

FUTURE
[SHAPE THE]

DAIRY FORUM 2018

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PRESIDENT'S BREAKFAST
[BUILD]
DEMAND AND OPEN
NEW MARKETS

DAIRY FORUM 2018

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Michael Dykes, D.V.M.

President and CEO
International Dairy Foods Association



Listening & Learning Tour

- ✓ Dairy companies
- ✓ Co-ops
- ✓ Suppliers
- ✓ Retailers
- ✓ Dairy farmers
- ✓ Academics
- ✓ Dairy economists
- ✓ U.S. dairy organizations





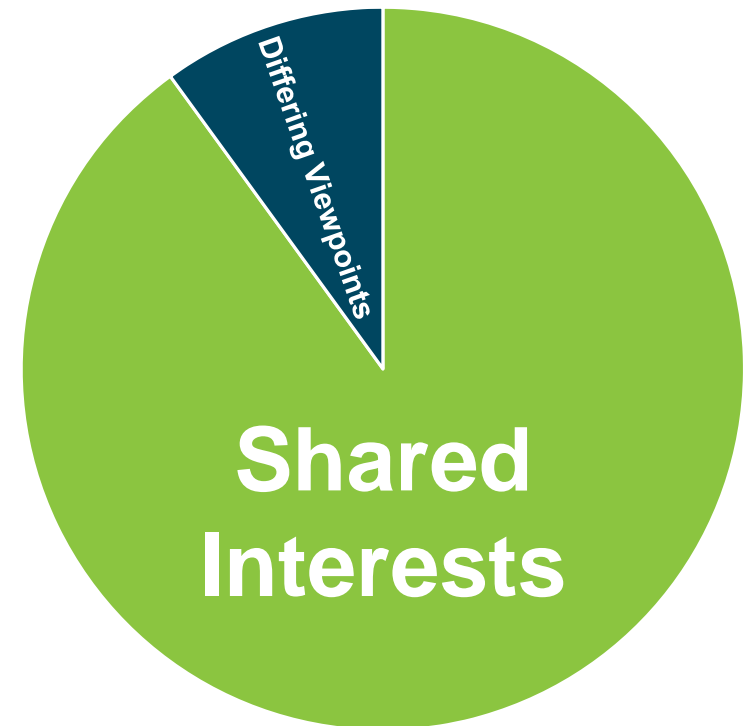
Listening & Learning Abroad



Thinking Globally



Working Together to Shape the Future





The Next Farm Bill: Dairy Policy

Testimony before the Committee on Agriculture
United States House of Representatives



Farm Bill: 'Historic' Collaboration



Making a Difference for Dairy



Farm Bill Priorities



Recent Successes



Returned 1% flavored milk to schools



Allowed ultrafiltered milk in cheese



Introduced “natural cheese” legislation



Extended time for Nutrition Facts Panel changes to align with GMO disclosure



Aligned PMO for Grade “A” dairy products with regulatory requirements in FSMA

Geographical-indications: Protecting Common Food Names



Europe Won't Own 'Parmesan' and 'Bologna' in Japan

Dec 20, 2017

FOR IMMEDIATE RELEASE

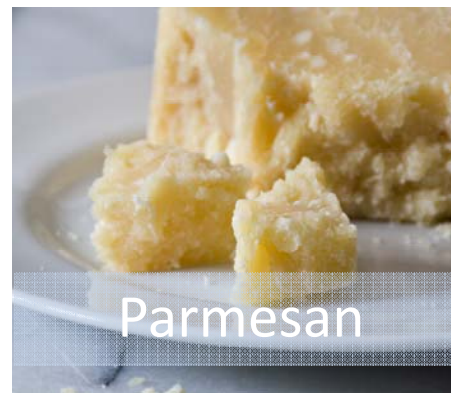
Contact:
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mhogan@idfa.org

Jaime Castaneda, CCFN
703-294-4359
jcastaneda@commonfoodnames.com



Japan Rejects EU Attempts To Confiscate Many Generic Meat, Cheese Names through Geographical Indications

(Washington, D.C. -- December 20, 2017) The Consortium for Common Food Names (CCFN) welcomes the Japanese govt's continued general use for many generic food terms as part of its trade agreement with the European Union (EU), especially "parmesan" and "romano," even as CCFN seeks further assurances on several common terms still at risk. Japan has assured generic cheese names brie, camembert, cheddar, edam, emmental, gouda, grana, mozzarella, parmesan, pecorino, provolone, bratwurst and mortadella; and for varietal terms such as "kalamata" for olives and "valencia" for oranges.



Advocating for Dairy



NAFTA



KORUS



China



TPP



TTIP

Communicating our Story



THE WALL STREET JOURNAL.

America's Dairies Need Free Trade—Including a Better Nafta

Negotiators should insist on meaningful access to Canada's market—and work aggressively on Asia.



EDGARD GARRIDO/REUTERS

By Andrei Mikhalevsky [+](#) and Stan Ryan [+](#)



The New York Times

Our message is getting through...



Donald J. Trump 

@realDonaldTrump



Canada has made business for our dairy farmers in Wisconsin and other border states very difficult. We will not stand for this. Watch!

7:30 AM - Apr 25, 2017

 19,025  14,154  60,428

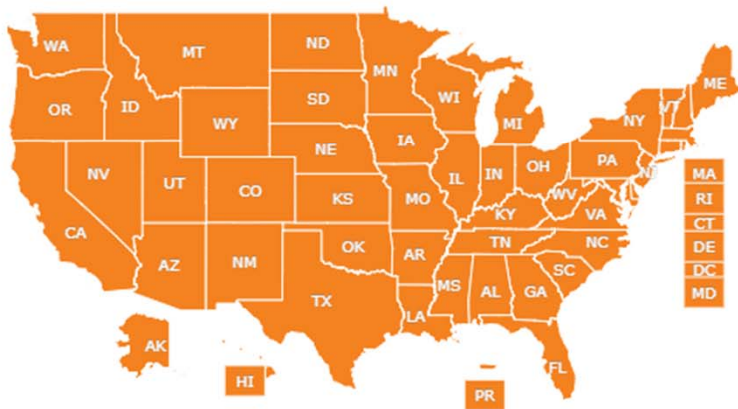


Communicating our Story

*We must continue to
advocate and communicate
for our industry.*

Dairy Delivers

Dairy Delivers: The Economic Impact of Dairy Products



Choose State:

United States ▼

Choose District: (optional)

Entire State ▼

Choose Report:

☒ Economic Impact Report

☐ Economic Impact Data Table

[View/Print](#)

DIRECT OUTPUT



\$206,888,632,700

DIRECT JOBS



977,727

DIRECT WAGES



\$39,463,983,900

TOTAL TAXES



\$64,391,846,200



IDFA
INTERNATIONAL
DAIRY FOODS
ASSOCIATION

Making a Difference for Dairy

[SHAPE THE] FUTURE

Dairy Delivers

Jobs

10 Nearly 3 million

Economic Impact

10 Greater than \$600 billion



Dairy Delivers

The Economic Impact of Dairy Products in the United States



Direct Jobs:
977,727

Wages:
\$39.46 billion

Economic Impact:
\$206.89 billion

Total Tax:
\$64.39 billion

The total economic impact of dairy products produced and sold specifically in the United States

\$628.27 billion

The amount dairy companies contribute to the U.S. GDP in 2017

1.09%

A further 1,986,183 jobs

were indirectly supported by the dairy industry through suppliers and the indirect impact of the industry's expenditures.

DAIRY MATTERS



Dairy foods deliver a unique combination of nine essential nutrients including protein, vitamin D and potassium.



The Dietary Guidelines for Americans recommend three servings of low-fat and fat-free dairy foods per day.



Consuming dairy products provides health benefits, especially improved bone health.



Dairy foods provide about 67 percent of the calcium available in the U.S. food supply.

International Dairy Foods Association | (202) 737-4332 | info@idfa.org | www.idfa.org

Dairy Delivers in California

Dairy companies in
California make
a difference for our
economy

\$5.33 Bil
Direct Wages

104,712
Direct Jobs

\$29.52 Bil
Economic Impact



Dairy Delivers in Wisconsin

Dairy companies in
Wisconsin make
a difference for our
economy

\$2.14 Bil
Direct Wages

41,241
Direct Jobs

\$23.68 Bil
Economic Impact



Dairy Delivers in New York

Dairy companies in
New York make
a difference for our
economy



\$2.90 Bil
Direct Wages

63,410
Direct Jobs

\$13.95 Bil
Economic Impact

Dairy Delivers in Texas

Dairy companies in
Texas make a difference
for our economy



\$2.73 Bil
Direct Wages

69,733
Direct Jobs

\$10.84 Bil
Economic Impact

Telling our Story with *Dairy Delivers*



MAKING A DIFFERENCE FOR DAIRY

Issues

News & Views

Resource Center

Events

Meml

www.idfa.org
Dairy Delivers

Dairy Delivers: The Economic Impact of Dairy Products

Available to everyone

Feeding the Economy



American Bakers Association
American Beverage Association
American Frozen Food Institute
American Seed Trade Association
BIO
Corn Refiners Association
Distilled Spirits Council of the United States
Food Marketing Institute
Grocery Manufacturers Association
International Dairy Foods Association
National Cattlemen's Beef Association



FEEDING THE ECONOMY
U.S. FOOD AND AG INDUSTRIES

www.FeedingtheEconomy.com

National Chicken Council
National Confectioners Association
National Grocers Association
National Oilseed Processors
Association
National Restaurant Association
National Association of Wheat Growers
North American Meat Institute
North American Millers Association
SNAC International
The Sugar Association
United Fresh Produce Association

Feeding the Economy

U.S. FOOD & AG INDUSTRIES

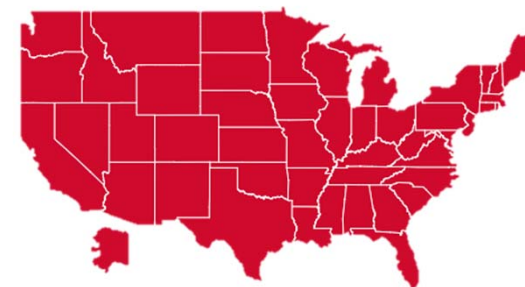
JOBS	43,311,057
WAGES	\$1.99 T
TAXES	\$894.13 B
EXPORTS	\$146.32 B

TOTAL ECONOMIC IMPACT
\$6.79 T



FEEDING THE ECONOMY
U.S. FOOD AND AG INDUSTRIES

www.FeedingtheEconomy.com



Food and agriculture is the
largest manufacturing sector
in the nation



**What DOES
the future
hold for
dairy?**

What DOES
the future
hold for
dairy?

*What Got You **Here**
Won't Get You **There***

Top 3 Opportunities for Dairy



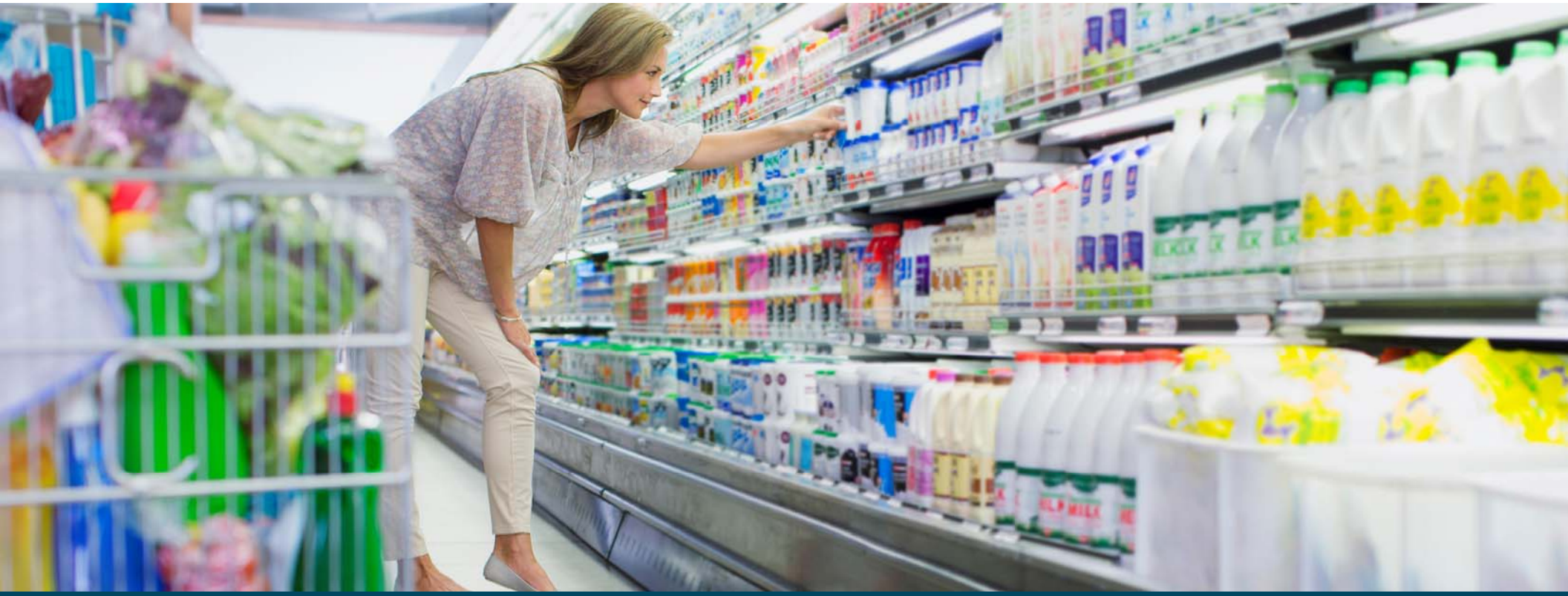
Build Consumer Demand



Think Innovatively



Open New Markets



Consumers

Opportunity for Dairy:
Building Demand

Growth of Beverage Categories

Competition

Today

1970s

- Milk & Juice
- CSDs
- Coffee & Alcohol

1980s

- Milk & Juice
- CSDs
- Coffee & Alcohol
- RTD Teas
- Juice Drinks
- Isotonics
- PET Waters
- Flavored CSD's

1990s

- Milk & Juice
- CSDs
- Coffee & Alcohol
- RTD Teas
- Juice Drinks
- Isotonics
- PET Waters
- Flavored CSD's
- Fresh-packed Juice
- Smoothies
- Coffee Drinks

2000s

- Milk & Juice
- CSDs
- Coffee & Alcohol
- RTD Teas
- Juice Drinks
- Isotonics
- PET Waters
- Flavored CSD's
- Fresh-packed Juice
- Smoothies
- Coffee Drinks
- Nutrient-enhanced
- Energy

- Milk & Juice
- CSDs
- Coffee & Alcohol
- RTD Teas
- Juice Drinks
- Isotonics
- PET Waters
- Flavored CSDs
- Fresh-packaged Juice
- Smoothies
- Coffee Drinks
- Nutrient-enhanced
- Energy
- Functional
- Health & Wellness

Source: Beverage Marketing Corporation

Consumers require us to.....

[Understand]

[Respond]

[Educate]

[Persuade]

[Engage]

[Satisfy]

[Listen]



Consumers want....

Clear and short ingredient list

Respect for farm animals, employees,
and the environment

Shared values and beliefs

Engaged and heard

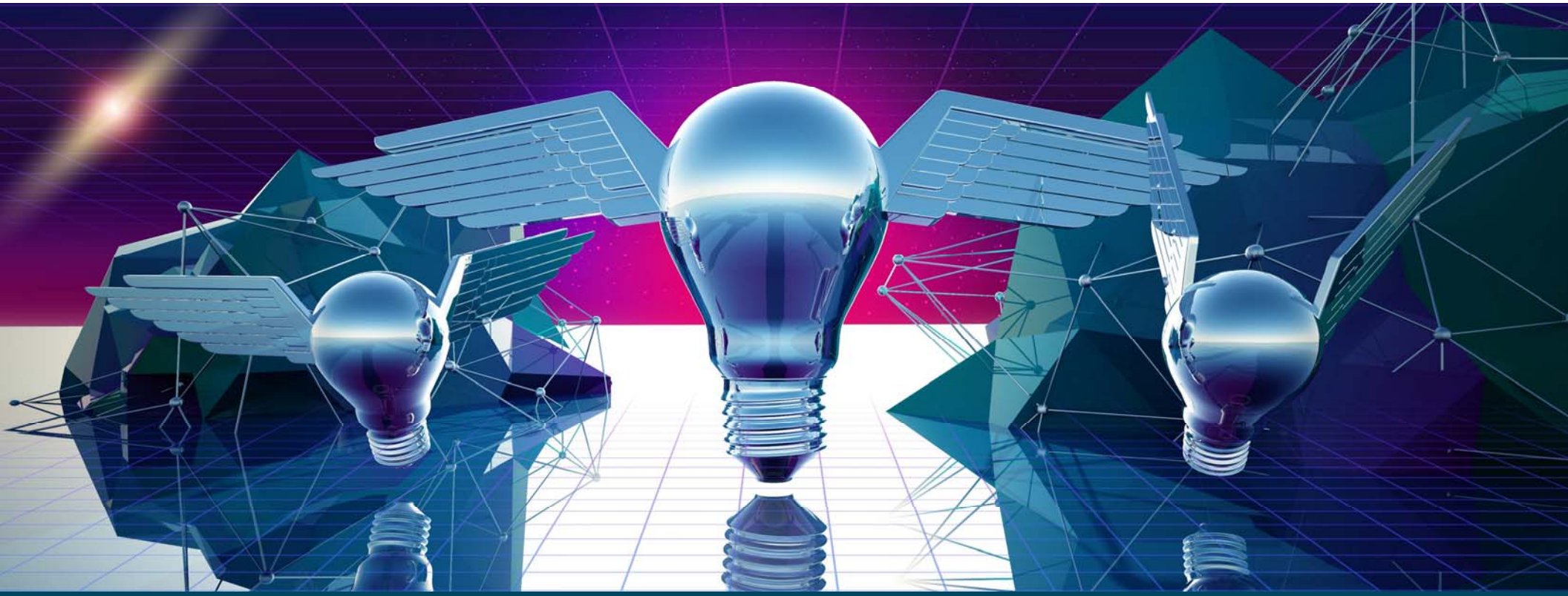


Consumers
want...
*food with
a story*

Telling the Story.....



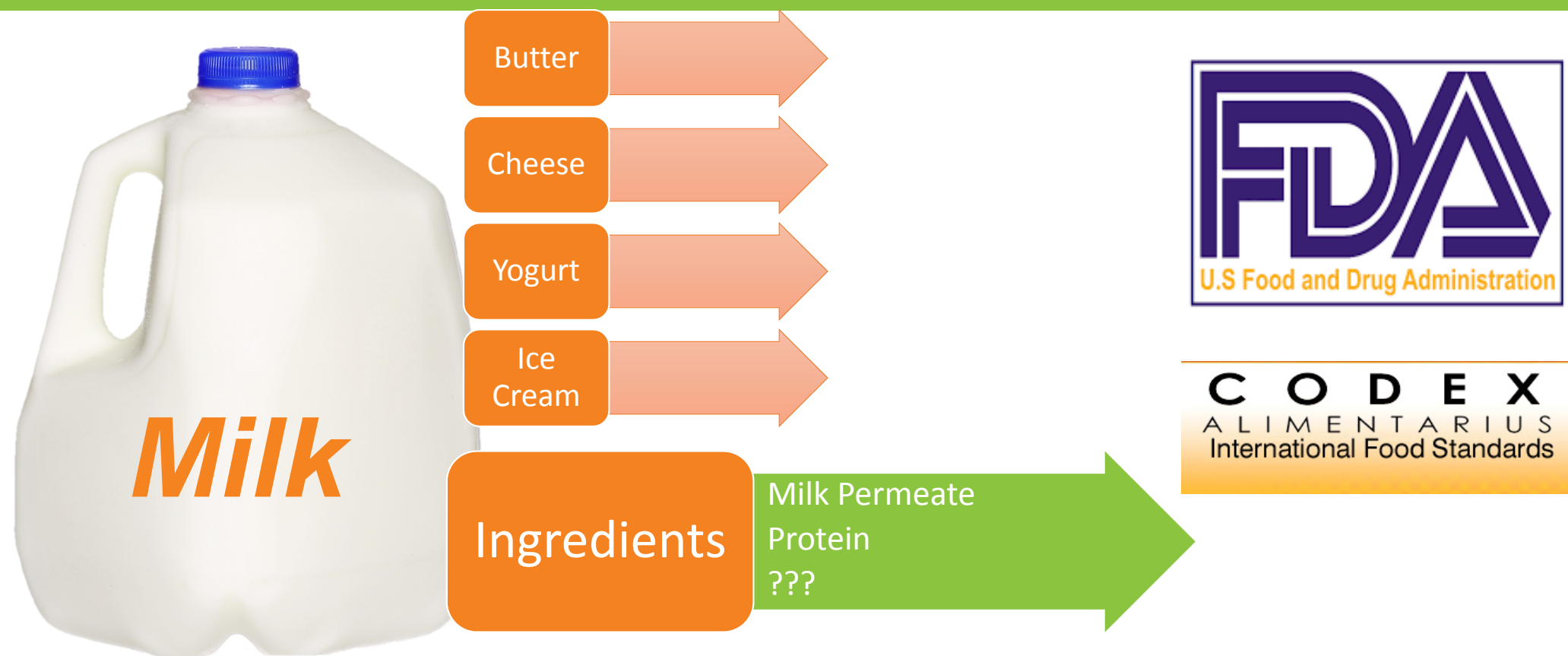
milk  pep



Innovation

Opportunity for Dairy:
Innovative Thinking

Innovative Thinking: Out-of-the-Jug



Innovative Products and Packaging

New products

Grab-and-go offerings

Packaging and portions

Emphasis on protein



A smiling male worker in a white lab coat and hairnet is holding a white container in a modern manufacturing facility. The background shows industrial equipment and a control panel.

Innovative Manufacturing

Updated equipment that can handle faster
filling and continuous manufacturing



Markets

Opportunity for Dairy:
Open New Markets

Gaining Market Access for U.S. Dairy



Abundant Supply
High-Quality Milk

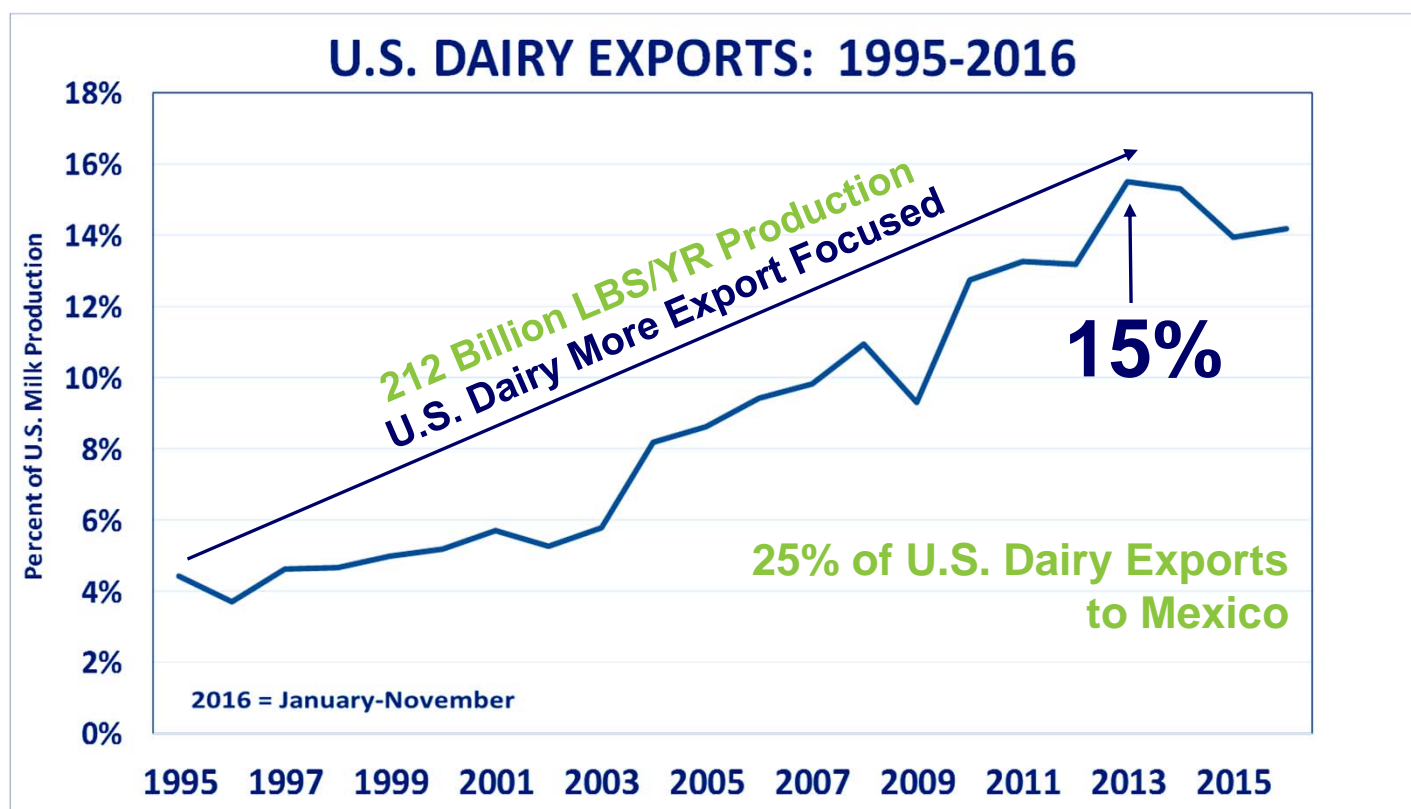


Safety Record

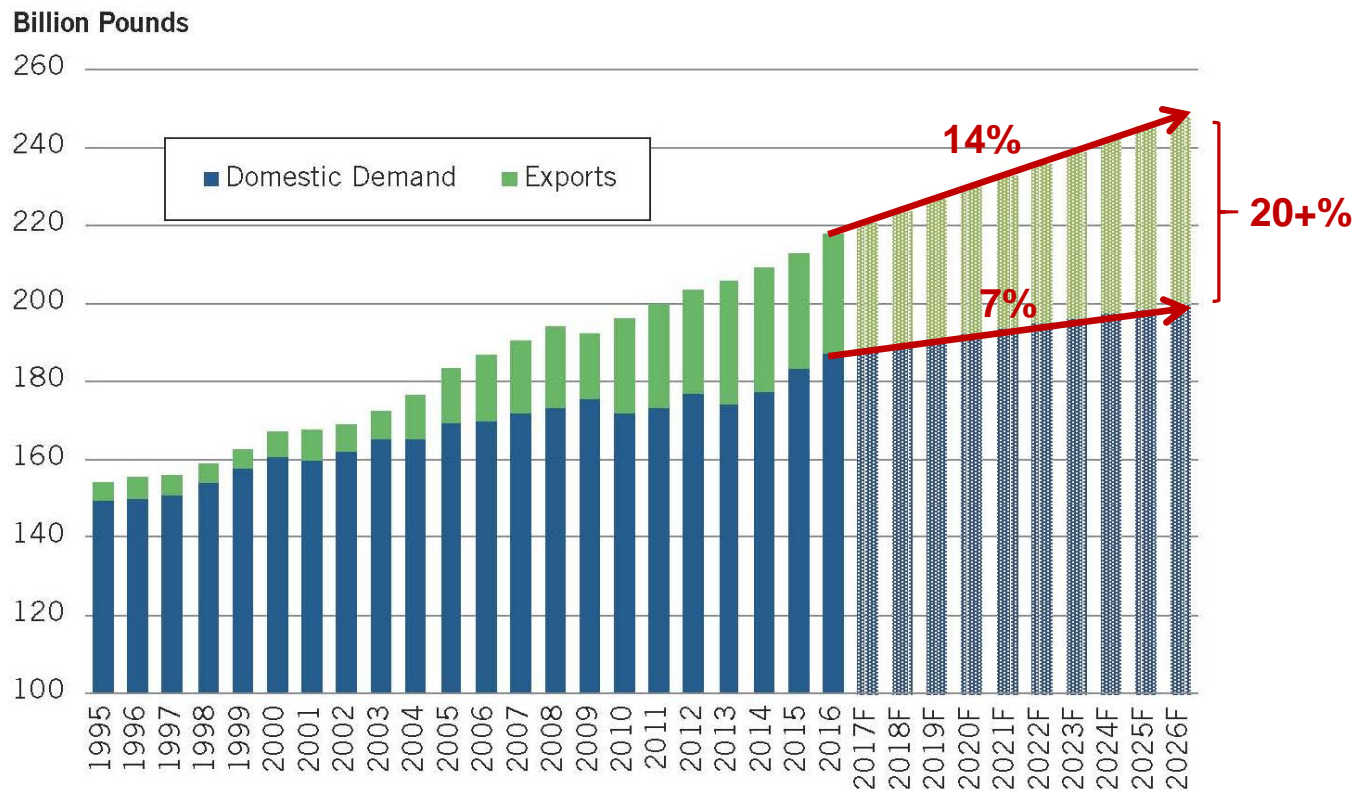


Unmatched
Distribution Channels

Dairy Exports



Dairy Production Outpacing Consumption



Source: USDA OCE, The McCully Group, CoBank

2 Billion More People By 2050



Markets and U.S. Trade Policy



- U.S. Agriculture Production –
Continues to Increase



- World Population Growing –
- 95% Outside U.S. Border



- Global Economic Growth –
Drives Demand

Markets and U.S. Trade Policy



- U.S. Agriculture Production – Continues to Increase



- World Population Growing –
- 95% Outside U.S. Border



- Global Economic Growth – Drives Demand

Proactive
U.S.
Trade
Policy
Is
Essential

Today
Monday, January 22

General Session: [Influence] the Future of U.S. Trade Policy

Desert Ballroom 7 & 8
1:30 – 2:30 p.m.



Introduction

David Ahlem
CEO and President
Hilmar Cheese
Company, Inc.

Chair
National Cheese
Institute



Moderator

**Michael Dykes,
D.V.M.**
President and CEO
International Dairy
Foods Association



Panelist

**Ambassador
Tim Groser**
New Zealand's
Ambassador
to the United States



Panelist

**Ambassador
David O'Sullivan**
Delegation of the
European Union
to the United States



Panelist

**Ambassador
Darci Vetter**
Former Chief
Agricultural
Negotiator,
U.S. Trade
Representative



Shaping our Future |

What one word represents your view of the future of dairy?



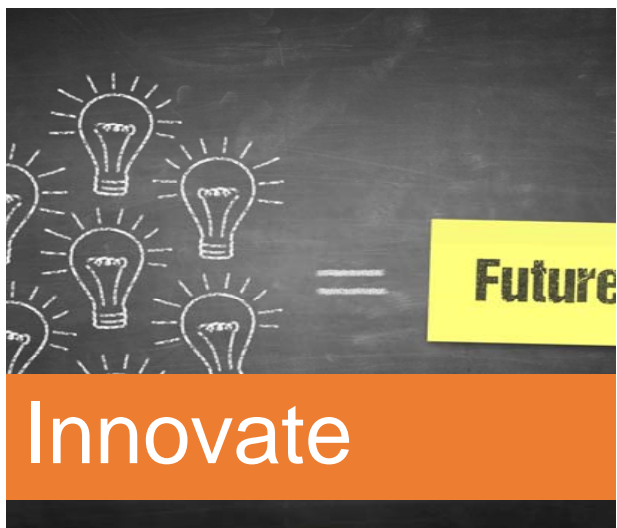
Respond at PollEv.com/dairyforum2018



Text **DAIRYFORUM2018** to **22333** once to join, then text your message



The Path Ahead...



[SHAPE THE] FUTURE

The Path Ahead...

Leadership

Essential for
Successful
Future



Contact Information



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@michaeldykesdc

Thank you!

PRESIDENT'S BREAKFAST
[BUILD]
DEMAND AND OPEN
NEW MARKETS

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FUTURE
[SHAPE THE]

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