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As we continue our mission to increase sales and trust for dairy and to help ensure a long-term future for dairy farmers, it is important to pause and look back to where the checkoff has been and what has been accomplished on behalf of U.S. dairy farmers. It is the constant focus that the checkoff has on short, mid, and long-term planning that allows us to continually evolve the plan to meet the needs of the marketplace. Understanding where we have been allows us to evolve for the future.

In the late 1970s and early 1980s, dairy farmers saw that overall dairy consumption was continuing a long decline that began in the early 1900s, even as dairy production has continued to increase. The government was sitting on 17 billion pounds of excess product, which was not doing farmers or the public any good.

Farmers approached Congress with an idea: Authorize and oversee a self-help program where all dairy farm families invest in moving more dairy products through promotion and research. This program would give farmers a voice once milk leaves their farms. In 1983, this self-help program, “the checkoff,” was established and has continued to work towards increasing demand and trust in dairy products and dairy farming today.

The checkoff’s role is to build upon and find new markets for milk after it leaves the farm, and to communicate the story and practices of farmers and the dairy community to help build trust in dairy with consumers. Farmers purposefully kept the promotion program away from items like farm policy, pricing and lobbying. The role was singularly clear: grow sales.

Oftentimes, farmers talk about the “good old days” of dairy consumption. The chart below shows the actual decline in consumption that was occurring before the checkoff began.

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**The U.S. is a Growth Market for Dairy**

![Graph showing U.S. Total Dairy Per Capita Consumption](chart.png)


Total dairy reported on milk equivalent, Abbott basis
A skeptic might wonder if all that change can be credited to the checkoff, which is reasonable. However, it is also hard to make a case that it is just a coincidence.

Let’s also look at how production has steadily increased over the years, as dairy farm families have become more efficient using fewer resources. In fact, production has been climbing at large percentage rates each decade for nearly 40 years, which is great for consumers and farmers — but only if someone can find a market for that milk in ways that the market demands it.

On that note, the chart on page 3 compares production to overall commercial disappearance as the result of dairy consumption domestically and internationally. Since the checkoff was introduced, commercial disappearance has exceeded total production:
Finally, let’s look at the annual USDA Report to Congress. As part of USDA oversight of checkoffs, the mandated Report to Congress is an independent and third-party verified research report that provides farmers with data on how their program is performing. Over the past years, the Report shows:

- The aggregate all-dairy benefit cost ratio (BCR) was 4.78 for the period 1996-2016, "meaning that, on average, producer profit increased by $4.78 for each dollar invested in demand-enhancing activities...The gains in profit at the producer and fluid milk processor level were far larger than the costs of the National Programs."
- The Report concluded that there is a positive association between dairy promotion program expenditures and consumer demand for dairy products.
- The dairy promotion program reduced the rate of decline in fluid milk consumption and enhanced the rate of increase in cheese and butter.

At first, it can be reasonable to express doubt when looking at any one of these data points individually. However, viewed together and with the additional proof points of the successful programs of the checkoff, they show why the dairy checkoff was created by farmers 35 years ago – to work hard on behalf of dairy farm families, to build demand for nutritious dairy products, and to build consumer trust.

As we move into the future, we continue to focus our efforts on short, mid, and long-term strategic planning to increase sales and trust for dairy, dairy farmers, and dairy farming from farm to table.