Dairy Checkoff’s Success with Global Innovation Partners

The checkoff instituted a strategy of working with powerful, category-leading foodservice and fluid milk partners that invest in innovation and market dairy products through their own offerings to consumers. These domestic and international partners are carefully selected based on specific criteria ensuring alignment to dairy farmer values and goals along with an investment in and commitment to advancing dairy in new ways. For every $1 the checkoff invests in partnerships, partners invest more than $10, with foodservice investing over $7.5B in dairy-based advertising over the last 5 years.

PAST SUCCESS

Milk at McDonald’s
In 2004, the checkoff showed McDonald’s the business reasons to switch from old-fashioned gable-top paperboard cartons of milk to round, plastic, resealable single-serve bottles of regular and flavored milk, which fit into car cupholders. Since then, sales of milk per store have jumped from 49 per week to 375 per week. With a catalytic effect, other chains followed and moved to round resealable bottles as well -- at no additional cost to farmers.

More Cheese at Domino’s and Pizza Hut
In 2009, the checkoff reached out to Domino’s and asked what we could do together to move more cheese -- at a time when the chain was using minimal cheese on pizza and marketing wings and pasta. We quickly partnered with Domino’s to introduce American Legends pizzas, using 40% more cheese. In 2012, Domino’s added 40% more cheese to their deep-dish pizza. In 2018, checkoff led the improvement of Pizza Hut’s pan pizza to include 25% more cheese, delivering more than 150M milk pounds equivalent.

PRESENT WORK

Domestic Fluid Milk Partnerships
The checkoff is partnering with fluid partners to drive sales through innovation and marketing, including:
✓ DFA: Expanding whole-milk smoothies and a new milk-based product launch later this summer
✓ Darigold: Launched FIT Milk, including new packaging and robust marketing plan
✓ Kroger: Launched whole-fat premium flavored milk in stores nationwide

Global Partnerships
Our domestic partnerships expanded our opportunity for U.S. dairy internationally: Our partnership with Pizza Hut has branched out overseas, focusing on the Asia Pacific market, growing U.S. cheese sales by nearly 30% at Pizza Hut Asia Pacific locations, where marketing includes “Made with U.S. Cheese" TV advertising to a growing middle-class, protein-hungry population.

Fluid Milk in New Uses
Our McDonald’s partnership is paying off as the chain has invested $200 million+ in equipment and support for their McCafé specialty beverage relaunch – and more than 90% of those drinks use dairy. Others are following, including new espressos introduced by Dunkin’, Burger King and Panera. Fluid milk consumption grew in the quick-serve foodservice channel in 2018.

FUTURE FOCUS

Continued Growth Opportunities
The checkoff continues to grow U.S. dairy sales through foodservice and dairy cooperative partnerships. Successes include the introduction of five new pizzas that use U.S. cheese in Pizza Hut locations throughout Asia Pacific and product development in KFC Latin America. Domestically, we are exploring opportunities with retailers and eCommerce leaders focused on innovation, product assortment, merchandising, and marketing.

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 Global Innovation Partners

26.85%