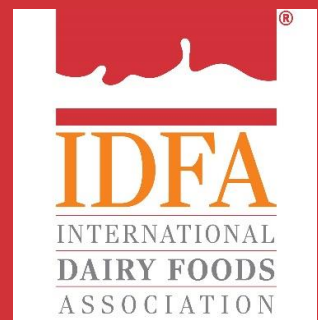




# IDFA Executive Council Meeting

Thursday, October 3 | 2:00 – 4:00 pm

Vienna North | Conrad Indianapolis | Indianapolis



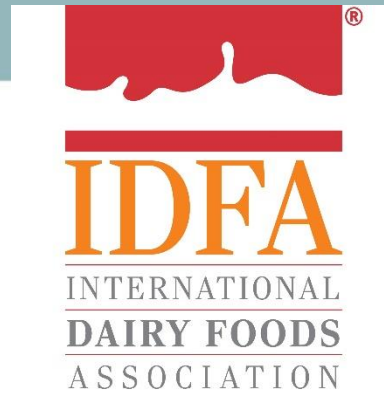
# Welcome and Roll Call



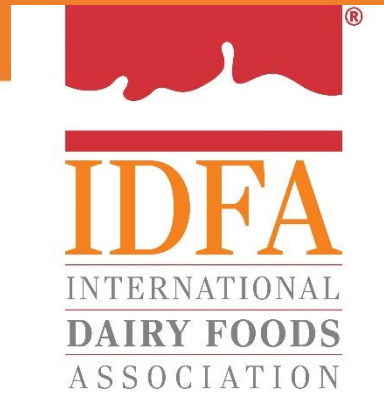
# Antitrust Statement



# Minutes\*



# Chairman's Report



# 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 fly-in over the past two years.

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

# Chair Goals- Progress



**42%** of Executive Council members have attended at least one legislative fly-in over the past two years.

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

**UPDATE:**  
As of today, we are at  
**90%**



# Chair Goals- Progress



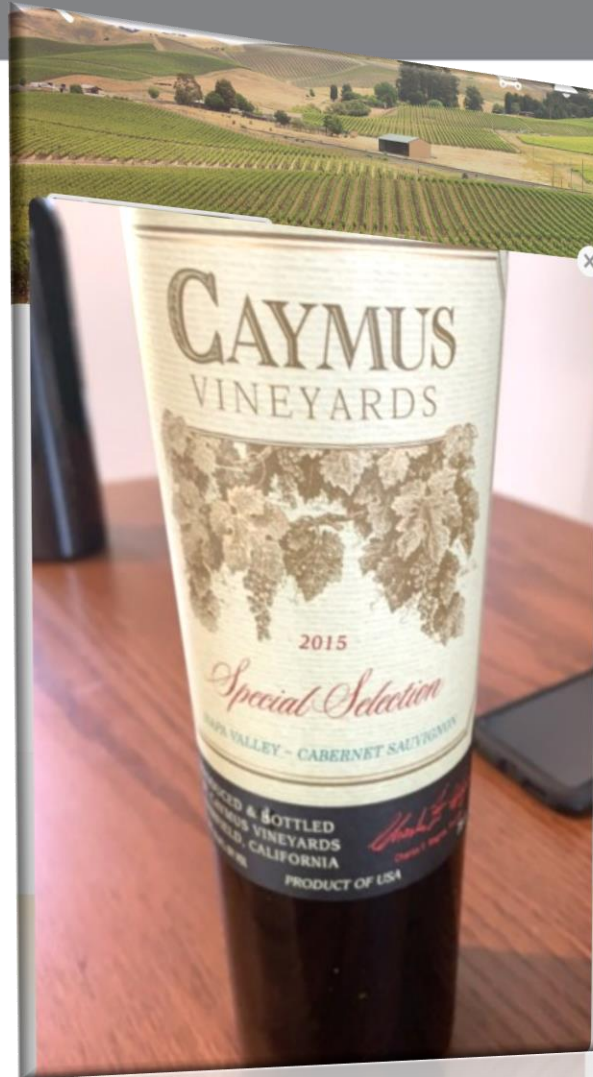
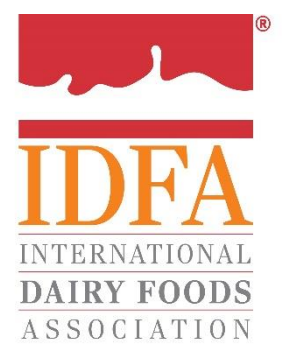
**42%** of Executive Council members have attended at least one legislative fly-in over the past two years.

**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!

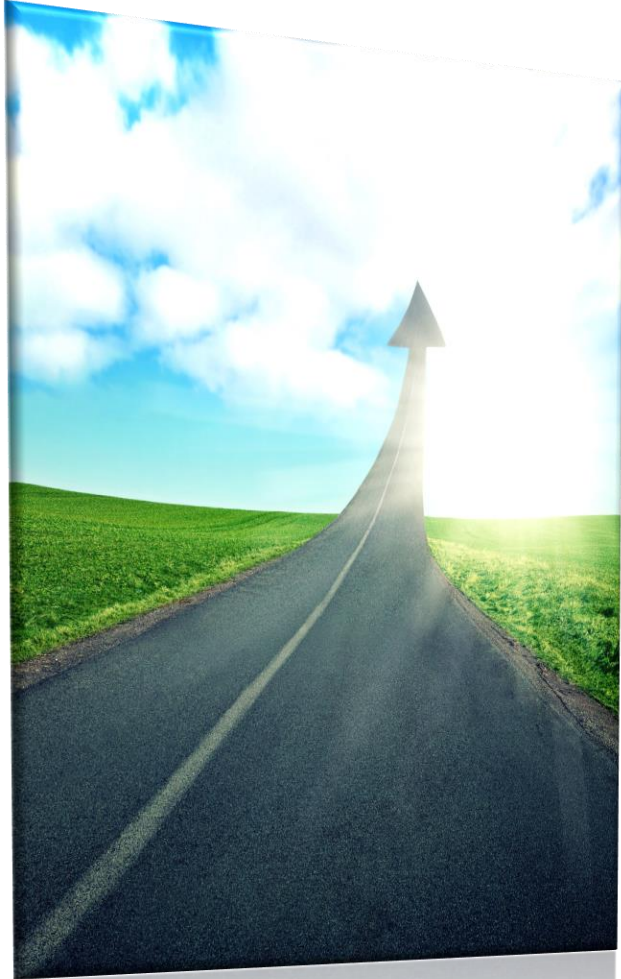
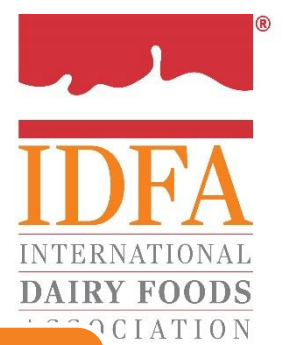


MAKING A DIFFERENCE FOR DAIRY

# Strengths of IDFA Governance Structure



# 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



# Four Point Focus



# Overall Goals for FY2020



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

# Overall Goals for FY2020



**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



# Overall Goals for FY2020



**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.

# Overall Goals for FY2020



**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

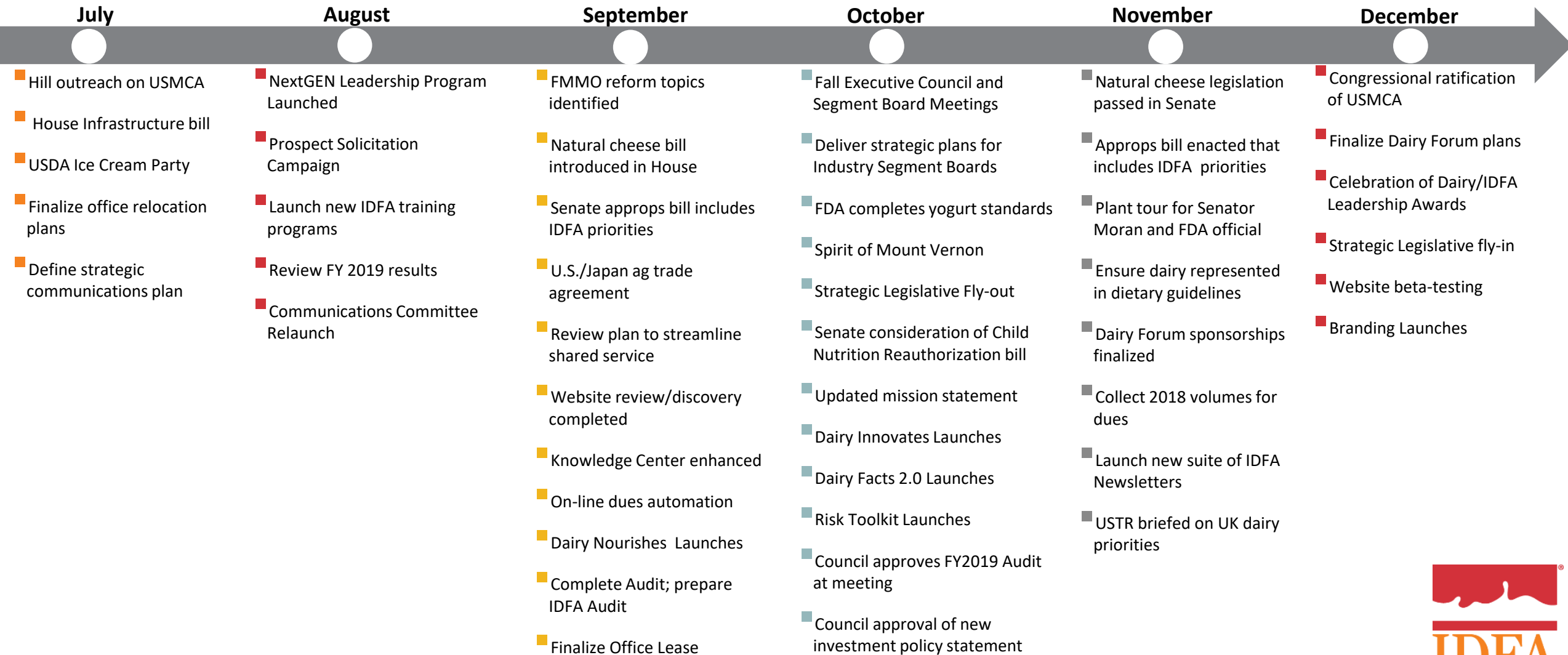


**Position** IDFA as the source of thought leadership for dairy policy that leverages opportunities, addresses challenges and creates an improved business environment for the dairy industry.

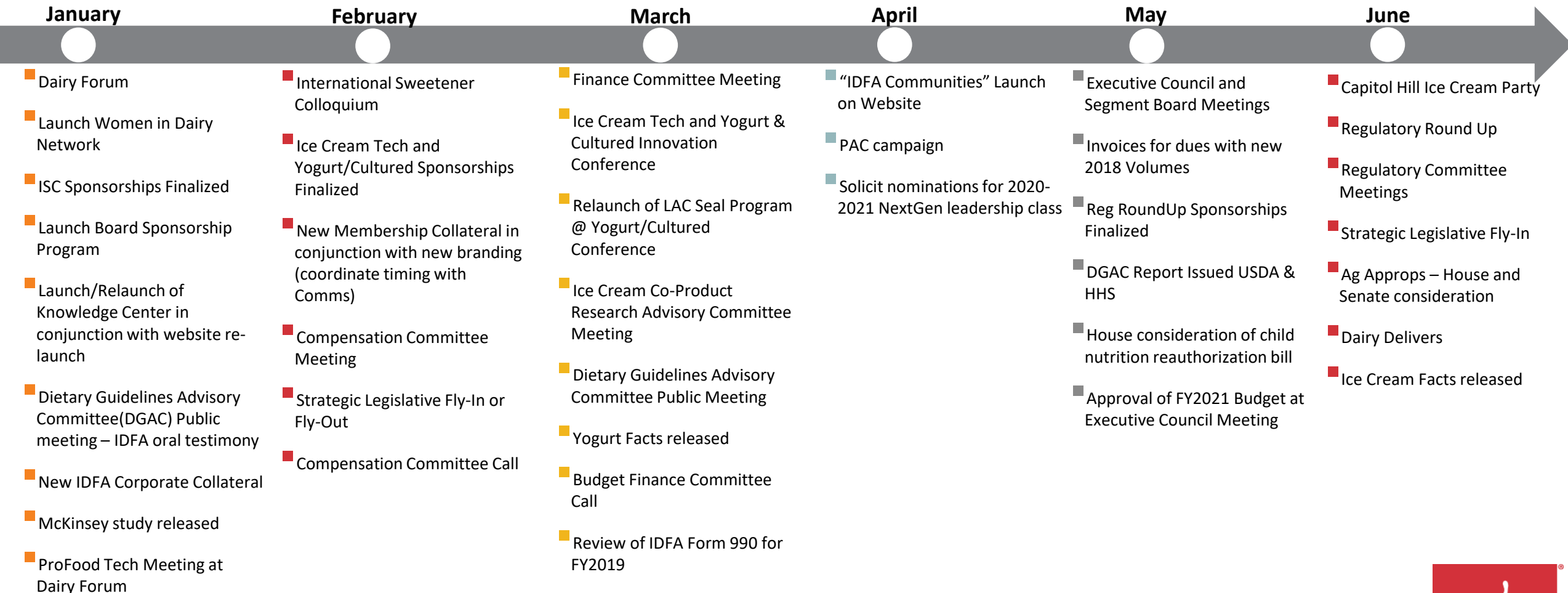


**Cultivate** a culture where every IDFA employee embraces a team based approach in everything we do that maximizes overall performance and value to all members.

# Major deliverables for FY 2020



# Major deliverables for FY 2020



# IDFA Strategic Priorities

---



Nutrition

Standards

Trade

FMMO

Research & Education

Food Safety

Labor

Natural Cheese



# Discussion of Key Horizontal Issues



# Membership Dues Update and New Programs



# Membership Budget Summary



## FY2020 Budget

Dairy Companies \$ 6,212,879

Partners & Affiliates \$ 838,600

**Renewal Budget \$ 7,051,479**

---

+ New Member Goal/Budget \$ 150,000

---

**Total Membership Budget \$ 7,201,479**



# Renewals Budget – On Target







## Collections Thru September 30<sup>th</sup>

Renewal Budget/Goal \$7,051,479

\$7,051,479



-  Paid
-  Committed/In Process
-  In Jeopardy/No Response
-  Dropped

### Takeaways:

- On track with paid/committed to meet budget
- Attrition tracking with projections, with some upside potential

# Membership Budget Summary



## FY2020 Budget

Dairy Companies \$ 6,212,879

Partners & Affiliates \$ 838,600

**Renewal Budget \$ 7,051,479**

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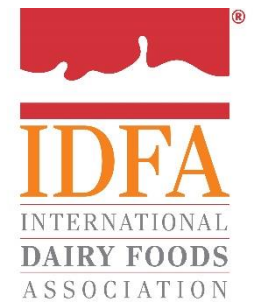
+ New Member Goal/Budget \$ 150,000

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**Total Membership Budget \$ 7,201,479**

# New Membership Update

## New Processor Members

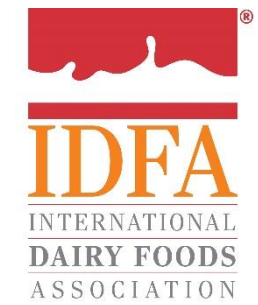


Burt Lewis, INC

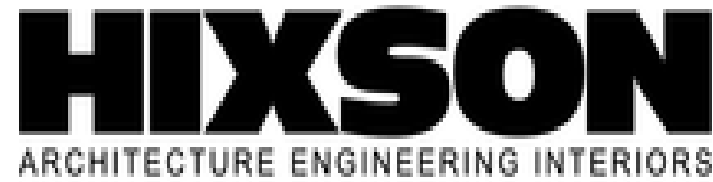


MAKING A DIFFERENCE FOR DAIRY

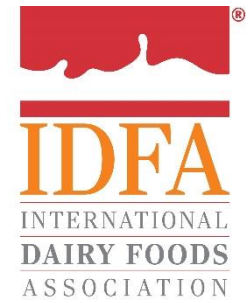
# New Membership Update



## New Gold/Business Partner Members



# 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”*

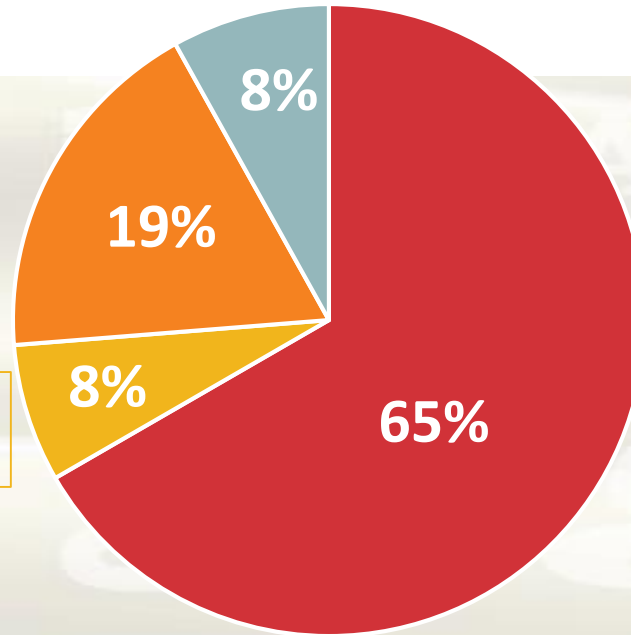
International Dairy Foods Association Top Dairy Company Prospective Members March 2019			
<b>ANDERSON DAIRY, INC.</b>			
<b>Mailing Address:</b> 801 Searles Avenue Las Vegas, NV 89101-1131 www.andersondairy.com	<b>Contact:</b> David Coon President, Sales & Marketing Phone: 702-642-7507 ext.224	<b>Industry Segment(s):</b> Milk, Yogurt & Cultured Products, Ice Cream, Butter	<b>Progress:</b> **
<b>ASSOCIATED MILK PRODUCERS, INC.</b>			
<b>Mailing Address:</b> P.O. Box 455 New Ulm, MN 56073-0455 www.ampi.com	<b>Contact:</b> Sheryl Doering Meshke Co-President and CEO Phone: 507-354-8295	<b>Industry Segment(s):</b> Cheese, Ingredients, Butter	<b>Progress:</b> ** ***
<b>BARRON COUNTY CHEESE</b>			
<b>Mailing Address:</b> 1623 US Hwy 8 Barron, WI 54812-8735 www.barroncountycheese.com	<b>Contact:</b> Gene Graf COO Phone: 715-637-0400	<b>Industry Segment(s):</b> Cheese	<b>Progress:</b> *
<b>BERNER FOOD &amp; BEVERAGE</b>			
<b>Mailing Address:</b> 2034 E. Factory Road Dakota, IL 61018-9736 www.bernerfoodandbeverage.com	<b>Contact:</b> Kurt Seagrist CEO Phone: 815-563-4222	<b>Industry Segment(s):</b> Milk, Cheese	<b>Progress:</b>
<b>BONGARDS' CREAMERIES</b>			
<b>Mailing Address:</b> 13200 County Road 51 Bongards, MN 55368-9525 www.bongards.com	<b>Contact:</b> Keith Grove President & CEO Phone: 952-466-3514	<b>Industry Segment(s):</b> Cheese, Ingredients	<b>Progress:</b> ** ***
<b>BYRNE DAIRY, INC.</b>			
<b>Mailing Address:</b> 240 Oneida Street Syracuse, NY 13202-3317 www.byrnedairy.com	<b>Contact:</b> Fred Sadeghi Chief Executive Officer and President Phone: 315-475-2111	<b>Industry Segment(s):</b> Milk, Yogurt & Cultured Products, Ice Cream	<b>Progress:</b>
<b>CARR VALLEY CHEESE CO. INC.</b>			
<b>Mailing Address:</b>	<b>Contact:</b>	<b>Industry</b>	<b>Progress:</b>

# Diversify and Grow Streams of Revenue

Grow Programs + \$50k

Grow Sponsorship + \$50k

New Members + \$150K



- Membership
- Sponsorship
- Programs
- Other

# New Programs and Partnerships





# SAVE THE DATE

MARCH 31 – APRIL 1, 2020  
MIAMI, FLORIDA

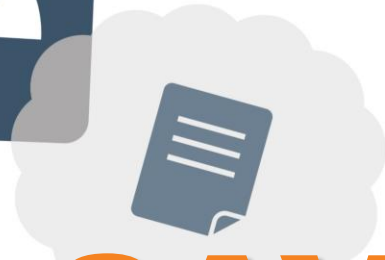
**ICE CREAM  
TECHNOLOGY  
CONFERENCE**

**YOGURT & CULTURED  
INNOVATION  
CONFERENCE**

**CHR HANSEN**

**PREMIER SPONSOR**





**SAVE THE DATE**

**OCTOBER 6-7, 2020**

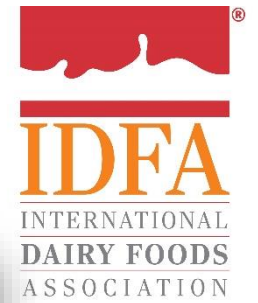
**WASHINGTON, DC**

**THE POWER OF  
PEOPLE** IN DAIRY

MAKING A DIFFERENCE FOR 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 Berrian Insurance Group, a member company of Leavitt Group.



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



MAKING A DIFFERENCE FOR DAIRY

# New Training Programs



## Online Training Partnerships

### Partnership with BakerTilly and Blimling

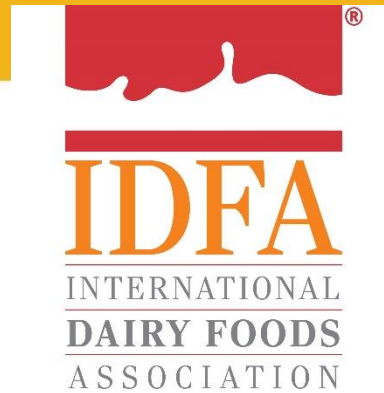
- Dairy Cost Accounting
- Dairy 101/ Milk Procurement
- Eliminates in-person room & board cost, time away
- Potential for continuing education credit
- January/February 2020 Launch



# Questions?



# Financial Overview



## Results of FY2019 Audit Examination



## Financial Foundation and Tools

## Finance Committee Oversight



## 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



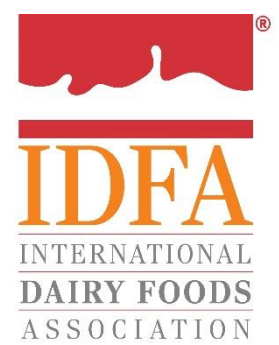
## **IDFA Audit Report as of June 30, 2019**

- **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>
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
Other	<u>\$373,540</u>	<u>\$260,215</u>	<u>(\$113,325)</u>
Total	\$10,008,122	\$9,688,179	(\$319,943)



# Expenses - Snapshot

	<u>Budgeted</u>	<u>Actual</u>	<u>Difference</u>
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)
Regulatory	\$308,400	\$294,604	(\$13,796)
Other	<u>\$1,505,800</u>	<u>\$1,721,613</u>	<u>\$215,813</u>
Total	\$9,995,237	\$9,568,387	(\$426,850)



# Financial Foundation and Tools

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



**Introduced Sustainable Revenue Model in FY2020  
through Membership Dues**



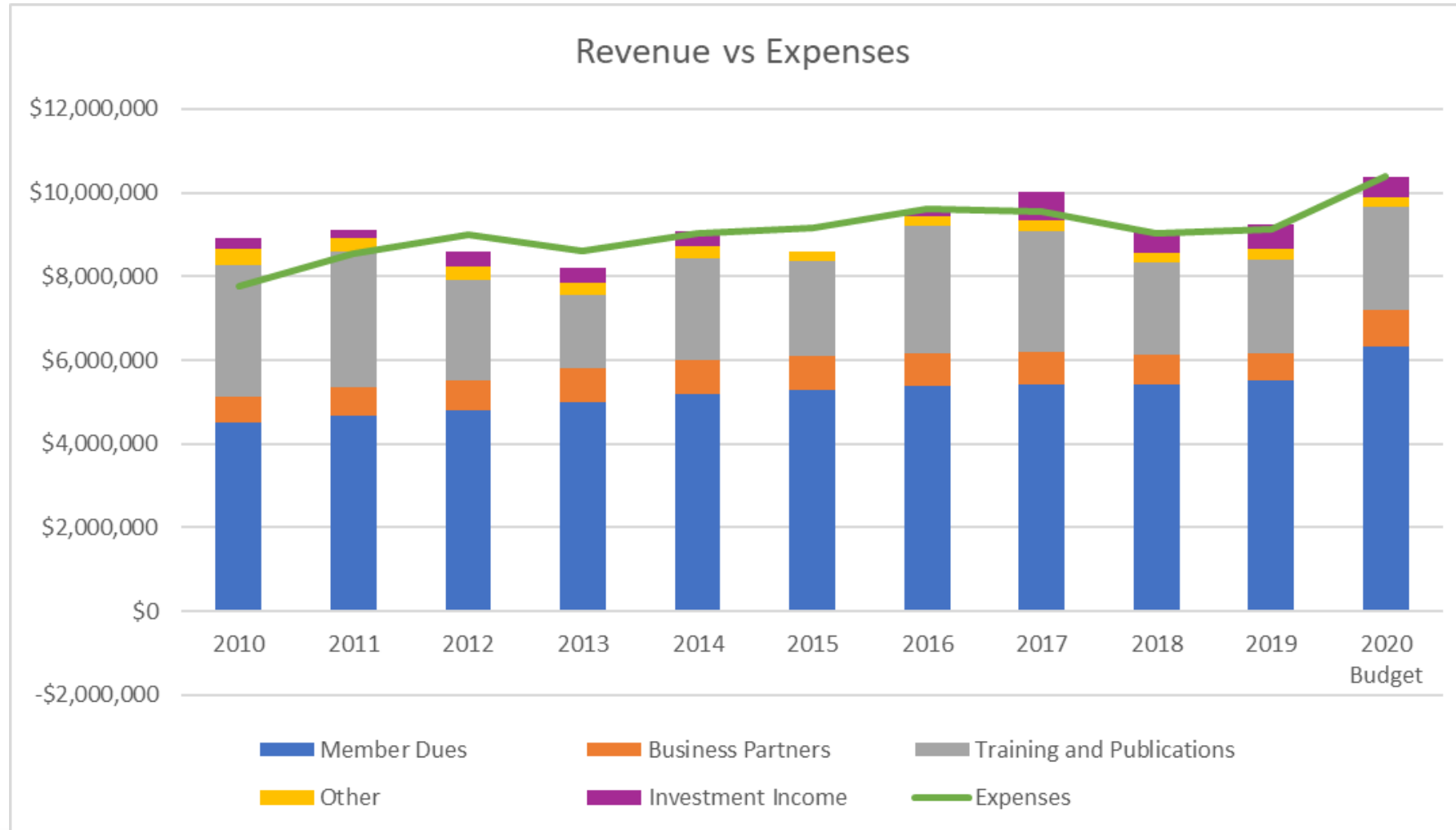
**Focus on Growing Programs and  
Sponsorship Revenue**



**Continual Spending Review  
and Analysis**

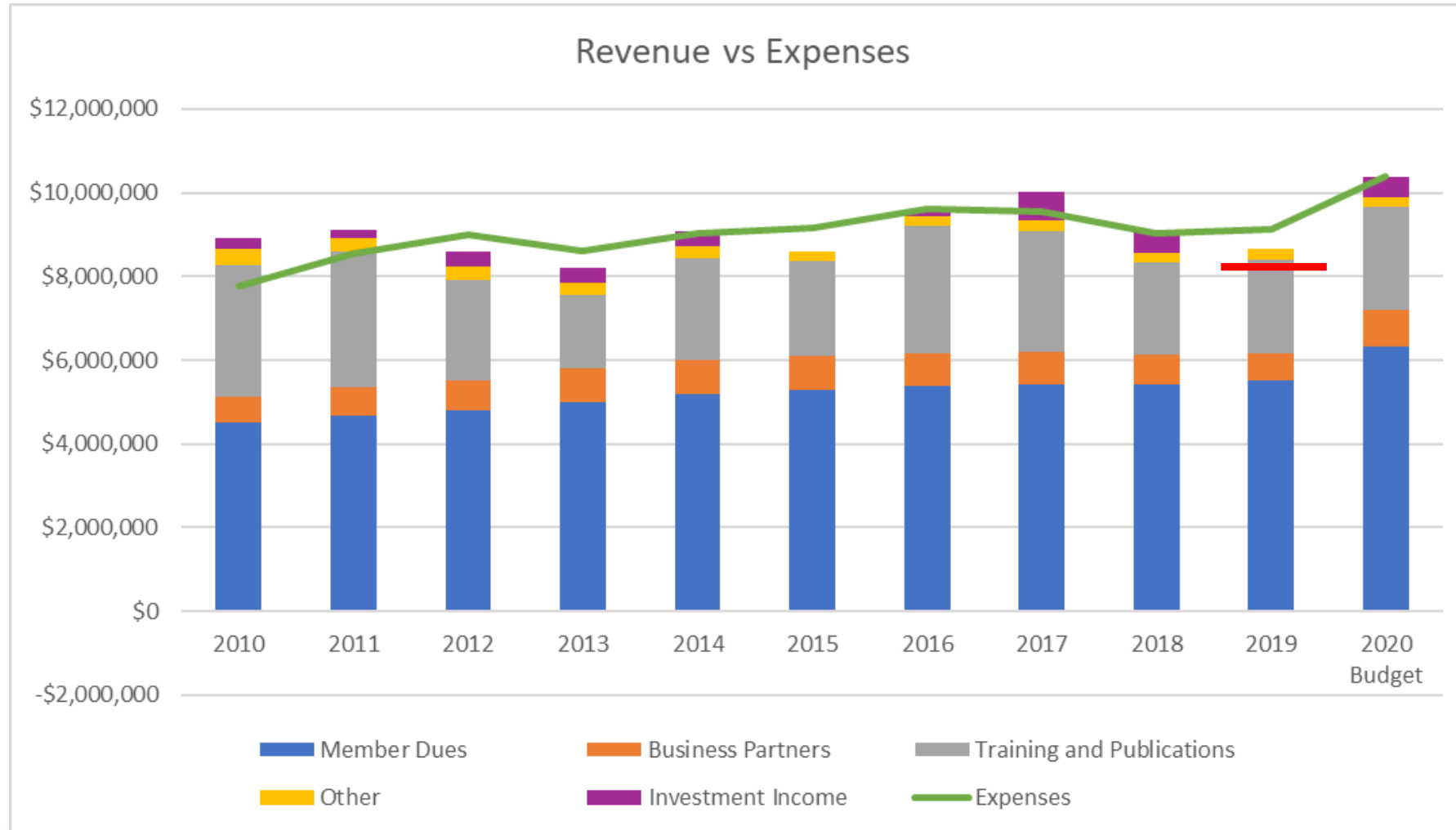


# Investment Income



- 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

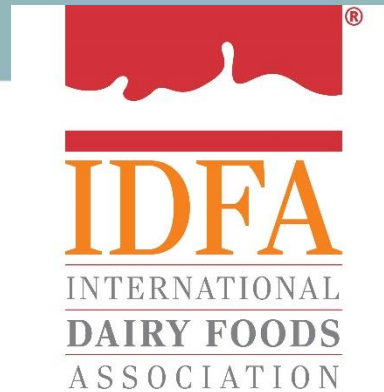


	Current FY2019	Proposed Calendar 2021	
Square Footage	17,291	9,695	
Sublet space	(7,596)	-	
Net Square Footage	<u>9,695</u>	<u>9,695</u>	
Rate per square foot (*)	\$ 81.41	\$ 59.00	
Net Cost per Month(*)	\$ 65,770	\$ 47,667	
Net Cost per Year (*)	\$ 789,235	\$ 524,338	11 months; 1 month per year
Lease Term	Through May 31, 2022	Calendar - 2021 through 2033	
TI Allowance	N/A	\$ 775,600	\$80.00 per square foot
Free Rent	N/A	11 months	
Annual Escalation	3%	2.50%	
Pro Rata Share	% of Rentable Square Footage	% of Rentable Square Footage	

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



# Financial Report\*



# Finance Committee





# Finance Committee



David Nelsen



Dan Zagzebski



David Ahlem

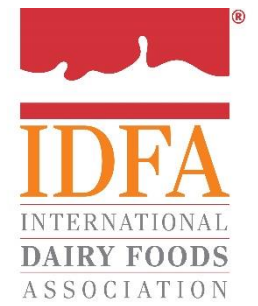


Al Thomsen

# Nomination and Governance Committee\*



# Nomination and Governance Committee



Mike Reidy



Dan Zagzebski



Ed Mullins



Mike Wells



Andrei  
Mikhalevsky

# Confirmation Vote

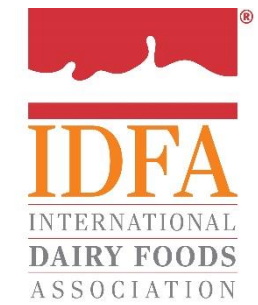


## IDFA Yogurt and Cultured Products Board



**Trevor Farrell**  
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

