



outreach **partnerships** wholesome promotion  
quality healthy **producer** demand fresh **awareness**  
**consumer** connecting *thirst-quenching* **encourage**  
nutrient-rich **donating** commitment premium

# ANNUAL REPORT 2015



commitment premium **partnerships** wholesome  
promotion quality healthy **producer** demand fresh  
**awareness consumer** connecting *thirst-quenching*  
**encourage** nutrient-rich **donating** healthy **producer**  
demand fresh **partnerships** wholesome outreach  
quality healthy **producer** demand fresh **awareness**  
connecting *thirst-quenching* **encourage** nutrient-rich



**American Dairy Association  
and Dairy Council**

**Local Dairy Farmers  
Thank You  
For Fueling Up!**



Former Buffalo Bills superstar Thurman Thomas shown with Noblehurst Farms' Chris Noble and his grandmother, Barbara Moag. They were part of a special event, in conjunction with Cabot's Gratitude Grille, to recognize supporters of Fuel Up to Play 60.



**WWW.FUELUPTOPLAY60.COM**

# Message from the President & Chief Executive



**Richard Byma**

President  
American Dairy Association  
and Dairy Council, Inc.



**Richard Naczi**

Chief Executive Officer  
American Dairy Association  
and Dairy Council, Inc.

It is said that if you wait long enough, old things will eventually come back into fashion. Perhaps these things are not in the exact same form, but in some more relevant incarnation. Well, fat is back. Butter is doing well at retail stores. McDonald's working with DMI has replaced margarine products with butter, and whole milk is the healthiest sub-category of milk sales. Your national and local staff has held to the position that natural whole foods are better than those formulated in a lab, and consumers and the nutrition community are beginning to come around.

This fall, ADADC convened nutrition experts to hear from nutrition researchers and best-selling author Nina Teicholz concerning the latest in fat research and get an analysis of the shaky foundation that supported the low-fat recommendations for decades. This year, even the U.S. Dietary Guidelines Committee dropped the cholesterol recommendations that they have espoused for years. Dairy farmers' long standing commitment to supporting science-based recommendations is bearing fruit after years of battling a strong tide of detractors. The war is not yet won, as it will take years to turn around these entrenched government regulations, but the dairy organizations that deal with regulatory issues are tireless in their efforts.

This has also been a great year for regional cooperation. The Great American Milk Drive program, which generates milk donations for food banks, has united the northeast region in an effort to get high-quality milk to our most needy customers. With more supermarket chains expanding across the area, the staffs of the three northeast checkoff organizations are working together even more frequently. There are also more consumers asking about where their milk comes from, and the northeast is united in its consumer messaging in order to avoid confusion among our most interested customers. These synergies also have been explored at the Board level and farmer-to-farmer discussions are leading to greater cooperation than ever before.

This annual report gives you the details of your successful checkoff marketing programs, and we hope that you will share what you see here with your neighbors and friends. If you have any questions about your checkoff investment, please contact either one of us and we will do our best to get you the information that you request.







Dairy farmer Jim Davenport, of Tollgate Farm, joined New York Giant Victor Cruz for Breakfast in the Classroom with third-graders at PS 84 Lillian Weber School in Manhattan during National School Breakfast Week.



The Scranton (PA) School District expanded Breakfast After the Bell to all of their 19 schools – increasing daily participation from 2,200 to 5,680 or more than 150%! Here, West Intermediate School students pose for a picture with former New York Giants punter Sean Landeta and dairy farmer Elaine Noble.



Yogurt smoothies, like the ones shown above, and parfaits are favorites among students. In fact, when ADADC conducted a six-week pilot in 98 schools, yogurt sales soared from 43 cups a day to 436 cups daily—an increase of over 98 pounds of yogurt a day or 914%!



# Serving Breakfast After the Bell Boosts Dairy Sales

What's one of the best ways to increase dairy consumption in schools? Incorporate breakfast into the school day, by offering the meal after the morning bell at grab-and-go stations, at vending machines, or right at the student's desk. That's because federally mandated school breakfasts include milk and other dairy-friendly items, such as yogurt parfaits or smoothies, cheese sticks and other items.

**Since January 2015, more than 69,351 additional students are eating breakfast –featuring milk and other dairy products – daily.**

ADADC targets the largest school districts to implement dairy-friendly programming, knowing that's where its efforts will have the greatest impact. To bring other districts on board, ADADC hosts educational breakfast summits showcasing the leaders who have successfully implemented programs in their schools. It's much more impactful for principals, superintendents, school nurses and others to have their questions answered directly from their peers.

School marketing staff has demonstrated such tremendous leadership in expanding breakfast programs that others seek their assistance as program consultants.

**In 2015, ADADC staff helped the following districts secure \$664,000 in grant funding to implement Breakfast After the Bell programs:**

- **Hempstead Union Free District, Long Island, NY**
- **Newburgh (NY) Enlarged City School District**
- **Newark (NJ) Public Schools**



During National School Breakfast Week, Fuel Up to Play 60 Ambassador and former New York Giant Joe Morris (in FUTP60 polo) joined dairy farmer Jessica Ziehm (back row), anti-hunger advocates and school professionals for a "State of the State of School Breakfast" press conference to encourage more schools to adopt "Breakfast After the Bell".



Rewarded for their school's commitment to Breakfast After the Bell, Fuel Up to Play 60 Student Ambassadors from Hubbard Middle School (Plainfield, NJ) got the chance to play kid reporters in a special "Media Day" session with New York Giant Prince Amukamara.



New York Jets wide receiver Zach Sudfeld is joined by Long Island Fuel Up to Play 60 Student Ambassadors, who received the chance to meet the football player by being among the first schools to apply for a Jets' Hometown Grant.



At the Fuel Up to Play 60 Forum at MetLife Stadium, former New York Giant Amani Toomer encouraged students from throughout New York and New Jersey to build a healthier school environment.



# Creating Lifelong Dairy Consumers Through Fuel Up to Play 60



Being active and eating healthy foods is much more fun when the message is delivered by your favorite football player. Just ask the more than one million students in 5,700 schools throughout ADADC's marketing area who take part in Fuel Up to Play 60— a partnership program between dairy farmers and the NFL that marries physical activity and good nutrition. Schools adopting healthy eating strategies that increase dairy sales are rewarded with prizes, such as player visits and assemblies.

As part of the program, the New York Giants, New York Jets and Buffalo Bills awarded \$30,000 in grants for schools. The funds will be used to support Fuel Up to Play 60 programming in key school districts and its message of dairy as a part of a healthy diet.

Fuel Up to Play 60 teams have the chance to develop leadership skills through invitation-only Leadership Forums that provide hands-on training for students, teachers, and school stakeholders committed to making their schools a healthier place. Forums feature interactive stations designed to highlight healthy eating and physical activity 'plays' taken directly from the Fuel Up to Play 60 Playbook.

Dairy farmer's Fuel Up to Play 60 program offers students the chance to take part in unique opportunities that can have a lasting impact. ADADC's Fuel Up to Play 60 State Ambassadors Jake and Anisha had such an opportunity when they attended the annual White House Easter Egg Roll. The students played "roving reporter" and had the chance to talk to participants about how proper nutrition helps them to succeed every day.



Buffalo Bill Cedric Reed and Silver Meadows dairy farmer Russ Klein pose for a picture with a Western New York student at the Hometown Huddle Flag Football Clinic.



Eye-catching signage, like this display from the ShopRite in Sterling, NJ, helps draw attention to the dairy aisle — in this instance, the yogurt section.



Consumers judge perishable products on freshness and quality. ADADC audits help retailers make sure dairy cases are clean and product is rotated.



Signage created by ADADC features the dairy farmers behind the milk. This photo, highlighting one of the local farms and cows that provide ShopRite's store brand milk, is part of the dairy section of the chain's Newark, NJ, store.





# Reinventing the Dairy Case Increases Milk Sales!

Nearly 80% of all milk is sold at retail stores, where it competes among more than 60,000 different beverages for a place in the customer's shopping cart. To make milk and other dairy products stand out, ADADC completes "Dairy Aisle Reinventions" - which incorporate shopper-driven design principles, including contemporary signage, nutrition information and product usage ideas. The result? Shoppers spend more time in the dairy aisle — and purchase more dairy products!

## **2015 Results**

**150 Dairy Aisle Reinvention (DAR) Stores Completed**  
(ShopRite, PriceRite, Key Foods, C-Town, TOPS)

## **124 Yogurt Dividers**

**These plastic dividers keep yogurt section organized, allow shoppers to find just what they're looking for.**  
(ShopRite, PriceRite, Key Foods, Food Town, King Kullen, Weis)

## **58 Secondary Coolers**

**Secondary coolers place milk at convenient locations for shoppers, such as near the checkout register.**  
(ShopRite, TOPS, Stop & Shop, King Kullen)

## **233 Dairy Everywhere Placements**

**Staff works to integrate "dairy pairings" throughout the store, such as whipped cream, yogurt, and cheese in the produce section; cheese with meat; single serve milk in the deli, sandwich, and bakery sections.**

## **Did You Know?**

To help motivate children to make healthy food choices, including calcium-rich dairy, ADADC partnered with Wegmans to create educational materials for the grocer's popular Eat Well, Live Well 4<sup>th</sup> Grade Tours. The handouts highlight the benefits of milk and urge participation in the dairy farmer-supported Fuel Up to Play 60 program. ADADC staff is actively working with Wegmans to promote the tour in schools.



Shoppers also get the chance to learn where their food comes from during in-store events, such as shown above when Dairy Princesses offered consumers samples of Wegmans' reformulated chocolate milk.

# NATIONAL UPDATES: Partnerships sell more dairy

## McDonald's Switches to Butter, Adds All-Day Breakfast

In 2015, McDonald's announced a switch from margarine to butter in their **14,000+ stores which means 600 million additional pounds of milk equivalent annually**. McDonald's made this change because of your checkoff food scientists who worked with their team to write new product specifications, teamed with franchisees to conduct tests, trained crew members and sold the idea to senior management.

McDonald's All-Day Breakfast, which your on-site scientists also helped launch, is working! According to market research firm NPD Group, McDonald's is luring in new and lapsed customers with its all-day breakfast offerings. In fact, one-third of customers who bought breakfast at McDonald's beyond the traditional breakfast hours hadn't visited McDonald's at all in the month before the company's all-day breakfast launch in early October. Cheese and butter are prominent ingredients in McDonald's breakfast menu items, and we know consumers often drink coffee with breakfast — and their McCafe beverages are full of milk. With more breakfast items being consumed at lunch and dinner, we anticipate an uptick in coffee and milk consumption at McDonald's and at their competitors as they follow suit.



Photo credit: Progressive Dairyman



## Creating New Dairy-Rich Items at Taco Bell

Did you know more than 90% of Taco Bell's menu items include dairy? New introductions for 2015 (fueled in part by two dairy checkoff-paid staff members housed in Taco Bell headquarters) included:

The Biscuit Taco— **made from 40% dairy (butter and butter milk)** with select versions (egg, cheese, sausage/bacon) topped with a quarter-ounce of natural cheddar cheese.

The Sriracha Quesarito— with **one ounce cheddar cheese and 0.60 ounces reduced-fat sour cream**.

The Steak Doubledilla— **2 ounces of three-cheese blend** per Doubledilla.

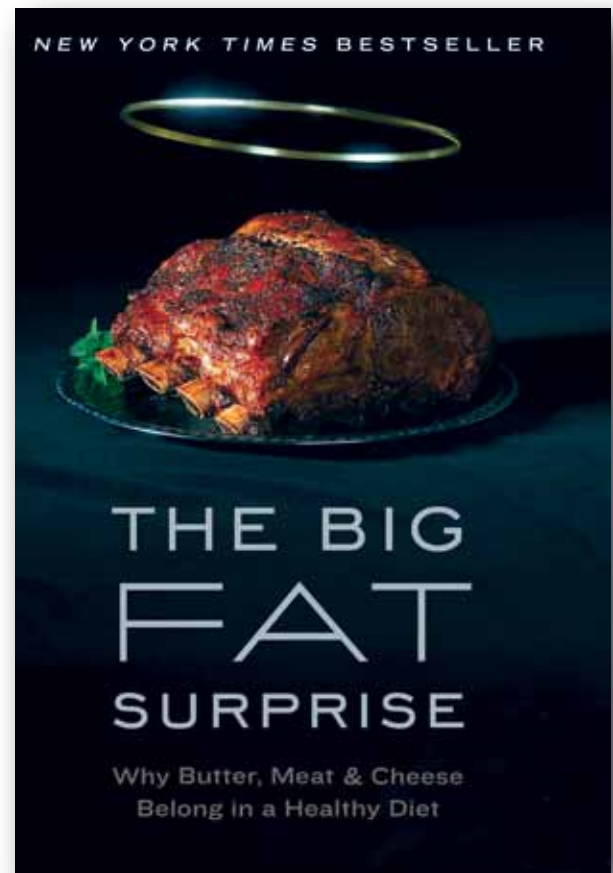
**Items listed above, and more, helped Taco Bell deliver 6% growth in dairy volume in 2015.**



# Taking a Fresh Look at Whole Milk

Media stories proclaiming **“For Decades, the Government Steered Away From Whole Milk. Was That Wrong?”** is just one indicator that decades of milkfat research -spearheaded by dairy checkoff dollars through DMI- and building relationships with health professionals are changing the thinking around dairy fat. Your checkoff scientists and registered dietitians kept at a long-term strategy of doing the research and sharing it with other health and wellness experts, gaining momentum and dairy advocates as the science evolved.

ADADC brought the discussion to local nutrition thought and policy leaders this fall, with a forum to review and evaluate the impact of saturated fat in the diet, featuring Nina Teicholz, author of **“The Big Fat Surprise: Why Butter, Meat & Cheese Belong in a Healthy Diet”**. The New York Times Bestseller challenges the current thinking on saturated fats and provides compelling evidence to include these items in our meal plans. Prominent researchers from The Ohio State University and McMaster University were also on hand to present.



## Changing the Face of Fluid Milk

The dairy checkoff is leading a fluid milk revitalization effort by stimulating industry investment in innovation. For every \$1 that the checkoff invests, partner companies are investing \$10 or more. As part of this effort to turn around fluid milk, the dairy checkoff has formed partnerships with co-ops, processors and others who are willing to invest in making change happen.

One example is fairlife, the result of a partnership with Coca-Cola. Repeat purchase of fairlife milk products is off the charts, while unit sales per store exceed test markets and are growing. fairlife was projected to **hit nearly \$100 million in sales in 2015**. This equates to more than **150 million pounds of fluid milk**.

Dairy Foods magazine has selected fairlife as the **2015 Processor of the Year**.

Checkoff's other six partners are also making significant progress advancing their innovation efforts.

- **Dairy Farmers of America**
- **Dairgold/Northwest Dairy Association**
- **The Kroeger Company**
- **Maryland and Virginia Milk Producers Cooperative Association, Inc.**
- **Shamrock Farms, Inc.**
- **Southeast Milk, Inc.**





NYC SchoolFood CEO Eric Goldstein pets a two-year-old cow during a visit to PS 7 in Manhattan. Looking on is PS 7 Principal and New York State Commissioner of Agriculture Richard A. Ball, during a campaign at PS 7 in Manhattan.



Price Chopper Senior Nutritionist Ellie Wilson, M.S., R.D.N. (left), spent a day touring the Garelick Farms' plant and Mapledale Farm for her "Cow to Cup" six-part blog series for June Dairy Month.



ADADC teamed up with Dairy Management Inc. to host a farm tour for The Huffington Post blogger Tim McDonald at Welcome Stock Farm in Schuylerville, NY. He shared his experience in a blog post, titled, "How I Came to Milk a Cow," which reached more than 26,000 readers!





7-week-old calf at the launch of the "New York Thursdays" series featuring NYC Schools Chancellor Carmen Fariña, New York State dairy farmer Skip Hardie, and NYC Deputy Chancellor Elizabeth Rose.



The Acres + Avenues video series featured Stanley, NY, dairy farmer Abbey Copenhaver and was part of the Udder Truth social media campaign. All materials are available on DairyGood.org and were distributed through AOL and popular millennial sites.

# Building Consumer Confidence from Farm to Table

As consumer interest grows in where -and who- their food comes from, ADADC looks for new ways to connect farmers with their local communities and beyond. In 2015, social media helped extend these efforts as farmers throughout the marketing region opened up their barn gates for "virtual" farm tours.

What happens when a dairy-farming registered dietitian steps into the boxing ring and a boxer sets foot on a farm? That's the premise of "Acres + Avenues" featuring Abbey Copenhaver, of Ivy Lakes Dairy in Stanley, NY. This video series pairs dairy farmers and urban millennials, and has them walk a mile in each other's shoes, with entertaining and educational results. Abbey's counterpart is a kettlebell-competing female boxing coach. ADADC shared the story by hosting a blogger recipe exchange and Twitter party, allowing the young women to share their stories with a broader health and fitness enthusiast audience.

When New York City, the nation's largest school district, with over one million students, decided to highlight locally produced foods on their menu, ADADC arranged for Walnut Ridge's Skip Hardie to be at the kickoff to tell the story of milk's journey from farm to (school cafeteria) table. Students learned about the State's dairy industry, cow care and the important nutritional contributions of milk and dairy foods to their diets at the special event. The students will be able to access dairy farm videos, created by ADADC, via their phone and a QR code.

## Did You Know?

**NYC students consume seven million gallons of milk and three million servings of yogurt each school year.**



As a sponsor of the Public Schools Athletic League (PSAL), Refuel with Chocolate Milk was featured on digital billboards during all three PSAL football division (City, Bowl and Cup) championship games. The Cup and Bowl championships were held at MCU Park, home to the minor league Brooklyn Cyclones (affiliated with Mets), while the City Championship was held at Yankee Stadium.



Photo Courtesy: Spartan



Chocolate Milk is the Official Beverage of New York Public High School Athletes and is provided to athletes at the championship games. The sponsorship also includes promotion of the benefits of Refueling with Chocolate Milk on New York State Public High School Athletic Association's social media channels.

ADADC works closely with Cornell Athletics to arrange for chocolate milk coolers at key training facilities throughout the campus. Last spring, the college's commitment to refueling with chocolate milk was featured on Good Morning America and in The New York Times.



# Connecting Chocolate Milk with Superior Athletic Performance



How do you make a connection between good nutrition - including three daily dairy servings - and peak athletic performance? ADADC does it through key partnerships like the New York Yankees Youth Baseball Summer Camps, which gave 75 Bronx children — and a pair of dairy farmers from Upstate New York — the ultimate fan experience of meeting Alex Rodriguez in person to discuss the vital role nutrition plays in athletic performance.

As an official sponsor of Yankees Summer Camps, Refuel with Chocolate Milk received branding on the New York Yankees' official website and on-site at weeklong camps in 12 cities in New York and New Jersey. ADADC also sponsored a sports nutrition lesson for campers emphasizing chocolate milk as an ideal recovery beverage.

Using athletes to endorse the health benefits of dairy is a tactic ADADC has employed for many years. Now, as part of our overall strategy of using third party sources to endorse dairy's role in the diet, ADADC uses a team of experts in the field of College and Professional Sports Nutrition to provide monthly advice on the Sports Nutrition page of ADADC's website and through social media.

## The panel includes:

- **New York Giants** Team Nutritionist Tara Ostrowe, MS, RD
- **New York Jets** Team Nutritionist Glen L. Tobias, MS, RD, CSSD, CDN
- **Buffalo Bills** Strength & Conditioning Assistant Coach Dan Liburd, CSCS, USAW
- **Cornell University** Coordinator of Sports Nutrition Clint Wattenberg, MS, RD, CSCS
- **University of Pittsburgh** Sports Nutritionist and Nutrition Consultant for the **Pittsburgh Pirates**, **Toronto Blue Jays** and **Kansas City Chiefs** Leslie Bonci, MS, RD, CDE, CSSD
- **Rutgers University** Sports Nutritionist Michelle Wright, MS, RD, CDE, CSSD



Dairy farmers Josh DeBoover (J. DeBoover Farms) and Clayton Hemminger (Hemdale Farms) are shown flanking Yankees superstar A-Rod and lucky kids from the Bronx. The kids were treated to the private "meet and greet" as part of the sponsorship ADADC has with Yankees Baseball Summer Camps.

# The Great American Milk Drive Brings Milk to Families, Awareness of Need

**The Great American Milk Drive is a partnership between dairy farmers, dairy processors and Feeding America to help the nation's food banks provide more nutrient-rich milk to families in need.**

**Price Chopper, TOPS Friendly Markets and Stop & Shop** supported the effort through special events and in-store coupon donation programs. In Schenectady, New York State Department of Agriculture and Markets Commissioner Richard A. Ball helped dairy princesses load milk donations onto a refrigerated truck in front of Price Chopper. He also conducted media interviews with local TV stations and newspapers, praising the partnership and encouraging Price Chopper customers to consider donating during their next shopping trip.



Dairy farmers' annual butter sculpture is always one of the most popular features of The Great New York State Fair. The **"Thanks for the Milk, Moo York!"** sculpture paid tribute to all who took part in The Great American Milk Drive. The sculpture depicted a dairy farmer, milk processor and retailer each holding gallons of milk. ADADC extended the effort by asking fairgoers to help generate milk donations when purchasing 25-cent white and chocolate milk at the Rainbow Milk Bar. Dubbed **"Get One and Give One, Too,"** the campaign suggested a quarter donation for every cup of milk purchased and raised more than \$6,000 for Food Bank of Central New York.

**The 2015 New York State Fair drew 908,147 visitors. Nearly three-quarters of fairgoers surveyed stopped by the butter sculpture – a 9% jump! – for one of the Fair's "most popular attractions" according to State Fair officials. The sculpture was also highlighted as one of "6 Great Things About the Great New York State Fair" - an article by The New York Times.**

**ADADC HELPED RAISE \$177,563 FOR MILK DONATIONS IN 2015!**



ADADC also hosted a month-long virtual Milk Challenge, pledging to donate \$1 for every photo posted on social media featuring a white mustache and tagged **#GiveAGallon**. The campaign kicked off before Christmas with pictures of New York Yankees Senior Vice President and General Manager Brian Cashman, New Jersey Secretary of Agriculture Douglas H. Fisher (shown left) and Buffalo Bills Aaron Williams (shown right).

**Look for additional extensions of The Great American Milk Drive in 2016!**





# 2015 Board of Directors

Serving Dairy Farmers in  
New York, northeastern Pennsylvania,  
and northern New Jersey

## Districts:

1	Sandy Stauffer: Nicholville, NY	(315) 389-4357
2	Peggy Murray: Lowville, NY	(315) 688-2558
3	Bill Harrigan: Chateauay, NY	(518) 425-0350
4	Kris Brock: Schaghticoke, NY	(518) 859-3743
5	Terry Phillips: Pattersonville, NY	(518) 887-5504
6	Linda Kays: Callicoon, NY	(845) 887-4081
7	Richard Byma: Sussex, NJ	(973) 875-7445
8	Barbara Hanselman: Bloomville, NY	(607) 538-9633
9	Audrey Donahoe: Clayville, NY	(315) 894-8235
10	Terence Ives: Bainbridge, NY	(607) 895-6641
11	Brian Gunning: Trumansburg, NY	(607) 342-6462
12	Kelli Morgan: Union Springs, NY	(315) 952-2281
13	Joan Smith: Sauquoit, NY	(315) 737-8907
14	David Burns: Cohocton, NY	(607) 324-5731
15	Norm Gustafson: Frewsburg, NY	(716) 665-2452
16	James Warburton: New Albany, PA	(570) 924-3984
17	Paul Fetter: Dalton, PA	(570) 586-5166
18	Ernie Gelsinger: Robesonia, PA	(610) 488-1266
19	Fred Lovell: Linden, PA	(570) 398-3924
20	George Andrew: Newark, NY	(315) 331-8745
21	Karen Koerner: Portageville, NY	(585) 567-8471

## Organizations:

Agri-Mark	Corinne Banker: Morrisville, NY; (315) 684-9631
Dairy Farmers of America	Patricia Bikowsky: Madison, NY; (315) 893-7018
New York Farm Bureau	David "Skip" Hardie: Lansing, NY; (607) 533-4001
New York State Grange	Carroll Wade: Jasper, NY; (607) 792-3662
Milk For Health On The Niagara Frontier, Inc.	Roger White: Gasport, NY; (716) 772-7823
Rochester Health Foundation, Inc.	Eric Zuber: Byron, NY; (585) 548-7178
Pennsylvania Farm Bureau	Gary Truckenmiller: Watsonstown, PA; (570) 713-4249
New Jersey Farm Bureau	Richard Byma: Sussex, NJ; (973) 875-7445
Pennsylvania State Grange	Doug Sattazahn: Womelsdorf, PA; (610) 698-1947
Land O' Lakes Inc.	Dina Zug: Mifflintown, PA; (717) 463-3216
NJ Dairy Industry Advisory Council	Richard Byma: Sussex, NJ; (973) 875-7445
National Farmers Organization	Lynette Swendsen: Akron, NY; (585) 297-4245

# 2015 Income

Total \$12,115,429





# 2015 Expenses

Total \$11,967,055

## National Programming

\$2,994,911

Dominos®, McDonald's®, Taco  
Bell®, Nutrition & Product Research,  
Fluid Milk Revitalization

## Program Expenses

\$7,232,268

School Marketing, Public Relations,  
Image Relations, Nutrition Affairs,  
Dairy Aisle Reinvention,  
Dairy Case Management, State and  
County Dairy Princess Programs

## Membership Fee to National Checkoff Program (DMI)

\$125,000

## Administration

\$275,890



## Reallocation

\$1,338,986

An agreement between  
Mid-Atlantic Dairy  
Association and ADADC, Inc.,  
created to ensure equal per  
capita spending between  
organizations.



\*The \$147,062 difference between total income and expenses is an increase in association equity less reduction in investments.



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