

#### IDFA Executive Council Meeting

Thursday, October 3 | 2:00 – 4:00 pm Vienna North | Conrad Indianapolis | Indianapolis



# Welcome and Roll Call

#### Antitrust Statement



#### Minutes\*



## Chairman's Report Chairman's Report

#### Chair Goals



100% of Executive Council members attend at least one legislative fly-in over the next two years.

**100%** of Executive Council members contribute to the PAC.

#### Chair Goals- Progress



42% of Executive Council members have attended at least one legislative flyin over the past two years.

66% of Executive Council members have contributed to the PAC.

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UPDATE: As of today, we are at 90%

#### Chair Goals- Progress

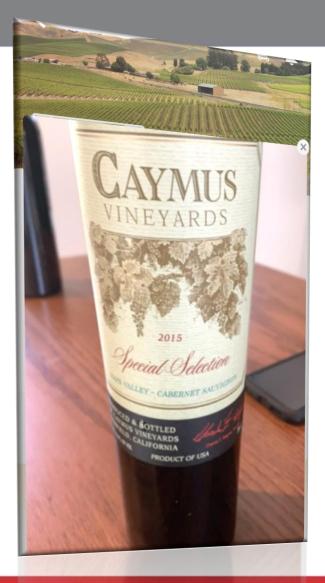


42% of Executive Council members have attended at least one legislative flyin over the past two years.

66% of Executive Council members have contributed to the PAC.

ANOTHER UPDATE: As of today, **IDFA Staff** is now at **89%**  UPDATE: As of today, we are at 90%

#### Clear Winner!





#### Strengths of IDFA Governance Structure



Segment Boards with strategic priorities

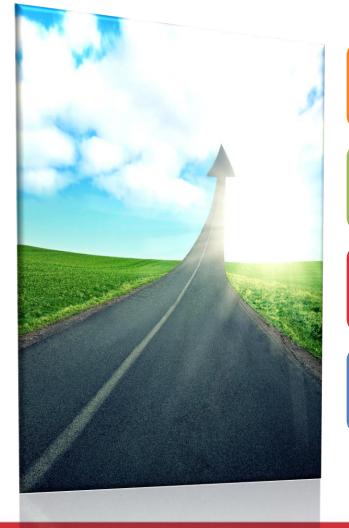
**Convening Power** 

Experts to support each topic and create thorough action plans

Recognized as the voice for all dairy

#### We're on the right path





#### Industry Leaders Engaged

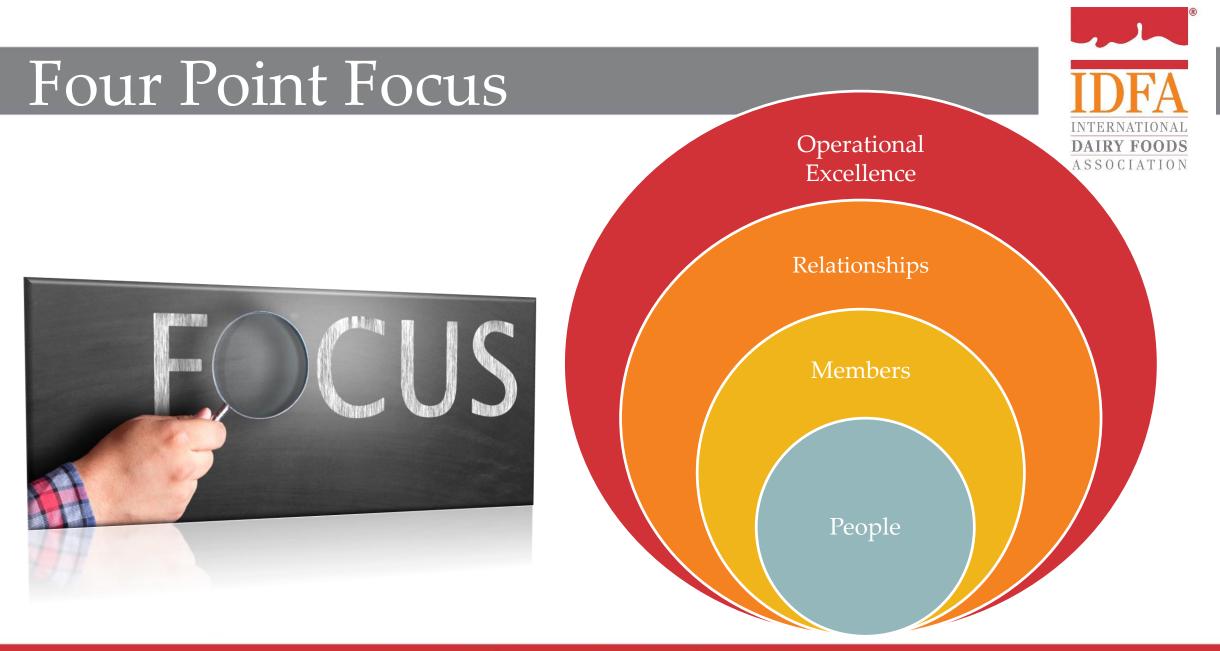
**Attracting New Members** 

Strong Political Advocacy/PAC

#### **IDFA Delivers Results**

#### ... and more to come.

# President's Report







**Ensure** IDFA is staffed with the most competent professionals in the industry providing member value across the foundational pillars of advocacy, regulations and communications





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**Continue** building an organization that is recognized as a leader of member interests across the dairy industry





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**Continue** building an organization that is recognized as a leader of member interests across the dairy industry



**Position** IDFA as the source of thought leadership for dairy policy that leverages opportunities, addresses challenges and creates an improved business environment for the dairy industry.





**Ensure** IDFA is staffed with the most competent professionals in the industry providing member value across the foundational pillars of advocacy, regulations and communications



**Continue** building an organization that is recognized as a leader of member interests across the dairy industry



**Position** IDFA as the source of thought leadership for dairy policy that leverages opportunities, addresses challenges and creates an improved business environment for the dairy industry.



**Cultivate** a culture where every IDFA employee embraces a team based approach in everything we do that maximizes overall performance and value to all members.

#### Major deliverables for FY 2020

July	August	September	October	November	December
Hill outreach on USMCA	NextGEN Leadership Program Launched	FMMO reform topics identified	Fall Executive Council and Segment Board Meetings	Natural cheese legislation passed in Senate	Congressional ratification of USMCA
<ul> <li>House Infrastructure bill</li> <li>USDA Ice Cream Party</li> </ul>	Prospect Solicitation Campaign	Natural cheese bill introduced in House	Deliver strategic plans for Industry Segment Boards	Approps bill enacted that includes IDFA priorities	<ul> <li>Finalize Dairy Forum plans</li> <li>Celebration of Dairy/IDFA</li> </ul>
Finalize office relocation plans	Launch new IDFA training programs	Senate approps bill includes IDFA priorities	<ul> <li>FDA completes yogurt standards</li> <li>Spirit of Mount Vernon</li> </ul>	Plant tour for Senator Moran and FDA official	Leadership Awards Strategic Legislative fly-in
Define strategic communications plan	<ul> <li>Review FY 2019 results</li> <li>Communications Committee</li> </ul>	U.S./Japan ag trade agreement	Strategic Legislative Fly-out	Ensure dairy represented in dietary guidelines	Website beta-testing
	Relaunch	Review plan to streamline shared service	Senate consideration of Child Nutrition Reauthorization bill	Dairy Forum sponsorships finalized	Branding Launches
		Website review/discovery completed	<ul><li>Updated mission statement</li><li>Dairy Innovates Launches</li></ul>	Collect 2018 volumes for dues	
		<ul> <li>Knowledge Center enhanced</li> <li>On-line dues automation</li> </ul>	<ul> <li>Dairy Facts 2.0 Launches</li> <li>Risk Toolkit Launches</li> <li>Council approves FY2019 Audit at meeting</li> </ul>	<ul> <li>Launch new suite of IDFA Newsletters</li> <li>USTR briefed on UK dairy priorities</li> </ul>	
		Dairy Nourishes Launches			
		IDFA Audit Finalize Office Lease	Council approval of new investment policy statement		IDFA

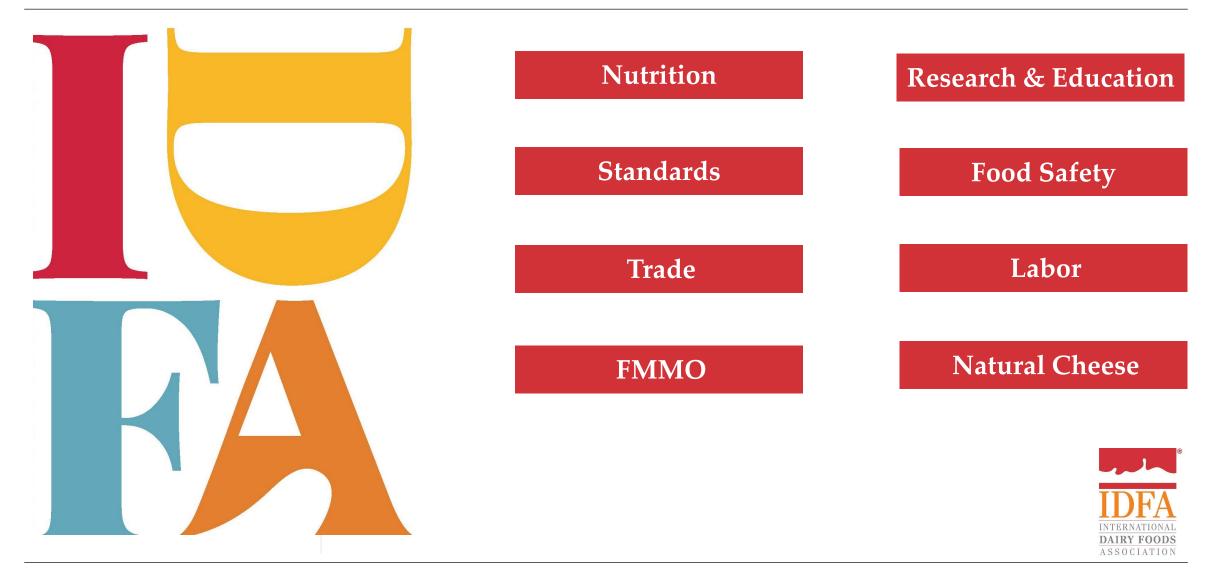
INTERNATIONAL DAIRY FOODS ASSOCIATION

#### Major deliverables for FY 2020

January	February	March	April	Мау	June
<ul> <li>Dairy Forum</li> <li>Launch Women in Dairy Network</li> <li>ISC Sponsorships Finalized</li> <li>Launch Board Sponsorship Program</li> <li>Launch/Relaunch of Knowledge Center in</li> </ul>	<ul> <li>International Sweetener Colloquium</li> <li>Ice Cream Tech and Yogurt/Cultured Sponsorships Finalized</li> <li>New Membership Collateral in conjunction with new branding (coordinate timing with Comms)</li> </ul>	<ul> <li>Finance Committee Meeting</li> <li>Ice Cream Tech and Yogurt &amp; Cultured Innovation Conference</li> <li>Relaunch of LAC Seal Program @ Yogurt/Cultured Conference</li> <li>Ice Cream Co-Product Research Advisory Committee</li> </ul>	<ul> <li>"IDFA Communities" Launch on Website</li> <li>PAC campaign</li> <li>Solicit nominations for 2020- 2021 NextGen leadership class</li> </ul>	<ul> <li>Executive Council and Segment Board Meetings</li> <li>Invoices for dues with new 2018 Volumes</li> <li>Reg RoundUp Sponsorships Finalized</li> <li>DGAC Report Issued USDA &amp; HHS</li> </ul>	<ul> <li>Capitol Hill Ice Cream Party</li> <li>Regulatory Round Up</li> <li>Regulatory Committee Meetings</li> <li>Strategic Legislative Fly-In</li> <li>Ag Approps – House and Senate consideration</li> </ul>
<ul> <li>Knowledge Center In conjunction with website re- launch</li> <li>Dietary Guidelines Advisory Committee(DGAC) Public meeting – IDFA oral testimony</li> <li>New IDFA Corporate Collateral</li> <li>McKinsey study released</li> <li>ProFood Tech Meeting at</li> </ul>	<ul> <li>Compensation Committee Meeting</li> <li>Strategic Legislative Fly-In or Fly-Out</li> <li>Compensation Committee Call</li> </ul>	<ul> <li>Research Advisory Committee Meeting</li> <li>Dietary Guidelines Advisory Committee Public Meeting</li> <li>Yogurt Facts released</li> <li>Budget Finance Committee Call</li> <li>Review of IDFA Form 990 for FY2019</li> </ul>		<ul> <li>House consideration of child nutrition reauthorization bill</li> <li>Approval of FY2021 Budget at Executive Council Meeting</li> </ul>	<ul> <li>Dairy Delivers</li> <li>Ice Cream Facts released</li> </ul>
Dairy Forum		F12019			IDFA

INTERNATIONAL DAIRY FOODS ASSOCIATION

#### **IDFA Strategic Priorities**



## Discussion of Key Horizontal Issues

ASSOCIATION

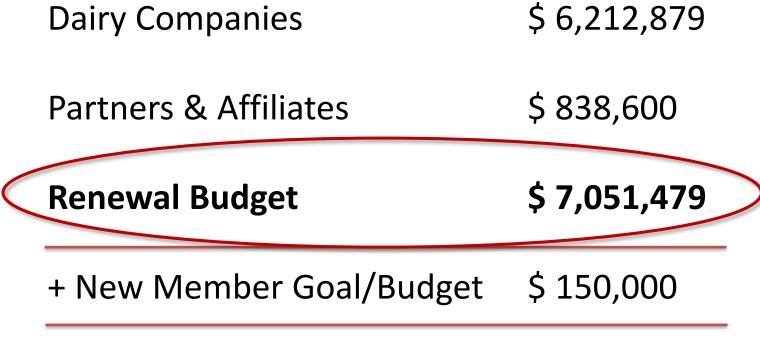
#### Membership Dues Update and New Programs



#### Membership Budget Summary

#### FY2020 Budget





Total Membership Budget\$ 7,201,479

#### Renewals Budget – On Target



\$7,051,479

#### **Collections Thru September 30th**

#### Renewal Budget/Goal \$7,051,479

Committed/In Process

Dropped

In Jeopardy/No Response

# 90% 3% 4% A% Paid Paid Takeaways:

• On track with paid/committed to meet budget

 Attrition tracking with projections, with some upside potential

#### Membership Budget Summary

#### FY2020 Budget





#### New Membership Update

#### **New Processor Members**



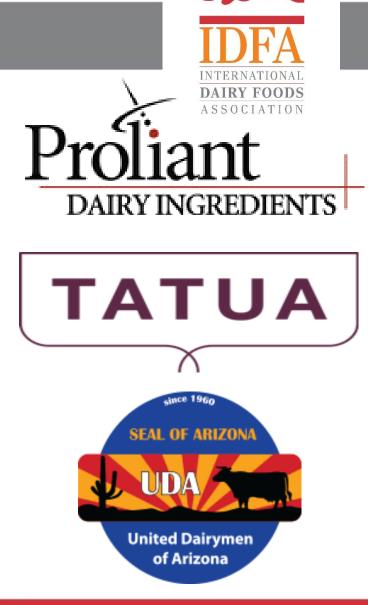
PRODUCTS





Burt Lewis, INC





#### New Membership Update

New Gold/Business Partner Members











intralox<sup>®</sup>

schenck process

DAIRY FOODS

ASSOCIATION

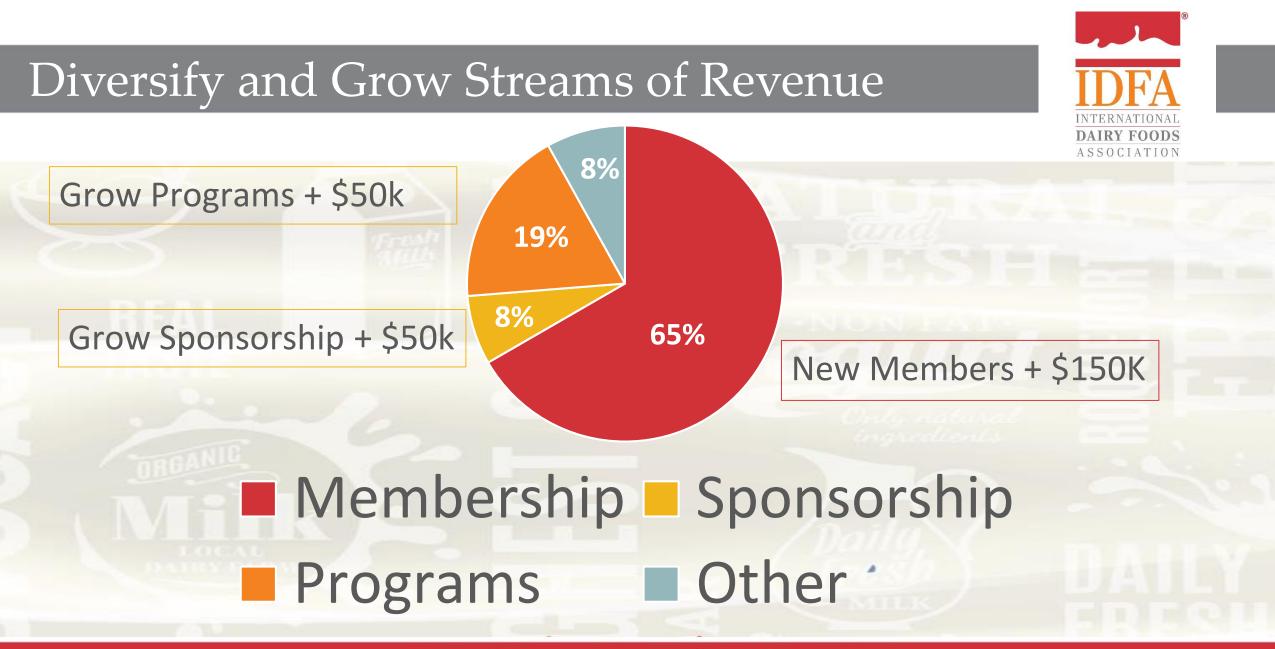
#### New Membership Update

#### THANK YOU!

- 15 + "Cream of the Top" Prospects still in process
- Increasing outreach to broader prospect list including GBP
- Sample testimonial from prospects: *"If it's worthy of their time and engagement, it has to be worthwhile"*



801 Searles Avenue     District Avenue       Las Vegas, NV 89101-1131     Pr       www.andersondairy.com     Pi       ISSOCIATED MILK PRODUCERS. INC     Mailing Address:       P.O. Box 455     Si       New Ulm, MN 56073-0455     Cr       www.ampi.com     Pi       BARRON COUNTY CHEESE     District Avenue	Contact: Javid Coon Iresident, Sales & Marketing Ihone: 702-642-7507 ext.224 IC. Contact: Iheryl Doering Meshke Io-President and CEO Ihone: 507-354-8295	Industry Segment(s): Milk, Yogurt & Cultured Products, Ice Cream, Butter Industry Segment(s): Cheese, Ingredients, Out	*
801 Searles Avenue     Da       Las Vegas, NV 89101-1131     Pr       www.andersondairy.com     Pr       ASSOCIATED MILK PRODUCERS, ING     Mailing Address:       P.O. Box 455     Si       New Ulm, MN 56073-0455     Cr       www.ampi.com     Pr       BARRON COUNTY CHEESE	Javid Coon resident, Sales & Marketing hone: 702-642-7507 ext.224 Ic. <u>contact:</u> heryl Doering Meshke to-President and CEO	Segment(s): Milk, Yogurt & Cultured Products, Ice Cream, Butter Industry Segment(s): Cheese, Ingredients,	* ** Progress * **
Mailing Address:         Cc           P.O. Box 455         St           New Ulm, NN 56073-0455         Cc           www.ampi.com         Pt           BARRON COUNTY CHEESE         St	<u>contact:</u> heryl Doering Meshke co-President and CEO	Segment(s): Cheese, Ingredients,	
P.O. Box 455 St New Ulm, MN 56073-0455 Cc www.ampi.com Pt BARRON COUNTY CHEESE	heryl Doering Meshke Co-President and CEO	Segment(s): Cheese, Ingredients,	* **
		Butter	***
Mailing Address: Co			
1623 US Hwy 8 G Barron, WI 54812-8735 C0	<u>Contact:</u> Sene Graf COO Phone: 715-637-0400	Industry Segment(s): Cheese	Progress: *
BERNER FOOD & BEVERAGE			
2034 E. Factory Road Ki Dakota, IL 61018-9736 CI	<u>Contact:</u> Kurt Seagrist JEO Phone: 815-563-4222	<u>Industry</u> <u>Segment(s):</u> Milk, Cheese	Progress:
BONGARDS' CREAMERIES			
13200 County Road 51 Ke Bongards, MN 55368-9525 Pr	contact: leith Grove rresident & CEO /hone: 952-466-3514	Industry Segment(s): Cheese, Ingredients	Progress: * ** **
BYRNE DAIRY, INC.		1	'
240 Oneida Street Fr Syracuse, NY 13202-3317 Cr www.byrnedairy.com Pr	contact: red Sadeghi chief Executive Officer and President chone: 315-475-2111	Industry Segment(s): Milk, Yogurt & Cultured Products, Ice Cream	Progress:
CARR VALLEY CHEESE CO. INC. Mailing Address: Co.	Contact:	Industry	Progress



# New Programs and Partnerships

#### SAVE THE DATE ARCH 31 – APRIL 1, 2020 MIAMI, FLORIDA

ICE CREAM TECHNOLOGY CONFERENCE

#### YOGURT & CULTURED INNOVATION CONFERENCE PREMIER SPONSOR



#### SAVE THE DATE OCTOBER 6-7, 2020 WASHINGTON, DC

### THE POWER OF PEOPLE IN DAIRY



## Partner Programs Leavitt Group

#### Risk Gap Analysis

Major insurable events are happening. Will your insurance respond?

Our extensive experience is available to IDFA members through <u>Berrian</u> <u>Insurance Group</u>, a member company of <u>Leavitt Group</u>.



REQUEST YOUR RISK GAP ANALYSIS Joel Berrian, CPCU, AIC, ARM jberrian@big-ins.com (303) 795-5831







#### New Training Programs

#### **Online Training Partnerships**

#### Partnership with BakerTilly and Blimling

- Dairy Cost Accounting
- Dairy 101/ Milk Procurement
- Eliminates in-person room & board cost, time away
- Potential for continuing education credit
- January/February 2020 Launch









## Financial Overview





## Results of FY2019 Audit Examination





## Financial Foundation and Tools

## Finance Committee Oversight



DAIRY FOODS

ASSOCIATION

## Results of FY2019 Audit Examination

## Landscape

- Organizational Change
- Four organizations to one
- Eliminate duplicate recordkeeping, budgetary filings and registrations
- Simplified dues structure, member reporting and calculation metrics



## Results of FY2019 Audit Examination

## IDFA Audit Report as of June 30, 2019

- Unqualified opinion
- Clean AUC 260 Auditor Letter
- Report format challenging to compare to previous years' individual audit reports (1 from 4)
- Presentation according to GAAP
- Positive operating results of \$119,792 vs budgeted amount of \$12,885



## Revenues - Snapshot



	<u>Budgeted</u>	<u>Actual</u>	<u>Difference</u>	INTERNATIONAL DAIRY FOODS ASSOCIATION
Dues	\$6,326,200	\$6,161,638	(\$164,562)	
Training and Sponsorships	\$2,444,625	\$2,343,897	(\$100,728)	
Sublet	\$363,757	\$339,083	(\$24,674)	
Investments	\$500,000	\$583,346	\$83,346	SHARE
Other	<u>\$373,540</u>	<u>\$260,215</u>	( <u>\$113,325)</u>	AND
Total	\$10,008,122	\$9,688,179	(\$319,943)	ANGE SINES RODUC

## **Expenses - Snapshot**



	<u>Budgeted</u>	<u>Actual</u>	<u>Difference</u>	INTERNATIONAL DAIRY FOODS ASSOCIATION
Salaries & Benefits	\$5,211,679	\$5,082,726	(\$128,953)	
Training and Sponsorships	\$1,131,320	\$843,061	(\$288,259)	
Rent	\$1,241,738	\$1,128,318	(\$113,420)	
Legislation	\$596,300	\$498,065	(\$98,235)	invest
Regulatory	\$308,400	\$294,604	(\$13,796)	report business accounting
Other	<u>\$1,505,800</u>	<u>\$1,721,613</u>	<u>\$215,813</u>	financial finance cost office budget money banking account accountant bill profit bank market economy success debt
Total	\$9,995,237	\$9,568,387	(\$426,850)	раротиотк

DIFFERENCE FOR

MAKINGA

DAIRY

## **Financial Foundation and Tools**



Financially Solid – \$9.7 million in Net Assets (Reserves)





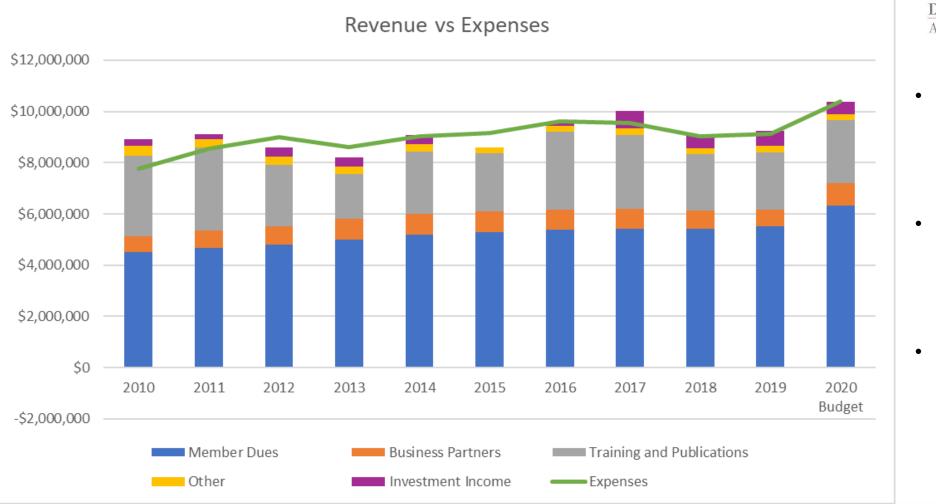
Introduced Sustainable Revenue Model in FY2020 through Membership Dues

> Focus on Growing Programs and Sponsorship Revenue



# Continual Spending Review and Analysis

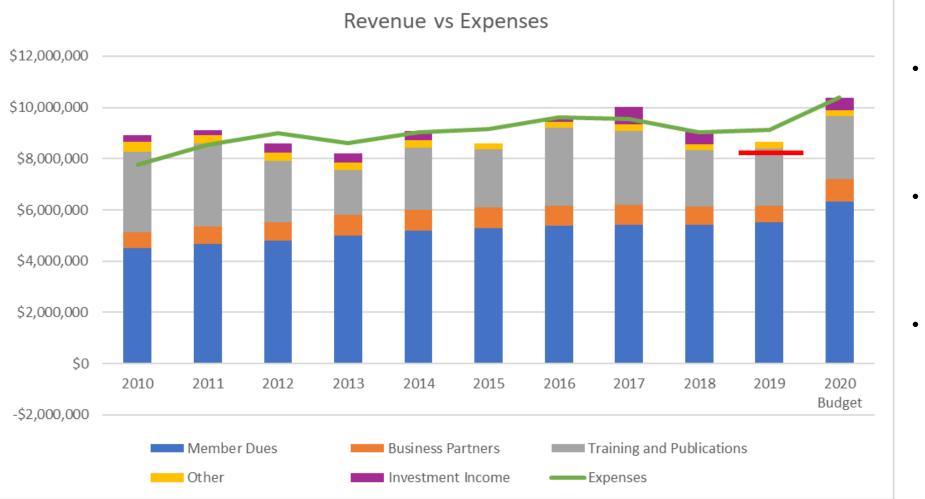
## **Investment Income**





- We have relied on investment income to make up the "Gap".
- For FY2019, investment income was \$583,467.
- Net income for FY2019 was \$119,792

## Investment Income has become unpredictable





- At December 31, 2018, we had no investment income.
- In fact, we actually had a net loss of \$403,730.
- Removing investment income from the budget equation is one of our goals moving forward.

## **Proposed Lease Renegotiation**



	Current FY2019		oposed ndar 2021
Square Footage	17,291		9,695
Sublet space	(7,596)		-
Net Square Footage	9,695		9,695
Rate per square foot (*)	\$ 81.41	\$	59.00
Net Cost per Month(*)	\$ 65,770	\$	47,667
Net Cost per Year (*)	\$ 789,235	\$	524,338
Lease Term	Through May 31, 2022		lendar - 1 through 2033
TI Allowance	N/A	\$	775,600
Free Rent	N/A		11 months
Annual Escalation	3%		2.50%
Pro Rata Share	% of Rentable Square Footage	% of	Rentable Squar

(\*) Amounts include impact of subsidized portion of subtenants' rent

posed ndar 2021		
9,695		
- 9,695		
59.00		
47,667 524,338	11 months; 1 month per	ryear
endar - through 2033		
775,600	\$80.00 per square foot	
1 months		
2.50%		
entable So	quare Footage	





# Financial Report\*



## Finance Committee



## Finance Committee



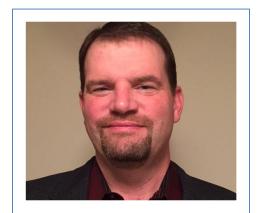


David Nelsen





David Ahlem



Al Thomsen

# Nomination and Governance Committee\* **DAIRY FOODS** ASSOCIATION

## Nomination and Governance Committee





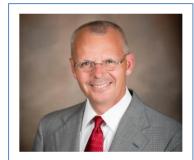
Mike Reidy



Dan Zagzebski



Ed Mullins



Mike Wells



Andrei Mikhalevsky

## Confirmation Vote

### **IDFA Yogurt and Cultured Products Board**



Vice Chair of the Yogurt & Cultured Products Board





## Coming up Next



### Dairy Forum 2020 (January 26-29)

- IDFA Executive Council Meeting
- January 26 | 2:00 4:00 p.m.

### Spring Meetings of the IDFA Executive Council and Segment Boards

- May 3-5, 2020 | The Ritz-Carlton Amelia Island | Amelia Island, FL
- Beginning with reception on May 3 and ending with last meeting afternoon May 5

Fall Meetings of the IDFA Executive Council and Segment Boards

• October 7-9, 2020 | The Mayflower Hotel | Washington, DC

## New Business

