

**NEBRASKA DAIRY INDUSTRY DEVELOPMENT  
BOARD**

# Annual Report

July 1, 202**1** - June 30, 202**2**



# **NEBRASKA DAIRY INDUSTRY DEVELOPMENT BOARD**

## **Annual Report July 1, 2021 – June 30, 2022**

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# NEBRASKA MILK FIRST PURCHASERS

3-28-22

<u>Company</u>	<u>Grade A</u>
Associated Milk Producers PO Box 430 Freeman, SD 57029	20
Countryside Dairy 56670 880 Road Hartington, NE 68739	1
Dairy Farmers of America PO Box 901546 Kansas City, MO 64190-1546	74
Wells Dairy Inc. #1 Blue Bunny Drive LeMars, IA 50131	2
Jisa Farm Inc. 2653 Q Road Brainard, NE 68626	1
Wakefield Farms, LLP – Agropur 86051 588 <sup>th</sup> Ave Emerson, NE 68733	1
McCarty Farms Beaver City, LLC 42426 Road 713 Beaver City, NE 68926	1
Dutch Girl Creamery (GOAT) 2201 W. Denton Rd Lincoln, NE 68523	1
Specialties Global Milk 805 W. Omaha Ave. Norfolk, NE 68701	0
Beauty View Farm (Konecky)	1
<b>TOTALS</b>	<b>102</b>

S:BDF:Nebraska Milk Purchasers632015



# NDID Board - Directory

## Mike Amen

Amen Dairy LLC  
54681 Half Mile Rd.  
Norfolk, NE 68701  
Home: (402) 675-1250  
Mobile: (402) 649-4000  
Work:  
Fax:  
Email: amendairyllc@gmail.com  
Represents: At-Large  
Board Position Type: Director - Appointed  
Officer Position: None  
Ships Milk To: Dairy Farmers of America (DFA)  
Term End Date: 11/2/2022

## Kent Pulfer

MPM Farm  
811 Brooke Dr.  
Wayne, NE 68787-1248  
Home: (402) 375-2285  
Mobile: (402) 369-0918  
Work: (402) 375-2285  
Fax:  
Email: mpmdairy@gmail.com  
Represents: Other First Purchaser  
Board Position Type: Member  
Officer Position: Chair  
Ships Milk To: Wells Dairy, Inc. - Corporate  
Term End Date: 11/2/2022

## Doug Temme

Temme AgriBusiness Inc.  
57618 858th Rd.  
Wayne, NE 68787  
Home:  
Mobile: (402) 375-0542  
Work: (402) 375-4191  
Fax:  
Email: temmdo@gmail.com  
Represents: AMPI  
Board Position Type: Member  
Officer Position: Secretary/Treasurer  
Ships Milk To: AMPI Inc. Corporate Office  
Term End Date: 11/2/2022

## Jodi Cast

JJC Jerseys  
4011 A Street Rd  
Beaver Crossing, NE 68313  
Home:  
Mobile: (402) 641-3797  
Work:  
Fax:  
Email: jjcjerseys@gmail.com  
Represents: DFA  
Board Position Type: Member  
Officer Position: None  
Ships Milk To: Dairy Farmers of America (DFA)  
Term End Date: 11/2/2023

## Joyce Racicky

Elk Creek Dairy  
78074 Elk Creek Rd.  
Mason City, NE 68855  
Home:  
Mobile: (308) 212-0542  
Work: (308) 732-3263  
Fax: (308) 732-3263  
Email: joyce.racicky@midwestdairyboards.com  
Represents: DFA  
Board Position Type: Member  
Officer Position: None  
Ships Milk To: Dairy Farmers of America (DFA)  
Term End Date: 11/2/2023

## Alissa Troyer

Nebraska Department of Agriculture  
  
Home:  
Mobile:  
Work:  
Fax:  
Email:  
Represents: NE Dept. of Ag  
Board Position Type: Ex Officio - Government  
Officer Position: None  
Ships Milk To:  
Term End Date: 1/2/0001

## David Crook

Crook Dairy  
71109 635 Boulevard  
Humboldt, NE 68376  
Home: (402) 862-2180  
Mobile: (402) 862-5323  
Work: (402) 862-2834  
Fax:  
Email: davidnancycrook@hotmail.com  
Represents: At Large  
Board Position Type: Member  
Officer Position: None  
Ships Milk To: Dairy Farmers of America (DFA)  
Term End Date: 11/2/2023

## Heath Snodgrass

O & W Dairy Farm, Inc.  
85801 518th Ave.  
Orchard, NE 68764  
Home:  
Mobile:  
Work: (402) 929-0275  
Fax:  
Email: gweedo2227@gmail.com  
Represents: At-Large  
Board Position Type: Member  
Officer Position: None  
Ships Milk To: Dairy Farmers of America (DFA)  
Term End Date: 11/2/2024





**NEBRASKA DAIRY INDUSTRY DEVELOPMENT  
BOARD**

Financial  
Reports



**Nebraska Dairy Industry Development Board**  
**Fiscal Report**  
**July 1, 2021 to June 30, 2022**

<b>Category</b>	<b>FY 2021-22 BUDGET</b>	<b>May 2022</b>	<b>June 2022</b>	<b>YTD Total</b>	<b>YTD %</b>
<b>Beginning Cash Balance</b>	\$ 132,513	\$ 226,512.49	105,982.47	\$ 132,512.51	
<b>Revenue</b>					
Dairy Checkoff	\$ 1,500,000	\$ 110,043.49	135,974.36	\$ 1,407,710.01	
Penalty	100	0.00	0.00	27.86	
Other Revenue	25	0.00	0.00	25.00	
Investment Interest	2,000	136.58	148.04	2,213.87	
Dumped Milk Refund	0	0.00	0.00	0.00	
<b>Total Revenue</b>	<b>\$ 1,502,125</b>	<b>\$ 110,180.07</b>	<b>136,122.40</b>	<b>\$ 1,409,976.74</b>	<b>94%</b>
<b>Total Available Cash</b>	<b>\$ 1,634,638</b>	<b>\$ 336,692.56</b>	<b>242,104.87</b>	<b>\$ 1,542,489.25</b>	
<b>Expenditures</b>					
NDA Administrative Contract	\$ 8,000	\$ 457.44	437.69	\$ 8,471.85	
Midwest Dairy Association	1,394,611	113,043.63	109,728.81	1,305,117.97	
Southwest Dairy Association	82,731	9,115.84	8,826.01	96,894.74	
Board Expense	1,000	0.00	0.00	0.00	
DAS Assessments	1,850	0.00	0.00	1,604.00	
Annual Audit	6,500	0.00	0.00	6,497.00	
<b>Total Expenditures</b>	<b>\$ 1,494,692</b>	<b>\$ 122,616.91</b>	<b>118,992.51</b>	<b>\$ 1,418,585.56</b>	<b>95%</b>
Adjustment to Fund Balance	0	(108,093.18)	0.00	(791.33)	
<b>Ending Cash Balance</b>	<b>\$ 139,946</b>	<b>\$ 105,982.47</b>	<b>123,112.36</b>	<b>\$ 123,112.36</b>	

\* The ending cash balance is 100% invested in the short-term investment pool.

Percent of Fiscal Year Elapsed	100%
FY 20-21 Revenue to Date:	\$ 1,523,658.70
FY 20-21 Expenditures to Date:	\$ 1,463,669.25

**Midwest Dairy Association  
Nebraska Division  
July 1, 2021 to June 30, 2022**

**REVENUE:**

NDIDB Checkoff Revenue

**12 Months**

\$ 1,305,117

**EXPENSES:**

Innovation:

DMI Projects 333,243 (incl. UDIA Membership)

Dairy Experience:

DEX-Sales Demand 119,356

DEX-Sales Youth 42,711

DEX-Global Positioning 73,819

DEX-Trust Adult 187,433

DEX-Trust Youth 80,493

DEX-Strategic Initiative 12,342

Research 92,524

Agricultural Affairs

Farmer Activation 80,973

Other Agricultural Affairs 156,449

Farmer Communications 84,552

Program Innovation 35,399

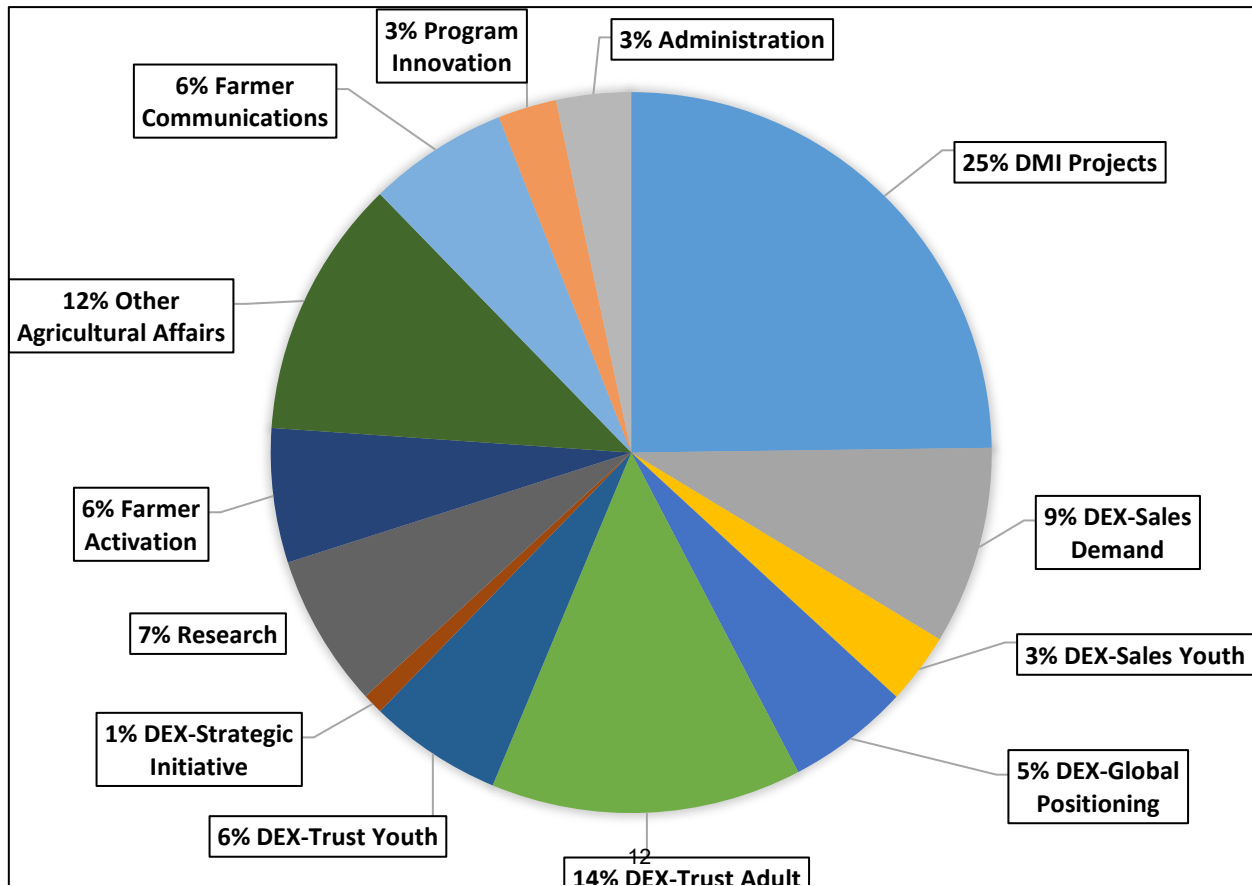
Administration 45,008

**Total Expenses**

**\$ 1,344,302**

**Excess of Revenue over Expenses**

**\$ (39,185)**



**Southwest Dairy Museum, Inc.**  
**Receipts and Disbursements**  
**State of Nebraska**  
**July 1, 2021 - June 30, 2022**

Income		
	From Nebraska Producers	\$ 96,894.74
<b>Total Income</b>		<b>\$ 96,894.74</b>
<b>Nebraska Direct Expenses</b>		
	Travel (Includes Fuel)	\$ 5,001.04
	MDC Expenses (Includes Labor)	\$ 6,187.82
	<b>TOTAL BASIC EXPENSES</b>	<b>\$ 11,188.86</b>
	Special Education Programs	\$ 13,024.74
	College Athletic Programs (Creighton)	\$ 7,500.00
	<b>TOTAL SPECIAL PROMO PROGRAMS</b>	<b>\$ 20,524.74</b>
<b>Nebraska Indirect Expenses 1/</b>		<b>\$ 54,591.18</b>
<b>Total Expenses</b>		<b>\$ 86,304.78</b>

1/ Indirect Expenses have been allocated to Nebraska at a pro-rata rate based on the percentage of Nebraska funds to our total receipts of dairy producer check-off funds. This percentage (2.772%) was applied to shared operational accounts (not reflected in the direct expenses) for the Southwest Dairy Museum's total operation. All direct expenses are the actual cost incurred at promotional and educational events performed in Nebraska.



# **NEBRASKA DAIRY INDUSTRY DEVELOPMENT BOARD**

## Dairy Promotion Organizations

Nebraska dairy farmers pay checkoff of fifteen cents per hundred-weight of milk they produce. The checkoff is collected by the first purchaser of each producer's milk. Five cents is sent to the National Dairy Board which provides funds for the national Unified Marketing Plan (UMP) developed by Dairy Management, Inc. The other ten cents is paid to the Nebraska Dairy Industry Development Board (NDIDB). The NDIDB funds USDA qualified program organizations for dairy promotion activities. The NDIDB is itself a USDA qualified program organization.

During the period July 1, 2021 through June 30, 2022, NDIDB funded the following two qualified program organizations:

1. Midwest Dairy Association (Midwest Dairy). Under contract, Midwest Dairy implemented programs intended to contribute to the betterment of Nebraska's dairy farmers and the state's dairy industry, including 1) the local components of the UMP, 2) the national UMP funding commitment, and 3) other promotion programs in Nebraska consistent with the interests of Nebraska dairy producers. Programs funded during the period are further described in the Promotion Highlights.
2. Southwest Dairy Farmers (Southwest Dairy). Under contract, Southwest Dairy began implementing Mobile Dairy Classroom programs in Nebraska. Programs are further described in the Report of Activities.



## Nebraska Dairy Promotion HIGHLIGHTS

July 1, 2021–June 30, 2022

### Domestic and International Partnerships

National partnerships play a foundational role in the checkoff's work and its mission to drive dairy sales and trust by working with, and through, food and beverage industry leaders both domestically and internationally. These partnerships focus on immediate and long-term sales opportunities with a concentrated focus on product, menu, and packaging innovation along with advertising to help drive dairy trust and relevancy.

#### 2021 and 2022 First Half Domestic and International Partnerships Sales Highlights

#### 2021 End of Year Domestic and International Partnerships Sales Highlights

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#### Key Overall Quantifiable Results:

- ✓ **250M+ pound (milk equivalent) from food service partners**
- ✓ **3 percent average growth since inception**
- ✓ **29 national new items launched**
- ✓ **Ecommerce efforts achieved a nearly \$8 return on spend, 4x the industry average**
- ✓ **Amazon collaboration efforts yielded 2-year \$ Sales CAGR 2019-2021 of +81 percent with Amazon outpacing the category E-commerce sales (+58 percent)**

In 2021, dairy checkoff sales-driving efforts focused on delivering results in the short-term while keeping a close eye on the future. In all, U.S. foodservice partners Domino's, McDonald's, and Taco Bell dairy sales grew an **additional 250 million pounds** (milk equivalent) in 2021.

These results reinforce that the checkoff partners with industry leaders that make an impact. In fact, **DMI's foodservice partner dairy use has grown an average of 3 percent** (milk equivalent percentage growth) since 2009, which is nearly double the industry average of 1.7 percent. This means an increase of 2.2 billion pounds (milk equivalent) since 2009.

Innovation paved the way to this success. National foodservice partners introduced nine new dairy-rich products in 2021 alone. For example, Taco Bell introduced its Mountain Dew Baja Blast Colada Freeze in more than 7,500 U.S. locations, using a tropic-infused dairy cream.



DMI continued its work with Amazon in our role as dairy "category captain" for the e-commerce giant, sharing consumer insights that can drive online traffic and sales. In the two years working with Amazon, its natural cheese and milk sales growth outpaced overall category averages by more than 20 percent.

## International Partnerships

### Key Overall Quantifiable Results:

- ✓ **13 percent growth of U.S. cheese with existing intl. partners over the past two years**
- ✓ **Domino's launched Jumbo Pizza, Rice Bowls, 1/2 KG Pizza, Chicken Tikka Pizza**
- ✓ **38 percent volume growth from Domino's expansion into MENA**
- ✓ **Launched 10 product and consumer promotions with Pizza Hut Asia Pacific**

International markets also spurred U.S. dairy sales in 2021. DMI's international partners launched new products and expanded into new markets. **Pizza Hut Asia Pacific** drove awareness for U.S. dairy through 10 product and consumer promotions, and **Associated Milk Producers Inc.** introduced its Dinner Bell Creamery cheese slices at more than 850 foodservice outlets in China. Additionally, **Domino's** expanded its global presence to the Middle East, driving a 38 percent U.S. dairy increase in its first year.

Exports remain a core sales driver for U.S. dairy, accounting for 17 percent of total milk production in 2021. Through the work of the **U.S. Dairy Export Council** (founded by and funded largely through the dairy checkoff), U.S. dairy saw record-setting volume growth based on the growing demand for dairy by international customers. Categories driving 2021 growth were U.S. cheese (increased 14 percent), nonfat dry milk/skim milk, and whey (both increased 10 percent).

And, despite the challenging global environment in 2021, U.S. dairy grew 29 percent in China, and 16 percent in Mexico and maintained its growth in the Middle East and North Africa.

Domino's Japan launched the Jumbo Pizza and a Pizza Rice Bowl, both featuring U.S. cheese. The chain has doubled its U.S. cheese use since the partnership started in 2019.

## Fluid Milk Revitalization

### Key Overall Quantifiable Results:

- ✓ **75 catalytic, value-added products in fluid milk that followed DMI partner launches via areas of high protein, low sugar, whole milk, lactose-free, and more product types**
- ✓ **DMI science and partners driving Value Added Milk \$ Growth vs. Plant-Based from 2016 to 2021 (\$914M vs. \$866M)**

DMI started fluid milk partnerships in 2015. This helps drive category innovation – since 2018, milk brands have introduced **75 new value-added fluid milk products**.

In 2021, DMI's fluid milk partners, Dairy Farmers of America, Darigold, Kroger, and Shamrock Farms, collectively introduced 13 new products, including flavored, lactose-free, shelf-stable, and other value-added options. These launches were further supported with new packaging, promotion, and other marketing efforts.

## 2022 First Half Domestic and International Partnerships Sales Highlights

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### Domestic Partnerships

#### Key Overall Quantifiable Results:

- ✓ **6 national new items launched across retail and foodservice channels**

In 2022, dairy checkoff sales-driving efforts focused on delivering results in the short-term while keeping a close eye on the future. In all, U.S. domestic channel partners Domino's, McDonald's, Taco Bell, General Mills, and Kroger® launched innovative new dairy products.

Taco Bell introduced Cinnabon coffee with real dairy creamer in March. A real dairy creamer replaced a non-dairy creamer for use in its coffee and other frozen beverages, such as the Mango Whip Freeze, launched in June in its more than 7,500 U.S. locations. Taco Bell also launched their toasted breakfast burritos in January.

The Kroger Our Brands team continues to launch new dairy items with the nostalgia of familiar flavors like the S'mores Ice Cream Sandwiches and Creamsicle Cheesecake bites. Further, Kroger introduced a premium restaurant experience to consumers at home with items like the Private Selection Buffalo Aged Cheddar Mac and Cheese. In June, Private Selection Strawberries & Cream Whole Milk was launched as an expansion of a successful line-up of indulgent whole milks.

Domino's continued to promote the late 2021 introduction of the new Cheesy Dips in 2022.

McDonald's launched Chocolatey Pretzel McFlurry in May, during which DMI supported the product development and consumer testing.

New checkoff partner General Mills launched its yogurt and cereal toppers, new products that pair Yoplait yogurt with beloved cereals and increase dairy consumption. Combos include Lucky Charms, a favorite with kids six to 13; Trix, the only fruity cereal with fun shapes; Cinnamon Toast Crunch, the number one favorite among teens; and Cocoa Puffs, the number two chocolatey cereal.

DMI continued its work with Amazon in our role as dairy "category captain" for the e-commerce giant, sharing consumer insights that can drive online traffic and sales. In addition, DMI took the Amazon dairy team to two farms to help educate them on the amazing animal care, product quality, and technology that exists on U.S. dairy farms.

## International Partnerships

### Key Overall Quantifiable Results:

- ✓ **7 items launched/relaunched featuring US cheese across pizza foodservice partners**

DMI continues to collaborate with the top two global pizza companies to create marketing programs and new products that grow sales of U.S. dairy exports.

In 2022 to date, Pizza Hut Asia Pacific has launched two new items in Korea, Cajun Double Shrimp Pocket and Phu Phat Phongon Curry, that combine U.S. cheese with exotic toppings that cater to local tastes. In Japan, Pizza Hut recently launched the Hut Party, a value deal featuring three pizzas, an idea created in a partnership innovation session last year.

Our national partner Domino's in the Middle East was the exclusive sponsor of the World Expo in Dubai, reaching new consumers and driving sales. They also launched/relaunched the New Yorker Pizza in Saudi Arabia and UAE, which contains 20-25 percent more cheese than a medium or large pizza.

Domino's Japan has continued to expand – opening 26 stores this year, 368 since the partnership began, for total of 918 in Japan. They have also relaunched two cheesy favorites, the New Yorker and The Cheese Burst, which features U.S. mozzarella as well as U.S. string cheese around the perimeter of the crust.

Our newest partner, Domino's Taiwan, launched the 1 Kilogram Pizza, an idea originally launched in Japan, that features more than two pounds of U.S. cheese, as well as the Quattro which includes four sections each featuring different toppings.

## Fluid Milk Revitalization

### Key Overall Quantifiable Results:

- ✓ **\$50M advertising campaign leveraging checkoff-funded science proof from milk processor checkoff**

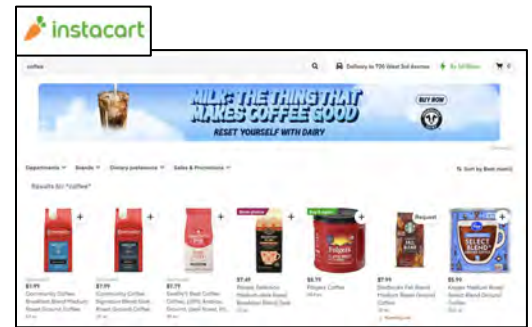
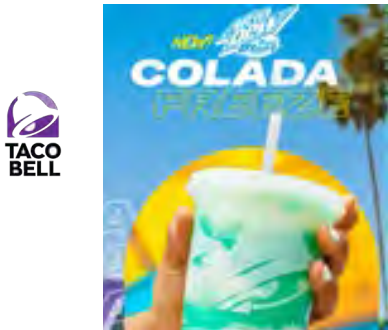
DMI's fluid milk partners Dairy Farmers of America, Darigold, Kroger, and Shamrock Farms continue to deliver channel innovation and marketing efforts to help modernize milk.

In 2022, partner Darigold launched new shelf-stable school milk in plastic bottles.

Partner Shamrock Foods launched Birthday Cake flavored school milk to expand flavor offerings available to kids. Shamrock Farms also completed its expansion of single-serve milk into all Dollar General stores in the U.S.

DMI-funded fluid milk science was utilized by the milk processor checkoff "MILKPEP" to launch a \$50M claims advertising campaign. DMI fluid milk partner Dairy Farmers of America will also be using the science claims in their marketing and on their product packaging for their milk brands.

## 2021 Domestic Partnerships Creative Support



## 2022 Domestic Partnerships Creative Support



**Yoplait  
Vanilla  
+ Lucky**



**Yoplait  
Cinnamon  
Vanilla +**



**Yoplait  
Strawberry  
+ Trix**



**Yoplait Vanilla  
+ Cocoa Puffs**

**SHELF STABLE BOTTLES (8oz)**



**NEW!**



## 2022 International Partnerships



Pizza Hut Asia Pacific



Japan



Middle East



Taiwan



## MIDWEST DAIRY PROMOTION IN ACTION

Midwest Dairy focuses on dairy promotion plans developed at the national level, as well as a variety of state-specific initiatives developed for various local key audiences to drive demand and confidence of dairy foods nationally, regionally, and locally. Our goal is to bring dairy to life by giving consumers an excellent dairy experience. The impact of national programs such as partnerships with McDonald's, Domino's, Pizza Hut and Taco Bell help increase sales of dairy through new menu and product innovations, while strategies to work with and through thought leaders and partners help dairy farmers tell their stories to build overall consumer confidence and trust in dairy foods and farming practices.

Midwest Dairy has partnered with Nebraska schools to increase access and consumption of dairy foods and supported student activity through Fuel Up to Play 60, a program designed to help schools meet their wellness goals and encourage youth to consume nutrient-rich foods, including dairy, and achieve at least 60 minutes of physical activity each day. Midwest Dairy also worked with and through partners to increase demand for dairy and reached out to thought leaders, including health and wellness professionals, to help them better understand how dairy foods get from the farm to the store. Additionally, Midwest Dairy pursued research benefiting our product priorities, supported the national Undeniably Dairy campaign and worked to develop young dairy leaders.

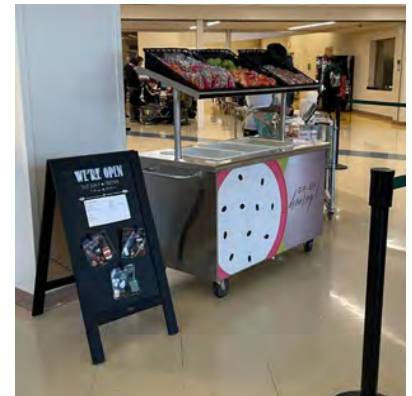
Following are examples of Midwest Dairy's work in Nebraska representing both the implementation of the national plan and activities unique to the state and region.

### New Dairy Inspired Menu Offerings Result in Increased Dairy Sales Through School Partnerships

Midwest Dairy is partnering with North Platte Public Schools, Gretna Public Schools, and Lincoln Public Schools on projects that increase student demand for dairy throughout the 2021-2022 and upcoming 2022-2023 school year. All three districts are implementing a smoothie program which will impact students at the elementary, secondary, and high school level. The smoothies include both milk and yogurt in the recipe, which helps to fuel youth with dairy nutrients as well as helping to increase dairy sales. The school recognizes students as customers and provides them with appealing meal options that meet nutrient needs and taste great.

Chef Sharon Schaefer, Foodservice Director with Gretna Public Schools, serves as a thought leader amongst school nutrition professionals. The breakfast cart that launched in 2021 served as an inspiration during a challenging time for schools and has been a catalyst for them to adopt similar models. In addition to smoothies, the popular 'Moo Brew', which is 80 percent milk and 20 percent coffee, ensures students start their day with a serving of dairy and gets them excited about breakfast.

With five elementary schools in the North Platte district participating in the Breakfast Grab & Go and one high school starting a Smoothie Program, these projects led to 15,800 incremental pounds of milk sold.



## Bringing Dairy to Unexpected Places to Engage Consumers



Research suggests that when consumer sentiment, or trust, towards dairy is positive, it can be equated to great dairy purchases (sales). Midwest Dairy focuses on partnerships that can help us reach youth and families to build trust in dairy from the farm to the table.

Midwest Dairy partnered with Registered Dietitian, Amber Pankonin, who shared how dairy farmers and consumers have more in common than they may think. Amber serves as a reputable thought leader amongst Nebraska dietitians and has a wide consumer reach on Twitter, Instagram, and her blog Stirlist.

Through her blog post, Peppermint Chocolate Coffee Cupcakes and Vanilla Peppermint Eggnog showcase dairy's place in holiday festivities. Highlighted in the post is how consumers care about their community, animals, and sustainability and how many dairy farmers are family-owned, how they keep their cows happy and healthy, and how the dairy industry is working towards greenhouse gas neutrality by 2050. This post was amplified to her large Twitter following and later reposted by 1011 News to expand her reach.

In her exclusive Foodie Friday! segment, Amber shared with 1011 Now about her recipes and the ways dairy farmers are committed to their communities. This news segment reached over 35,000 residents of Lincoln, Nebraska, and the surrounding area.



As part of the strategic plan, Midwest Dairy is committed to bringing dairy, and dairy farmers, to unexpected places to engage with consumers to showcase dairy's sustainable nutrition story from the farm to the table. Annually, Earth Day Omaha brings a collection of environmentally focused organizations and consumers together to celebrate and learn. This year, over 5,000 consumers gathered to gain awareness of environmental issues and how dairy can serve as an environmental solution.

Midwest Dairy sponsored the "Undeniably Dairy" Children's Tent, including a children's coloring activity, two dairy calves, a sustainability focused spin wheel and a Plinko board. Dairy farmer and Nebraska Division Board member Jodi Cast from JJC Jerseys brought two calves. Samples included Crystal Farms cheese sticks and a new lactose-free dairy beverage focused on youth.

In partnership with Summit Media, representing four large consumer-facing radio stations in Omaha, dairy sustainability messaging was amplified on-air and social media throughout the month of April. In combination with local Omaha influencers, this month-long promotion resulted in over **1.5 million impressions** amongst consumers ages 18-44 years through the multiple platforms.

Dairy farmer Jodi Cast, son Henry and radio talent Terri engaged attendees during an on-stage opportunity where Terri shared what she learned while on her dairy farm tour of Larson Farms and Jodi helped consumers understand how things they care about (recycling, upcycling, and technology), dairy farmers also care about. This interview was also shared on the Earth Day Omaha Facebook page during a Facebook Live event to reach attendees virtually.

The environmental conversation was also front and center at Earth Day Lincoln this April, which brought in over 2,000 attendees. Amber Pankonin, a reputable and trusted Registered Dietitian in Lincoln, Nebraska, and Culinary Dietitian at Great Plains Culinary Institute at Southeast Community College, served up consumers a



taste of dairy with homestyle macaroni and cheese and cheese sticks. Midwest Dairy ambassadors engaged attendees with a sustainability-focused spin wheel and prizes.

Prior to the event, Amber joined Pure Nebraska to demonstrate the mac and cheese recipe, share about dairy's sustainability story and promote attending Earth Day Lincoln to over 11,500 television viewers and 36,500 Facebook followers. Earth Day Lincoln shared that the Undeniably Dairy sponsor post touted 25% higher clickthrough rates than any of their other similar posts.

The Men's College World Series, a national event traditionally taking place in June in Omaha, Nebraska has an annual reach of just over 300,000 attendees from across the country, making it a unique opportunity for dairy to share its story. For the second year, Midwest Dairy had an onsite presence in the Omaha Baseball Village venue to engage with consumers through a variety of opportunities to learn and enjoy dairy foods.

Thanks to generous donations by local processors, over 1,000 chocolate milk pints, 4,000 cheese sticks, and 500 drinkable yogurts were enjoyed by attendees. Consumers stopped by to spin the dairy trivia wheel or drop a Plinko chip to answer dairy nutrition and sustainability questions.



Prior to the event, a Pure Nebraska segment promoting the booth aired to over 11,500 viewers and 36,500 Facebook followers. During a WOWT segment highlighting Hero Day, a celebration put on by the Omaha Baseball Village, the Midwest Dairy booth picked up additional news coverage.

The Midwest Dairy Nebraska Division supported the Lewis Training Table with the addition of pizza ovens, refrigerators, and freezers in 2021. With over 600 student athletes and staff eating three meals per day plus snacks, that makes the University of Nebraska Lewis Training Table the largest foodservice establishment in all of Lincoln. Knowing the powerhouse of nutrition that dairy provides, Midwest Dairy wanted to explore opportunities to support the Training Table with some new menu



innovation with dairy. Not only does UNL use the Training Table to fuel athletes properly, but also incorporates nutrition and life skills education. By choosing their own ingredients when preparing a power bowl or personal pizza, athletes learn to combine flavors for a tasty and nutritious meal while learning how to prepare it. These pizza ovens enhance training table menus, serving up opportunities for increased and unique dairy consumption at lunch and dinner.

The 2021 inaugural Husker Radio Network Sports Nutrition Podcast reached 255,000 consumers and provided a behind-the-scenes look at how proper fueling impacts performance on and off the field. Inspired by these results, Midwest Dairy is moving forward with a partnership that will continue to bring dairy to life in new ways. Beginning fall 2022, the rebranded Husker Performance podcast will return for a five-part series centering around 'Reset Yourself,' tying in the role of dairy on immune health, calming, energy, and digestive health. A new twelve-part Sports Nightly Feature "Weekly Reset" will recap scores of the week, sponsored by Midwest Dairy. All features and podcast episodes will be shared with Husker Radio Network followers.

For the last 40 years, hundreds of bicyclists from Nebraska and over 30 different states convene each year to ride for a cause in the Bicycle Ride Across Nebraska (BRAN). Riders can join in on all or part of the 430-mile trek as a seven, four or three-day tour. As a non-profit, BRAN, donates all proceeds towards scholarships for Nebraska high school graduates to trade schools, colleges, and universities. Midwest Dairy helped connect the 400 riders participating in the 2022 BRAN ride with 600 donated chocolate milk cartons in Omaha, Nebraska.

Social content was shared on the BRAN Nebraska Twitter and Facebook pages to followers. Posts included educating riders on chocolate milk as a top recovery beverage and recipes to try at home. National Dairy Council sports nutrition promotional materials were displayed throughout the ride and at the last two campsites. BRAN continues to be a proud champion and supporter of dairy, making them a key partner to work through to reach consumers.

### Midwest Dairy Partnered with Women, Infants and Children Clinics to Educate Patients and Families

According to the Center for Food Integrity research, consumers look to family doctors as the number one most trusted source of information for food-related issues. Based on these insights, Midwest Dairy focused on working with Women, Infants, and Children (WIC) to incorporate ten dairy-focused educational materials to over 100 clinics, reaching 35,000 participants across Nebraska. Resources highlighted the importance of dairy during pregnancy for fetal brain development, dairy as a good first food during the first year of life and transitioning from whole to skim or 1% milk at two years.



### Midwest Dairy Partners with Registered Dietitian to Promote Dairy’s Role in the Diet to Professional Colleagues and Consumers

Midwest Dairy knows that Registered Dietitians serve as a trusted and evidence-based source for nutrition information amongst parents and consumers, making them a key audience to share our dairy message with. Each year, dietitians from across Nebraska gather to expand their knowledge and gain skills to take home to apply in practice. Over 160 Registered Dietitians (including members from the Colorado Academy of Nutrition and Dietetics) joined in person and online. A Midwest Dairy-sponsored presentation by Melissa Thoene, Ph.D., RD, a neonatal intensive care unit specialist and Registered Dietitian provided dietitians with real-world examples of how poor nutrition can interfere with a baby’s growth and effective ways to educate patients on positive nutrition choices.



Most notably, education was shared about the newly emerging research regarding the importance of iodine and its role in a baby’s brain health. Dairy serves as a top source of iodine and one glass of milk can provide over half of a pregnant woman’s needs. Attendees were provided the National Dairy Council Pregnancy and Breastfeeding Lifespan and The Importance of Iodine in Prenatal Brain Development handouts to take

with them. In a post-conference survey, 95% of attendees noted that they found the information informative and useful for them as a food and nutrition expert.

### **Midwest Dairy Convenes Future Dietetic Professionals for Dairy Farm Tour**

Midwest Dairy, in partnership with the Nebraska Beef Council, hosted a farm tour for sixteen dietetic interns from the University of Nebraska Lincoln and the University of Nebraska Medical Center. Interns learned specifics on dairy processing and food safety from Josie Houston, Dairy Plant Technician at the Food Processing Center at University of Nebraska at Lincoln (UNL) Innovation Campus and got a firsthand taste of ice cream prepared for the UNL Dairy Store.

Erin Marotz, research manager for Dairy Cattle Research at UNL, provided interns a tour of the dairy cattle center and educated on animal care, environmental sustainability, and dairy nutrition. Kassidy Buse, a graduate student in Ruminant Nutrition, shared about her current dairy cattle research and Kelly Heath, DVM, attending veterinarian at UNL, educated interns on antibiotic and hormone usage.

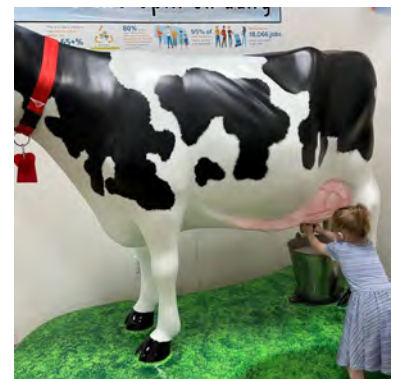
Experiences provided by this tour met required environmental sustainability and sustainable nutrition dietetic internship competencies. Megan Timmerman, internship director from University of Nebraska Medical Center provided the following feedback, "this is such a valuable learning opportunity that we cannot provide without your assistance." This is a great example of how Midwest Dairy is working through partners and future thought leaders to bring dairy to life for consumers.



### **Midwest Dairy partners with children’s museums to reach Nebraska youth and families**

Midwest Dairy’s strategic plan includes a goal to grow trust in dairy with consumers, with a specific focus on reaching youth and their families. To help in accomplishing this goal, Midwest Dairy has partnered with local children’s museums to help connect the dairy farm story to consumers in urban Nebraska cities.

Kearney Area Children’s Museum (KACM), a previous recipient of Midwest Dairy funding to enhance their Agriculture Exhibit, sees the importance of educating youth on where their food comes from. To bring digital entertainment opportunities to partners, Midwest Dairy recently developed a “Dairy Does Too” themed virtual scavenger hunt. Kicking off the month-long Earth Day scavenger hunt on April 22, participants posted photos of their favorite dairy treats, shared how they do self-care, answered dairy nutrition trivia, and visited the KACM agriculture exhibit.





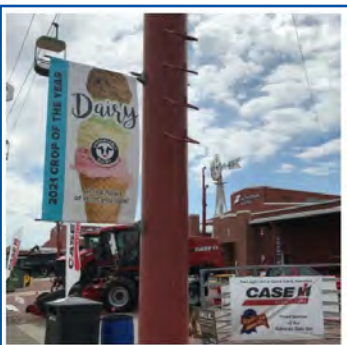
There were over 50 submissions sharing how kids stay active, cook with and eat dairy, use new technology, feel good and get comfy. The museum Executive Director shared “those that played enjoyed it and we look forward to continuing this partnership.”

To celebrate June Dairy Month, Lincoln Children’s Museum hosted an ice cream social where members were able to learn about dairy through engaging activities and enjoy a special ice cream treat. There were over 500 attendees and social content was shared with their 18,000 social media followers.

Midwest Dairy had the opportunity to integrate dairy education into the programming for two summer camps, reaching over 750 youth this June. Virtual farm tours, dairy facts, and recipes were integrated into Metropolitan Community College’s College for Teens Culinary Program and the University of Nebraska at Kearney’s Personal Achievement Workshops at the University.

Nelson Produce Farm, located just outside of Omaha, Nebraska connected with Midwest Dairy to serve as the expert resource while developing their Little Farmers Dairy Barn. Undeniably Dairy serves as the primary sponsor throughout 2022 and kids can learn about dairy facts, how cows upcycle, the milking process and they can even milk a fiberglass cow to ‘earn’ money towards purchases at the farm. Nelson Produce Farm brings in over 75,000 consumers each year and serves as a prime location to educate both youth and parents about dairy.

### Nebraska State Fair Gives Consumers an Excellent Dairy Experience



Banners and signage was covered across the fairgrounds celebrating dairy as the 2021 Nebraska State Fair Crop of the Year.

With dairy being named the 2021 Crop of the Year at the Nebraska State Fair, Midwest Dairy took every opportunity to meet consumers where they are at and share the sustainable nutrition story of dairy using the central theme of #dairydoestoo. Midwest Dairy increased the presence of dairy to reach consumers and grow trust with a large variety of activations.

2021 Crop of the Year, Undeniably Dairy, and our sustainable nutrition messaging were visible throughout the fairgrounds including at the four entrance gates, sky tram poles, Raising Nebraska building, Substantiality tent, youth dairy show exhibitors, and on volunteer t-shirts, and of course at the dairy display near the milking and ice cream parlor. A complete list of “Dairy Things Happening” was included in the fair visitor guide and distributed to fairgoers when they entered the pass gates.

Chef Nadar from Billy’s Restaurant in Lincoln provided four cooking demonstrations each Sunday of the fair. Teaming up with Nebraska Pork Producers Association, Midwest Dairy cooperatively hosted “Deliciousness with Dairy & Pork.”



Chef Nadar engaging with the crowd as he prepares a delicious macaroni and cheese dish shared with the spectators during the 2021 Nebraska State Fair.

Nebraska's Largest Classroom was held over three days and had more than 1,800 elementary students attending. Dairy farmer and advocate volunteers, Travis Lang, Taelyn Lang, Jim and Deb Eschliman, and Mary Temme, along with our Dairy Ambassadors Abby Langdon and Jordan Wilbur, shared the substantiality nutrition story of dairy at the dairy exhibit in the Raising Nebraska building. A bonus for the students was that they received fresh cold milk while taking part in the dairy presentation.



Dairy farmer and Nebraska Division Board Chair Mary Temme engages with students during the 2021 Nebraska State Fair’s Largest Classroom learning opportunities.

The MilkPEP chocolate milk tent was present at the Nebraska State Fair Marathon with cold milk available for race finishers who also received towels sporting “Built with Chocolate Milk” as they replenished after the race.



As the 2021 Crop of the Year, nearly 20 Midwest Dairy farmers, advocates, and Dairy Ambassadors represented dairy during the Nebraska State Fair Parade on the official day of Dairy. Along the parade route, youth advocates and Dairy Ambassadors handed out ice cream coupons for the dairy parlor and Sam’s Club partnered to distribute cheese sticks as a healthy nutritious snack to fairgoers. The ice cream coupons included scan codes that directed them to the Undenably Dairy site for more information about dairy sustainability and life on the farm.

In addition to the many celebrations, dairy advocates Don Esau, Jane Esau, and Roger Henrichs provided the highly attended milking demonstrations that took place five times a day during the fair in the milking parlor of the cattle barn.

### **Midwest Dairy Foods Research Center Provides Research Expertise to Dairy Industry**

The Midwest Dairy Foods Research Center (MDFRC) is a collaborative effort between dairy farmers and land-grant universities with a mission of delivering research and education that benefit consumers and fuel a strong market for Midwest Dairy. The MDFRC is made up of three core universities, The University of Minnesota, Iowa State University, and South Dakota State University. The University of Nebraska-Lincoln (UNL) is one of three affiliate universities that are part of the research center. There are also about twenty industry organizations that pay membership to the MDFRC.

For the first time in two years, the spring research planning meeting was in-person at Iowa State University. About thirty-five industry member, fifteen faculty, checkoff staff, and farmers, including Nebraska Board member, Mary Temme, participated in the research brainstorming process. The pre-proposal review process for 2023 research funding kicks off on July 26, 2022, where invited faculties from all six MDFRC member universities will be providing short presentations of their research. The research proposals will be on the top voted topics within the four focus areas-consumer solutions, exports, food safety, and sustainability.

Dr. Andrea Bianchini of UNL was awarded funding for a technical evaluation project and a literature review. The technical project is evaluating two commercially available, natural mold inhibitors for their ability to extend the shelf life of dairy products. The literature review is doing a systemic review and meta-analysis approach on synthesizing cleaning and sanitizing interventions against *Listeria* spp. including *L. monocytogenes* in dairy processing facilities.

## Midwest Dairy Engages Retail and Food Service Partners to Grow Trust and Demand for Dairy

Data suggests that roughly eighty percent of all fluid milk sales happen in the retail setting, followed by roughly twelve percent of fluid milk sales in the foodservice industry. Leaning into this opportunity, Midwest Dairy focuses on partnerships with retail and food service partners where we can provide dairy category expertise and insights to implement shopper marketing, menu opportunities, as well as trust-building messaging to increase dairy sales. Over the past year, Midwest Dairy partnered with select retailers within the region including Coborn's, Hy-Vee, Casey's, Kum and Go, Pizza Ranch, and most recently Freddy's Frozen Custard & Steakburgers. Activations included a variety of tactics that helped the partner satisfy their customers' needs and drive dairy sales, such as social and email content featuring local farm families, video assets, and instore signage. We encourage our partners to leverage this support and reach out to their dairy vendor community to secure special promotions to drive even more dairy sales. During this time period, these partnerships have resulted in approximately 45 million incremental pounds of milk sold in the Midwest Dairy 10-state region.



## Dairy Ambassador Program Shapes Industry Advocates

In another move toward shaping future dairy champions, Midwest Dairy recently announced the 2022 Nebraska Dairy Ambassadors. This group of six college and two high school students will promote the

Nebraska dairy community and support Midwest Dairy's mission to give consumers an excellent dairy experience through their participation at a variety of activities throughout the year, including interacting with consumers at local and state-wide events, youth educational presentations, and attendance at dairy industry meetings.

The Nebraska (Senior) Dairy Ambassador Program is an educational and leadership opportunity for students who are passionate about dairy, are enrolled in post-secondary school, and possess strong communication abilities.

This year's Nebraska (Senior) Dairy Ambassadors are:

- Jenna Albers of Randolph, Nebraska
- Caitlyn Childres of Lincoln, Nebraska
- Whitney Hochstein of Wynot, Nebraska
- Abigail Langdon of Clarkson, Nebraska
- Mikayla Martensen of Humphrey, Nebraska
- Jaycie Meggison of Blair, Nebraska

Newly implemented this year is the Nebraska Junior Dairy Ambassador Program. This new program is an educational and leadership opportunity for high school junior and senior students interested in promoting dairy. Junior Dairy Ambassadors will connect with consumers and peers to share dairy's story while networking within their local communities and with industry professionals.



The Nebraska Dairy Ambassador Team was announced during the 2022 Nebraska State Dairy Association Convention. Left to right: Dairy Ambassador Coordinator, Dawn Eckel; Junior Dairy Ambassadors, Kaitlyn Hanson and Chancey Hoblyn-Bittner; and Senior Dairy Ambassadors, Whitney Hochstein, Abigail Langdon, Jenna Albers, and Mikayla Martensen. Senior Dairy Ambassadors unable to attend were Caitlyn Childres and Jaycie Meggison.



This year's Nebraska Junior Dairy Ambassadors are:

- Kaitlyn Hanson of Mead, Nebraska
- Chancey Hoblyn-Bittner of Mason City, Nebraska

Dairy Ambassadors serve a one-year tenure. At the end of their year, Senior Ambassadors are eligible to apply for Midwest Dairy scholarships up to \$1,000, and Junior Ambassadors up to \$500.



To inquire about Nebraska Dairy Ambassador event support, please contact Dawn Eckel, Nebraska Dairy Ambassador Coordinator at [dklabenes16@gmail.com](mailto:dklabenes16@gmail.com).

For more information on the Nebraska Dairy Ambassador program, visit <https://www.midwestdairy.com/young-dairy-leaders/ambassador-program/>



During the JJC Jersey dairy farm tour, the Dairy Ambassadors and Jodi Cast of JJC Jerseys paused to take a picture with the baby calves. Dairy Ambassadors from left to right; Kaitlyn Hanson, Jenna Albers, Whitney Hochstein, Jaycie Meggison, Dairy Farm Host Jodi Cast, Abigail Langdon, and Dairy Ambassador Coordinator Dawn Eckel.

## Board Leadership Steers Midwest Dairy Nebraska Division



Nebraska Division board officers for 2022–2023 are (left to right): Joyce Racicky, vice chair; Mary Temme, chair; and Jodi Cast, secretary/treasurer.

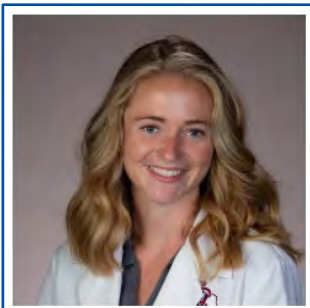
The Nebraska Division board of Midwest Dairy elected its 2022-2023 officers during the annual division meeting that was held on March 14. The following dairy farmers were elected: Mary Temme, Wayne, was elected chair; Joyce Racicky, Mason City, was elected vice chair and Jodi Cast, Beaver Crossing, was elected secretary/treasurer.

Temme and Racicky were elected to represent Nebraska on the Midwest Dairy Corporate Board.

## Scholarships Encourage Education and Inspire Dairy Advocacy

Midwest Dairy Nebraska Division provides \$5,000 in college scholarships to six high school and college students. These scholarships will help cover costs as a full-time undergraduate or graduate student at an accredited college. Recipients were chosen based on past and present leadership involvement in their school, local community, and dairy community. On the application, recipients addressed what they see as the biggest challenge facing the dairy industry and how their future career plans address those challenges.

Congratulations to the following 2022 scholarship recipients:



Marta Pulfer of Wayne, Nebraska



Jenna Albers of Randolph, Nebraska



Whitney Hochstein of Wynot, Nebraska

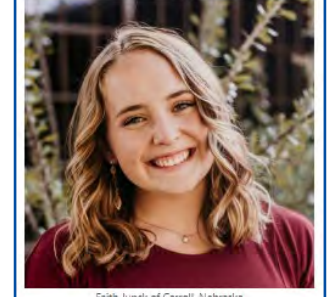
- **Marta Pulfer**, of Wayne, Nebraska was awarded \$1,500 and plans to graduate with her Veterinary Medicine Degree from Texas A&M University in 2024. Marta is the daughter of Kent and Jodi Pulfer.
- **Jenna Albers**, of Randolph, Nebraska was awarded \$1,000 and plans to major in Animal Science or Ag Education from the University of Nebraska-Lincoln. Jenna is the daughter of Doug and Joan Albers.
- **Whitney Hochstein**, of Wynot, Nebraska was awarded \$1,000 and continues her pursuit of majoring in Graphic Design and Marketing from Wayne State College. Whitney is the daughter of Neal and Sharlee Hochstein.
- **Allison Engelman**, of Diller, Nebraska was awarded \$500 and is headed to the University of Nebraska-Lincoln majoring in Ag Education and minoring in Animal Science. Allison is the daughter of Adam and Brooke Engelman.
- **Makenna Held**, of Leigh, Nebraska was awarded \$500 and will be headed to the University of Nebraska-Lincoln majoring in Accounting and minoring in Agribusiness. Makenna is the daughter of Keal and Heather Held.
- **Faith Junck**, of Carroll, Nebraska was awarded \$500 and is majoring in Agricultural and Environmental Sciences Communication with a dual minor in Animal Science and Leadership & Communication from the University of Nebraska-Lincoln. Faith is the daughter of Dwaine and Priscilla Junck.



Allison Engelman of Diller, Nebraska



Makenna Held of Leigh, Nebraska



Faith Junck of Carroll, Nebraska

To be eligible for this scholarship, applicants are required to have a family member (parent/guardian/grandparent/sibling) who owns a Nebraska dairy farm, or they must be employed on a Nebraska dairy farm. The dairy farm must have contributed to Midwest Dairy Checkoff as of January 1 of the current year.

Applications and requirements for the 2023 Midwest Dairy Nebraska Division Scholarships will be available December 1, 2022.

### **Midwest Dairy teams up with Discover Dairy to promote the Adopt-A-Cow program to students and schools across Nebraska.**

In its fourth year, Midwest Dairy has seen success with the Discover Dairy Adopt –A-Cow program among elementary students. This program provides a free, year-long virtual experience where kids watch the growth of a calf and interact with a dairy farmer. Students learn first-hand about animal care, where nutritious dairy foods come from, and important lessons about dairy farming in general. We see success within this program because it fosters a better relationship with students and farmers by helping students connect where nutritious food, like cheese for pizza, comes from. The Adopt-A-Cow program follows Common CORE education standards and is interactive with classroom curriculum, farm tours, virtual chats, and more. This school year, Midwest Dairy has seven local dairy farmer hosts connecting with 74,000 students from the Midwest Dairy region.



In Nebraska, 3,407 students from 133 Nebraska classrooms (11% of students across the state) interfaced with Nebraska Dairy farmer Jodi Cast of JJC Jerseys near Beaver Crossing. Cast virtually provided calves for the students to “adopt” for the year, watching it grow and learning more about the dairy farm family, animal care, environmental stewardship, and taking part in a live streaming video on April 29, 2022. To view the Adopt-A-Cow virtual tour at JJC Jerseys, go to: [Cast Dairy Live Chat - YouTube](#)

As of July 8, there were 69 Nebraska classrooms with more than 4,100 students registered for the 2022-2023 school year. Registration is held May 1 to September 15.



Nebraska Farm Bureau Foundation 2022 Nebraska Agriculture Teacher of the Year, Diane Starn joins her Ashland, Nebraska kindergarten students for a photo. Many of the students are holding photos of “Queenie” the Adopt A Cow from JJC Jerseys located in Beaver Crossing, Nebraska. (Photo by Suzi Nelson, managing editor of The Ashland Gazette)

### Undeniably Dairy National Campaign Builds Trust in Dairy

As part of its mission to protect and grow sales and trust in dairy, DMI and the Innovation Center for U.S. Dairy launched an industry-wide initiative in 2017, Undeniably Dairy. In its fourth year, Undeniably Dairy serves as the dairy community’s industry-wide, multi-stakeholder campaign that helps consumers and other stakeholders recognize the important role dairy plays in their lives.

Undeniably Dairy does this by building on consumer insights that indicate people increasingly want to know more about where their foods come from. The campaign connects people with the farmers and the dairy community behind the real, nutrient-rich and responsibly produced milk and dairy foods they love, while also bringing a bit of dairy joy during culturally relevant moments.



Each year, Undeniably Dairy leverages an integrated multi-channel approach to expand reach, raise awareness, and build participation and ultimately, trust, through:

- Integrated communications—A comprehensive approach that includes media and other channel partnerships, digital (websites, search, and social strategies), earned and social media, and through events and experiences.
- Influencer outreach—Establishing and/or strengthening relationships with critical media, reputational (e.g., dietitians, health professional organizations, environmental and animal care leaders) and cultural influencers (e.g., food and lifestyle bloggers) that reach consumers.
- Community engagement—Rallying the dairy, food and other relevant communities to amplify, customize and create content around Undeniably Dairy and its pillars to further unify and strengthen dairy’s voice, including engagement among farmers, processors and manufacturers, retailers, and agribusiness.

## 2021 and 2022 First Half Trust Highlights

### Consumer Communications and Marketing

In 2021, Checkoff evolved our consumer target to the next generation of consumers, with a focus on Gen Z, where we see a drop in dairy consumption and engagement. To drive engagement and relevancy with the next generation of consumers, Undeniably Dairy launched *Reset Yourself with Dairy*, to showcase dairy's modern wellness incorporating dairy content around Immunity, Calm, Energy and Digestive Health in Gen Z-relevant channels (e.g., TikTok, YouTube, Spotify).

- ✓ Increased trust overall:
  - 3% improvement in “dairy is nutritious”
  - 5% lift in dairy fits my lifestyle
  - Showed 6% lift in dairy is something that helps me reset/find calm
  - Video Views 3.4% (vs. 1.5% industry benchmark)
  - Video View Rates 11% (vs. 4-5% industry benchmarks)

Additionally, Checkoff continued to leverage the “Dairy Dream Team” influencer program to drive relevancy and incorporate dairy into consumers’ everyday lives through lifestyle efforts including recipes. As this program continues to drive positive dairy reputation, Checkoff refreshed the Dairy Dream Team in June 2022 to continue to create engaging content for our target audience. This content generated over 3M impressions in the first two weeks!

Also, to capitalize on the rapid growth of the grocery eComm channel, Checkoff kept dairy products top of mind at point-of-purchase by executing an eCommerce pilot with Instacart. This pilot yielded

- ✓ \$2.3M in dairy sales via Instacart
- ✓ ~\$8 in sales for every \$1 spend on digital media on Instacart

Checkoff continues to drive efforts around this channel in 2022 closely collaborating with local SRs including Midwest Dairy to drive trust and sales in this important eCommerce channel.

[Additional 2021 UD Reset Results](#)

### YOUTH

Continuing the momentum from Fuel Up to Play 60 2021 efforts, checkoff set out to reach educators with new curriculum-aligned learning plans, inspire through fun NFL content and recruit students to become Champions through the Student Zone via new contests aligning with *Reset Yourself with Dairy* in 2022.

- ✓ Website Traffic: 145,000 Users, +360,000 Page Views
- ✓ Partnership with NFL: +187M reach with content

Additionally, Checkoff is working with Midwest Dairy on a STEM pilot to continue to incorporate relevant dairy messages in educational materials.

### US THOUGHT LEADER

Building off momentum in 2021, we continued to drive awareness with thought leaders for U.S. dairy’s leadership in global sustainable food systems while inspiring a new belief in dairy as a healthy and sustainable solution. We showcased ongoing U.S. dairy’s action against the 2050 Environmental Stewardship goals, including real examples of progress being made on farms and throughout the dairy value chain. In addition, we integrated content highlighting dairy as an unmatched source of sustainable nutrition, reinforcing the U.S. dairy community’s commitment to nourishing people, planet and communities.

- ✓ Earned Outreach: 106MM impressions
- ✓ 5 Events with over 1.5K attendees and 3.8MM potential reach



## Proposed Promotional Activities in Nebraska July 1, 2022 – June 30, 2023

### MOBILE DAIRY CLASSROOM

The Mobile Dairy Classroom is a traveling fully operational milking parlor, featuring a live cow. This educational initiative reaches over 700,000 children and consumers throughout our entire area each year. In 2022-23, we will continue to schedule school programs in southern Nebraska as our local funds will allow.



### UNIVERSITY ATHLETICS PROMOTIONS

Southwest Dairy Farmers will continue our successful partnership with Creighton Athletics throughout the current contact period in 2022. These events distribute premium back pack tags to Nebraska's youth at highly visible sporting events including basketball, baseball, and soccer.



## NEBRASKA SCHOOL ACTIVITIES ASSOCIATION

Southwest Dairy Farmers has begun the discussion for potential partnership with the Nebraska School Activities Association to educate and promote dairy across the state of Nebraska through this high school association.

We hope, working with the NSAA will bring opportunities to share our educational dairy programs with students in high school athletic program venues around the state.



## CHOCOLATE MILK GRANT IN SCHOOLS PROGRAM

The Team Up With Chocolate Milk in Schools program will continue in Nebraska high schools throughout 2022 and 2023. This grant program allows high schools to nominate their boys and girls sports teams, with the goal of being awarded an entire season's supply of chocolate milk as the "Original Sports Drink" for the athletes recovery. Information and applications are currently available online at [www.southwestdairyfarmers.com](http://www.southwestdairyfarmers.com), for submission for fall, winter, and spring sports. We look forward to the participation of Nebraska high schools.



## DIGITAL PROMOTION AND SOCIAL MEDIA

Using Facebook, Instagram, Google, and YouTube we are promoting a variety of dairy recipes with our short and entertaining *Share the Tradition, Share the Nutrition* videos.

We also promote informative messages through short videos and white papers about the importance of dairy in our everyday lives, featuring nationally known childhood nutrition expert, Jill Castle.



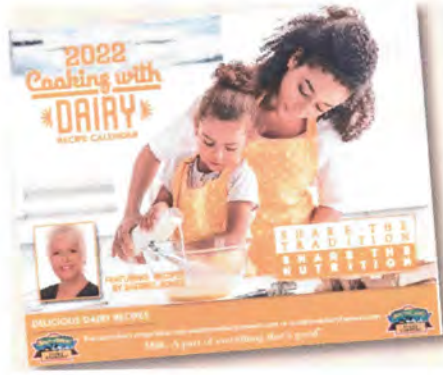
## EDUCATIONAL MATERIALS AND PROGRAMS

Educational teaching tools (teacher's guides, nutritional charts and other educational information) are essential to our program. These give us the opportunity to leave materials that instructors can utilize in their curriculum.



## DAIRY RECIPE CALENDAR

Our popular *Share the Tradition, Share the Nutrition* wall calendars provide delicious recipes in a calendar format with tear out recipe cards.



## EDUCATIONAL EVENTS, TRADE SHOWS AND FAIRS

Taking our message on the road allows us to reach consumers in engaging settings. We hand out promotional bags and educational materials, so our presence at State Fairs and trade shows is always noticed.

We attend the International Association of Fairs and Expositions (IAFE) annual convention and trade show that has numerous fairs from Nebraska that attend the event looking for entertainment and education options. We have attended the event for two years and have booked multiple Nebraska fairs due to this opportunity.



## YOGURT FOR YOUTH

Southwest Dairy Farmers will continue to assist four schools in Furnas County, Nebraska by providing nutritious and delicious yogurt products to students as a school snack.

One school superintendent said:

*"Many of our families are not financially stable. Approximately 70% of our student body is enrolled in the Free and Reduced Cost Lunch Program. The yogurt snack program has allowed students a nutritional snack they may not have had the opportunity to receive. With the support of this program, we are able to help subside some of the hunger. When a child is able to focus on reading and math rather than a 'growling belly', they are able to learn more. The students look forward to the snack daily. It has been a great boost for the mind and body." - Nebraska School Superintendent*



**Southwest Dairy Farmers is committed to local consumer-driven marketing, advertising, education and promotion of the dairy industry, as well as, the dairy producers' role in it.**







**NEBRASKA DAIRY INDUSTRY DEVELOPMENT  
BOARD**

Dairy Industry  
Development  
Act



DAIRY INDUSTRY DEVELOPMENT ACT

- Administration: This Act is administered by the Nebraska Dairy Industry Development Act Board. The Department of Agriculture is involved with some of these sections.
- Adoption: This act was last revised during the 2013 session of the Nebraska Legislature.
- Rules: The Nebraska Department of Agriculture has no authority to promulgate regulations under this Act. The Dairy Industry Development Board, however; has promulgated a regulation under this Act, known as Title 484, Chapter 1 – Dairy Industry Development Board Regulations.

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**2-3948. Act, how cited.**

Sections 2-3948 to 2-3963 shall be known and may be cited as the Dairy Industry Development Act.

**Source:** Laws 1992, LB 275, § 1; Laws 2001, LB 194, § 1; Laws 2004, LB 836, § 1.

**2-3949. Terms, defined.**

For purposes of the Dairy Industry Development Act:

- (1) Board shall mean the Nebraska Dairy Industry Development Board;
- (2) Commercial use shall mean sale for retail consumption or sale for resale, for manufacture for resale, or for processing for resale;
- (3) First purchaser of milk shall mean a person who buys milk from a producer and resells to another person the milk or products manufactured or processed from the milk;
- (4) Milk shall mean any class of cow's milk produced in the State of Nebraska;
- (5) Milk production unit shall mean any producer licensed by the Department of Agriculture;
- (6) Producer shall mean any person engaged in the production of milk for commercial use;
- (7) Producer-processor shall mean a producer who processes and markets the producer's own milk; and
- (8) Qualified program shall mean any state or regional dairy product promotion, research, or nutrition education program which is certified pursuant to 7 C.F.R. 1150.153, as amended. Such program shall: (a) Conduct activities as defined in 7 C.F.R. 1150.114, 1150.115, and 1150.116 intended to increase consumption of milk and dairy products generally; (b) except for programs operated under the laws of the United States or any state, have been active and ongoing before November 29, 1983; (c) be financed primarily by producers, either individually or through cooperative associations; (d) not use any private brand or trade name in advertising and promotion of dairy products unless the National Dairy Promotion and Research Board established pursuant to 7 C.F.R. 1150.131 and the United States Secretary of Agriculture concur that such requirement should not apply; (e) certify to the United States Secretary of Agriculture that any request from a producer for a refund under the program will be honored by forwarding that portion of such refund equal to the amount of credit that otherwise would be applicable to the program pursuant to 7 C.F.R. 1150.152(c) to either the National Dairy Promotion and Research Board or a qualified program designated by the producer; and (f) not use program funds for the purpose of influencing governmental policy or action.

**Source:** Laws 1992, LB 275, § 2.

**2-3950. Legislative findings.**

The Legislature declares it to be in the public interest that producers in Nebraska be permitted and encouraged to maintain and expand domestic sales of milk and dairy products, develop new products and new markets, improve methods and practices relating to marketing or processing of milk and dairy products, and inform and educate consumers of sound nutritional principles including the role of milk in a balanced diet. It is the purpose of the Dairy Industry Development Act to provide the authorization and to prescribe the necessary procedures by which the dairy industry in Nebraska may finance programs to achieve the purposes expressed in this section. The Nebraska Dairy Industry Development Board shall be the agency of the State of Nebraska for such purpose.

**Source:** Laws 1992, LB 275, § 3.

**2-3951. Nebraska Dairy Industry Development Board; created; members; qualifications.**

The Nebraska Dairy Industry Development Board is hereby created. Members of the board shall (1) be residents of Nebraska, (2) be at least twenty-one years of age, (3) have been actually engaged in the production of milk in this state for at least five years, and (4) derive a substantial portion of their income from the production of milk in Nebraska. Board members shall be nominated and appointed as provided in sections 2-3951.01 to 2-3951.04.

**Source:** Laws 1992, LB 275, § 4; Laws 2004, LB 836, § 2; Laws 2013, LB70, § 1.

**2-3951.01. Board members; appointment; terms; officers; expenses.**

(1) Members of the board shall, as nearly as possible, be representative of all first purchasers of milk and individual producer-processors in the state and, to the extent practicable, result in equitable representation of the various interests of milk producers both in terms of the manner in which milk is marketed and geographic distribution of milk production units in the state.

(2) The terms of the members of the board shall be three years, except that the first term of the initial and additional members of the board shall be staggered so that one-third of the members are appointed each year. The number of years for the first term of new and additional members shall be determined by the Governor. Once duly appointed and qualified, no member's term shall be shortened or terminated by any subsequent certification by the Department of Agriculture of milk production units from which a first purchaser of milk purchases milk.

(3) The Director of Agriculture or his or her designee shall be an ex officio member of the board but shall have no vote in board matters.

(4) Members of the board shall elect from among the members a chairperson, a vice-chairperson, and such other officers as they deem necessary and appropriate.

(5) Members of the board shall be reimbursed for their actual and necessary expenses as provided in sections 81-1174 to 81-1177.

**Source:** Laws 2004, LB 836, § 3; Laws 2013, LB70, § 2.

**2-3951.02. Board members; nomination and appointment.**

(1) Members of the board shall be nominated and appointed as follows:

(a) Each first purchaser of milk which purchases milk from at least twenty-one milk producers may submit to the Governor the names of up to two nominees for each forty milk production units, or major portion thereof, from which the first purchaser purchases milk. The Governor shall appoint one member for each forty production units, or major portion thereof, from nominees submitted pursuant to this subdivision, except that if milk production units certified by the Department of Agriculture have decreased so that each board member appointed pursuant to this subdivision represents less than a major portion of forty production units, the Governor shall maintain representation of one member for each forty production units, or major portion thereof, by not filling a vacancy caused by a member's term expiring; and

(b) All other first purchasers of milk and individual producer-processors who are not included among milk production units claimed by a first purchaser of milk entitled to submit nominees under subdivision (1)(a) of this section shall be combined as a group for the purpose of submitting nominees, and each first purchaser and individual producer-processor of the group may nominate up to two nominees. The Governor shall appoint two members from nominees submitted pursuant to this subdivision.

(2) Whenever the number of members of the board as determined by subsection (1) of this section results in less than seven members, the Governor shall appoint a member or members from the state at large to maintain membership of the board at seven members. Whenever such appointment is required, the board shall call for and submit a list of two or more nominees for each additional member needed to the Governor, and the Governor shall appoint a member or members from the nominees submitted pursuant to this subsection.

(3) Nominations in the case of term expiration or new or at-large membership and for all other vacancies shall be provided according to the process prescribed in section 2-3951.04. The Governor may choose the members of the board from the nominees submitted or may reject all nominees. If the Governor rejects all nominees, names of nominees shall again be provided to the Governor until the appointment is filled.

**Source:** Laws 2004, LB 836, § 4; Laws 2013, LB70, § 3.

**2-3951.03. Board members; vacancies.**

(1) A vacancy on the board exists in the event of the death, incapacity, removal, or resignation of any member; when a member ceases to be a resident of Nebraska; when a member ceases to be a producer in Nebraska; or when the member's term expires. Members whose terms have expired shall continue to serve until their successors are appointed and qualified, except that if such a vacancy will not be filled, as determined by the Governor under section 2-3951.02, the member shall not serve after the expiration of his or her term.

(2) For purposes of filling vacancies on the board, the Governor shall appoint one member from up to two nominees submitted by the vacating member's nominator under section 2-3951.02. In the event of a vacancy, the board shall certify to the vacating member's nominator that such a vacancy exists and shall request nominations to fill the vacancy for the remainder of the unexpired term or for a new term, as the case may be.

**Source:** Laws 2004, LB 836, § 5; Laws 2013, LB70, § 4.

**2-3951.04. Board members; nominations; notification; procedure.**

(1) When nominations for board members are required, written notification shall be given to each producer represented or to be represented by such member, including an at-large member. The first purchaser or purchasers of milk shall notify each producer from whom the first purchaser buys milk that each producer may submit written nominations. If the group represented is a combination of first purchasers of milk and individual producer-processors or if the member is an at-large member, the individual producer-processors shall receive notification from the Department of Agriculture.

(2) Nominations shall be in writing and shall contain an acknowledgment and consent by the producer being nominated. The nomination shall be returned by the producer to the first purchaser of milk or to the department from whom the producer received notification within fifteen days after the receipt of the notification. For nominations to replace a member whose term is to expire or for a new member, the producers shall receive notification between August 1 and August 15 preceding the expiration of the term of the member or the beginning of the term of a new member. For all other vacancies, the producers shall receive notification within thirty days after the member vacates his or her position on the board or within thirty days after the board calls for an at-large member or members as provided in section 2-3951.02.

(3) The first purchasers of milk, the department, or the board shall submit nominations to the Governor by September 30, in the case of term expiration or new or at-large member, or forty-five days after the member vacates his or her position for all other vacancies. The Governor shall make the appointments within thirty days after receipt of the nominations.

(4) All nominees shall meet the qualifications provided in section 2-3951.

**Source:** Laws 2004, LB 836, § 6; Laws 2013, LB70, § 5.

**2-3952. Repealed. Laws 2004, LB 836, § 8.**

**2-3952.01. Repealed. Laws 2004, LB 836, § 8.**

**2-3953. Repealed. Laws 2004, LB 836, § 8.**

**2-3954. Repealed. Laws 2004, LB 836, § 8.**

**2-3955. Board; meetings; minutes.**

(1) The board shall meet at least once every six months at a time and place fixed by the board. Special meetings may be called by the chairperson and shall be called by the chairperson upon request of at least twenty-five percent of the members of the board. Written notice of the time and place of all meetings shall be mailed in advance to each member of the board. A majority of members of the board shall constitute a quorum for the transaction of business. The affirmative vote of a majority of all members of the board shall be necessary for the adoption of rules and regulations.

(2) The board shall at each regular meeting review all expenditures made since its last regular meeting.

(3) The board shall keep minutes of its meetings and other books and records which shall clearly reflect all of the acts and transactions of the board. Such records shall be open to examination during normal business hours.

**Source: Laws 1992, LB 275, § 8.**

**2-3956. Board; administration; limitation on expenses.**

The board may contract for the necessary office space, furniture, stationery, printing, and personnel services useful or necessary for the administration of the Dairy Industry Development Act. The total administrative costs and expenses of the board shall not exceed five percent of the annual assessments collected in accordance with section 2-3958.

**Source: Laws 1992, LB 275, § 9.**

**2-3957. Board; powers and duties.**

The board shall:

(1) Arrange or contract for administrative and audit services which are necessary for the proper operation of the Dairy Industry Development Act;

(2) Procure and evaluate data and information necessary for the appropriate distribution of funds collected;



- (3) Direct the distribution of funds collected;
- (4) Prepare and approve a yearly budget;
- (5) Adopt and promulgate rules and regulations to carry out the act;
- (6) Establish a means by which all producers are informed annually on board members, policy, expenditures, and programs for the preceding year;
- (7) Authorize the expenditure of funds to conduct activities provided for by the act;
- (8) Bond such persons as necessary to ensure adequate protection of funds;
- (9) Make refunds to other qualified programs in other states and disburse as directed by producers pursuant to subdivision (8)(e) of section 2-3949;
- (10) Require that all books and records which clearly reflect all the transactions of its funded qualified programs be made available for audit by the board;
- (11) Initiate appropriate enforcement of the act and the rules, regulations, and orders promulgated under the act;
- (12) Accept remittances or credits and apply for and accept advances, grants, contributions, and any other forms of assistance from the federal government, the state, or any public or private source for administering the act and execute contracts or agreements in connection therewith;
- (13) When necessary, appoint committees and advisory committees, the membership of which reflects the different funding regions of the United States and of the State of Nebraska in which milk is produced and delegate to such committees the authority reasonably necessary to administer the act under the direction of the board and within the policies determined by the board; and
- (14) Exercise all incidental powers useful or necessary to carry out the act.

**Source:** Laws 1992, LB 275, § 10.

**2-3958. Mandatory assessment; board; duties.**

- (1) There shall be paid to the board a mandatory assessment of ten cents per hundredweight on all milk produced in the State of Nebraska for commercial use.
- (2) The board may audit financial and other records of first purchasers of milk, producers, and their agents pertaining to the assessment provided for in this section and otherwise ensure compliance with the Dairy Industry Development Act.

(3) For purposes of the act, when milk is sold to an out-of-state purchaser, the sale shall be deemed to have occurred in Nebraska if the milk was otherwise produced within Nebraska immediately prior to such sale and such sale is the first purchase of the milk for commercial use.

(4) For purposes of the act, when milk is produced out-of-state but sold to a first purchaser of milk in Nebraska, the assessment provided for in this section may be assessed and retained in Nebraska only if the producer consents.

**Source:** Laws 1992, LB 275, § 11.

#### **2-3959. Assessment; payment; procedures.**

The assessment prescribed in section 2-3958 shall be paid by producers at the time of first sale or delivery of milk for commercial use and shall be collected by the first purchaser of milk except as provided in this section. The first purchaser of milk shall remit the assessment to the board when the first purchaser of milk issues the milk payroll to producers. When milk is sold by producers to nonresident first purchasers of milk, the nonresident first purchaser of milk shall remit the assessments to the board. Producer-processors shall remit the assessments to the board. All assessments shall be remitted to the board not later than the last day of the month following the month in which the milk was commercially used, and a report shall be filed by the person responsible for remitting the assessment at the time that the assessment is remitted. The board shall make proper refunds to producers pursuant to subdivision (8)(e) of section 2-3949 at least quarterly. The board shall promulgate rules and regulations concerning the payment, remittance, refunding, and reporting of assessments. All money collected by the board shall be remitted to the State Treasurer for credit to the Nebraska Dairy Industry Development Fund.

**Source:** Laws 1992, LB 275, § 12.

#### **2-3960. Nebraska Dairy Industry Development Fund; created; use; investment.**

The Nebraska Dairy Industry Development Fund is hereby created. Money in the fund shall be used for the administration of the Dairy Industry Development Act, including advertising and promotion, market research, nutrition and product research and development, and nutrition and educational programs. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

**Source:** Laws 1992, LB 275, § 13; Laws 1994, LB 1066, § 7.

#### **Cross References**

- **Nebraska Capital Expansion Act**, see section 72-1269.
- **Nebraska State Funds Investment Act**, see section 72-1260.

**2-3961. Use of funds; limitations.**

The board shall not set up programs or agencies of its own but shall fund active, ongoing, qualified programs as stated in section 114 of the Dairy Production Stabilization Act of 1983, Public Law 98-180, as amended, and the regulations promulgated pursuant thereto. Funds may be used by qualified programs to jointly sponsor projects with any private or public organization to meet the objectives of the Dairy Industry Development Act.

**Source:** Laws 1992, LB 275, § 14.

**2-3962. Board; report; contents.**

The board shall prepare a report on or before October 1 of each year setting forth the income received from the assessments collected in accordance with section 2-3958 for the preceding fiscal year, and the report shall include:

(1) The expenditure of funds by the board during the year for the administration of the Dairy Industry Development Act;

(2) A brief description of all contracts requiring the expenditure of funds by the board;

(3) The action taken by the board on all such contracts;

(4) An explanation of all programs relating to the discovery, promotion, and development of markets and industries for the utilization of dairy products and the direct expense associated with each program;

(5) The name and address of each member of the board; and

(6) A brief description of the rules, regulations, and orders adopted and promulgated by the board.

The board shall submit the report electronically to the Clerk of the Legislature and shall make the report available to the public upon request.

**Source:** Laws 1992, LB 275, § 15; Laws 2013, LB222, § 1.

**2-3963. Violations; penalties; unpaid assessment; late payment fee.**

(1) Any person violating any of the provisions of the Dairy Industry Development Act shall be guilty of a Class III misdemeanor.

(2) Any unpaid assessment shall be increased one and one-half percent each month beginning with the day following the date such assessment was due. Any remaining amount due, including any unpaid charges previously made pursuant to this section, shall be increased at the same rate on the corresponding day of each succeeding month until paid.

(3) For purposes of this section, any assessment that was determined at a date later than prescribed by section 2-3959 because of the failure to submit a report to the board when due shall be considered to have been payable on the date it would have been due if the report had been timely filed. The timeliness of a payment to the board shall be based on the applicable postmarked date or the date actually received by the board, whichever is earlier. Any assessments and late payment fees may be recovered by action commenced by the board.

(4) The remedies provided in this section shall be in addition to and not exclusive of other remedies that may be available by law or in equity.

**Source:** Laws 1992, LB 275, § 16.

NEBRASKA ADMINISTRATIVE CODE

TITLE 484, NEBRASKA ADMINISTRATIVE CODE, CHAPTER 1  
NEBRASKA DAIRY INDUSTRY DEVELOPMENT BOARD  
DAIRY INDUSTRY DEVELOPMENT BOARD REGULATIONS

December, 2015

MAY 16 2016

NEBRASKA ADMINISTRATIVE CODE

TITLE 484 – NEBRASKA DAIRY INDUSTRY DEVELOPMENT BOARD

CHAPTER 1 - DAIRY INDUSTRY DEVELOPMENT BOARD REGULATIONS

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APPROVED

MAY 16 2016

*Pete Ricketts*  
PETE RICKETTS  
GOVERNOR



APPROVED  
DOUGLAS J. PETERSON  
ATTORNEY GENERAL

APR 25 2016

BY *Emily Rose*  
ASSISTANT ATTORNEY GENERAL

NEBRASKA ADMINISTRATIVE CODE

TITLE 484 - NEBRASKA DAIRY INDUSTRY DEVELOPMENT BOARD

CHAPTER 1 - DAIRY INDUSTRY DEVELOPMENT BOARD REGULATIONS

001 Mandatory Assessments.

001.01 Payment. Payment of mandatory assessments shall be made to the Board as set forth in the Dairy Industry Development Act.

001.02 Remittance. The Board shall accept remittances or credits as set forth in the Act.

001.03 Reporting. The Board may audit records of first purchasers, producers and their agents pursuant to the Act.

002 Refunds.

002.01 Refund Request. Producers desiring the redirection of their mandatory checkoff assessment under Neb. Rev. Stat. §2-3958(1) shall make a refund request to the Nebraska Department of Agriculture, P.O. Box 94947, Lincoln, NE, 68509. Refund requests shall be received within sixty days of the date of assessment. A refund request shall contain the following:

002.01A Proof that an assessment has been deducted by a first purchaser, in the form of a copy of a settlement form or check stub, clearly indicating the nature, purpose and amount of the deducted assessment, and the date deducted.

002.01B A statement indicating whether the checkoff assessment is to be redirected to the National Dairy Board or a qualified program designated by the producer.

002.01C If the producer requests that the checkoff assessment be redirected to a qualified program, proof that such program is a "qualified program" as defined pursuant to Neb. Rev. Stat. §2-3949(8).

TITLE 484  
CHAPTER 1

002.02 If a producer designates a qualified program in a redirection request rather than the National Dairy Board, the Board shall verify whether the producer's designee is a qualified program as set forth under Neb. Rev. Stat. §2-3949(8).

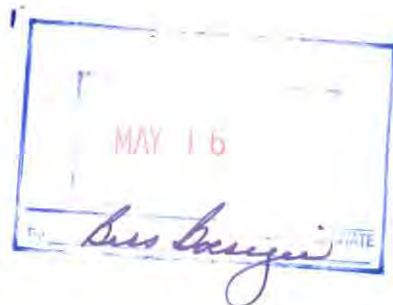
002.03 If the program designated by the producer is a qualified program under Neb. Rev. Stat. §2-3949(8), funding shall be disbursed after a contract is entered into between the Board and the qualified program.

003 Annotation. Neb. Rev. Stat. §§2-3948 to 2-3963.

APPROVED

MAY 16 2016

*Pete Ricketts*  
PETE RICKETTS  
GOVERNOR



APPROVED  
DOUGLAS J. PETERSON  
ATTORNEY GENERAL

APR 25 2016

BY *Emily Rose*  
ASSISTANT ATTORNEY GENERAL

2



**NEBRASKA DAIRY INDUSTRY DEVELOPMENT  
BOARD**

# Contracts



NEBRASKA DEPARTMENT OF AGRICULTURE  
FEE COLLECTION PROGRAM

ENFORCEMENT PROCEDURES

FOR COLLECTION OF FEES AS PROVIDED FOR  
IN THE DAIRY INDUSTRY DEVELOPMENT ACT (SECTION 2-3948)

Requirement:

There shall be paid, to the Nebraska Dairy Industry Development Board, a mandatory assessment of ten cents (10¢) per hundredweight (cwt) on all milk produced in the state of Nebraska for commercial use. The assessment shall be paid by producers at the time of first sale or delivery of milk for commercial use and shall be collected by the first purchaser of milk. Producer/processors shall remit the assessments to the Board. The first purchaser shall maintain the necessary record of fees collected for each purchase of milk produced in the state of Nebraska. All assessments shall be remitted to the Board no later than the last day of month following the month in which the milk was commercially used, and a report shall be filed by the person responsible for remitting the assessment at the time the assessment is remitted.

Any request from a producer for a refund under the Program will be honored by forwarding that portion of such refund equal to the amount of credit, that otherwise would be applicable to the Program, to either the National Dairy Promotion and Research Board or a qualified program designated by the producer.

Definitions:

1. First purchaser of milk shall mean a person who buys milk from a producer and resells to another person the milk or products manufactured or processed from the milk.
2. Board shall mean the Nebraska Dairy Industry Development Board.
3. Commercial use shall mean sale for retail consumption or sale for resale, for manufacturing for resale, or for processing for resale.
4. Milk shall mean any class of cow's milk produced in the state of Nebraska.
5. Milk production units shall mean any producer licensed by the Department of Agriculture.
6. Producer shall mean any person engaged in the production of milk for commercial use.
7. Producer/processor shall mean a producer who processes and markets the producer's own milk.

8. Qualified program shall mean any state or regional dairy product promotion, research, or nutrition education program which is certified pursuant to 7 C.F.R. 1150.153.

**Confidentiality:**

The independent collection agency shall maintain all fee collection records in strict confidence in accordance with State statutes. Only agency total data will be released to the Board or the public upon request. The independent collection agency will release data related to the first purchaser only after written permission is received by the independent collection agency from the Board.

**Procedure for Determining First Purchaser:**

When a party or board member gives a name of an individual or firm to the Nebraska Dairy Industry Development Board which they believe is a first purchaser of milk and not assessing the checkoff, the Fee Collection Program will take the following action:

1. A letter is written to the individual or firm in question advising that the mailing list is being updated and asking whether or not they are a first purchaser.
2. If they respond they are a first purchaser of milk, they will be set up on the mailing list to receive a monthly notification. A copy of the Statute will be mailed out to them.
3. If they respond they are not a first purchaser of milk, the Fee Collection Program will inform the Dairy Industry Development Board of the response.
4. Board action will determine enforcement action and enforcement steps desired to garner compliance. This may include a request for a special audit or request the State Attorney General Office to initiate legal proceedings in accordance with the law.

**Procedure for Collecting the Assessment from First Purchasers:**

1. Monthly Notification will be mailed to those first purchasers on the mailing list.
2. Non-respondents will be mailed delinquent second notice letters with penalty due the first week following the month they were due.
  - If the form is received late (according to the postmark), the firm will receive a letter for payment on the penalty.
  - If, after the due date, we haven't received the fee form, a letter notifying the firm of being delinquent and having the penalty due will be sent.

- Penalty assessed shall be 1 ½% each month, beginning with the day following the date such assessment was due. Any remaining amount due, including any unpaid charges previously made pursuant to the act, shall be increased at the same rate on the corresponding day of each succeeding month until paid.
3. If no response, a third notice notification will be sent (for the appropriate situation in #2) the first week following the month in which the second notice was sent with the penalty added into the letter for each month delinquent. The letter will be jointly signed by the Chairman of the Board and Fee Collection Program.
  4. If, after two weeks, there is no response after the third notice, a call will be made to the firm and a delinquent list will be sent to the Board. Legal enforcement of the Nebraska Dairy Industry Development Board statutory requirements will be the Board's responsibility.
  5. Board action will determine enforcement action and enforcement steps desired to garner compliance. This may include a request for a special audit, or utilizing the State Attorney General's Office to initiate legal proceedings in accordance with the law.

Auditing Procedures:

Audit Authority:

Neb. Rev. Stat. §2-3958(2) R.R.S., 1997, states:

The Board may audit financial and other records of first purchasers of milk, producers, and their agents pertaining to the assessment provided for in this section and otherwise ensure compliance with the Dairy Industry Development Act.

Audit Scope:

Neb. Rev. Stat. §2-3958(1) R.R.S., 1997, states:

There shall be paid to the Board a mandatory assessment of ten cents (.10) per hundredweight on all milk produced in the State of Nebraska for commercial use.

The auditor will verify reports submitted to the Dairy Industry Development Board by examining records that may include, but are not limited to, the general ledger and its accounts, purchases journals or registers, check registers, producer accounts, and/or any other record or records which pertain to the assessment or compliance with the Act.

A primary contact person will be noted for use in follow up for making future contact, and will be presented with the results of the audit. The standard audit form presented will


serve as a notice of refund due in the case an overpayment, or as an invoice in the case of an underpayment. Payments are to be sent to the customary fee collection agency and not collected by the auditor. The audit results, less any proprietary information, will also be presented to the Board at its next regularly scheduled meeting.

The auditor conducts compliance reviews of first purchasers on a random sample basis. The audit covers a one-year review of the monthly forms that are received. Special audits may also be conducted at the specific request of the Board.

An internal review will be done on a quarterly basis to verify accuracy of the Dairy Industry Development Board fee form data. This review will include a comparison to data received from the National Dairy Promotion and Research Board. Total pounds of milk purchased from pooled and non-pooled sources are compared and a reconciliation is done. In addition, the Nebraska Department of Agriculture will verify Grade A milk purchased by an individual entity to data received by the Department of Agriculture Dairy Regulatory Division under the Nebraska Pasteurized Milk Law. A report of all findings will be discussed at each Nebraska Dairy Industry Development Board meeting. The Milk Market Administrator, not the Department of Agriculture, will be able to verify manufactured milk purchases made. These would be incorporated into first purchaser on-site audits conducted under agreement by the Department of Agriculture and the Board.

The Nebraska Dairy Industry Development Board contracts for fee collection, audit, and fiscal services with the Nebraska Department of Agriculture. The Memorandum of Agreement, entered into annually, details services performed by the Department of Agriculture for the Dairy Industry Development Board and the amount and method of reimbursing costs incurred.

6-6-18  
Date

  
\_\_\_\_\_  
for Steve Wellman, Director  
Department of Agriculture

6-5-18  
Date

  
\_\_\_\_\_  
Chairman  
Nebraska Dairy Industry Development Board

**AGREEMENT**

**between the**

**NEBRASKA DAIRY INDUSTRY DEVELOPMENT BOARD**

**and the**

**NEBRASKA DEPARTMENT OF AGRICULTURE**

**#18-01-176**

This Agreement is entered into by and between the Nebraska Dairy Industry Development Board, (hereafter "Board,") and the Nebraska Department of Agriculture, (hereafter "Department").

**PURPOSE:** The purpose of this Agreement is that the Board desires the Department to assist the Board in performing fee collection, budget, accounting, and auditing services, and the Department is desirous of providing such assistance.

**AUTHORITY:** This Agreement is being entered into pursuant to the Dairy Industry Development Act, Neb. Rev. Stat. §§ 2-3948 to 2-3963 (hereafter "Act") and Neb. Rev. Stat. §§ 81-201.03 and 81-201.04 authorizing the Department to provide management services.

**THEREFORE,** in consideration of the covenants herein contained, it is agreed by and between the parties hereto as follows:

**A. DESCRIPTION OF WORK**

1. The Department agrees to assist the Board from **July 1, 2021, to June 30, 2022**, by providing the following services on a cost reimbursement basis, but such services shall not exceed eight thousand dollars and no cents (\$8,000.00) in value.

a. Fee Collection Services:

- (1) Distribution of monthly fee forms
- (2) Processing and return of forms
- (3) Follow-up on delinquent accounts in accordance with the agreed-upon enforcement procedures, attached as Attachment B and incorporated herein by this reference.
- (4) Process refunds as requests are made.

- (5) Update enforcement procedures as needed for Board approval.
  - (6) Maintain an updated mailing list of first purchasers.
  - (7) Maintain records in accordance with State record retention schedule.
- b. Fiscal Services:
- (1) Prepare and electronically submit Board approved budget.
  - (2) Perform accounting functions to enable the Board to operate as a State agency.
  - (3) Monitor fund investment.
  - (4) Deposit revenue into Nebraska Dairy Industry Development Cash Fund.
  - (5) Prepare revenue and expenditure documents.
  - (6) Review expenditures for compliance with State guidelines.
  - (7) Prepare a monthly summary of revenue and expenditure fiscal report.
  - (8) Maintain records in accordance with State record retention schedule and LB 429 of 2013 related to State contracts.
- c. Auditing Services:
- (1) Conduct field auditing of first purchaser accounts as authorized by Board action as set out in Attachment A.
  - (2) Internal auditing of revenue and expenditures for compliance.
- d. Miscellaneous Services:
- (1) Keep a Statewide inventory.
- e. To provide the above services, the Department shall employ the necessary personnel and incur the necessary operating and travel expenditures. Each month a State Budget Status report shall be provided to the Board detailing the total budget, monthly expenditures, and fiscal year-to-date expenditures incurred, along with an Interagency Billing Transactions Document billing for the prior month's services performed.



2. The Department and the Board agree, that the Department will keep all producer and first purchaser fee collection data and audit information confidential to the extent possible under the State of Nebraska Public Records Laws, Neb. Rev. Stat. §§ 84-712 to 84-712.09. Due to a limited number of first purchasers and/or processors, it is the Board's desire that records and information generated pursuant to this Agreement not create a proprietary advantage for a first purchaser of milk. The Department shall report total dollars deposited and/or refunded to the Board and the Board's administrative office, but not disclose to Board members, the administrator, or others individual milk first purchaser data. It is agreed the Department shall not be liable nor responsible for an agency or employee of the State of Nebraska not part of, or employed by, the Department or for any other individual not employed by the Department relative to the confidentiality of this paragraph. Any dispute relative to this shall be the responsibility of the Board to seek legal guidance from the State Attorney General.

B. ALLOWABLE COSTS and PAYMENTS

1. The Board shall provide a sum not to exceed eight thousand dollars and no cents (\$8,000.00) under this Agreement on a cost-reimbursement basis. If services in excess of \$8,000.00 are requested by the Board, this Agreement shall be amended in writing, if both parties agree to such amendment;
2. The Department shall bill the Board monthly. A one-month advance payment shall be made by the Board to the Department upon receipt of an Interagency Billing Transaction Document from the Department. Final billing shall be received no later than July 30, 2022;
3. Payment for services under this Agreement is contingent upon the receipt of sufficient funding pursuant to the Act;
4. The Department agrees that funds provided under this Agreement shall be used only for the project and purpose enumerated herein; and
5. Any funds paid to the Department under this Agreement and not fully utilized and earned pursuant to this Agreement during the Agreement period shall be returned to the Board.

C. AGREEMENT PERIOD:

The term of this Agreement is from **July 1, 2021, to July 30, 2022**, unless sooner terminated or completed as provided for in Section D.

D. AGREEMENT PROVISIONS

1. Termination: This Agreement may be terminated, at any time, upon mutual written consent of the parties, or by either party, with or without cause, upon thirty (30) days written notice to the other party. In the event of termination, the Board shall pay the Department for the cost of services provided up to the date of termination.
2. Complete Understanding: This Agreement incorporates the complete understanding of the parties. Any modification of the Agreement shall be in writing and executed by each party to be valid.
3. Relationship of Parties: It is understood by both the Department and the Board that neither is an employee of the other party and that neither party assumes any responsibility beyond those specifically stated in this Agreement.
4. Assignable: This Agreement is not assignable without the express written approval of the Board.
5. Governing Law: This Agreement shall be governed in all respects by the laws and statutes of the State of Nebraska. Any legal proceedings against the Department or Board regarding this Agreement shall be brought in the State of Nebraska administrative or judicial forums as defined by Nebraska State law.
6. Indemnification: To the extent allowable by Nebraska State Law, the Board and the Department, agree each party is responsible for its own costs, and shall indemnify the other party for such costs, arising from any and all claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and expenses of every nature, including investigation costs and expenses, settlement costs, and attorney fees and expenses, arising out of, resulting from, or attributable to the willful misconduct, negligence, error, or omission of its own employees, subcontractors, consultants, representatives, and agents. The obligation to indemnify shall survive the expiration or termination of this Agreement.

7. Authority to Enter Agreement: The Board and the Department warrant that the individual signing this Agreement has the legal power, right, and authority to enter into this Agreement and to bind itself accordingly.
8. Severability: If any term or condition of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this Agreement did not contain the particular provision held to be invalid.
9. Penalty for Breach: In the event that either party fails to perform as specified under this Agreement, the party failing to perform shall pay any additional costs resulting from the failure to perform.

#### E. RECORDS AND WORK PRODUCT PROVISIONS

1. Records Available: The books of account, files, and other records which are applicable to this Agreement shall be made available in the State of Nebraska for inspection, review, copying, and audit by the other party and its representatives to determine the proper application and use of all funds used pursuant to the Agreement. All records involving transactions related to this Agreement are to be maintained for a period of five (5) years from the date the term of this Agreement begins or as long as is required by Nebraska law. If any litigation or audit is begun, or a claim is instituted involving the Agreement, records shall be retained beyond the five (5) year period until litigation, audit findings, or claim has been fully resolved.
2. Auditing Standard: The Board, under the Office of Management and Budget's Uniform Guidance, will utilize a risk-based approach to review federal and state contract dollars expended to subrecipients. This may include the Department providing recent audit reports to evaluate prior audit experiences and audit findings; Board review of subrecipient control environment; and the Department providing copies of invoices detailing how the funds were expended.

#### F. COMPLIANCE PROVISIONS

1. Nondiscrimination:
  - a. The Department and the Board, and any and all subcontractors, agree to comply with all applicable local,

state, and federal statutes and regulations regarding civil rights laws and equal opportunity employment. The Nebraska Fair Employment Practice Act, Neb. Rev. Stat. §§48-1101 to 48-1125, prohibits contractors of the State of Nebraska, and their subcontractors, from discriminating against any employee or applicant for employment, with respect to hire, tenure, terms, conditions, compensations, or privileges of employment because of race, color, religion, sex, disability, marital status, or national origin. Both parties guarantee compliance with the Nebraska Fair Employment Practice Act, and breach of this provision shall be regarded as a material breach of this Agreement.

2. ADA Compliance: All provisions under this Agreement are subject to the Americans with Disabilities Act.
3. Worker's Compensation: The Department and the Board, and any and all subcontractors agree to guarantee payment of compensation to injured workers according to the Nebraska Worker's Compensation Act.
4. Drug Free: The Department and the Board, and any and all subcontractors agree to have in force during the Agreement period, and available for inspection, a policy regarding a drug-free workplace. The policy shall contain:
  - a. A statement notifying employees that the unlawful manufacture, distribution, possession, or use of a controlled substance is prohibited in the workplace;
  - b. The specific actions that will be taken against employees for violating the policy; and
  - c. A requirement that each employee receive a copy of the policy.
5. Immigration Verification:
  - a. The Department and any and all subcontractors shall use a federal immigration verification system to determine the work eligibility status of new employees physically performing services within the State of Nebraska. A federal immigration verification system means the electronics verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as E-Verify Program, or an

equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of newly hired employees.

- b. If the Department uses a subcontractor who is an individual or sole proprietorship, the Department agrees to require the subcontractor to complete the United States Citizenship Attestation Form available in the DAS website at <http://das.nebraska.gov/materiel/purchasing.html/>. If the subcontractor indicates on such attestation from that he or she is a qualified alien, the subcontractor shall provide to the Department the U.S. Citizenship and Immigration Service documentation required to verify the subcontractor's lawful presence in the United States using the Systematic Alien Verification for Entitlements (SAVE) Program.

IN WITNESS WHEREOF, the parties execute this Agreement.

6/14/2021  
Date

  
\_\_\_\_\_  
Kent Pulfer, Chairman  
Nebraska Dairy Industry Development Board

6-16-2021  
Date

  
\_\_\_\_\_  
FOR Steve Wellman, Director  
Department of Agriculture

## Attachment A

### Audit Authority of the Act:

Neb. Rev. Stat. §2-3958(2), states:

The Board may audit financial and other records of first purchasers of milk, producers, and their agents pertaining to the assessment provided for in this section and otherwise ensure compliance with the Dairy Industry Development Act.

### Audit Scope of the Act:

Neb. Rev. Stat. §2-3958(1), states:

There shall be paid to the Board a mandatory assessment of ten cents (.10) per hundredweight on all milk produced in the State of Nebraska for commercial use.

Under this Agreement, auditors of the Department will verify reports submitted to the Board by examining records that may include, but are not limited to, the general ledger and its accounts, purchases journals or registers, check registers, producer accounts, and/or any other record or records which pertain to the assessment or compliance with the Act. A primary contact person will be noted for use in follow up for making future contact, and will be presented with the results of the audit. The standard audit form presented will serve as a notice of refund due in the case an overpayment, or as an invoice in the case of an underpayment. Payments are to be sent to the customary fee collection agency and not collected by the auditor. The audit results, less any proprietary information, will also be presented to the Board at its next regularly scheduled meeting.

Attachment B

NEBRASKA DEPARTMENT OF AGRICULTURE  
FEE COLLECTION PROGRAM

ENFORCEMENT PROCEDURES

FOR COLLECTION OF FEES AS PROVIDED FOR  
IN THE DAIRY INDUSTRY DEVELOPMENT ACT (SECTION 2-3948)

Requirement:

There shall be paid, to the Nebraska Dairy Industry Development Board, a mandatory assessment of ten cents (10¢) per hundredweight (cwt) on all milk produced in the state of Nebraska for commercial use. The assessment shall be paid by producers at the time of first sale or delivery of milk for commercial use and shall be collected by the first purchaser of milk. Producer/processors shall remit the assessments to the Board. The first purchaser shall maintain the necessary record of fees collected for each purchase of milk produced in the state of Nebraska. All assessments shall be remitted to the Board no later than the last day of month following the month in which the milk was commercially used, and a report shall be filed by the person responsible for remitting the assessment at the time the assessment is remitted.

Any request from a producer for a refund under the Program will be honored by forwarding that portion of such refund equal to the amount of credit, that otherwise would be applicable to the Program, to either the National Dairy Promotion and Research Board or a qualified program designated by the producer.

Definitions:

1. First purchaser of milk shall mean a person who buys milk from a producer and resells to another person the milk or products manufactured or processed from the milk.
2. Board shall mean the Nebraska Dairy Industry Development Board.
3. Commercial use shall mean sale for retail consumption or sale for resale, for manufacturing for resale, or for processing for resale.
4. Milk shall mean any class of cow's milk produced in the state of Nebraska.
5. Milk production units shall mean any producer licensed by the Department of Agriculture.
6. Producer shall mean any person engaged in the production of milk for commercial use.

7. Producer/processor shall mean a producer who processes and markets the producer's own milk.
8. Qualified program shall mean any state or regional dairy product promotion, research, or nutrition education program which is certified pursuant to 7 C.F.R. 1150.153.

Confidentiality:

Fee collection records shall be kept in the strictest confidence allowed by Nebraska law. To the extent allowable by law, only agency total data will be released.

Procedure for Determining First Purchaser:

When a party or board member gives a name of an individual or firm to the Nebraska Dairy Industry Development Board which they believe is a first purchaser of milk and not assessing the checkoff, the Fee Collection Program will take the following action:

1. A letter is written to the individual or firm in question advising that the mailing list is being updated and asking whether or not they are a first purchaser.
2. If they respond they are a first purchaser of milk, they will be set up on the mailing list to receive a monthly notification. A copy of the Statute will be mailed out to them.
3. If they respond they are not a first purchaser of milk, the Fee Collection Program will inform the Dairy Industry Development Board of the response.
4. Board action will determine enforcement action and enforcement steps desired to garner compliance. This may include a request for a special audit or request the State Attorney General Office to initiate legal proceedings in accordance with the law.

Procedure for Collecting the Assessment from First Purchasers:

1. Monthly Notification will be mailed to those first purchasers on the mailing list.
2. Non-respondents will be mailed delinquent second notice letters with penalty due the first week following the month they were due.
  - If the form is received late (according to the postmark), the firm will receive a letter for payment on the penalty.



- If, after the due date, we haven't received the fee form, a letter notifying the firm of being delinquent and having the penalty due will be sent.
  - Penalty assessed shall be 1 ½% each month, beginning with the day following the date such assessment was due. Any remaining amount due, including any unpaid charges previously made pursuant to the act, shall be increased at the same rate on the corresponding day of each succeeding month until paid.
3. If no response, a third notice notification will be sent (for the appropriate situation in #2) the first week following the month in which the second notice was sent with the penalty added into the letter for each month delinquent. The letter will be jointly signed by the Chairman of the Board and Fee Collection Program.
  4. If, after two weeks, there is no response after the third notice, a call will be made to the firm and a delinquent list will be sent to the Board. Legal enforcement of the Nebraska Dairy Industry Development Board statutory requirements will be the Board's responsibility.
  5. Board action will determine enforcement action and enforcement steps desired to garner compliance. This may include a request for a special audit, or utilizing the State Attorney General's Office to initiate legal proceedings in accordance with the law.

Auditing Procedures:

Audit Authority:

Neb. Rev. Stat. §2-3958(2) R.R.S., 1997, states:

The Board may audit financial and other records of first purchasers of milk, producers, and their agents pertaining to the assessment provided for in this section and otherwise ensure compliance with the Dairy Industry Development Act.

Audit Scope:

Neb. Rev. Stat. §2-3958(1) R.R.S., 1997, states:

There shall be paid to the Board a mandatory assessment of ten cents (.10) per hundredweight on all milk produced in the State of Nebraska for commercial use.

The auditor will verify reports submitted to the Dairy Industry Development Board by examining records that may include, but are not limited to, the general ledger and its accounts, purchases

journals or registers, check registers, producer accounts, and/or any other record or records which pertain to the assessment or compliance with the Act.

A primary contact person will be noted for use in follow up for making future contact, and will be presented with the results of the audit. The standard audit form presented will serve as a notice of refund due in the case an overpayment, or as an invoice in the case of an underpayment. Payments are to be sent to the customary fee collection agency and not collected by the auditor. The audit results, less any proprietary information, will also be presented to the Board at its next regularly scheduled meeting.

The auditor conducts compliance reviews of first purchasers on a random sample basis. The audit covers a one-year review of the monthly forms that are received. Special audits may also be conducted at the specific request of the Board.

An internal review will be done on a quarterly basis to verify accuracy of the Dairy Industry Development Board fee form data. This review will include a comparison to data received from the National Dairy Promotion and Research Board. Total pounds of milk purchased from pooled and non-pooled sources are compared and a reconciliation is done. In addition, the Nebraska Department of Agriculture will verify Grade A milk purchased by an individual entity to data received by the Department of Agriculture Dairy Regulatory Division under the Nebraska Pasteurized Milk Law. A report of all findings will be discussed at each Nebraska Dairy Industry Development Board meeting. The Milk Market Administrator, not the Department of Agriculture, will be able to verify manufactured milk purchases made. These would be incorporated into first purchaser on-site audits conducted under agreement by the Department of Agriculture and the Board.

The Nebraska Dairy Industry Development Board contracts for fee collection, audit, and fiscal services with the Nebraska Department of Agriculture. The Memorandum of Agreement, entered into annually, details services performed by the Department of Agriculture for the Dairy Industry Development Board and the amount and method of reimbursing costs incurred.

## AGREEMENT

between

THE NEBRASKA DAIRY INDUSTRY DEVELOPMENT BOARD  
and  
MIDWEST DAIRY ASSOCIATION

This Agreement is made and entered into this 1<sup>st</sup> day of July, 2021, by and between Midwest Dairy Association, herein called "Midwest Dairy," and the Nebraska Dairy Industry Development Board, herein called "Board."

WHEREAS, the Legislature of the State of Nebraska has enacted the Dairy Industry Development Act (Neb. Rev. Stat. § 2-3948 *et seq.*), which, by this reference, is hereby incorporated into this Agreement;

WHEREAS, the purpose of the Act is to maintain and expand domestic sales of milk and dairy products, develop new products and new markets, improve methods and practices relating to marketing or processing of milk and dairy products, and inform and educate consumers of sound nutritional principles including the role of dairy products in a balanced and healthful diet;

WHEREAS, Neb. Rev. Stat. § 2-3950 of the Act designates the Board as the agency of the State of Nebraska responsible for carrying out the purposes of the Act;

WHEREAS, Neb. Rev. Stat. § 2-3961 of the Act authorizes the Board to jointly sponsor projects with any private or public organization that is a qualified program (any state or regional dairy product promotion, research, or nutrition education program which is certified pursuant to 7 C.F.R. § 1150.153 as amended) to meet the objectives of the Act;

WHEREAS, the purposes of the Act will be effectively and meaningfully carried out if the Board cooperates with Midwest Dairy in carrying out said purposes; and

WHEREAS, both parties hereto desire to enter into this Agreement in order to carry out the purposes of the Act.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed by and between the parties that:

1. Midwest Dairy hereby certifies that it is a "qualified program" within the meaning of Neb. Rev. Stat. § 2-3949.
2. The term of the Agreement shall be from July 1, 2021, through June 30, 2022.
3. The relationship of the Board and Midwest Dairy under this Agreement shall be that of principal and independent contractor. It is understood by both the Board and Midwest Dairy that Midwest Dairy is not an employee or agent of the Board and it is understood that the Board assumes no responsibility beyond those specifically stated in this Agreement.

4. Midwest Dairy shall provide the following Administrative Services that will include but are not limited to:
- Coordinate meeting notices, records, and agenda with the Nebraska Department of Agriculture.
  - Provide minutes, information reports, and follow-up reports as requested by the Board and required by law.
  - Advance Board-approved expenses to the State for payment in accordance with the requirements of the Nebraska Department of Administrative Services (“DAS”) and other applicable laws.
  - Obtain stationery and letterhead for the Board as needed and in accordance with DAS requirements and other applicable laws.
  - Maintain and update the roster of the Board.
  - Correspond with first purchasers with regard to nominations and appointments to the Board and the operative dates.
  - Follow-up with the Governor's office on appointments to the Board.
  - Remind first purchasers if a vacancy exists on the Board.
  - Assist the Nebraska Attorney General's office as needed with relation to Dairy Board contracts.
  - Obtain certified audits and proof of bonding from qualified programs contracted to the Board and forward to the Department of Agriculture to review for compliance.
  - Develop and publish an annual report on or before October 1 of each year, setting forth the income received from the assessments collected in accordance with Neb. Rev. Stat. § 2-3958, for the preceding fiscal year and the report shall include:
    - (1) The expenditure of funds by the Board during the year for the administration of the Dairy Industry Development Act;
    - (2) A brief description of all contracts requiring the expenditure of funds by the Board;
    - (3) The action taken by the Board on all such contracts;
    - (4) An explanation of all programs relating to the discovery, promotion, and development of markets and industries for the utilization of dairy products and the direct expense associated with each program;

- (5) The name and address of each member of the Board; and a brief description of the rules, regulations, and orders adopted and promulgated by the Board.
  - (6) Such report shall be reviewed by the Board Chair prior to filing, and shall be available to the public upon request.
5. In consideration of satisfactory and good faith performance of the Administrative Services described in Paragraph 4 by Midwest Dairy, the Board agrees to:
  - 1) Reimburse Midwest Dairy monthly an administrative fee in association with the redirection of checkoff dollars by a producer to a qualified program other than Midwest Dairy. This administrative fee shall be one percent (1.0%) of the revenue collected from producers who choose this redirection option. Payment of the administrative fee by the Board shall be made provided that sufficient funds, as budgeted under Neb. Rev. Stat. § 2-3960, are generated and legislative appropriation is made.
  - 2) The administrative fee shall be used to fund the Administrative Services provided by Midwest Dairy as described in Paragraph 4 of this Agreement.
  - 3) The amount of the administrative fee will be included in the monthly contractual payment of the unexpended fund balance as described in Paragraph 8 of this Agreement.
6. Midwest Dairy shall provide the Board a summary evaluation report within thirty (30) days after the end of the contract period, including a summarization of revenue received and a general categorization by type of expenditure, expenditures made.
7. In addition to the Administrative Services provided under Paragraph 4 above, Midwest Dairy shall provide the following services:

Implementation of the Nebraska components of Dairy Management, Inc.'s national Unified Marketing Plan programs (Exhibit A), including:

  - Nutrition Affairs:
    - Build Champions for Dairy
    - Engage, Empower and Impact Youth
    - Translate, Align and Activate Science with Emotionally-Compelling Support for Dairy
    - Operations
    - Training
  - Integrated Communications, including Farmer Relations and Consumer Confidence:
    - Consumer Communications and Support
    - Fuel Up to Play 60 Communications
    - General Communications Support
    - Farmer Relations
    - Local Farmer Relations

- Strategic Initiatives
  - Fuel Up to Play 60:
    - Program Delivery
    - School Dairy Optimization, School Incentives and Rewards
  - Dairy Product Research
    - Coordination of Research through National Research Plan/Midwest Dairy Foods Research Center/University of Nebraska
  - Administration necessary to conduct the above programs including accounting tracking and reporting to meet Dairy Management, Inc.'s Unified Marketing Plan requirements.
8. In consideration of satisfactory and good faith performance of the services described in Paragraph 7 by Midwest Dairy, the Board agrees to make monthly contractual payments in an amount equal to the unexpended fund balance of the Nebraska Dairy Industry Development Fund as reflected on the Nebraska Information System ("NIS") on the fifth working day each calendar month after Board, administrative, fee collection, accounting, and auditing expenses are calculated. This dollar amount shall be based upon the State's official NIS accounting system. The Board agrees to make payment provided sufficient funds, as budgeted under Neb. Rev. Stat. § 2-3960, are generated and legislative appropriation is made.
9. Midwest Dairy shall provide a final report within sixty (60) days after the completion of this Agreement. The Final Report shall include a description of activities undertaken a full accounting of all money spent under this agreement, and include materials produced under this Agreement.
- Midwest Dairy shall also prepare and submit a full accounting of all expenditures before each meeting of the Board so that expenditures can be reviewed in accordance with Neb. Rev. Stat. § 2-3955.
10. Midwest Dairy shall provide a copy of its annual report covering Midwest Dairy's prior fiscal year to the Board during the June board meeting.
11. Midwest Dairy shall:
- a. Not discriminate against recipients of services on the basis of race, color, religion, national origin, sex, disability or age; and
  - b. Not discriminate against any employee or applicant for employment on the basis of race, color, religion, national origin, sex or any other qualified disability. It is further understood that, if Midwest Dairy is in violation of this clause, it shall be barred forthwith from receiving further funds unless a satisfactory showing is made that discriminatory practices have terminated and that a recurrence of such act or action is unlikely.

- c. Have in force during the Agreement period, and available for inspection, a policy regarding a drug-free workplace. The policy shall contain:
  - (1) A statement notifying employees that the unlawful manufacture, distribution, possession, or use of a controlled substance is prohibited in Midwest Dairy's workplace;
  - (2) The actions that will be taken against employees for violating the policy; and
  - (3) The requirement that each employee receive a copy of the policy.
12. Midwest Dairy shall indemnify and hold harmless the Board from any and all claims and liabilities, including costs and legal fees that may arise out of or on account of any failure on the part of Midwest Dairy to perform such duties for the Board as herein specified. This obligation shall survive the expiration or termination of this Agreement.
13. The provisions of this Agreement may be amended by mutual agreement of the parties hereto in writing, at any time.
14. This Agreement may be terminated by either party hereto at any time by ninety (90) day advance written notice to the other party. In the event of an actual or anticipated material breach of this Agreement, the Board may terminate this Agreement immediately. If the Agreement is terminated, Midwest Dairy shall not incur any additional obligations and shall repay unobligated funds in accordance with Paragraph 18, below.
15. This Agreement is not assignable without the express written approval of the Board.
16. Midwest Dairy agrees that the books of account, files, and other records of Midwest Dairy which are applicable to this Agreement shall, at all times, be available for inspection, review, and audit by the Board or its contract representatives to determine the proper application and use of all funds paid to or for the account or benefit of the Board or as otherwise required by the laws of the State of Nebraska.
17. Furthermore, Midwest Dairy agrees to maintain all books, documents, papers, or any other records involving transactions related to this Agreement for a period of five (5) years or as otherwise required by the laws of the State of Nebraska. If any litigation or audit is begun or a claim is instituted involving the Agreement, Midwest Dairy shall retain the records beyond the five (5) year period until litigation, audit findings, or claim has been fully resolved, and the Board has agreed that such records do not need to be retained.
18. Any funds paid to Midwest Dairy under this Agreement, and not fully utilized pursuant to the terms of this Agreement during the Agreement period or prior to termination shall be returned to the Board, unless otherwise agreed in writing by the parties. Furthermore, if Midwest Dairy fails to perform as outlined herein, Midwest Dairy may be required to repay funds received not utilized under this Agreement.

19. The funds expended pursuant to this Agreement shall be spent only on Midwest Dairy's performance pursuant to this Agreement and for no other purpose.
20. Midwest Dairy shall procure a policy or policies of insurance from an insurance company licensed to write such insurance in the state which policy or policies of insurance shall guarantee payment of compensation to injured workers according to the Nebraska Workers Compensation Act if an employee of Midwest Dairy is subject to the Nebraska Workers Compensation Act.
21. All provisions of this Agreement are subject to the Americans with Disabilities Act.
22. Midwest Dairy is required and hereby agrees to use a federal immigration verification system to determine the work eligibility status of new employees physically performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of a newly hired employee.
23. This Agreement shall be governed in all respects by the laws and statutes of the State of Nebraska. Any legal proceedings regarding this Agreement shall be brought in the State of Nebraska administrative or judicial forums as defined by Nebraska State law.

IN WITNESS WHEREOF, the parties hereto do execute this Agreement.

MIDWEST DAIRY ASSOCIATION  
Federal ID Number, 41-0433125

6/14/2021  
Date

Molly Pelzer  
Molly Pelzer, CEO

NEBRASKA DAIRY INDUSTRY  
DEVELOPMENT BOARD

6/14/2021  
Date

Kent Pulfer  
Kent Pulfer, Chairman



AGREEMENT

Between

THE NEBRASKA DAIRY INDUSTRY DEVELOPMENT BOARD

And

SOUTHWEST DAIRY MUSEUM, INC

This Agreement is made and entered into this 1<sup>st</sup> day of June 2021, by and between Southwest Dairy Museum, Inc., herein called "Southwest," and the Nebraska Dairy Industry Development Board, herein called "Board."

WHEREAS, the Legislature of the State of Nebraska has enacted the Dairy Industry Development Act, (Neb. Rev. Stat. § 2-3948, *et seq.*), which, by this reference, is hereby incorporated into this Agreement;

WHEREAS, the purpose of the Act is to maintain and expand domestic sales of milk and dairy products, develop new products and new markets, improve methods and practices relating to marketing or processing of milk and dairy products, and inform and educate consumers of sound nutritional principles including the role of dairy products in a balanced and healthful diet;

WHEREAS, pursuant to Neb. Rev. Stat. § 2-3949(8)(e), the Board has received a request from a producer that his promotion check-off funds be remitted to Southwest;

WHEREAS, Neb. Rev. Stat. § 2-3950 of the Act designates the Board as the agency of the State of Nebraska responsible for carrying out the purposes of the Act;

WHEREAS, Neb. Rev. Stat. §§ 2-3949(8)(e) and 2-3959 of the Act require that the Board transfer the funding of producers who request to have their promotion check-off dollars directed to a Qualified Program certified pursuant to 7 C.F.R. 1150.153;

WHEREAS, the purposes of the Act will be effectively and meaningfully carried out if the Board cooperates with Southwest in carrying out said purposes; and

WHEREAS, both parties hereto desire to enter into this Agreement in order to carry out the purposes of the Act.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed by and between the parties hereto that:

1. The term of the Agreement shall be from July 1, 2021, through June 30, 2022.
2. It is understood by both the Board and Southwest that Southwest is not an employee or agent of the Board, and it is understood that neither the Board nor Southwest assumes any responsibility beyond those specifically stated in this Agreement.
3. Southwest shall provide the following services:
  - a. Promotional and educational services that further the purpose of the Act, which may include, but not necessarily be limited to:
    - i. Mobile Dairy Classroom presentations, primarily in the southern tier of counties in Nebraska.
    - ii. Provided adequate funding is available, and it is mutually agreed by both parties, Mobile Dairy Classroom presentations in other designated areas of Nebraska.
    - iii. Subject to Board approval, other dairy educational and promotional programs in schools, fairs, and community events, provided adequate funding is available
4. Southwest shall submit to the Board documentation that they are a USDA-qualified program within thirty (30) calendar days upon execution of the Agreement.
5. In consideration of satisfactory and good faith performance hereunder by Southwest, the Board agrees to make monthly payments in an amount equal to producer requests to have their promotion check-off dollars directed to Southwest as reflected on the State's official Nebraska Information System (NIS) accounting system on the fifth working day of each calendar month less a 1% administrative fee. The Board agrees to make payment to Southwest provided that the appropriation is authorized by the Legislature, check off dollars were received from the Producer, and that Southwest continues to maintain its status as a Qualified Program.
6. Southwest shall provide a summary evaluation report within thirty (30) days after the end of the contract period, which includes a summary of revenue received and a general categorization by type of expenditure, expenditures made and a summary of all activities undertaken, including all materials produced under this Agreement.

Southwest shall also provide an accounting of all expenditures prior to each regular meeting of the Board to allow for review as required by Neb. Rev. Stat. § 2-3955.

7. Southwest shall:
  - a. Not discriminate against recipients of services on the basis of race, color, religion, national origin, sex, disability or age; and
  - b. Not discriminate against any employee or applicant for employment on the basis of race, color, religion, national origin, sex or any other qualified disability. It is further understood that, if Southwest is in violation of this clause, it shall be barred forthwith from receiving further funds unless a satisfactory showing is made that discriminatory practices have terminated and that a recurrence of such act or action is unlikely.
  - c. Have in force during the Agreement period, and available for inspection, a policy regarding a drug-free workplace. The policy shall contain:
    - (1) A statement notifying employees that the unlawful manufacture, distribution, possession, or use of a controlled substance is prohibited in Southwest's workplace;
    - (2) The actions that will be taken against employees for violating the policy; and
    - (3) The requirement that each employee receive a copy of the policy.
8. Southwest shall indemnify and hold harmless the Board from any and all claims and liabilities, including costs and legal fees that may arise out of or on account of any failure on the part of Southwest to perform such duties for the Board as herein specified. Southwest's obligation to indemnify the Board shall survive the expiration or termination of this Agreement. Such indemnification and assumption of liability found in this section is limited to the extent provided for by law.
9. The provisions of this Agreement may be amended by mutual agreement to the parties hereto in writing, at any time.
10. This Agreement may be terminated by either party hereto at any time by ninety (90) day advance written notice to the other party. Termination of the Agreement does not extinguish the Board's obligation under Neb. Rev. Stat. §§ 2-3949(8)(e) and 2-3959 of the Act to transfer the funding of producers who request to have their promotion check-off dollars directed to a Qualified Program certified pursuant to 7 C.F.R. 1150.153.
11. This Agreement is not assignable without the express written approval of the Board.

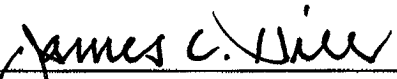
12. Southwest agrees to maintain all books, documents, papers, or any other records involving transactions related to this Agreement for a period of five (5) years or as otherwise required by law. If any litigation or audit is begun or a claim is instituted involving the Agreement, Southwest shall retain the records beyond the five (5) year period until litigation, audit findings, or claim has been fully resolved, and the Board has agreed that such records do not need to be retained.
13. The funds transferred to Southwest under this Agreement shall be utilized only for the purposes as set forth in Paragraph 3 of this Agreement and for no other purpose.
14. Southwest shall procure a policy or policies of insurance from an insurance company licensed to write such insurance in the state which policy or policies of insurance shall guarantee payment of compensation to injured workers according to the Nebraska Workers Compensation Act if an employee of Southwest is subject to the Nebraska Workers Compensation Act.
15. All provisions of this Agreement are subject to the Americans with Disabilities Act.
16. Southwest is required and hereby agrees to use a federal immigration verification system to determine the work eligibility status of new employees physically performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of a newly hired employee.
17. If any term or condition of this agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this Agreement did not contain the particular provision held to be invalid.
18. This agreement shall be governed in all respects by the laws and statutes of the State of Nebraska. Any legal proceedings against the Board regarding this Agreement shall be brought in the State of Nebraska administrative or judicial forums as defined by Nebraska State law.

IN WITNESS WHEREOF, the parties hereto do execute this Agreement.

6/14/2021  
Date

  
Kent Pulfer, Chairman  
Nebraska Dairy Industry Development Board

6-16-2021  
Date

  
Jim Hill, CEO and General Manager  
Southwest Dairy Museum, Inc.  
Federal ID Number, 75-1899434