

Dairy Checkoff's Success in Cheese

OVERVIEW

Cheese consumption is important to American dairy farmers, as each pound of cheese requires approximately 10 pounds of milk, coming in a variety of styles, flavors and opportunities for usage. A staple in the diets of millions of consumers globally, keeping up the demand for delicious cheese is a top priority for the checkoff.

PAST SUCCESS

Cheese on Pizza

Cheese used on pizza accounts for 25% of cheese sales nationally. Over 10 years ago, pizza companies were investing in the promotion of other food items like wings, pasta and salad. In 2008, checkoff leadership approached Domino's, which was suffering with declining sales, poor product quality and store closings, with an opportunity to deliver a better pizza experience through more cheese, and improved quality. From that point on, Domino's has become an industry leader, and over the course of the checkoff partnership, has delivered over **one billion pounds** milk pounds equivalent sales. Checkoff partnered with Domino's to launch **Domino's Smart Slice**, which enabled a fresh, not frozen, pizza experience with more cheese to be sold in schools. Smart Slice is now in more than 10,000 schools, plus in college and professional athletic programs, reaching almost five million students. In addition, checkoff has helped Pizza Hut by launching new products that contain up to 2X the cheese as a regular pizza and by renovating pan pizza, to include 25% more cheese yielding +150M incremental milk pounds annually.

Cheese on Tacos

Checkoff partner Taco Bell viewed cheese as a "garnish" like lettuce and tomatoes. Checkoff invested in dairy-driven insight and on-site product scientists to help cheese become a "hero" ingredient at Taco Bell, resulting in product innovation such as the Quesalupa, which delivered 60 million incremental milk pounds during its promotion. Cheese is also celebrated in Taco Bell's advertising.

PRESENT WORK

International Foodservice Pilot Successes

Growing U.S. dairy exports, including cheese, is critical for dairy farmers and a top priority for checkoff. In support of "the Next 5% plan" for the checkoff's exports growth, checkoff leveraged our strong domestic partner relationships with Yum! Brands, which includes Taco Bell, Pizza Hut, KFC, to create two international partnership "pilots". Yum! Brands has significant presence internationally, with 48,000+ locations in 145 countries, and has identified Pizza Hut Asia Pacific and KFC Latin America and Caribbean partners for U.S. dairy. The first international partnership pilot, Pizza Hut Asia Pacific, is paving the way with impactful results, including +29% U.S. cheese sales growth, the launch of five new pizzas featuring U.S. cheese, along with "made with U.S. cheese" messaging included in product advertising. Checkoff's other international pilot, KFC Latin America and Caribbean, has a new cheese-centric product launching in the Caribbean and Latin American markets this July, with additional chicken and cheese innovation planned for 2020 and beyond.

FUTURE FOCUS

Partnerships for Global and Domestic Growth

Checkoff continues to explore opportunities both domestically and internationally to grow U.S. cheese sales. Domestically, checkoff staff is working with eCommerce leaders to ensure the online platform educates consumers on how to purchase, use and pair cheese products and develop buying guides for different cheese types.

ABOUT YOUR CHECKOFF

The checkoff business plan is focused on programs and innovation that build sales of and trust in dairy. This means ensuring your perspective is shared and heard across the industry on topics and issues important to your dairy farm business. It also means helping consumers and dairy customers understand what you do, how you do it and why it matters.

2019 Dairy Checkoff's Percentage of Program Budget for Cheese

