OREGON DAIRY BY THE NUMBERS:

YOUR CHECKOFF DOLLARS AT WORK

2016

2016 YEAR IN REVIEW  An annual publication from the Oregon Dairy and Nutrition Council
Calendar Year 2016
Total Budget Expenditures: $3,649,042

- Administration
- Nutrition Affairs
- School Programs
- Dairy Industry Development
- Communications
- Producer Development
- DMI/UDIA
- Emergency Fund
- Commission Program/ODA

Expenditures:
- Administration: $326,825
- Nutrition Affairs: $564,659
- School Programs: $320,000
- Dairy Industry Development: $701,778
- Communications: $358,431
- Producer Development: $141,825
- DMI/UDIA: $757,524
- Emergency Fund: $440,000
- Commission Program/ODA: $38,000
Dear Friends,

It has been a year since we launched a new name for our organization, the Oregon Dairy and Nutrition Council. But more than just a new image, that decision also symbolized our efforts to focus more closely on the people and communities of Oregon.

The connection between dairy farmer and consumer is becoming vitally important. And as you will see in these pages, we’ve made notable progress as a board and staff in building trust in dairy foods and confidence in the dairy farming community.

Some of those advancements include:

- Through dairy farmer support, Oregon students by proven measure are eating healthier, exercising more, and taking greater leadership roles in their schools through our Fuel Up to Play 60 program and our work with other partners in the school environment.

- We are creating positive stories in the general and social media, where we’ve drawn advocates who speak on dairy’s behalf both from consumers and health and wellness professionals.

- Oregon processors are further increasing their efforts to create innovative and new products, and explore new markets such as exports, as we continue our support and encouragement in those advancements.

- Communities have come together to champion youth health and wellness under our guidance in helping build coalitions where none had previously existed.

- And we’ve made notable gains in doing a better job of reaching out to you, our investors, and we look forward to continuing those conversations.

In all of this, our singular goal is to help ensure a thriving dairy community for now and the generations ahead. We look forward to working with you and achieving this goal with your thoughts, ideas, and participation in the coming months.

Sincerely,

Steve Neahring
Chairman, Oregon Dairy and Nutrition Council
Expanded buyer connections, advancements in consolidated shipping, and widening interest among the region’s dairy processing community are just some of the gains from ODNC’s dairy export initiative. Launched in early 2013, the initiative has continued to deliver more resources to dairy processors interested in expanding or entering the export trade.

Among these, we completed an April 2016 dairy trade mission to Singapore, Malaysia and Vietnam, with the assistance of U.S. Dairy Export Council (USDEC), Oregon Department of Agriculture and the Port of Portland. Oregon dairy companies got a first-hand look at the region’s market potential, in addition to meeting one-on-one with buyers who represent major distribution companies.

Butter and cheese were the first dairy products to be exported from Oregon. Oregon ice cream and cheese can be found in Singapore, Hong Kong, Korea, Australia, the UK, and others. Nearly 80% of all dairy products made in Oregon are shipped to other domestic and global markets. Oregon dairy exports totaled $69 million in 2015, seven times the amount since the year 2000.

ODNC also arranged an inbound trade mission where buyers toured processing plants in Utah, Idaho and Oregon. This expanded regional approach, and collaboration at the national level, is helping create a unified, solid position for U.S. dairy and for products from the western states.

Plans are in place for returning to Southeast Asia in April 2017, where we will continue to pursue sales and advance the message of high-quality U.S. dairy foods.

By the year 2030, Asia will contain 60% of the world’s middle class population.
They’re stirring up some good ideas for dairy at Oregon State University’s Arbuthnot Dairy Center.

With support from ODNC, food development specialists have been helping Oregon processors power through some new ideas in product innovation. A new line of creamers and a host of ice cream flavors are but some of the recent results.

Additional items on tap include yogurt formulations, drinkable yogurts, other fluid milk beverages and buttermilk products.

Initiated as a partnership effort, the program addresses the needs of small and medium-sized plants who lack the resources to explore new products—and the potential for expanded markets—on their own. As a zero-cost assistance program, OSU’s innovation assistance gives a boost to more frequent product introductions, with the eventual goal of creating more demand for Oregon dairy farmers’ milk.

In the months ahead, you’ll see more good ideas appearing in the dairy aisle at your local grocers.
Dairy’s presence in Oregon schools isn’t just limited to the milk, cheese and yogurt in the cafeteria. Not by a long shot. ODNC’s schools team is increasingly engaged in and out of the classroom, supporting healthy school environments, collaborating with school leaders and statewide organizations, providing factual information and working to keep dairy products on the menu.

Studies show that students who are well nourished with school meals including all food groups are better learners. Together with partners, ODNC advocates for increased school meal participation and nutritious dairy foods in each meal. With a background in school foodservice management and child nutrition programs, Erin Hirte, RDN, LD, has brought relevant experience to her new role as Manager of School Programs.

Working with the Oregon Department of Education, we conducted five regional culinary training events to show school nutrition directors and staff new ways to prepare local foods. Supporting the annual statewide School Wellness Awards program, we recognized three schools for their outstanding efforts to improve student health, nutrition, physical activity and academic achievement.

Almost 1,000 milk, yogurt and cheese toolkits are helping raise awareness about where food comes from.

Six NFL player/former player appearances at Fuel Up to Play 60 school events reached more than 3,500 students and staff, plus media.

In 2016, improved school meal participation produced increases of 26,987 pounds of milk for breakfast and 91,177 pounds for lunch.

ODNC also funded 26 school grants, encouraged youth leadership and actively supported school wellness and nutrition programs in more than 730 Oregon schools through the Fuel Up to Play 60 program. Supporting the Oregon Dairy Princess-Ambassadors, Agriculture in the Classroom, Adopt a Farmer and Oregon School Activities Association helps ensure that students, teachers, staff and coaches receive the facts about dairy farming, products and nutrition.

“\textit{We are just so excited to do all the fun things this grant will allow us to do. Thank you all so much. Our small school doesn’t get too many opportunities like this, and it is huge for us.”}\n\textit{-Brad Sperry, Principal in Fossil}

“\textit{A little update, the second chance breakfast at our middle school has increased participation approximately 75%!”}\n\textit{-Misty Crawford, Nutrition Service Director, St. Helens Middle School}

\begin{itemize}
  
  \item Oregon’s Fuel Up to Play 60 program reaches 349,935 students. In 2016, grant funded schools showed increases of:
  \item 2.4\% average daily participation for breakfast
  \item 8.0\% average daily participation for lunch
  \item 14.5\% total milk sales
  \item 15.6\% total ounces of yogurt sold
\end{itemize}
With three Registered Dietitian Nutritionists on staff, you can tell that ODNC takes health and wellness seriously. To maintain and improve trust and confidence in the healthfulness and safety of dairy foods, ODNC’s nutrition affairs program focuses on education, partnership activations and building champions who advocate for dairy.

Before Oregon’s WIC staff added yogurt to the supplemental nutrition program for women, infants and children, ODNC staff provided technical expertise on nutrition and sugar content. Our Sr. Director of Nutrition Affairs, Anne Goetze, was recently appointed as chair of the Oregon WIC Advisory Board. She coordinates with Oregon dairy processors and answers questions at the local and statewide levels about the health and safety of milk.

Working with Providence Health and Services and the Nutrition Council of Oregon, ODNC produced and broadly distributed information to raise awareness about adult malnutrition. New materials cover the impacts of a healthy diet, which includes dairy, for prevention and early intervention to improve health outcomes and to save money.

Through an annual communications workshop for dietitians, and engagement with the Oregon Academy of Nutrition and Dietetics, ODNC builds positive relationships with nutrition professionals in the region. In this same vein, the Council sponsors an award-winning program for dietetic interns from Oregon State University and Oregon Health & Science University.

ODNC’s leadership role in convening Learning Connection Town Hall events in Tillamook and Umatilla has netted positive results in community engagement and enjoyed positive momentum. Providing expertise on child health wellness and nutrition, ODNC staff remains supportive and involved in communities throughout Oregon.

Tillamook Year of Wellness activities motivated residents to adopt healthier behaviors:

- 38% making healthier food choices
- 31% reporting being more physically active
- 17% reporting improved sleep

"Our Year of Wellness is now in its second year and still going strong. Coming from a dairy farm myself, I’m proud of the leadership role our industry is taking here in my community and elsewhere."

-Michelle Jenck, Jenck Farms and Tillamook Year of Wellness

Providence Health and Services, the largest health care provider in Oregon with 600,000 health plan members, provided education for staff and patients focused on adult nutrition/malnutrition prevention.

To build dairy advocates, staff worked with 11 dietetic interns – future nutrition leaders – for approximately 1,200 hours in 2016.
PRODUCERS AND PROCESSORS: MAKING CONNECTIONS

Over the past year, ODNC prioritized outreach and engagement with Oregon dairy farmers and processors with the aim of building relationships, raising awareness about the value of checkoff, listening to questions and opinions, and growing a corps of positive dairy industry advocates. This work continues.

During on-farm visits, plant tours and area meetings, staff shared information and updates about local and national checkoff programs and asked about what issues were most important to them. These connections have proved invaluable in identifying priorities and opportunities. As one example, ODNC is now supporting farm tours and community outreach activities that ODNC had not previously been aware of or supported.

Visited 41 dairy farms across 15 counties in Oregon and seven dairy processing plants.

21 participants from Oregon increased preparedness at a multistate Regional Crisis Drill in Portland.

35 producers actively participated in checkoff programs to support the industry.

Sharing Farm Tour Guides, promotional materials, informational resources and talking points, ODNC is a valuable resource for farmers and processors. Serving as a Hub Champion for Dairy Management Inc.’s DairyHub industry online resource, and serving as the conduit to national checkoff, staff is bringing key industry contacts on board so they are better informed and engaged. Oregon farmers and processor staff were recruited for a Regional Crisis Drill hosted in Portland, helping them to better prepare and to forge a stronger alignment across the dairy supply chain for crisis response.

The Oregon dairy industry needs advocates who can deliver factual information and compelling personal stories to help demystify dairy and agriculture. To this end, ODNC actively involved several farmers and processors in positive media opportunities, school visits and public events to represent the industry and will continue to do so in the future.

“Thanks for all your work to make this happen! Both of my bosses were very impressed and happy that this was sent! You made this happen.”
-Toni Veenman, Oregon dairy farmer and college instructor responding to Cowspiracy documentary screening

Oregon currently has 228 dairy farm families, 29 processors and 126,000 cows
By fighting hunger, providing equipment to schools, providing humanitarian aid and in many other ways, the Oregon dairy industry shows it cares about helping others. By telling these kinds of stories, we are helping raise awareness and support for Oregon farmers and processors.

“We purchase shelf-stable and 1% milk. It provides access to a low-fat nutrient dense product many of our clients don’t have consistent access to.”

-Gretchen Miller, Sourcing and Operations Strategist, Oregon Food Bank

Hunger impacts nearly one in six households in Oregon. ODNC has built close working relationships with Oregon Food Bank and Farmers Ending Hunger, and accompanied both to annual conventions for the dairy industry. With representation on the Oregon Hunger Task Force, staff ensured agriculture industry issues were represented and supported appointment of the Farmers Ending Hunger Executive Director to the task force. On social media, the Council supported the Great American Milk Drive during September Hunger Action Month, and celebrated the one millionth gallon of milk donated to the cause nationwide.

2,763,186 total pounds of dairy products were donated to Oregon Food Bank in 2016.

533,164 pounds of dairy foods were purchased by the Oregon Food Bank network in 2016.

One million gallons of milk have been donated to the Great American Milk Drive nationally.

From October 19, 2016, through January 3, 2017, five percent of all gallon milk purchases at Jacksons Food Stores supported the Milk Builds Strong Schools program. In partnership with the Washington Dairy Products Commission and Darigold, this effort has provided the win-win of boosting milk sales during the promotion and supporting the purchase of iPad learning labs for schools in Oregon and throughout the Pacific Northwest.

We want people to know that Oregon dairy farmers care very much about the communities where they live and work. Many are regularly making a positive difference in their everyday lives, but without seeking recognition. One of our most popular social media posts of the year was about Louie Kazemier from Rickreall Dairy, who helped create a camp for special needs kids and their families in Oregon. He has also helped farmers and built medical facilities in Uganda.
CONSUMER CONFIDENCE: IT’S ABOUT TRUST

Strengthening trust in dairy grows sales and protects the industry’s freedom to operate. But it isn’t always so simple when today’s average consumer is at least a generation removed from agriculture. At no time have effective communications and engagement been more important to maintain and improve consumer confidence in dairy.

The good news is, overall perception of dairy is trending positive. People generally support and want to believe in dairy, but more than half are still affected by the messages and information they receive. This group, known as the movable middle, can still be convinced of dairy’s authenticity. People want to know where their food comes from, and expectations for transparency, authenticity and social responsibility are ever increasing.

In the past year, we introduced our new name, logo, website and expanded social media presence. We’re building on our reputation as dairy subject matter experts and sharing positive dairy stories and information in relevant and meaningful ways.

A new fall tour program introduced dairy to 468 guests from 15 different schools/organizations. This is in addition to the 1,566 who toured Rickreall Dairy in the Spring.

100 attendees participated in the 2017 Regional Crisis Drill hosted in Portland.

We transitioned the Milk Carton Boat Race to the Royal Rosarians, worked with Oregon Dairy Princess Ambassadors on representation at fairs and events, and expanded our support of farm tours – all were efforts aimed at building understanding and support for dairy in Oregon.

Knowing that a crisis can erode trust and confidence quickly, we’re working regionally and nationally with partners to be ready to respond. ODNC hosted a successful drill in Portland in 2016, and have been working with the Oregon Dairy Farmers Association and co-ops on efforts to bring more training, planning and preparation resources to producers.

98% of the U.S. population has no connection to agriculture.

54% of consumers are in the “movable middle.”

Engagement on social media properties garnered more than 150,000 impressions. Earth Week campaign alone reached 58,595.
Through the checkoff program, Oregon’s dairy farmers and processors invest in local and national efforts to boost demand, support and trust for dairy.

The next time you drive past a quick serve restaurant, know that checkoff-funded food scientists work closely with globally recognized companies to increase the use of dairy products in their menus. The use of real butter instead of margarine at McDonalds and using more cheese at Domino’s and Taco Bell equates to hundreds of millions of additional pounds of milk equivalent annually.

By switching to butter, McDonald’s uses 500-600 million additional pounds of milk equivalent annually. The company is testing or has introduced 27 new dairy-friendly products this year.

Dominos has increased cheese use by 43% since 2008.

Increased domestic cheese sales drove 5.5 billion pounds of milk in 2016.

At Honor the Harvest, a summit sponsored by the National Dairy Council in June, more than 200 professionals from the culinary, nutrition, health and wellness, and agricultural communities gathered to immerse themselves in the science and insights about dairy’s role from farm to table as part of sustainable food systems. Speaking of which, the U.S. Dairy Sustainability Awards are an annual program supported by the Innovation Center for U.S. Dairy.

“Consumers want transparency from those who produce food, and this is good news because we don’t have to create a story. It’s already in place.”

—Tom Gallagher, CEO of Dairy Management, Inc.

Dairy Management, Inc. has a strong online presence with industry resources like the Dairy Hub and Amplification Center, as well as consumer-facing properties like DairyGood. Original content is produced to reach millennials, bust myths and build familiarity and support for dairy. The national newsroom monitors headlines and social media chatter about the dairy industry and assists with research, response and messaging.
ODNC BOARD

STEVE NEAHRING               Chairman and United Dairy Industry Association Board Member
WARREN CHAMBERLAIN           Vice Chairman and National Dairy Board Member
GAREY FRITZ                  Secretary/Treasurer and U.S. Dairy Export Council Board Member
MARK EBERHARD                Processor Member
JENNIFER EVERS               Producer Member
RON HURLIMAN                  Producer Member
LOUIE KAZEMIER               Producer Member
MARTY MYERS                   Producer Member
KRISTYN ANDERSON             Ex Officio
LISBETH GODDIK               Ex Officio

ODNC STAFF

Pete Kent                    Executive Director
pkent@odncouncil.org

Theresa Ybarra               Sr. Director of Business Management and Operations
thybarra@odncouncil.org

Josh Thomas                  Sr. Director of Communications
jthomas@odncouncil.org

Anne Goetze                  Sr. Director of Nutrition Affairs
agoetze@odncouncil.org

Crista Hawkins               Director of School Programs
chawkins@odncouncil.org

Erin Hirte                   Manager of School Programs
ehirte@odncouncil.org

Melinda Petersen             Industry Relations and Communications Manager
mpetersen@odncouncil.org

Connie Moore                 Sr. Creative Manager
cmoore@odncouncil.org

Judy Campbell                Accounting Coordinator
jcampbell@odncouncil.org

Christine Nastrom           Administrative Coordinator
cnastrom@odncouncil.org

www.odncouncil.org
info@odncouncil.org

Oregon Dairy and Nutrition Council, 10505 SW Barbur Blvd., Suite 201, Portland, OR 97219, 503-229-5033