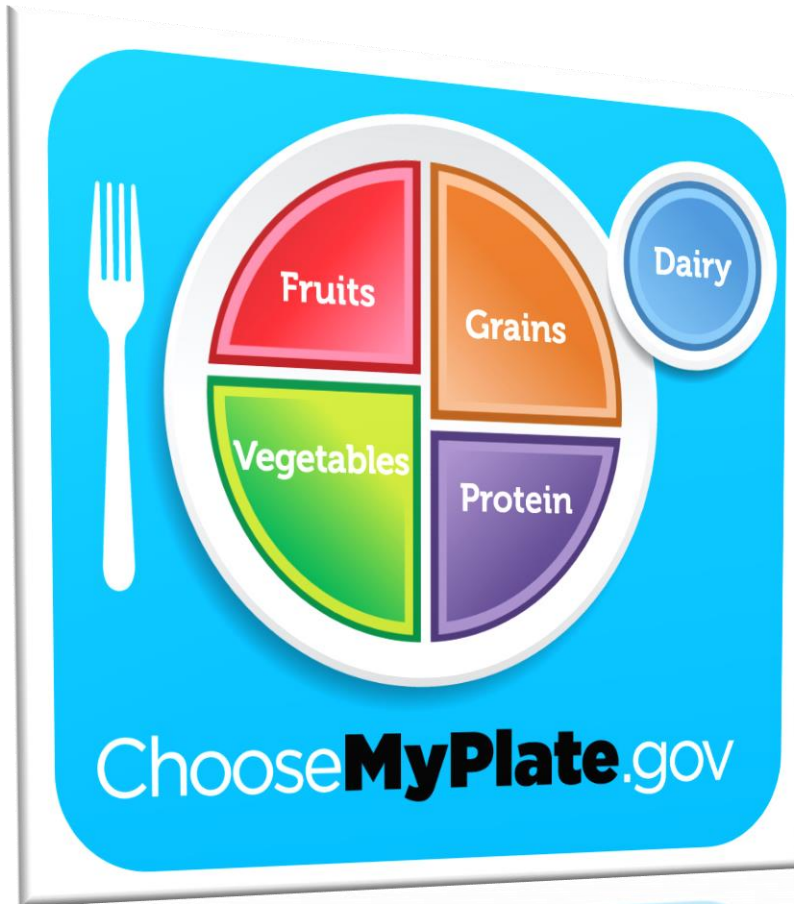
“The killer is white milk: It just doesn’t have a reason for being,” says Jeff Manning, who commissioned the ads for California milk processors and is now an independent marketing consultant. “I don’t think a millennial will ever drink a cold glass of milk.”



New Congress, New Need to Educate



Vigilant Defense of Dairy Nutrition





Get With the “Good For You” Crowd

Dairy is a protein POWERHOUSE





Innovation

Incubators for Innovation

LAND O' LAKES, INC.
DAIRY ACCELERATOR



CHOBANI[®]
FOOD INCUBATOR

General Mills, Inc.

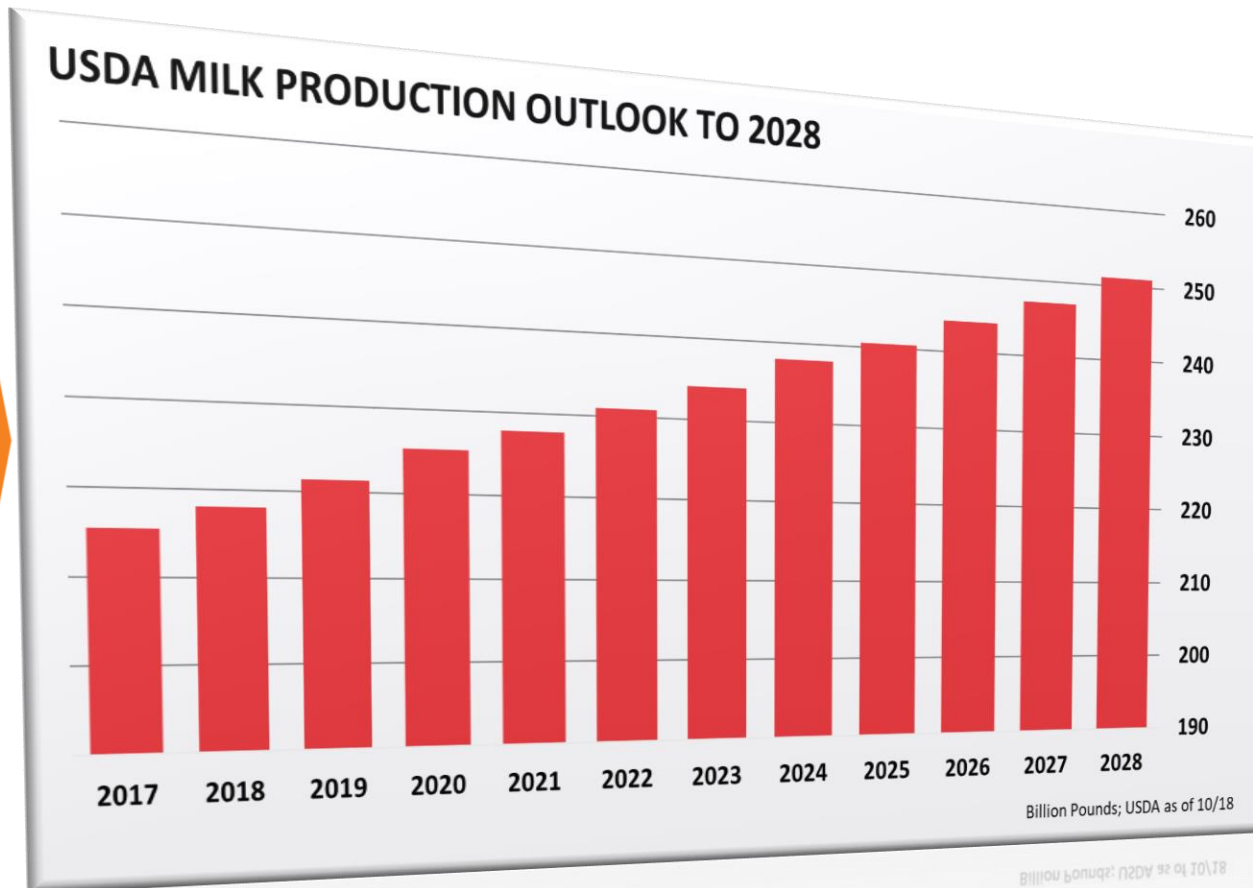
EMERGING BRAND ELEVATOR

EMERGING BRAND ELEVATOR

Trade

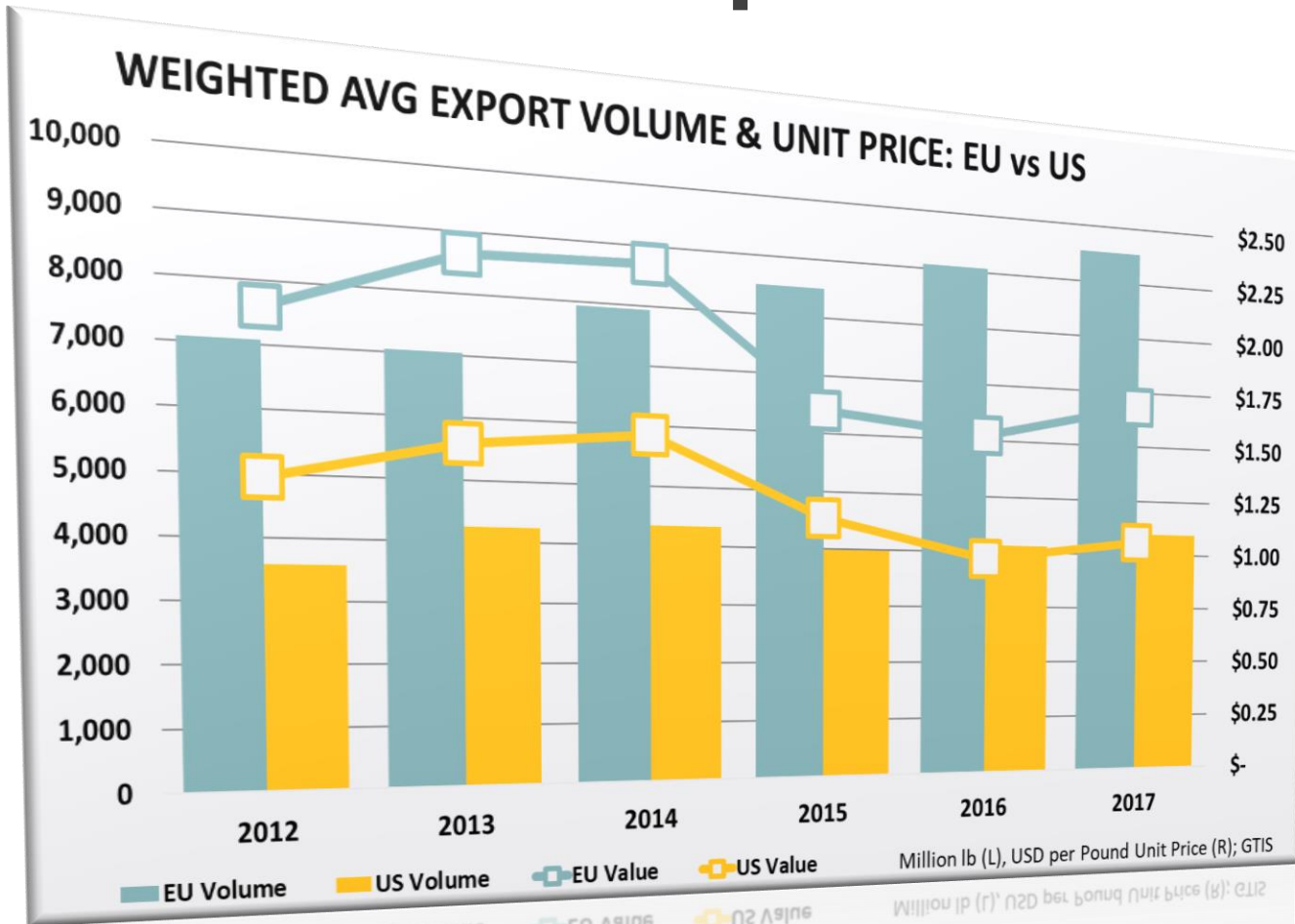


33 Billion Pounds More Milk by 2028



Japan 4th largest market
China 1.5 Billion people
Mexico 25% U.S. Exports
Asia people & proximity
United Kingdom - Brexit?
European Union - ?

EU Exports More Dairy Value



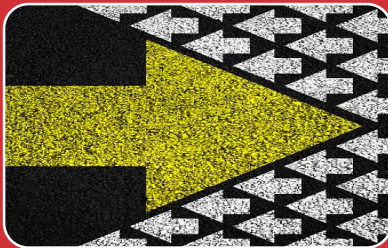
How We Lead Dairy Forward



Embrace disruption and encourage innovation



Expand market opportunities with higher value products



Listen, Learn and Lead Bold Change

**Powerful Leadership.
Willing to Win Together.
We Will Lead Dairy Forward!**

Thank you!



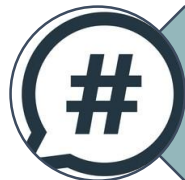
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