



# International Dairy Foods Association

## IDFA Issues Briefing

**Tuesday, June 2, 2020 | 1:00 – 3:00 p.m. ET**

## Webex Webinar

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

*Counsel: Danielle Quist, Senior Director, Regulatory Affairs and Counsel*

## Meeting Notes

### I. Welcome

Heather Soubra welcomed Executive Council and Segment Board members to the meeting. Soubra went over a few housekeeping items, then turned it over to Danielle Quist for the Antitrust Reminder.

### II. Antitrust Reminder

Danielle Quist read the antitrust statement explaining IDFA's antitrust policy as it governs their conduct at the meeting and all activities associated with IDFA.

### III. Chairman's Remarks

Dan Zagzebski, IDFA Executive Council Chair, opened the meeting with a welcome and thanked everyone and their families for supporting the dairy industry over the last several months. He acknowledged the decision by the dairy processing industry to focus its COVID-19 responses on prioritizing worker welfare and safety and adapting to the disruption in the market. He noted that with the abrupt change brought by COVID-19, IDFA and its leadership quickly coalesced around the industry, expending tremendous staff and leadership time and energy in quickly getting the industry the resources it needed to protect its workers and continue operations. He then stated that the industry will be looking to the Segment Boards to lead the industry in this new way of doing business.

### IV. Making a Difference for Dairy

Michael Dykes compared the market trends at the time of the January 2020 Dairy Forum to the time of the COVID-19 pandemic. He reviewed the IDFA leadership's mandate for IDFA to take steps to maintain the dairy supply chain. Next, Dykes reviewed some of IDFA's timely accomplishments in response to the pandemic: the joint IDFA/National Milk Producers Federation/USDA proposal and its outcomes, regular membership updates, resources available to non-members for the good of the whole industry and a COVID-19 webpage with regular updates.

Dykes walked members through statistics on the dairy market demands and futures from the end of January to the end of May 2020 and how the dairy industry's actions during the pandemic helped put the market back on a positive trend for most segments. He also noted the high level of leadership engagement and effective use of committees as evidence that the new governance structure was effective in guiding the deliberative and results-oriented process for shaping policies and regulations, such as Chicago Mercantile Exchange and butter, dried Milk Protein Concentrate and the Federal Milk Marketing Order. Finally, Dykes described the Vision for the Future and how the 6 papers describing the Drivers and Directions were developed.

## **V. Advocacy**

Dave Carlin updated members regarding two issues IDFA is working on to be included in the next COVID-19 relief legislative package that Congress passes. A dairy recourse loan program for dairy processors was included in the House-passed HEROES Act last month at IDFA's request. IDFA also worked to identify bipartisan champions in the Senate for this program. In addition, IDFA is leading a coalition of food and agriculture trade associations in support of legislation that would provide targeted tax relief for essential workers who have been showing up to work on dairy farms and in dairy plants every day to keep the food supply chain intact. IDFA is supporting legislation in the House sponsored by Representatives Thompson (R-PA) and Evans (D-PA), as well as a draft bill authored by Sen. Joni Ernst (R-IA) that would recognize the contributions of essential workers and provide them with a financial incentive to continue working on the frontlines during the pandemic.

Carlin also reported on recent PAC events that IDFA hosted for Members of Congress who support our priorities and highlighted two "meet and greets" that IDFA hosted for newly elected Congressman Tom Tiffany (R-WI) and Michigan congressional candidate Peter Meijer. He also discussed plans to hold a "virtual fly-in" during June with key Senators and Representatives.

## **VI. Regulatory**

Cary Frye reported on IDFA's role in obtaining regulatory support for the dairy industry during COVID-19. This included FDA nutritional labeling flexibilities such as the nutrition facts labeling extension to January 1, 2021, the allowance for food service packages to be sold at retail, and the limited omissions or substitutions for minor ingredients changes from supply disruptions. She expressed the industry's disappointment that FDA's ingredients substitution guidance was not initially clear that it excluded standardized foods such as most dairy products. She explained that IDFA was working with FDA to find a way to broaden the exemption.

She also explained how IDFA worked with USDA to provide milk and dairy products to those in need. These included the waivers for package sizes and fat levels for school meals and WIC, Sec. 32 purchases, and the guidance and assistance on applications for the USDA Food Box program. In addition, Frye updated members on the continued push for standards modernization and IDFA's advocacy in protecting milk and dairy's role in the 2020 Dietary

Guidelines. She reported that the final DGAC report is due June 17<sup>th</sup> via webinar and that the DGA is on track for the end of the year.

Joe Scimeca continued by summarizing IDFA efforts on food safety, worker protection and other regulatory compliance. He reported on FDA's guidance on inspections, reporting of plant closures, and Memorandum of Understanding with USDA regarding the process for exercising Defense Protection Act authority for FDA-regulated facilities. He updated members on IDFA efforts to extend the compliance date for the National Bioengineered Food Disclosure Standard. He explained the multiple Occupational Safety & Health Administration (OSHA) and OSHA/Centers for Disease Control (CDC) guidance to help manufacturers comply with OSHA recording of workplace injuries during the COVID 19 pandemic and guidance to limit transmission at the workplace. He noted that the food and beverage industry also prepared complementary guidance tailored to the needs of the industry. Finally, Scimeca informed members that IDFA filed technical comments opposing the Environmental Protection Agency's proposal to expand the scope of chemical testing and compliance requirements for federal National Pollutant Discharge Elimination System Multi-Sector General Permits for Stormwater Discharges Associated with Industrial Activities.

## **VII. Communications**

Matt Herrick reported the results of the new IDFA website and branding, as well as the team's response to the COVID-19 pandemic, and two new initiatives. The new idfa.org is attracting 11 percent more visitors when compared with the previous period through May. IDFA topped 122,000 COVID page views this year; overall, more than 82,000 visitors since the site launched in March. LinkedIn growth continues to increase with more than 2,000 new followers in April and May. Twitter growth is up 2%. IDFA topped 1 million impressions of the #Essential campaign and video content. Coronavirus resources are the most searched item on the website, bringing in anywhere from 40 to 70 percent of all traffic in each month. IDFA will maintain the COVID page and resources until the crisis passes.

Herrick reported that IDFA launched a new membership campaign in early June to bring prospects into the association, called Making a Difference for Dairy. This campaign will run through August 2020. The goal for our new Membership Campaign is to put IDFA's membership value proposition front and center for future members. IDFA is reaching out to several hundred prospects in a personal way through targeted email, phone calls, a new personalized web page, video content, and light online advertising.

IDFA will launch a series of virtual conversations with industry leaders on topics of great interest and importance to our industry, called Dairy Innovator Dialogues (DID) LIVE. Scheduled on a biweekly basis, conversations will be moderated and hosted by Michael Dykes. Each DID Live session will feature 1 – 2 guests from the C Suite of dairy processor

and Gold Business Partner members. IDFA will also turn the video conversations into shorter audio features, similar to a podcast.

#### **VIII. IDFA Vision for the Future**

Dykes began the discussion on the IDFA Vision for the Future and why the discussion was important to the dairy industry. He summarized the 6 white papers prepared to help board members consider the drivers and direction of the industry over the next 10-15 years: Global Competitiveness, Sustainability, Industry Evolution, Innovation & Technology, Workforce of the Future and Political Outlook. He laid out the process of how the 6 drivers would be considered by the Executive Council and Industry Segment board leaders, including volunteer participation in a task force to refine and consider each topic ahead of the October board meetings.

#### **IX. McKinsey Outlook – Dairy in the Next Normal**

Christina Adams, Ludovic Meilac and Isabella Maluf described the purpose of the presentation, provided results of the Pulse survey conducted by IDFA in April and May, and how those insights were used as a basis for the presentation. He conducted two additional surveys of IDFA leaders, one seeking members' most pressing concerns since the outset of the COVID-19 crisis and a comparison of May year-over-year demand. Consumer demand data across the dairy sector before and during the COVID-10 crisis was shared. Based on all this information, McKinsey provided insights into what the "next normal" might look like and offered insight into how companies could plan for the next normal.

#### **X. Closing Remarks and Next Steps**

Dan Zagzebski concluded by thanking Cary Frye for her years of service to the dairy industry and to IDFA and asked members to provide applause in Cary's honor.

#### **XI. Adjourn**

The meeting was adjourned.