Total Budget Expenditures of 2018

- Emergency Fund: $450,000
- Commission Program/ODA: $40,000
- Capital Expenditures: $10,000
- DMI/LUDIA: $421,500
- Producer Development: $200,000
- Administration: $151,870
- Nutrition Affairs: $362,599
- School Programs: $600,169
- Dairy Industry Development: $378,379
- Communications: $670,543

Total Budget: $3,816,050
Dear Friends,

Like many Oregon dairy farms, ours is located in a small town, in our case here in Eastern Oregon. A very small town. But also like many of the state’s dairy regions, our sense of community is very large.

At the Oregon Dairy and Nutrition Council, our board and staff reflects that sense of community in all the work we’ve accomplished this past year. And more and more, that sense of community has become our theme, in building partnerships within the communities we serve.

In the community of Oregon schools, we partner with teachers, principals, nutrition directors, coaches and others toward our dual purpose of helping build advocates for dairy farms and in increasing well-rounded school meals with dairy as a key component. Through culinary trainings we have assisted nutrition directors statewide on how to best deliver school meals. And with our flagship program Fuel Up to Play 60 we have invested in tens of thousands of students for a better understanding of dairy-centric nutrition, physical activity, and appreciation for sustainable farm practices.

Furthering the farm story, we have advanced the positive image of dairying on multiple fronts including innovations on the farm, farmer contributions to communities, and personal stories of farmer achievements. And in the dairy community itself, we support farmers statewide – from farms of all sizes – in telling of their own stories through social media, farm tours, ag fairs, and other public events.

In a like manner, we continued to build trust among the community of health professionals including pediatricians, dietitians, nurse practitioners, and other influencers, including those of food banks and other Oregon hunger initiatives.

In our work with dairy processors, we’ve advanced dairy product innovation through our support of OSU’s Dairy Foods Extension Program, and have helped open the door to increasing exports of dairy foods from Oregon. In extending the reach of checkoff funds, we have also collaborated closely with our counterparts in Washington, Idaho, Utah, and Arizona in such areas as youth wellness, communications, and dairy exports. And, we have delivered multiple resources to Oregon from our national ties with Dairy Management Inc., U.S. Dairy Export Council, and National Dairy Council.

With a dedicated board of Commissioners and our staff, we look forward to new opportunities in the coming year to help build a thriving Oregon dairy community.

Sincerely,

Warren Chamberlain
Eastern Oregon Dairy Producer
Chairman, Oregon Dairy and Nutrition Council
Partnering with Producers

Educational and promotional items provided for farm tours, schools and civic events.

‘No Trespassing’ signs delivered to Oregon dairy farmers.

In 2018, ODNC worked closely with producers and other industry partners to continue building public trust and sales in dairy.

By supporting farm tours for students, nutrition professionals, agency administrators and community leaders, we are changing misconceptions of dairy farming and reinforcing the need for dairy in a healthy diet.

With support and collaboration with the Oregon Dairy Farmers Association and processors, ODNC helped develop a new Producer Preparedness Program, which included the production and distribution of farm signage and messaging. Working with Dairy Management Inc., we introduced new flipbooks to help producers stay on message when conversing about dairy topics with the general public.

We trained producers on utilizing social media and supported their participation in crisis training workshops.

In 2018, ODNC staff visited more than 30 dairy farms in 2018 to meet producers on-farm and explore opportunities to assist them.

And ODNC showcased dairy farmers giving back to their communities in 2018 through, among other efforts, sharing stories on social media. One involved an Oregon dairy farmer who serves as a volunteer firefighter, highlighting his fundraising efforts climbing up 80 flights of stairs in full firefighting gear.

“I have learned so much and just have respect for dairy farmers and the work they put in daily – 365 days out of the year. They’re always working for us, the consumers, and it is so impressive.”

— Anthony Newman, former NFL player and broadcast personality

67K

418
For the second year in a row, ODNC nominated an Oregon dairy agribusiness for a national award. And, for the second year in a row, the Oregon nomination won.

The Innovation Center for U.S. Dairy named Tillamook County Creamery Association the 2018 Outstanding Community Impact Award winner, once again showcasing to an audience numbering in the tens of millions that Oregon’s dairy industry cares for their natural resources, animals, employees and communities.

As a strategic resource for our Oregon dairy industry, ODNC provides pre-competitive consumer, product and sales insights to processors, large and small, which helps them work smarter and faster to grow business.

ODNC funds an innovation program at Oregon State University that supports processors. Support includes technical assistance with product development, reformulation, process efficiency and communication skills for research and development staff. As a result of 11 projects, 12 new dairy products are coming to market.

In collaboration with the Oregon Dairy Farmers Association, ODNC provided staffing, informational support and ice cream from all Oregon processors for the first-ever ice cream short course at the Food Innovation Center in Portland. Ice cream experts from local processors attended the training and reported that the short course exceeded their expectations.

These collaborative efforts help Oregon processors stay competitive in the ever-evolving marketplace.

“Support from the OSU innovation program helped me build a rock star R&D team and a meaningful internship program for students.”

— Jill Allen, Director, R&D, Tillamook
Advancing Youth Wellness

School Breakfast Challenge winners increased breakfast participation by nearly a third.

School nutrition professionals attended culinary training events in locations throughout Oregon.

Dairy farm tours for 80+ education and nutrition thought leaders.

30% 113 80+

ODNC continued working to increase dairy consumption in schools in 2018 through hosting culinary workshops and supporting four dairy tours with school nutrition directors. We facilitated efforts to increase participation in school meals through equipment donations, grants and focused initiatives throughout the state.

At six regional culinary trainings this past year, ODNC utilized content-driven messaging to highlight the nutritional benefits of dairy products to child nutrition specialists, and led conversations on how to increase school meal participation through creative food presentation and improved logistics to keep cafeteria lines moving.

At the annual Oregon School Nutrition Association State Conference, ODNC led a dairy farm tour showcasing the care and expertise that goes into producing milk and dairy products. ODNC helped bring a national vendor to the conference to promote high school coffee programs. Also, ODNC presented the Oregon School Wellness Awards for schools that are leaders in best practices for promoting healthy eating and physical activity, further enhancing the goodwill ODNC has created among school nutrition directors and statewide partners.

In the annual November School Breakfast Challenge, which attracted participation from 50 schools across Oregon, ODNC initiated a pilot project to increase consumption of chocolate milk. Offering “hot chocolate milk” at breakfast resulted in increased consumption along with increased meal participation. This reinforces Oregon dairy’s commitment to nourishing students and generating additional federal school-meal funding to participating schools, thus helping community economics.

“I want to do more to have kids at school drink more milk.”

—Oregon school nutrition director
Oregon’s dairy community is diverse, resilient, innovative, visionary and sustainable. There is much that is going right – much to be proud of – as you’ll see in the pages that follow.

Our communities and families benefit from a thriving dairy industry, and for that we say “thank you” to Oregon’s dairy farmers and processors. Dairy on!

**OUR DAIRY FARM FAMILIES**

Our dairy community includes a diverse mixture of family farms. Large and small, conventional and organic, modern and traditional; there is room for all to prosper.

Dairy farms are located in 20 of Oregon’s 36 counties; the top three for production are Morrow, Tillamook and Marion. Herd sizes range greatly from 20 cows up to 30,000. Regardless of size or type, all are family owned and uphold high standards for good animal care, environmental stewardship, farming and employment practices.

According to the Oregon Department of Agriculture, there were approximately 210 licensed, Grade A cow milk dairy producers in 2018. This is down from 326 farms in 1998. This 20-year reduction of 116 dairy farms – an average of nearly six farms per year – is attributable to factors including: economics, retirement, lack of succession, change in business model and consolidation. This trend is not unique to Oregon, as agricultural production nationwide has been moving toward fewer but larger farms.

“Our industry is blessed with some of the best people working within it, and in all roles supporting it. We have bright and intelligent minds that come up with creative solutions to the most complex problems daily. If we hold together, there is no doubt in my mind that we will have a bright future ahead.”

– Darleen Sichley, Abiqua Acres
Oregon Dairy by the Numbers

Dairy farms: 210 licensed, Grade A farms
Average farm size: 300 acres
Average number of milking cows: 350
Total dairy cows: 124,000
Cow breeds: Mostly Holsteins and Jerseys with Guernseys, Ayrshires, Brown Swiss, Milking Shorthorn
Milk production: 2.6 billion pounds annually, 19th in the nation
Milk quality: 8th in the U.S.
Average cow production: 65 pounds (~7.6 gallons) per day
Average farmer age: 59.6
Cooperatives: 70% of Oregon farms belong to Tillamook, Darigold or Organic Valley
23% organic/77% conventional
CAFO permits: All Oregon dairies hold “Confined Animal Feeding Operation” permits (45 of the 113 large CAFOs in Oregon are dairies)

Continual improvement:
Building on rich history and tradition, dairies use modern technology to enhance efficiency and sustainability, including:
- Solar panels, LED lighting
- Generating power from animal waste with methane digesters
- Innovative water conservation and reuse
- Robotics, RFID tags
- Precision agriculture, satellite and GPS technology

Since 1944, the carbon footprint of milk has shrunk by 63 percent. Today, dairy represents less than two percent of greenhouse gas emissions in the U.S.

BIG ECONOMIC IMPACTS

Dairy is Oregon’s fourth largest commodity. In addition to producing nutritious milk and delicious foods, the dairy industry is a vital generator of jobs and positive economic impacts for communities throughout Oregon and the nation. Dairies create employment for people on the farms and also for people who grow and deliver feed. The industry employs nutritionists, veterinarians, reproductive technicians, equipment suppliers and people who transport, process and market dairy products. It also supports insurance agents, accountants, bankers, and many others who provide supporting roles.

Dairy manufacturing jobs pay above average wages compared to the food manufacturing industry group, and these jobs are most often located in communities where employment opportunities are in short supply. On average, jobs in dairy food processing pay the best of all jobs in the food processing sector.
Oregon is home to 32 dairy food processors ranging from small independent and artisanal creameries serving niche markets to household name brands. Oregon’s robust processing community covers every major dairy product category, with every class of milk represented.

Direct jobs: 12,222 in Oregon
Indirect jobs: 27,878 supported by the dairy industry through suppliers and expenditures
Wages: $508.6M

Dairies create a ripple effect on both the agricultural economy and the economic well-being of rural communities. When a dairy farmer spends money locally, it creates a multiplier effect of more than two and a half times the original dollar spent.

Dairy food processors: 32
Milk production value: $469.3M
Economic impact: $2.7 billion
Federal tax revenues: $463.9M
State tax revenues: $219M

GROWING EXPORTS

Approximately 80 percent of dairy products made in Oregon go to other domestic and international markets. Increasing demand through exports supports the prosperity of Oregon farmers and processors. Dairy products are Oregon’s fifth most valuable agricultural export commodity after seeds, fruits and nuts, wheat and vegetables.

Jobs: 988 Oregon jobs supported by dairy exports
Value: $81M in dairy exports
Impact: $204M Oregon economic impact from dairy exports

Oregon is focusing on growth in SE Asia — including Singapore, Malaysia, Vietnam, Hong Kong — through trade missions, collaborative partnerships and grant funded research and expertise.

INDUSTRY DEVELOPMENT AND PRODUCT INNOVATION

The dairy industry is ever evolving. In addition to exploring new dairy markets, there is great potential for developing new dairy products through innovation.

Food Innovation Center —

Located in downtown Portland, the center helps dairy food manufacturers bring new and improved products to market (examples include Salt and Straw, Ruby Jewel, Upstar Nutrition, Chedz, Umpqua and Eberhard’s).

Arbuthnot Dairy Center —

Located at Oregon State University, the center delivers state-of-the-art dairy education and research. In addition to dairy processing classes and workshops, it houses a business incubator and produces Beaver Classic Cheese.

Oregon Quality Food and Beverage Center —

To be constructed on the Oregon State University campus, this new hub for innovation, teaching, and collaboration will include a dairy pilot plant, food science laboratory, classrooms and a demonstration space.

Oregon’s Dairy Processors —

Processors invest in their own facilities to bring new products to market as well. Recent examples have included: Tillamook, TMK Creamery, Rogue Creamery, Umpqua Dairy and Springfield Creamery.
NOTABLE AWARDS AND ACCOLADES

U.S. Dairy Sustainability Award (2017) – Rickreall Dairy
- Tillamook County Creamery Association
- Kroger
Seattle Business Magazine Gold Community Impact Award, Sustainability category – Darigold
Oregon Aglink Ag Connection Award – Oregon Dairy Women
Tillamook Tourism Excellence Award – Derrick Josi, Wilsonview Dairy
Outstanding Organizational Leadership Award – Tillamook County Wellness
Little League Chairman’s Award – Alpenrose/Cadonau Family
Spotlight Award, Public Relations Society of America, Oregon Chapter – Scoop It Forward, Oregon Dairy and Nutrition Council
World Dairy Expo, best in Dark Chocolate Ice Cream – Lochmead Dairy
World Dairy Expo, best in Sour Cream and Regular Cottage Cheese – Umpqua Dairy
National Milk Producers Federation, Chairman’s Award – Tillamook

A delegation of staff and farmers from Tillamook County Creamery Association received the U.S. Dairy Sustainability Award for Community Impact.

DAIRY FARMS PER COUNTY

PROCESSORS

Alpenrose Dairy
Bennett Family Farm
Briar Rose Creamery
Columbia River Processing
Darigold
Eberhard’s Dairy Products
Face Rock Creamery
Fred Meyer/Kroger Swan Island Dairy
Helvetia Creamery
Lady Lane Farms
Larsen’s Creamery
Lochmead Family Farms
Nestucca Bay Creamery
Ochoa’s Queseria
Organic Valley
Oregon Ice Cream
Oregon State University, Beaver Classic
Pacific Foods
Rogue Creamery
Royal Riverside Farm
Safeway
Schoch Dairy and Creamery
Springfield Creamery
Tillamook County Creamery Association
TMK Creamery
Umapine Creamery
Umpqua Dairy Products
Upstar Nutrition
Valley Crest Foods
Walla Walla Cheese Company
Willamette Valley Cheese
YoCream/The Dannon Company

Your local and national dairy checkoff, trade associations and allied partners are working together to keep Oregon dairy relevant, vital and irreplaceable – now and in the future.
Promoting Sustainable Nutrition

The dairy farm tour was rated by OHSU dietetic interns as one of the most valuable learning experiences of their entire year-long program.

Students and chefs from Oregon Culinary Institute felt more positive about agriculture after milking a cow and making cheese at TMK Creamery.

“I was lucky enough to sit between two of the farmers who reminded me that days as a farmer, especially those with livestock, are long and demanding. The stories they shared and their devotion to their work grounded me.”

—Diane Stadler, PhD, RDN, LD, Oregon Health and Science University

#1 86%

Connecting nutrition and culinary thought leaders with dairy farmers builds a deeper understanding of dairy’s important role in a healthy diet and a sustainable food system.

Our work with dietitians and dietetic interns in 2018 included presentations, discussions and tours designed to help them think about dairy in a deeper way and to encourage them to advocate for dairy.

Farm tours provide nutrition professionals and interns the opportunity to see how the dairy community stands for responsible production and progress. An outcome of a tour with OHSU dietetic interns was a deeper two-hour discussion about dairy and food production with graduate students in the school of medicine, farmers and agricultural leaders.

Attendees at the ODNC-sponsored keynote presentation on Sustainable Nutrition for the Oregon Academy of Nutrition and Dietetics commented that the presentation was thought provoking, especially regarding animal agriculture and provided new and relevant information in an authentic way.

ODNC sponsored two communications trainings, one was an in-person, two-hour workshop and another was a one-hour webinar. Both sessions helped build skills and give nutrition professionals a more effective voice in nutrition discussions.

ODNC launched a new partnership in 2018 with the Oregon Culinary Institute designed to help culinary students and future chefs better understand where food comes from and the complexities of a sustainable food system. Two groups of second-year students visited a small dairy and creamery where they learned to make cheese and even milked a cow. Students commented that the experience made them more confident in dairy farming.
ODNC worked with farmers, processors and allied industries to develop unique and engaging ways to tell dairy’s story to consumers in 2018.

We helped launch the new Oregon Dairy Patch for Girl Scouts at the Tillamook Visitors Center, where more than 200 Girl Scouts and their families gained a better understanding of the dairy industry. In the full-day event, the scouts were awarded patches for learning about the dairy supply chain, highlighting animal care, quality control and sustainability.

Alongside Oregon Agriculture in the Classroom, Oregon Department of Agriculture and Oregon State University we showcased career options in dairy for high school and college youth.

We supported the Oregon Dairy Princess-Ambassador program and Oregon Dairy Women to promote dairy at festivals and fairs, such as the Oregon State Fair, Oregon Ag Fest, the Portland Rose Festival and the Milk Carton Boat Race.

ODNC launched the Scoop it Forward campaign, gaining national attention for this unique and fun approach based on the concept of random acts of kindness. The week-long campaign involved surprising people with ice cream in unexpected places – such as police stations, parks and businesses – and then asking them to “pay it forward” by doing the same for others.

Positioning dairy farmers and dairy products in a positive light, the campaign received positive press coverage in mainstream and social media and earned a top public relations award.

"Your TV interview shared the importance of dairy foods and the farmers that work to bring them to us."

— Kurt Vanderah, VP Community Manager, Dairy Management Inc.
Going Global with Dairy Exports

U.S. dairy exports have more than quadrupled since 2000.
Oregon jobs created by dairy exports.
Oregon economic impact from dairy exports.

4x 988 $204M

ODNC worked to enhance export sales for Oregon dairy processors in 2018 through a multi-pronged approach.

Working with our national partners and western state dairy checkoff organizations, ODNC participated in the 2018 Singapore Food and Hotel Show, where western dairy companies shared ice cream and cheeses and exchanged business information with potential buyers.

We helped create an export resource center to provide one-stop informational services for those looking to access the increasingly lucrative Asian market. The center provides information on funding opportunities for export market development, helps processors vet Asian buyers and brokers and navigate risk management, export documentation and other governmental export requirements.

ODNC continued to work with the U.S. Dairy Export Council and western state dairy organizations on a load-consolidation program to lower shipping costs to Asia, in addition to in-country market development.

“\textit{It’s important that we connect the world to Oregon’s dairy industry. For those companies that are interested and ready to export, the world is open for American products. And the world is really open for Oregon products.}”

—David Lane, Agricultural Development and Marketing Manager, Oregon Department of Agriculture

odncouncil.org
Producing Results Nationally

Annual consumption of dairy per person has increased since checkoff began in 1984.

Consumers are 14% less likely to choose alternatives over dairy thanks to the Undeniably Dairy campaign.

People have viewed some part of the Undeniably Dairy campaign more than four billion times ... and counting.

140 lbs 14% 4B

National checkoff dollars helped increase overall dairy consumption in 2018 through partnerships with food chains such as Domino’s, McDonald’s, Taco Bell and Pizza Hut. Dairy Management Inc. food scientists work in-house to develop new and innovative dairy-centric products sold in Oregon and nationwide.

The national checkoff program in 2018 continued to spur interest in the fluid milk category by working with companies, such as fairlife, a partnership between Coca-Cola and Select Milk that has invested in innovation and infrastructure to produce a product on track to become a $1 billion fluid milk brand.

The checkoff program’s signature campaign, Undeniably Dairy, continued highlighting the many benefits of nutrient-rich dairy products to a wide audience. It is definitely getting noticed.

Through Dairy Management Inc.’s Innovation Center for U.S. Dairy, your checkoff dollars are helping coordinate research among university and private scientists. The center continues to show the general public that the industry provides nutrient-rich products in an environmentally, socially and economically sustainable manner. Oregon has won their top sustainability award two years running.

Through the DMI Content Taskforce and Newsroom, your checkoff dollars are helping expand the reach of Oregon’s stories to a national audience, as well as helping correct misinformation about dairy through both reactive and proactive approaches involving mainstream and social media platforms.

“Your dairy checkoff has led great strides in boosting overall dairy consumption.”

—Tom Gallagher, Chief Executive Officer, Dairy Management Inc.
Oregon Dairy and Nutrition Council Board

WARREN CHAMBERLAIN  Chairman and National Dairy Board Member
LOUIE KAZEMIER  Vice Chairman
GAREY FRITZ  Secretary/Treasurer and U.S. Dairy Export Council Board Member
STEVE NEAHRING  Producer Member and United Dairy Industry Association Board Member
MARK EBERHARD  Processor Member
JENNIFER EVERS  Producer Member
TODD LEUTHOLD  Producer Member
MARTY MYERS  Producer Member
KRISTYN ANDERSON  Ex Officio, Oregon Department of Agriculture
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