

**NEBRASKA DAIRY INDUSTRY DEVELOPMENT
BOARD**

Annual Report

July 1, 2023 - June 30, 2024

NEBRASKA DAIRY INDUSTRY DEVELOPMENT BOARD

Annual Report July 1, 2023 – June 30, 2024

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NEBRASKA MILK FIRST PURCHASERS

04-03-24

<u>Company</u>	<u>Grade A</u>
Associated Milk Producers PO Box 430 Freeman, SD 57029	6
Burbach's Countryside Dairy 56670 880 Road Hartington, NE 68739	1
Dairy Farmers of America PO Box 901546 Kansas City, MO 64190-1546	51
Wells Dairy Inc. #1 Blue Bunny Drive LeMars, IA 50131	2
Agropur 332 Division Street Hull, IA 51239	1
Dutch Girl Creamery (GOAT) 2201 W. Denton Rd Lincoln, NE 68523	1
Specialties Global Milk 805 W. Omaha Ave. Norfolk, NE 68701	0
Beauty View Farm (Konecky)	1
Nebraska Milk Producers Non-Stock Coop	14
TOTALS	77

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NDID Board - Directory

9/23/2024

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JJC Jerseys
4011 A Street Rd
Beaver Crossing, NE 68313
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Work:
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Represents: DFA
Board Position Type: Member
Officer Position: None
Ships Milk To: Dairy Farmers of America (DFA)
Term End Date: 11/2/2026

Doug Nuttelman

Nuttelman Dairy
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Represents:
Board Position Type: Member
Officer Position: None
Ships Milk To: Dairy Farmers of America (DFA)
Term End Date: 11/2/2025

Heath Snodgrass

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Board Position Type: Member
Officer Position: None
Ships Milk To: Dairy Farmers of America (DFA)
Term End Date: 11/2/2024

David Crook

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Represents: At Large
Board Position Type: Member
Officer Position: None
Ships Milk To: Dairy Farmers of America (DFA)
Term End Date: 11/2/2026

Kent Pulfer

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811 Brooke Dr.
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Represents: Other First Purchaser
Board Position Type: Member
Officer Position: Chair
Ships Milk To: Wells Dairy, Inc. - Corporate
Term End Date: 11/2/2025

Doug Temme

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Wayne, NE 68787
Home:
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Represents: AMPI
Board Position Type: Member
Officer Position: Secretary/Treasurer
Ships Milk To: AMPI Inc. Corporate Office
Term End Date: 11/2/2025

Casey Foster

Nebraska Department of Agriculture

Lincoln, NE 68509
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Represents: NE Dept. of Ag
Board Position Type: Ex Officio - Government
Officer Position: None
Ships Milk To:
Term End Date: 1/2/0001

Joyce Racicky

Elk-Creek Dairy
78074 Elk Creek Rd.
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Fax: (308) 732-3263
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joyce.racicky@midwestdairyboards.com
Represents: DFA
Board Position Type: Member
Officer Position: Vice Chair
Ships Milk To: Dairy Farmers of America (DFA)
Term End Date: 11/2/2026

**NEBRASKA DAIRY INDUSTRY DEVELOPMENT
BOARD**

**Financial
Reports**

Nebraska Dairy Industry Development Board
Fiscal Report
July 1, 2023 to June 30, 2024

Category	FY 23-24 Budget	June 2024	YTD Total	YTD %
Beginning Cash Balance	\$ 118,152	\$ 37,861.91	\$ 118,152.48	
Revenue				
Dairy Checkoff	\$ 1,500,000	\$ 162,296.20	\$ 1,276,969.85	
Penalty	100	0.33	9.77	
Other Revenue	25	0.00	25.00	
Investment Interest	2,000	162.65	2,030.71	
Dumped Milk Refund	0	0.00	0.00	
Total Revenue	\$ 1,502,125	\$ 162,459.18	\$ 1,279,035.33	85.15%
Total Available Cash	\$ 1,620,277	\$ 200,321.09	\$ 1,397,187.81	
Expenditures				
NDA Administrative Contract	\$ 9,000	\$ 688.26	\$ 6,523.33	
Midwest Dairy Association	1,394,611	100,921.72	1,243,915.37	
Southwest Dairy Association	54,000	3,138.12	43,739.20	
Board Expense	1,000	612.38	613.30	
DAS Assessments	1,850	0.00	1,153.00	
Annual Audit	8,500	0.00	6,283.00	
Total Expenditures	\$ 1,468,961	\$ 105,360.48	\$ 1,302,227.20	88.65%
Adjustment to Fund Balance	0	0.00	0.00	
Ending Cash Balance	\$ 151,316	\$ 94,960.61	\$ 94,960.61	

* The ending cash balance is 100% invested in the short-term investment pool.

Percent of Fiscal Year Elapsed 100%

FY 22-23 Revenue to Date: \$ 1,387,409.40

FY 22-23 Expenditures to Date: \$ 1,393,160.61

**Midwest Dairy Association
Nebraska Division
July 1, 2023 to June 30, 2024**

REVENUE:

NDIDB Checkoff Revenue

12 Months

\$ 1,243,915

EXPENSES:

Innovation:

DMI Projects 317,444 (incl. UDIA Membership)

Dairy Experience:

DEX-Sales Demand 183,578

DEX-Sales Youth 31,794

DEX-Global Positioning 110,228

DEX-Trust Adult 117,707

DEX-Trust Youth 92,220

DEX-Strategic Initiative 10,037

Research 59,857

Agricultural Affairs

Farmer Activation 120,073

Other Agricultural Affairs 143,058

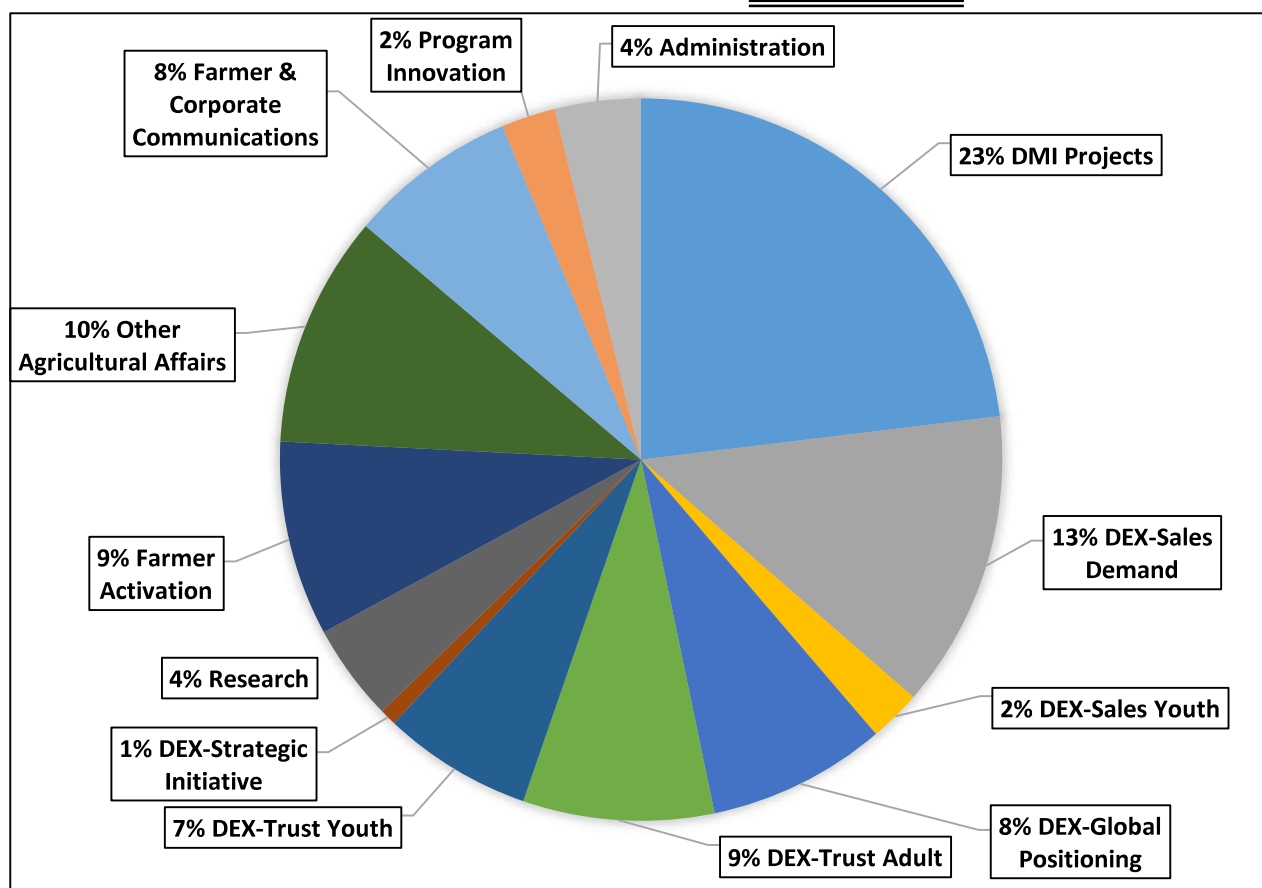
Farmer & Corporate Communications 103,526

Program Innovation 33,325

Administration 52,950

Total Expenses \$ 1,375,797

Excess of Revenue over Expenses \$ (131,881)



Southwest Dairy Museum, Inc.
Receipts and Disbursements
State of Nebraska
July 1, 2023 - June 30, 2024

Income		
From Nebraska Producers		\$ 43,739.20
Total Income		<u>\$ 43,739.20</u>
Nebraska Direct Expenses		
Travel (Includes Fuel)	\$ 758.79	
MDC Expenses	\$ 1,489.28	
TOTAL BASIC EXPENSES		\$ 2,248.07
Special Education Programs	\$ 15,633.31	
TOTAL SPECIAL PROMO PROGRAMS		\$ 15,633.31
Nebraska Indirect Expenses 1/		<u>\$ 30,097.71</u>
Total Expenses		<u>\$ 47,979.09</u>

1/ Indirect Expenses have been allocated to Nebraska at a pro-rata rate based on the percentage of Nebraska funds to our total receipts of dairy producer check-off funds. This percentage (1.306%) was applied to shared operational accounts (not reflected in the direct expenses) for the Southwest Dairy Museum's total operation. All direct expenses are the actual cost incurred at promotional and educational events performed in Nebraska.

NEBRASKA DAIRY INDUSTRY DEVELOPMENT BOARD

Dairy Promotion Organizations

Nebraska dairy farmers pay checkoff of fifteen cents per hundred-weight of milk they produce. The checkoff is collected by the first purchaser of each producer's milk. Five cents is sent to the National Dairy Board which provides funds for the national Unified Marketing Plan (UMP) developed by Dairy Management, Inc. The other ten cents is paid to the Nebraska Dairy Industry Development Board (NDIDB). The NDIDB funds USDA qualified program organizations for dairy promotion activities. The NDIDB is itself a USDA qualified program organization.

During the period July 1, 2023 through June 30, 2024, NDIDB funded the following two qualified program organizations:

1. Midwest Dairy Association (Midwest Dairy). Under contract, Midwest Dairy implemented programs intended to contribute to the betterment of Nebraska's dairy farmers and the state's dairy industry, including 1) the local components of the UMP, 2) the national UMP funding commitment, and 3) other promotion programs in Nebraska consistent with the interests of Nebraska dairy producers. Programs funded during the period are further described in the Promotion Highlights.
2. Southwest Dairy Farmers (Southwest Dairy). Under contract, Southwest Dairy began implementing Mobile Dairy Classroom programs in Nebraska. Programs are further described in the Report of Activities.

Nebraska Dairy Promotion HIGHLIGHTS

July 1, 2023 – June 30, 2024

Dairy Management Inc. (DMI), which represents and implements the priorities, strategies, and programs of the national dairy checkoff program, works on behalf of America's dairy farmers, including the nearly 140 farmers in South Dakota to protect and grow sales and trust in dairy foods, dairy farmers, and the dairy community.

The foundation of this work is a nationwide Unified Marketing Plan that DMI develops and implements in partnership with 14 dairy promotion organizations – including Midwest Dairy – to align national and local dairy promotion strategies and activities focused on action in the following core priorities:

- **Domestic Sales & Innovation:** Develop technology-powered breakthrough science and innovations that advance U.S. dairy's wellness and product leadership.
- **Exports:** Positioning U.S. dairy as a consistent, preferred supplier in key global markets.
- **Reputation:** Taking a louder, more proactive, and competitive approach to sharing dairy's indispensable role as a source of human nourishment and societal and planetary health.

Domestic Sales & Innovation

Develop technology-powered breakthrough science and innovations that advance dairy's wellness and product leadership

PARTNERS: *Grow incremental and sustained dairy sales via partners, new platforms and technologies*

Leverage Power Partners

How It Worked:

- Partnered with leaders in foodservice, retail, and fluid milk to bring disruptive new products and marketing programs.
- Launched grilled cheese platform at Taco Bell, Domino's Pepperoni Stuffed Cheesy Bread and Loaded Tots, McDonald's Grimace Shake, General Mills Haagen-Dazs Cultured Crème, DFA's Good Cultured Probiotic and DARI's MOO'V High Protein Low Sugar Milk, Darigold Belle Creamers and DFA STAR WARS TruMoo Blue Milk, among others. Taco Bell Churro Chillers currently in test at stores across Dallas and Chicago.

Results (as of year end 2023):

- Foodservice: Partners projecting more than 125 million milk equivalent pounds, a more than 1.5-2.0 percent volume growth.
- Retail: Yogurt category volume grew 2.4 percent, General Mills new product volume more than 25 million pounds.



- Fluid Milk: Value-added volume grew 0.2 percent, lactose free volume grew 6.8 percent, alternatives declined 6.5 percent.

Use modern technology tools to accelerate commercialization and innovation

How It Worked:

- New partners: Began outreach to new potential partners in high growth spaces of health and wellness (\$350 billion), beverage (\$100 billion) and foodservice (\$240 billion).
- Launched an artificial intelligence (AI) database to accelerate science insights and research to yield speed to market for nutritional science benefits for the body and products to meet health and wellness needs.

Results:

- AI database: Successfully launched and on-boarding industry science and innovation leaders to leverage for growth.
- Product science: Initiated three projects in fermentation and filtration and selected nine Discovery Research projects in the areas of health & wellness, exports, and sustainability.

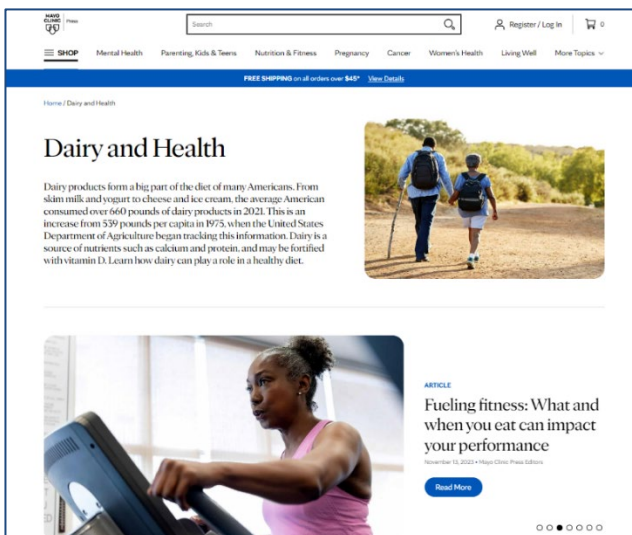
HEALTH AND WELLNESS: *Grow, protect and promote dairy science by utilizing nutrition research, science platforms and collaborations.*

How It Worked:

- Performed educational outreach events with Mayo Clinic targeted at consumers and health care professionals on multiple media and event platforms including podcasts, leadership/ambassador events, lectures, webinars, and articles.
- Collaborated with Mayo Clinic to support research on cardiovascular benefits of dairy components.
- Explored, developed, and published new nutrition science benefit claims to activate within the industry.
- Built and launched the first complete dairy milk molecule database to connect all the components of milk with all the scientific research around the world against those components, to dramatically accelerate learning and insights.

Results:

- Mayo Clinic: Started one research project in cardiovascular health. Completed 30 total outreach activations in 2023, from scientific lectures with physicians to consumer-focused podcasts, reaching well over 80,000 health care professionals, and generating over 7.2 million consumer impressions across various Mayo Clinic digital platforms.
- Nutrition Science: Claims: More than 150 new claims developed for research validation in 2024.
- NDC Research and Publications: Published six new papers in the areas of sleep, digestive health, and weight management and initiated seven new studies in biological age, inflammation, digestive health, anxiety, and depression to prove new benefits of dairy foods.



OUTSIDE INVESTMENT: *Attract and secure outside investment through engagements to connect dairy innovators with investors and pair them with new dairy growth opportunities.*

How It Worked:

- Completed three growth landscapes that identified and sized the markets and growth rates for domestic foodservice, retail beverages, and retail health and wellness spending against key health conditions and benefits.
- Launched the Digital Resource Tool for dairy innovation that provides resources including industry contacts and subject matter experts as well as templates for companies and entrepreneurs to use as they look to launch new dairy products.
- Completed the 2023 New Product Competition.
- Led nine university health and wellness innovation events at seven universities to share dairy's growth opportunity in health and wellness space.



Results:

- Growth landscapes totaling more than \$700 billion of long-term sales potential were shared with dairy industry leadership, as well as dairy universities, and at key industry events.
- Partner confirmed infrastructure capital investment for dairy innovation, totaling \$350 million.
- Shared the Digital Resource Tool for dairy innovation with universities and interested start-ups.
- Student and university engagement with more than 360 attendees at the innovation events and more than 60 students participated in the New Product Competition, an increase of 81 percent in student participation vs 2022.
- Identified three new universities for dairy science and technology engagement.
- Dairy checkoff had an impactful showing at the Natural Products Expo West (the so-called 'Super Bowl' for the natural consumer products industry), where 65,000 marketers, retailers and manufacturers go to learn what is new in the food industry. Showcased the transformational power of dairy through dairy-based product innovation and hosted an extremely popular, standing-room-only, health and wellness education session, including nearly 40 retailers, nine media members and more than 30 manufacturers, garnering more than 140,000 downloads with real dairy as a prominent force.

Exports

Ensure U.S. dairy is a consistent, preferred supplier in key markets globally

FOODSERVICE: *Partner with U.S. foodservice companies to drive menu and marketing innovation using U.S. cheese*

How It Worked

- Continued to expand pizza partnerships with the #1 and #2 global pizza brands, as pizza is the top carrier for U.S. cheese and is a growing category in primary export markets. However, we are evolving our partnership approach to work directly with in-market leadership teams (vs. regional offices) to expand our footprint in growing markets like Indonesia where dairy usage is growing and Japan where cheese consumption is strong.

- Shifting focus from mainly short-term promotional support to include permanent menu innovation and new products including Domino's Pan Pizza launching in Saudi Arabia and UAE, which utilizes 20 percent more cheese with U.S. dairy as a supplier.
- Identified short-term engagement with Yum! China to increase incremental U.S. cheese volume in back half of the year, which may pave the way for future partnership opportunities with Yum! China.

Results

- SE Asia
 - Pizza Hut Quartzza Pizza drove 8.6 percent increase in sales during the promotion, selling over 219,529 pounds of cheese in five weeks
 - Pizza Hut Blacktober launched popular limited-time offer of charcoal crust pizza with new double cheeseburger pizza and four other cheese items, delivering same store sales growth of 5 percent.
- Launched more than 10 new items including Pizza Hut Melts in Japan and Indonesia, MyBox and BigBox in Japan and Taiwan, and incremental Halloween-themed limited time offers with both Pizza Hut and Domino's.
- Yum! China efforts are nearly 10 percent ahead of target, delivering 10.84 million cheese pounds through December 2023.
- Reached 1.7 million consumers with the US cheese messaging by Pizza Hut Indonesia through the new incorporation of the USDEC "Made with US Cheese" logo, unifying U.S. cheese marketing and branding efforts for the Indonesian consumer.
- In 2024, Domino's International partnerships have launched four new cheese-centric products in Japan and Taiwan, with more planned in the second half of 2024.
 - Domino's Volcano pizza launched in Japan and Taiwan and exceeded the initial forecast by selling out in four weeks.
 - Cheese Twist Crust launched in March: Includes three cheeses, including string cheese, wrapped around the edge.
- Pizza Hut International partnerships have launched two impactful marketing campaigns, including a new cheesy product experience, and more planned in the second half of 2024.
 - Pizza Hut Indonesia executed a 40th anniversary celebration with Cheese Overflow launch, including both a cheese "pour" (imagine a flow of cheese) and a cheese "torch" rising from the middle of the pizza.
 - Projecting a more than 25 percent increase in cheese usage per month for two months, which is 1.6 million milk equivalent pounds.
 - Pizza Hut Japan - 8,9,10 days promotion. Pizza sales up three times during this window.



COOPERATIVES: *Partner with U.S. co-ops to build capabilities and co-fund value-added growth initiatives*

How It Worked

- Co-op partnerships build export competencies by providing seed funding to elevate U.S. dairy's ability to pursue exports as long-term strategy for the industry.
- As we applied learnings from co-op partnerships, we continued to refine success measurement to ensure measurable ROI and volumetric impact of international co-op partnerships.
- Diversified co-op partnership portfolio to include multiple U.S. export categories and priority growth markets.

Results

- Darigold continues to grow and expand its International direct sales business model, expanding into value-added Extended Shelf Life (ESL) milk in retail channels in Asia. Initially selling in incremental eggnog pallets in China and orders placed for Philippines and Taiwan for early 2024.
- Initial partnership with AMPI ended in June 2023, resulting in nearly 2,000 outlets selling Dinner Bell Creamery or Mera-branded cheese in China and Middle East and a 650 percent increase in exports volume since beginning of partnership. In 2024, AMPI is expanding into new markets (from 4 to 17) with new products and channels. This partnership was essential for AMPI to grow their export intelligence and capabilities with a long-term focus on exports as an area for growth.



GROWTH PLATFORMS: *Identify and execute against future growth platforms and maximize overall impact*

How It Worked

- Formed a cross-functional team (International Enterprise Team), including DMI, USDEC, and State/Regional staff to identify collaborative growth opportunities for U.S. dairy exports.
- Initially exploring opportunities and priority markets for bulk and natural cheese growth in Japan, as well as fluid milk exports.

Results

- The International Enterprise Team created a user-friendly measurement dashboard for internal staff to track quarterly volume and value data over time, by dairy category across the globe, and across selected import markets. This dashboard will allow the team to assess in-market pilot or partnership opportunities and track U.S. dairy market share and value and volume growth over time.



- Opportunity sizing completed for targeted bulk cheese growth strategy in Japan, which will include U.S. branding and result in increased distribution and new formats, channels, and consumer touchpoints for U.S. cheese. Execution in 2024.
- Conducted fluid milk opportunity landscape assessment, which will be used by the International Enterprise Team to explore potential partnership or in-market pilot opportunities in 2024.

Reputation

Revitalize dairy's image and relevance as a source of human nourishment and societal and planetary health

WIN IN KEY CHANNELS: *Deliver breakthrough consumer content to grow dairy's positive share of voice in the most critical channels for youth and parents*

Retail digital marketing

How It Worked

- As consumers continue to use eCommerce (online shopping), DMI has offered strategic support, consolidated media purchasing, advertising/media and execution to drive dairy sales and relevance. Efforts focused on two of the largest online grocery opportunities: Instacart and Amazon. This consolidated eCommerce strategy has allowed for state and regional dairy organizations to spend local dollars on local Instacart efforts to drive sales, without paying unnecessary fees.

Results

- Every dollar invested in digital retail advertising drove \$11.35 in sales. These activations delivered an impressive \$3.1 million in dairy sales and 4.4 million impressions.

Social influencers

How It Worked

- Engaged a diverse group of 14 social influencers ranging from foodies to chefs to early parents, health and fitness professionals and green-living enthusiasts, reaching a wide array of Gen Z and Millennial young adult parents.

Results

- Team of social influencers delivered 157 million impressions on Meta (Facebook/Instagram) and TikTok, overdelivering 170 percent of program goal for dairy-related content.

Always-relevant content

How It Worked

- Cutting edge "edu-tainment," content designed to combine fun and education, reached younger audiences on TikTok, Pinterest, YouTube, Instagram, and Facebook. Content ranged from trendy recipes to tongue-in-cheek dairy myth busting.

Results

- USDairy.com pageviews increased by 28 percent in 2023 to 4.94 million, with website new users up 27 percent to 3.52 million.
- Average time spent on USDairy.com more than doubled (128 percent) to an average of 1:54.

Responsible production consumer campaign

How It Worked

- New Undeniably Dairy campaign, “A Farmer is More Than a Farmer,” surprised and reassured consumers with eye-catching visuals and copy showcasing how dairy farmers reduce their impact on the land and care for cows.
- Larger-scale media partnerships with Vox and *TIME* created custom content to engage consumers and thought leaders with dairy farmer’s commitment to environmental sustainability.
- Earth Month 2024 “Dairy Diaries” series on Roku starring Vanessa Bayer brought dairy farming to life for viewers nationwide.



Results

- *TIME* magazine partnership outperformed industry averages and original program benchmarks, garnering:
 - 5.8 million impressions, more than doubling benchmark of 1.5 – 2.5 million.
 - 9,514 video views with a 63 percent video completion rate – benchmark: 3.42 percent (59 percent above *TIME*’s VCR benchmark).
 - 26,417 article clicks (benchmark: 2,000 – 4,400) and 0.60 percent social click through rate – benchmark: 0.22 percent.



School feeding and nutrition

How It Worked

- Conducted a thorough analysis of the youth and K-12 landscape to isolate key opportunities for dairy both short-and long-term.
- Developed a comprehensive three-pronged strategy to activate against the findings:
 - Improving the school milk experience via product and packaging innovation.
 - Expanding access to school breakfast in biggest opportunity districts.
 - Modernizing our approach in delivering nutrition/ag education.

- Dairy's signature Fuel Up to Play 60 program evolved to a new youth wellness initiative (Fuel Up) – putting a stronger focus on dairy nutrition and activating like-minded partners to drive change in and out of school. Fuel Up moves from a single partner focus in the NFL to a more collective impact “coalition” approach to catalyze action and investments by other organizations against the three initiatives listed above.
- A no-cost Memorandum of Understanding between DMI and NFL continues a shared commitment to promote the link between nutrition and physical activity.

Results

- National Nutrition Equipment Grant – In addition to grants offered by state and regional dairy promotion organizations, DMI offers grants to schools nationwide to support school breakfast adoption and drive dairy consumption. In 2023, dairy granted \$1.6 million in funding to 789 schools. Funds were used for a variety of dairy-centric purposes including 229 grab n’ go meal carts, 255 refrigeration cooler kits and 305 smoothie program kits.
- School Pilots
 - Large-scale smoothie pilot executed with General Mills and Chartwells in 130 schools across the country resulted in 1.6 percent increase in milk and 30 percent increase in yogurt consumption vs. year prior, which prompted rapid smoothie expansion.
- Lactose-free shelf-stable milk pilot executed in large urban school district resulted in a 7 percent incremental increase in school meal participation and 16 percent more milk consumed vs prior year when compared to the rest of the district. Success has prompted expansion in the district. DMI intends to build a business case from the results of this pilot and to share learnings more broadly. The goal would be to facilitate broader expansion, where it makes business sense for a school district.

ACTIVATE DAIRY CHAMPIONS: *Engage the most influential experts and thought leaders in media, medicine, science and education to scale credibility and reach to consumers*

Environmental and business thought leaders

How It Worked

- Partnered with influential media outlets to get consumers and thought leaders who question dairy's role in our sustainable future to see how dairy can be part of the solution. From long-form articles to videos and infographics, dairy's contributions to health and sustainability took center stage in key thought leader media outlets. The "See Dairy Differently" thought leader campaign reframed dairy's narrative with media and thought leaders via digital media campaigns as well as high-profile media buys in *USA Today*, *Washington Post*, *The Economist* and *Wired* – ran in 2023 and again for Earth Month 2024
- U.S. Dairy also engaged at key environmental events including The Economist Sustainability Week and GreenBiz VERGE to elevate the visibility and expertise of U.S. Dairy farmers and leaders.

Results

- USA Today sponsored article: 64,000 page views (79 percent above benchmark); 1:17 average time spent on content (40 percent above benchmark).



- Thought leader campaign clicks going back to U.S. dairy content: 998,000.
- Total paid digital impressions: 105 million, exceeding industry benchmarks in nearly every measurable category.
- Three key events attended, reaching 5,000 engaged, credible thought leaders.

Media

How It Worked

- Dairy earned positive media coverage with science-based news including coverage on dairy's role in school meals, dairy's contribution to protein intake, dairy farmers' environmental practices, and trendy topics such as cottage cheese's popularity on TikTok.

Results

- Placed more than 3,000 dairy stories reaching nearly three billion media impressions in influential media reaching consumers and thought leaders.
- Top coverage included *Washington Post*, *Wall Street Journal*, *CNBC*, *People*, *Los Angeles Times*, *Chicago Tribune*, *U.S. News and World Report* and more.

Health professionals and health and wellness thought leaders

How It Worked

- Continued pediatric care specialist (PCS) pilot, which offers training and tools to support PCS engagement with their patients around dairy's critical role in nourishing brains, bones, and bodies.
- Public health and scientific community education and outreach, events and presentations, and the NDC Ambassador program continued to protect dairy's place in diet and food systems.
- Convened new scientific conference – “Undercover Nutrition: A Symposium Decrypting Food and Dairy Matrix Science” – to amplify the science on dairy foods' unique nutrient, non-nutrient and molecular compositions, as well as dairy fat's neutral to beneficial links to heart disease, type 2 diabetes, obesity and high blood pressure.



Results

- Pediatric care specialists reached: 208,000.
- Parents reached: 1 million.
- Prenatal nutritionist interactions, including *Healthy Children* magazine content: 129,000 nutritionists.
- Public comments submitted supporting dairy's role in diet and food systems: 13.

Next Gen Scientists

How It Worked

- Continued activation of the three-year cohort program with 11 up and coming academics to further solidify dairy's role in nutrition and public health.

Results

- 89 percent of the 11 scientists have enhanced understanding of the health benefits of dairy food consumption and the important role that dairy foods play as a solution to health equity, for example as a critical component of federal feeding programs in achieving nutrition security in early childhood.
- The majority of cohort members also have improved knowledge that dairy foods are a versatile package of essential nutrients for Americans, including low lactose and lactose-free options, in the dairy case for those with lactose intolerance.

Issues Management

How It Worked

- Protected U.S. dairy's reputation through a data-driven approach in collaboration with USDEC, NMPF, MilkPEP, IDFA, the Innovation Center for U.S. Dairy, and state and regional dairy councils.
- Continued to lead U.S. dairy's proactive issues management and crisis response protocols, assuring that U.S. dairy is speaking with one voice.
- Proactively monitored and addressed the issues impacting the reputation of the sector while also identifying emerging threats.

Results

- Led a thorough crisis and issues monitoring and response system for the industry through the Dairy Communications Management Team – providing ongoing, one-voice approach to issues (including H5N1 in 2024).
 - Analyzed more than 1,400 real-time media stories to assess potential impact on U.S. dairy's reputation.
- Supported state and regional organizations and the larger dairy industry following several unique issues scenarios including a milk carton shortage, workforce/labor on farms, environmental sustainability (e.g., water use), and animal welfare.

IMPACT VIA PARTNERS: *Work with high-impact partners in health and wellness, environment and industry to secure dairy's role in diet and food systems*

Nutrition Partnerships

How It Worked

- Activations with American Academy of Pediatrics, Mayo Clinic, School Nutrition Association, Academy of Nutrition and Dietetics, and others focused on highlighting dairy's role in addressing health disparities.
- Partnerships with groups such as USDA/WIC, NOBIDAN (National Organization of Blacks in Dietetics and Nutrition) and National Medical Association (the nation's leading organization of African American physicians) addressed dairy's role in health equity and nutrition security.

Results

- **American Academy of Pediatrics (AAP):** AAP's Committee on Nutrition issued a Clinical Report on Older Infant - Young Child Formulas which highlighted that formulas have no nutrition benefit for this age group, and that cow's milk and water are the preferred beverages. This received significant media coverage and two sessions at AAP's annual meeting.
- **National Medical Association:** National Medical Association authored six journal supplement papers on the role of dairy across the lifespan including evidence-based recommendations for each life stage. This review of the evidence and recommendations on how dairy foods can help improve health equity has been presented at National Medical Association's national and regional meetings, as well as the Academy of Nutrition and Dietetics and American Academy of Pediatrics Annual Meetings and various Mayo Clinic meetings.
- **Childhood Health and Wellness Advisory Council:** Representatives from 13 authoritative health organizations convened three times this year to collectively advance child health and wellness. Two new organizations joined this year: Academy of Nutrition and Dietetics and National WIC Association.
- **School Nutrition Association (SNA):** NDC and SNA partnered to create and launch an educational awareness campaign, Made with School Lunch, to inspire and inform educators, students, and the community about the positive benefits and outcomes made possible by nutrient-rich school lunch. Launched by SNA's CEO and President Lori Adkins at SNA's Annual National Conference and amplified with their more than 50,000 members. Flagship video has 28,600 views with campaign assets being available on www.madewithschool lunch.com.
- **WIC:** National WIC Association engaged NDC to participate in several meetings to explore opportunities to increase access of and participation in WIC to increase dairy consumption.



Sustainability Partnerships

How It Worked

- Continued to engage with organizations dominating the global stage to drive awareness on opportunities and challenges facing the dairy industry. Smaller, more intimate dinners with key partners such as Starbucks, Nestle, McDonald's, World Wildlife Fund, and others fostered in-depth conversation around dairy as a climate solution.

Results

- In September, hosted first-ever U.S. Dairy-exclusive Climate Week Dinner in New York City, attended by notable leaders from Conservation International, Environmental Defense Fund, The Nature Conservancy, World Wildlife Fund, Yale University, Nestle Health Science, Global Methane Hub and more. Attendees reported appreciation for the intimate setting to discuss moving agriculture towards a sustainable future.
- Leveraged partnership with Nestle and its participation in U.S. Dairy's Net Zero Initiative to highlight the company's efforts to source ingredients from regenerative agriculture practices. Coverage of Nestle Health Sciences' partnership with Washington's Royal Dairy Farm to supply ingredients for Carnation Breakfast Essentials products led to a widely distributed Associated Press story that ran in 225 media outlets, with a reach of 43.7 million.

- Starbucks posted about its Sustainable Dairy Program and its participation in U.S. Dairy's Net Zero Initiative on Starbucks.com, reaching a mass audience and showcasing a high-profile, beloved global brand's support of U.S. Dairy's sustainability efforts.

TECHNOLOGY TO SCALE ACTION: *Harness new technologies to optimize U.S. Dairy's work in the digital sphere*

How It Worked

- Launched comprehensive social listening tool – the Dairy Intelligence Platform – to track social conversations, media, and issues, allowing U.S. Dairy to capitalize on consumer trends, address myths, and questions arising on social media, and to manage crises.
- Explored tech vendors and partners to collaborate with to optimize DMI and UDIA organizations' work (nationwide and locally) with influencers, web sites and ecommerce.

Results

- Invested in technology for DMI and UDIA members to optimize their websites and social media content, so dairy rises to the top of online search results.
- Invested in a partnership to make playing in ecommerce affordable for UDIA members and created a nationwide influencer database, so we can work with the most impactful influencers.

MIDWEST DAIRY PROMOTION IN ACTION

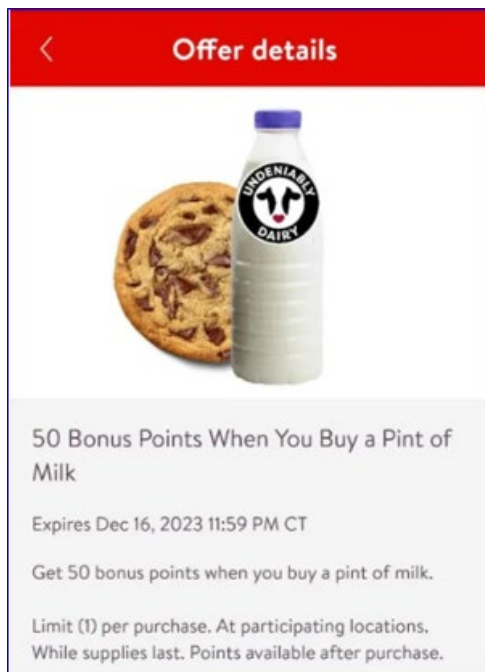
Midwest Dairy focuses on dairy promotion plans developed at the national level, as well as a variety of state-specific initiatives developed for various local key audiences to drive demand and confidence of dairy foods nationally, regionally, and locally. Our goal is to bring dairy to life by giving consumers an excellent dairy experience. Midwest Dairy's [annual report](#) demonstrates the impact of Midwest Dairy's strategic plan across three business objectives; increase dairy sales, grow trust in dairy, and advance research in dairy, and three foundational objectives; create checkoff advocates, develop farm and community leaders for dairy, as well as enhance company culture at Midwest Dairy.

Midwest Dairy has partnered with select retail and foodservice partners throughout 2023 to drive over 38 million pounds of incremental milk while reaching consumers with our dairy messaging. Midwest Dairy also worked with partners to share dairy's sustainable nutrition story to consumers to help make the connection from farm to table. Midwest Dairy reached out to thought leaders, including sustainability and nutrition professionals, to share resources in a variety of languages and communication methods to educate on the unmatched nutrition that dairy foods provide across the lifespan. Additionally, Midwest Dairy pursued research benefiting our product priorities, supported the national Undeniably Dairy campaign to reach over 393 million consumers and worked to develop young dairy leaders.

Following are examples of Midwest Dairy's work in Nebraska representing both the implementation of the national plan and activities unique to the state and region.



Midwest Dairy Engages Retail and Foodservice Partners to Grow Trust and Demand for Dairy



Data suggests that 75 percent of all fluid milk sales happen in the retail setting, followed by 15 percent of fluid milk sales in the foodservice industry. Because of this opportunity, Midwest Dairy focuses on partnerships with retail and foodservice partners where we can provide dairy category expertise and insights to implement shopper marketing, menu opportunities, as well as trust-building messaging to increase dairy sales. Over the past year, Midwest Dairy partnered with select partners within the region including Coborn's, Hy-Vee, Casey's, Kum and Go, Pizza Ranch, Freddy's Frozen Custard & Steakburgers, Runza, Godfather's Pizza, and new in 2024, Marco's Pizza. Activations included a variety of tactics that helped the partner satisfy their customers' needs and drive dairy sales, such as social and email content featuring local farm families, video assets, and instore

signage. We encourage our partners to leverage this support and reach out to their dairy vendor community to secure special promotions to drive even more dairy sales. During this time, these partnerships have resulted in 73 activations resulting in 38.4 million incremental pounds of milk sold in the Midwest Dairy 10-state region.



Bringing Dairy to Unexpected Places to Connect with Consumers

Research suggests that when consumer sentiment, or trust, towards dairy is positive, it can be equated to greater dairy purchases (sales). Midwest Dairy focuses on partnerships that can help us reach youth and families to build trust in dairy from the farm to the table.

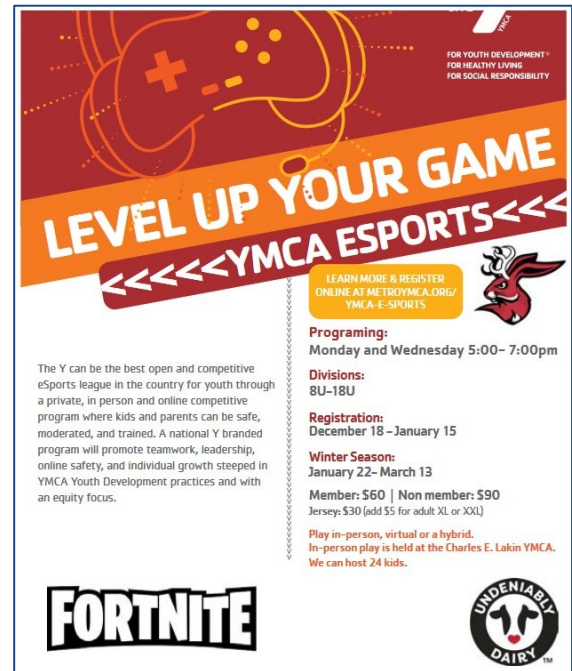
Engaging Gen Z through YMCA esports partnership

Midwest Dairy is committed to engaging with Gen Z youth through experiences and partnerships to share the sustainable nutrition story of dairy. Throughout 2023, Midwest Dairy partnered with the YMCA esports program while it is getting off the ground and expanding in the Omaha, Nebraska community.

The esports program meets a unique need for kids and families in our community and is an innovative response to serving young people safely on-line while fostering teamwork, communication, confidence and collaboration both virtually and in-person.

Over six weeks of the program the YMCA added important health and nutrition curriculum from the Fuel Up program, including the following themes: 1) Connecting the Mind & Body 2) Relaxation Plan 3) Nourishing the Mind 4) Wellness Facts 5) Create Your Own Plate 6) Design Your Own Game Plan. The esports instructor focused on teaching the kids about how important it is to have a healthy mind, body and spirit and puts focus on staying hydrated and eating a well-balanced diet to optimize their ability to play and live well. “Having the educational resources provided by the Midwest Dairy team made facilitating these conversations easy and natural in the program environment.”

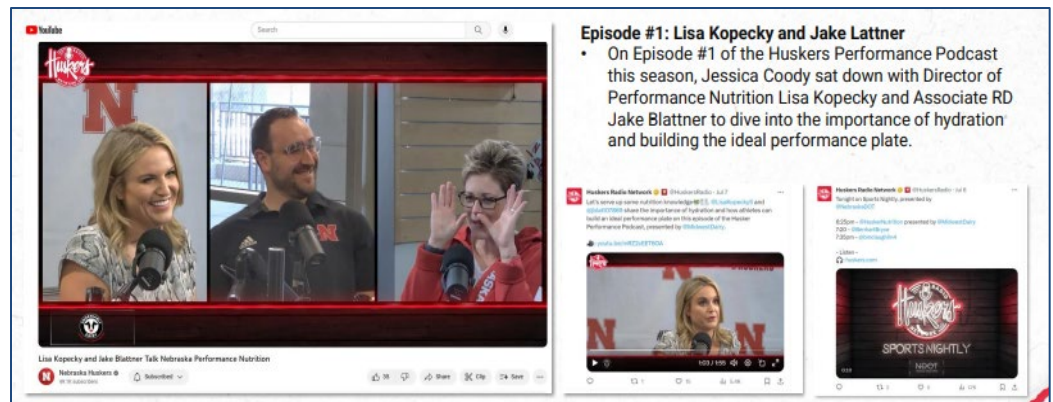
In 2023 the YMCA served 108 kids in esports and held three youth sports tournaments. In addition, 17,620 tournament emails were opened promoting the tournaments. The YMCA received anecdotal feedback on how students benefited from and enjoyed the healthy recipe inclusion and/or dairy products.



University of Nebraska Lincoln Husker partnership connects Gen Z to dairy

Midwest Dairy partnered again with Husker Athletics to continue to promote the benefits of dairy. This partnership included a podcast series that highlighted the different features throughout the training table and athletics. The podcasts were done by the training table Registered Dietitians to provide dairy

focused recipes and messaging that included how dairy provides immunity, calming, energy and digestion benefits. The podcasts had 5,587 downloads from Huskers.com, iTunes, and Spotify with 49,044 podcasts listens from audio streams and video views (YouTube, Twitter, Facebook).



Weekly messaging on Huskers Radio Network, Sports Nightly, was also part of this partnership. Sports Nightly airs across Nebraska on 24 radio stations that average over 1,000 listeners and has audio and video streaming that averages over 3,700 listeners and viewers for each show. This messaging consisted of a 12-week series- “Midwest Dairy Health Tip of the Week”. During this series the podcast was also mentioned, and listeners were encouraged to download it.

Midwest Dairy was also able to join in the volleyball post season fun! A 30-second radio commercial was recorded by Midwest Dairy staff to highlight how dairy helps fuel athletic performances like volleyball. The commercial aired during the post season volleyball games (including the National Championship match) across the Huskers Radio Network, Huskers.com and Mobile app. Streaming listeners for these games averaged around 15,000 listeners per game.

Coaches Association Partnership equips coaches with tools to promote dairy

Gen Z youth in middle and high school rank the lowest when it comes to trust in dairy. Dairy consumption also starts to fall at this age. Because of this, Midwest Dairy works with partners who can reach this audience with a trustworthy message about dairy that resonates with Gen Z based on their interests and values.

In 2023, Nebraska partnered with the Nebraska Coaches Association with a reach of 4,300 athletic coaches across the state. The goal was to reach middle and high school age students with nutritional information about dairy's role in refueling before and after exercise, coming from an influential source they look up to, their coaches.

Midwest Dairy partnered with Registered Dietitian Angie Asch with Eleat Sports Nutrition in Nebraska to develop the infographics and article content inspiring coaches and young athletes to fuel with dairy pre-workout, post-workout, on the road, as well as on and off the field. The content has been well received with a newsletter open rate of 67.8 percent.

Midwest Dairy reaches Gen Z through partnership with student-athletes

As part of Midwest Dairy's influencer campaign, we partnered with student-athletes to promote dairy in a positive way. Student athletes submitted applications and were picked by staff. The University of Nebraska had three athletes picked, and one high school athlete from Kansas that is now a Nebraska athlete.

The student-athlete campaign included the athletes' posting reels and images on Instagram that showed how they used dairy in their everyday lives to support their workouts and athletic performance.

Continued from page 23

Choosing Healthy Options On The Road

Convenience stores and fast food restaurants often have limited options, but there's always a way you can add a little more nutrition to your meal or snack. While we know it's not always possible, planning ahead and packing your food with you is one of the best and likely most affordable ways to go.

When choosing items while traveling, minimize your intake of food with these high-fat cues:

- Fried / Pan Fried
- Breaded or Crispy
- Buttery / Butter Sauce
- Creamed / Creamy / Cheese Sauce
- Au Gratin, Gravy, or Scampi

More Tips

- Make sure your meal contains a source of protein, fat, carbohydrates, and color (fruits or vegetables)
- Aim for at least 2 kinds of fruits or vegetables when possible at each meal
- Pair your meal with a glass of milk. Milk provides protein and is a natural source of immune-boosting nutrients like Vitamin A, Vitamin D, and Zinc.

Opt for these instead:

- Steamed, Boiled, Poached
- Grilled, Roasted, Charbroiled or Broiled
- Tomato Sauce / Marinara
- Marinated in Juice / In Own Juices

Eleat Sports Nutrition®
www.eleatnutrition.com



SKYLER PIERCE
VOLLEYBALL - OLATHE NORTHWEST

STORY: I grew up in Kansas and come from a large family and dinnertime was always important to us. Being from Kansas, dairy always seemed to be a staple at the dinner table, whether it was milk, cheese, butter and most importantly, ice cream! As an athlete, I prioritize my health and my training and dairy has played a huge part of keeping me strong throughout the season with tons of good fats and protein that help keep my body in peak condition.

WIN FOR DAIRY: I would be a great ambassador for Midwest dairy because, not only am I a fan, I use dairy in my quest to become an elite athlete.

5.8K FOLLOWERS - 31.34% ENGAGEMENT RATE - 22.3K IMPRESSIONS

IG: SKYPIERCE21 TW: SKYPIERCE21

ELLI DAHL
TRACK & XC - NEBRASKA

STORY: Dairy has always been an important factor in my life. My grandparents own a dairy farm that I have visited ever since I was a kid. I did not only get to see where the dairy products come from, but I was always told how important it was to drink milk at the dinner table. As an athlete, I realized how important milk is for my diet. I have had four total stress fractures in the past three years and I realized that I really need to incorporate dairy back into my life. By drinking enough milk and getting all the essential vitamins, has helped me really strengthen as an athlete in a sport where fractures are very prominent.

WIN FOR DAIRY: I have first-hand experience of being deprived of dairy and paid the cost. Now I know how important it is for not only me, but everyone to keep a healthy immune system and sustained energy in their daily life.

2.6K FOLLOWERS - 35.07% ENGAGEMENT RATE - 11.8K IMPRESSIONS

IG: ELLIDARL3 TW: DAHL_ELLI



To help reach health professionals and Registered Dietitians, Midwest Dairy provided a sponsorship for the Nebraska Academy of Nutrition and Dietetics conference. This annual conference took place in April at Creighton University in Omaha where over 100 RD's, dietetic students and other health professionals attended.

Midwest Dairy sponsored the afternoon snack on the second day of the conference, providing yogurt parfaits to the attendees. QR codes for dairy nutritional resources were posted at the snack table for attendees to use in their practices and with patients or clients. Resource topics include how dairy fits into a sustainable food system and lactose intolerance.

Peer-to-Peer Interaction Builds Trust with Gen Z

More than 500 University of Nebraska-Lincoln (UNL) students, staff, and faculty attended the annual College of Agriculture Sciences and Natural Resources (CASNR) Appreciation Event on April 25. Midwest Dairy partnered with UNL during the two-hour ice cream social held at the UNL Dairy Store. Building trust with Gen Z was the primary focus of the UNL CASNR partnership and Midwest Dairy capitalized on it through Gen Z peer-to-peer interaction between the Nebraska Dairy Ambassadors and students attending the annual event. The Dairy Ambassadors engaged with other Gen Z students by using the interactive spin wheel to quiz them on their dairy knowledge and provide additional dialogue to help build trust in dairy.



Nebraska Dairy Ambassadors, Kaitlyn Hanson (2nd from left) and Clara Bates (right) engage peer-to-peer with other Gen Zs during the CASNR Ice Cream Social held at the UNL Dairy Store on April 25.

Midwest Dairy reaches cyclists through 42nd Bike Ride Across Nebraska



For over 40 years, Bicycle Ride Across Nebraska (BRAN) riders have experienced epic cycling, enjoying the small-town hospitality and the beauty of the rolling terrain on the great plains through Nebraska. As a non-profit organization, BRAN, donates all proceeds towards scholarships for Nebraska high school graduates to trade schools, colleges, and universities. Riders could participate in all or part of the 380-mile trek "Rolling Across the Heartland" in this seven-day event from June 2-8, 2024.

Midwest Dairy helped connect the 350 riders participating in the 2024 BRAN ride with donated chocolate milk. This is always a great way to end the ride and recover from a hard week of biking! National Dairy Council sports nutrition promotional materials were displayed throughout the ride along with social media posts promoting dairy. BRAN continues to be a proud champion and supporter of dairy, making them a key partner to work through to reach consumers.

Midwest Dairy Partners with healthcare professionals to educate parents and families

Healthcare providers such as pediatricians, physicians, and registered dietitians represent a primary target to share dairy resources with as they serve as the key trusted voice to parents. Midwest Dairy focuses on efforts to share resources and professional development opportunities for professionals to translate dairy science into action with their clients. Midwest Dairy was proud to offer a new essential resource for rural healthcare providers in the Fall of 2023. Rural health providers understand the importance of nutrition in the rural health landscape, but they often lack the resources and time to address this issue alone. To support this need, Midwest Dairy launched the Smart Moo-ve Healthy All Day Long health initiative to assist with this challenge and help bridge the nutrition gap in rural communities.



This free and easy-to-use downloadable toolkit was developed with healthcare partners for National Rural Health Day and is tailored for [primary and pediatric care professionals](#). The toolkit helps these pediatric care professionals discuss the importance of nutrition – including dairy – with their patients and communities. It features the USDA MyPlate nutrition guidelines and dairy's essential role in childhood growth and development. This toolkit includes patient handouts, waiting room visuals, posters, and TV monitor slides to help educate families on dairy's nutritional value during their doctor's office visits. Additionally, the toolkit contains children's entertainment tools such as a storybook, activity pages, and character trading cards that make dairy nutrition fun to learn about.

The resources were shared with key stakeholders such as state offices of rural health, rural healthcare organizations, WIC, Extension programs, pediatric professional organizations, and others serving rural areas within our 10-state region.

Download your easy-to-use healthcare professional's toolkit today!

HEALTHCARE PROFESSIONALS

Smart Moo-ve Nourishing Brains, Bones & Bodies Toolkit

This complimentary, easy-to-use, engaging downloadable toolkit helps rural primary and pediatric care professionals educate their patients and communities on the importance of following the USDA MyPlate nutrition guidelines and dairy's essential role in childhood growth and development.

Healthcare Professional Tools

- Smart Moo-ve Healthy Plate Exam Room Poster
- Smart Moo-ve Healthy Plate Rx Handout
- Smart Moo-ve Healthy Plate Waiting Room TV Monitor Slides

Caregiver Tools

- MyPlate Healthy Eating Handouts with Age Specific Recommendations & Tips
- Strong Bones & Teeth Handout

Children's Tools

- Smart Moo-ve Digital Storybook
- Smart Moo-ve Coloring Book
- Smart Moo-ve Digital Collector Cards

Add Patient Value

Easy Access Improving Health Plug and Play

How these tools can help!

- For Healthcare Professionals:** Effective parent/caregiver education tools that support pediatric nutrition guidelines.
- For Hospitals & Clinics:** Provides health organization outreach and marketing professionals with strategies and tools to promote childhood wellness and engage community stakeholders.
- For Parents & Caregivers:** Easy to understand, fun and engaging ideas and tools to boost nutrition awareness and follow recommended care plans.

Easy to Download & Use:

Download and share all of the Smart Moo-ve tools by visiting midwestdairy.com/ruralhealth.

Information provided by Midwest Dairy, an affiliate of the National Dairy Council® (2023)

Smart Moo-ve

Midwest Dairy partners with Sustainability Thought Leaders

Midwest Dairy continues to work with and through thought leaders to convey dairy's sustainable nutrition story as trusted voices in their space. Research shows that consumers and adult Gen Z care about how their food is produced and about the environmental impact of the choices they make. To proactively maintain dairy's reputation, environmental organizations serve as a key audience to target.



Building Trust at the Local Food and Healthy Farms Conference

Midwest Dairy is committed to building trust in dairy by promoting the sustainability efforts of dairy farmers. In January, Midwest Dairy was a sponsor of the Local Food & Healthy Farms conference organized by the Nebraska Sustainable Agriculture Society. This conference was held in Columbus, NE for two days.

People who attended the conference could stop by the Midwest Dairy booth in the expo hall. They could test their dairy knowledge by spinning the wheel and learning more about dairy farmers and their current practices to improve the environment. More than 330 people attended the conference on Friday and Saturday. The key message to attendees was that Life is not sustainable without Dairy, so Dairy is becoming more sustainable.

Midwest Dairy Sponsors Environmental Education Conference to Build Trust in Dairy

Another partnership in the sustainability space is with the Nebraska Alliance for Conservation and Environmental Education (NACEE). NACEE strives to meet the needs of Nebraska's conservation and environment education providers through coordination, promotion and education.

With this partnership, Midwest Dairy helped sponsor the Nebraska Environmental Education Conference that was held in Ponca State Park in Ponca, NE in February 2024. This conference reached both formal and non-formal educators and others in Nebraska dedicated to elevating environmental education efforts across the state.



At the conference, Midwest Dairy had a table set up by registration where attendees could spin the wheel to test their dairy knowledge and learn more about the sustainability efforts of dairy farmers. There were 88 people registered for the conference.

The Midwest Dairy representative was able to network with sustainability thought leaders and educators and individuals associated with the STEM and science programs. She was also able to share the sustainability practices of dairy farmers and the STEM resources Midwest Dairy has available over lunch on the conference's second day. This gathering was a great opportunity to share what the dairy industry is doing to provide nutritious and sustainable products and help grow trust!



Sharing Dairy's Sustainability Story with Keep Nebraska Beautiful Affiliates



Environmental organizations serve as strong and trusted voices both amongst other groups and for consumers. Midwest Dairy started a partnership with Keep Nebraska Beautiful in 2023 and will continue this partnership in 2024. Keep Nebraska Beautiful (KNB) is a non-profit focused on reducing waste and enhancing recycling efforts across the state, all the while inspiring fellow Nebraskans to improve and beautify their communities. KNB works through educational programs, community partnerships and serves as a mentor and consultant for their 20 local affiliates.

The partnership in 2024 allowed Midwest Dairy's Manager of Programs and Partnerships to share dairy's role in a sustainable food system with the KNB affiliates, who are environmental thought leaders throughout the state, at the annual conference on June 7. There were great conversations about what is going on through the state and how those activities open the door for other partnerships with the affiliate groups.

Along with this partnership, Midwest Dairy was the food sponsor for the Evening with Keep Nebraska Beautiful event. While enjoying a delicious cheese platter and dairy infused dips, environmental enthusiasts were able to network and enjoy the beautiful summer evening. Partnerships like this work on gaining more trust in the dairy industry throughout the state!



Midwest Dairy partners with key Science Technology Engineering and Math organizations to reach Nebraska Gen Z youth in schools

Science, Technology, Engineering, and Math (STEM) programming is a significant focus of dairy checkoff and is highly valued by Midwest Dairy as we continue to meet educators with science-based dairy education. We know that to maintain and grow dairy consumption with youth, we need an industry-wide strategy for securing dairy's role in school education settings over the next decade. With this knowledge, the dairy federation's overarching goal is to ensure all high school graduates have a sufficient understanding of science and engineering. This foundation will enable students to engage in public discussion on science-related issues, be careful consumers of scientific and technical information, and pursue their chosen careers.

The dairy checkoff is committed to this new approach in building trust with youth by helping high school curriculum writers across the country incorporate accurate science about dairy farming. Midwest Dairy is partnering with state leaders to provide professional development to high school science educators and create high-quality instructional materials.

Midwest Dairy's efforts in 2023 to learn and build relationships have significantly impacted future developments in 2024 and beyond. Research shows that Gen Z truly cares about where their food comes from and has questions. In fact, 82 percent of youth find it challenging to know if their food choices are environmentally friendly, and 40 percent of youth admit to reading or talking with others about how food is grown, raised, or produced at least monthly. That's why, when working together, checkoff can partner with science leaders in our states to help students learn about where their food comes from within their already mandatory science curriculum.

In Nebraska, relationships are being made with science educators and curriculum specialists to promote the STEM resources focused on dairy education. Partnerships in this area include groups such as the Nebraska Academy of Sciences, Nebraska Association of Teachers of Science, the University of Nebraska Omaha STEM TRAIL center staff and individual school districts and science organization leaders.

At the annual meeting for the Nebraska Academy of Sciences, a presentation was shared on transfer tasks and all the resources available. The presentation went into detail on why Midwest Dairy is interested in STEM materials, the process that went into developing the Transfer Tasks, the tasks developed and where you can find all the resources. About 15 educators attended this presentation and can take the resources back to fellow educators.

A relationship with this Academy and the Nebraska Association of Teachers of Science will allow Midwest Dairy to connect with Science and STEM educators through-out the state and help provide professional development and how to include the dairy specific materials in their lesson plans.

Lincoln Public Schools incorporates dairy transfer tasks into STEM district workshop

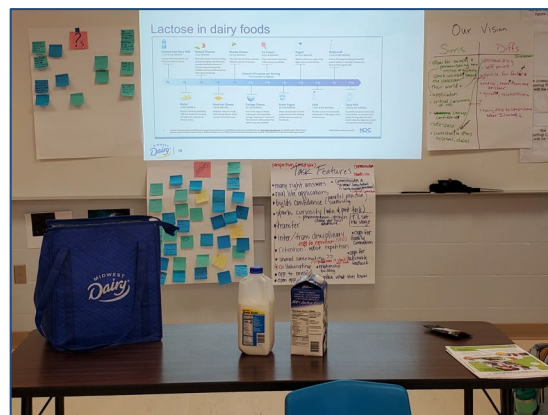


Midwest Dairy was part of a Lincoln Public Schools (LPS) STEM workshop conducted on June 25. This workshop was hosted at Pound Middle School in Lincoln, NE, where 12 science educators, three District Curriculum Specialists, and two student consultants attended. The event was funded by a seed grant to focus on an assessment task project with LPS and use the dairy-funded tasks found on the Food and Agriculture Center website during their three days together.

During a pizza catered lunch on day two, Midwest Dairy presented the dairy-focused STEM resources available to science educators. The presentation focused on transfer tasks while walking the group through the More Cheese, Please transfer task

experiment. Through the experiment, the participants tested both 2percent milk and lactose-free milk to determine what milk had glucose in it. This promoted great discussion among the group and led into the lactose intolerance section of the task.

The educators were excited to hear about these dairy-focused resources and how they could access them. They were grateful for the opportunity to learn, and the sixth-grade team plans to work with the More Cheese, Please task, incorporating the lab activity completed during the workshop. The 12 LPS science teachers that attended will have the opportunity to reach around 1,200-1,500 middle school students across their classes. The partnership with this group will be continued to provide support when needed and see the success of the dairy-centered resources being used!




The Nebraska Department of **Education** created a virtual learning and physical activity program available to K-8th grade students across Nebraska, [Walk to Unlock](#). To serve as the expert in dairy and best represent Nebraska dairy farmers, Midwest Dairy was asked to partner on the project.



Walk to Unlock Nebraska invites students and teachers to combine exercise and learning through a fun, competitive virtual platform that rewards physical activity with fascinating historical, geographical, and agriculture information about the state. The program provides checkpoints along routes across the state for youth (and their teachers!) to virtually visit while tracking physical activity time, steps and/or miles. Walk to Unlock Nebraska was created with the idea of combining academic enrichment and physical activity.

Lesson topics include science, social studies, math, language arts, nutrition and more. Integrated curricular ideas are included as tools for learning in the classroom and at home. Dairy education includes Fuel Up lesson plans, Discover Dairy activities and virtual dairy farm tours, coloring pages, recipes and more. Midwest Dairy is also highlighted on the partner resources part of the Walk to Unlock website.

Walk to Unlock added the fourth trail, the Southern Jog, in 2024. With auditing and continuous support, all the trails are updated and made current for students to continue to learn and be active!

Route:
Southern Jog


Miles: **843**

Classic Dairy

Jansen, Nebraska, Jefferson County

Nebraska dairy farmers have always kept sustainability as a priority and work to recycle water, adopt no till farming to protect the soil, use LED lightbulbs to conserve energy as well as other innovative practices.

It might surprise you to know that some dairy farms like Classic Dairy reuse water up to four times. Water is not just a refreshing drink for dairy cows, it is also used to cool milk, clean the barns, and grow feed.



Partnerships with Nebraska festivals help to build trust with students

Partnering with Nebraska Extension, Midwest Dairy helps to build trust in dairy during their Ag Literacy Festivals.

In 2023, 20 Nebraska Extension Ag Literacy Festivals reported educating more than 6,070 second, third, fourth and fifth grade students from nearly 90 schools across Nebraska. All festivals include a dairy session, and the festivals strive to increase youth's knowledge of the food system and to develop a better understanding, confident attitudes and interests regarding the food system. Festivals were held in March, April, May, September, and October of 2023.

Based on teachers (N=117) completing the evaluation, 91 percent indicated that they "agreed" or "strongly agreed" that their students learned more about agriculture and the food system as a result of attending a Nebraska Extension Ag Literacy Festival.



Utilizing a Likert scale of 1 = “strongly disagree”; 2 = “disagree”; 3 = “agree”; 4 = “strongly agree”, teachers were asked to observe their students and indicate how much they agreed or disagreed that their students learned during each session as a result of attending a festival.

Teacher responses regarding the dairy session were as follows.

- 32 percent agreed and 68 percent strongly agreed that youth can identify dairy products.
- 48 percent agreed and 52 percent strongly agreed that youth can tell others about the milk production cycle and how dairy farmers care for their dairy animals.

When asked, "How do you think your students will apply what they learned to their everyday lives?" teacher replies included the following.

- “Students will be able to look at their surroundings and identify ways that we are using our resources and apply it to our learning.”
- “Parents have told us that the kids are transferring all their learning and sharing it with them at home as well!”
- “I think they will be more aware of where things come from or what they are made of. They have a better understanding of where our food comes from before going to the store.”

Youth attending the Nebraska Extension Ag Literacy Festivals, sponsored by Midwest Dairy, obtain hands-on experiences of where their food comes to help increase their trust in dairy.

Partners contribute to growing trust during the Nebraska State Fair

With the support of partners, Midwest Dairy increased the presence of dairy to reach consumers and grow trust with a variety of activations. A complete list of “Dairy Things Happening” was included in the fair visitor guide and distributed to fairgoers as they entered the pass gates.

Chef Nadar of Billy’s Restaurant in Lincoln provided seven one-hour long cooking demonstrations during both weekends of the fair. Partnering with Nebraska Pork Producers Association, Midwest Dairy cooperatively hosted *Deliciousness with Dairy & Pork* and served an accumulation of 1,000 sample food boats to standing room only crowds. The biggest hit was the Caramel Bacon Ice Cream Sundaes and people went crazy for them!



Held three days of the fair, the Nebraska's Largest Classroom had approximately 3,700 elementary students attend. Dairy farmers and advocate volunteers, Jodi Cast, Larry Schuster, Trendin Lang, Nikki and Mike Rhoades, James Murman, and Joyce Racicky, along with Nebraska Dairy Ambassadors Jenna Muntz and Jenna Albers, shared the sustainable nutrition story of dairy at the dairy exhibit in the Raising Nebraska building. A bonus for the students was that they received fresh cold milk provided by our partner, Hiland Dairy, while taking part in the dairy presentation. During the entire fair, Hiland provided more than 750 half pints to the marathon runners and 4,300 half pints of chocolate and white milk to students, fairgoers, contestants, and exhibitors.

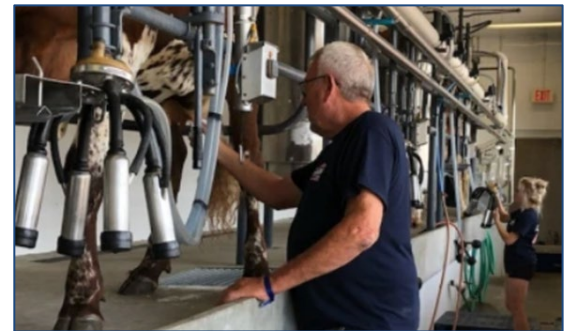




Fairgoers had the opportunity to visit the Undeniably Dairy Booth that included a variety of messaging shared about the sustainable nutrition story of dairy through handouts, QR codes, and dairy swag. Enhancing the booth was the display of all seven dairy breeds of cows that was managed by the "Moo Crew".

In addition to the activations in the Raising Nebraska Building and Undeniably Dairy Booth, the "Moo Crew" (dairy farmers and advocates Don and Jane Esau, Roger and Barb Henrichs, Sue Bishop, and Autumn Bartlett) provided the highly attended

milking demonstrations that took place in the milking parlor 52 times over the 11-day fair. During the demonstrations, there was opportunity for consumers to have dialogue with the "Moo Crew" and as a result nearly 200 coupons for the ice cream parlor were distributed. To highlight the dairy story, the ice cream coupons included scan codes that directed them to the Undeniably Dairy site for more information about dairy sustainability and life on the farm. Midwest Dairy also partnered with Sam's Club who distribute nearly 6,500 sticks of string cheese as a healthy nutritious snack to fairgoers taking part in the milking demonstrations.



Midwest Dairy creates advocates, develops leaders during the Nebraska State Fair

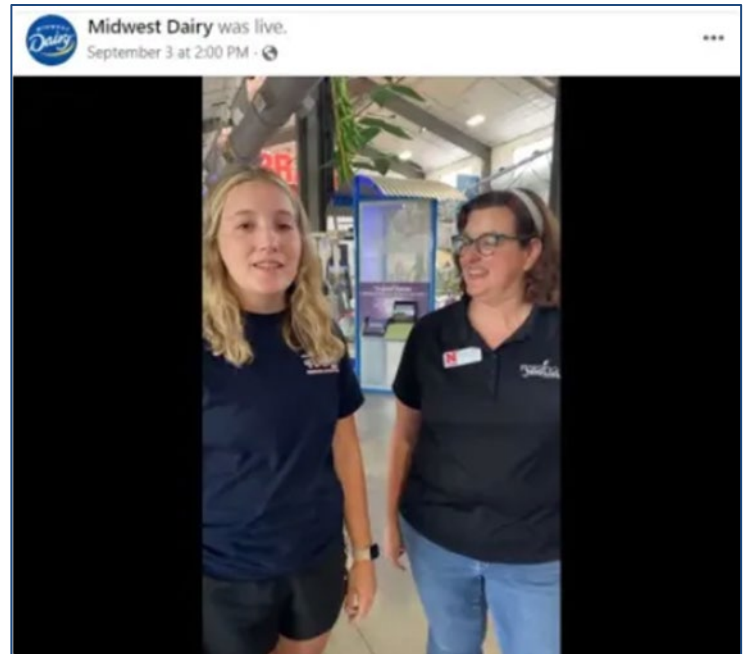
During the 11-day fair, Midwest Dairy shared the sustainable nutrition story of dairy to consumers using the Nebraska State Fair theme "What's Your Flavor". While growing trust with adults and youth was the primary focus, Midwest Dairy also took the opportunity to create advocates and develop leaders in a variety of ways during the 2023 Nebraska State Fair.



One example of sharing the sustainable nutrition story of dairy through dairy advocates was the creation of the volunteer and youth show exhibitor t-shirt that included the tagline "What's Your (Dairy) Flavor". Each shirt included a gift tag from Midwest Dairy that included a QR code leading the volunteers and exhibitors to more information about the work of dairy checkoff. More than 40 state fair dairy farmer/advocate volunteers and dairy ambassadors, and nearly 30 youth dairy show exhibitors sported the shirt during the fair.

Sharing their dairy stories, dairy farmers took part in three days of Nebraska's Largest Classroom presenting to many of the 3,700 registered students as well as distributing milk provided by Hiland Dairy.

The 4-H/FFA Dairy Contest Awards Ceremony and Dairy Exhibitor Reception gave Midwest Dairy a chance to interact with dairy farmers and advocates, sharing our checkoff efforts and working to build checkoff advocates as part of our strategic plan. Table tents were added to the tables and included QR codes that lead to our Midwest Dairy social media accounts. Thanks goes to dairy advocates, the Julie and Randy Meier family for their organizational and hosting skills during these events. Nebraska Dairy Ambassadors, Allison Engelman and Emily Rempel were on hand and took leadership by interfacing with the dairy contestants and exhibitors while serving the meal and dishing up ice cream.



4-H/FFA Dairy Contest Awards Ceremony and the Dairy Exhibitor Reception gave Midwest Dairy a chance to interact with dairy farmers and advocates. Table tents included QR codes that lead to our Midwest Dairy social media accounts.

During the 4-H/FFA Dairy Judging Contest and the Regional Youth and Open Class Dairy Shows, contestants and exhibitors were offered a refreshing break of milk provided by Hiland Dairy and cheese sticks provided by Sam's Club that were served by Nebraska Dairy Ambassadors Allison Engelman, Emily Rempel, and Brianna Klabenes. Providing an additional opportunity to create dairy advocates, Midwest Dairy sponsors the top award winners in the Dairy Judging Contest.

Learn more about some dairy things that happened during the Nebraska State Fair on Midwest Dairy Facebook Live! Check out the behind-the-scenes look with our Nebraska Dairy Ambassador Jenna Albers in the Raising Nebraska Building. @ <https://fb.watch/n4fu-LSQry/>



Utilizing the 2023 Nebraska State Fair theme, the print ad and volunteer/exhibitor t-shirts sported the "What's Your (Dairy) Flavor" message. Additional dairy checkoff messaging was included on the t-shirt gift tags.

Midwest Dairy Foods Research Center Provides Research Expertise to Dairy Industry

The Midwest Dairy Foods Research Center (MDFRC) is a collaborative effort between dairy farmers and land-grant universities with a mission of delivering research and education that benefits consumers and fuels a strong market for Midwest Dairy. The MDFRC comprises three core universities: the University of Minnesota (UofM), Iowa State University (ISU), and South Dakota State University (SDSU). The University of Nebraska-Lincoln is one of three affiliated universities that are part of the research center. Additionally, about twenty industry organizations pay membership fees to the MDFRC.

The Spring Research Planning meeting, typically rotated between Iowa State University and South Dakota State University, was held in Minnesota this year due to Dr. Stephanie Clark's retirement. About 60 attendees participated in brainstorming sessions on consumer and industry solutions. Participants included twenty-nine industry members, seventeen faculty, checkoff staff from Midwest Dairy, Dairy Management Inc., and farmers.

Institute of Dairy Ingredient Processing Assists Partner Projects

The Institute of Dairy Ingredient Processing pilot plant at SDSU continues to be actively involved in innovation, education, and application activities with MDFRC universities and industry members. Recent projects have included collaborating with members to research troubleshooting activities for filtration membranes, assessing the environmental impact of an enzyme-based cleaning solution, and assisting clients in manufacturing protein concentrates, infant formulas, and high-protein fermented dairy products.

Dairy Ambassador Program Shapes Industry Advocates

In another move toward shaping future dairy champions, Midwest Dairy announced the 2024 Nebraska Dairy Ambassadors. This group of 10 students will promote the dairy community and support Midwest Dairy's mission to give consumers an excellent dairy experience at a variety of activities throughout the year.

The 2024 dairy ambassadors were selected from multiple applications. These students have a passion for dairy, are enrolled as high school and post-secondary school students and possess strong communication abilities.

The following Nebraska students will represent the dairy industry in a variety of activities, including interacting with consumers at local and state-wide events, youth educational presentations, and attendance at dairy industry trainings and meetings. The Dairy Ambassador program also provides students with leadership opportunities to connect with consumers and share their dairy story while networking with their peers and industry professionals.

- **Jenna Albers** of Randolph, Nebraska, and attends the University of Nebraska-Lincoln
- **Clara Bates** of Lincoln, Nebraska, and attends the University of Nebraska-Lincoln
- **Allison Engelman** of Diller, Nebraska, and attends the University of Nebraska-Lincoln
- **Tessa Haahr** of Wynot, Nebraska, and attends Cedar Catholic High School
- **Kaitlyn Hanson** of Mead, Nebraska, and attends the University of Nebraska-Lincoln
- **Joslyn Hochstein** of Wynot, Nebraska, and attends Wynot High School
- **Brianna Klabenes** of Chambers, Nebraska, and attends Chambers Public School
- **Jenna Muntz** of Louisville, Nebraska, and attends Northeast Community College
- **Ava Noecker** of Hartington, Nebraska, and attends Cedar Catholic High School
- **Emily Rempel** of Beatrice, Nebraska, and attends the University of Nebraska-Lincoln

Upon the successful completion of the one-year program, ambassadors are eligible for up to a \$1,000 educational scholarship.

Board Leadership Steers Midwest Dairy Nebraska Division

The Nebraska Division Board of Midwest Dairy elected its 2024-2025 officers during the annual division meeting that was held on April 9, 2024. The following dairy farmers were elected: Joyce Racicky, Mason City, was elected chair; Mary Temme, Wayne was elected vice chair; and Jodi Cast, Beaver Crossing, was elected secretary/treasurer.

Racicky and Temme were elected to represent Nebraska on the Midwest Dairy Corporate Board.



Midwest Dairy 2024 Nebraska Dairy Ambassadors pose for a photo following the 2024 Nebraska Dairy Convention Annual Banquet on February 27 in West Point, Nebraska. BACK ROW LEFT to RIGHT: Brianna Klabenes, Kaitlyn Hanson, Joslyn Hochstein, Jenna Albers, Jenna Muntz. FRONT ROW LEFT TO RIGHT: Ava Noecker, Clara Bates, Emily Rempel, Allison Engelman, Tessa Haahr



Nebraska Division board officers for 2024-2025 are (left to right): Jodi Cast, Secretary/Treasurer; Mary Temme, Vice Chair; and Joyce Racicky, Chair.

Scholarships Encourage Education and Inspire Dairy Advocacy

Midwest Dairy Nebraska Division awarded \$5,000 in scholarships to six high school and college students for the 2024-2025 academic school year. Recipients were chosen based on past and present leadership involvement in their school, local community, and dairy community. On the application, recipients addressed what they see as the biggest challenge facing the dairy industry and how their future career plans address those challenges.

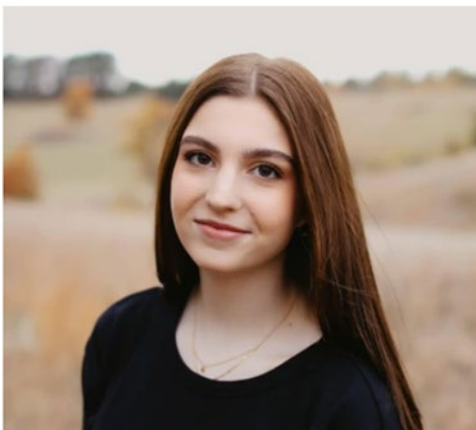
The educational scholarships are awarded to full-time college students whose family (parent/guardian/grandparent/sibling) owns a Nebraska dairy farm or those who are employed on a Nebraska dairy farm contributing to Midwest Dairy checkoff. These scholarships are part of the organization's continued commitment to invest in creating dairy advocates as well as developing the next generation of dairy leaders.

Congratulations goes to the following 2024 Nebraska Division Scholarship Award Recipients:

- **Kaitlyn Hanson**, of Mead, Nebraska, was awarded \$1,500 and is currently at the University of Nebraska-Lincoln, majoring in Animal Science and minoring in Agricultural Economics and Fisheries & Wildlife. Kaitlyn is the daughter of Jay and Jenna Hanson.
- **Allison Engelman**, of Diller, Nebraska, was awarded \$1,000 and is at the University of Nebraska-Lincoln, majoring in Agriculture Education. Allison is the daughter of Adam and Brooke Engelman.
- **Shan Sherwood**, of Lincoln, was awarded \$1,000 and is enrolled at the University of Nebraska-Lincoln, pursuing his master's degree in animal science. Shan is the son of Matt and Sheila Sherwood.
- **Makenna Held**, of Leigh, Nebraska, was awarded \$500 and is currently at the University of Nebraska-Lincoln, majoring in Business Management with a minor in accounting. Makenna is the daughter of Keal and Heather Held.
- **Brooke Hilgenkamp**, of Arlington, Nebraska, was awarded \$500 and is enrolled at Kansas State University, majoring in Animal Science and minoring in Spanish. Brooke's parents are Steve and Jen Hilgenkamp.
- **Halie Racicky**, of Mason City, was awarded \$500 and will be attending the University of Nebraska at Kearney, majoring in Early Childhood Education and minoring in Special Education. Halie is the daughter of Greg and Joyce Racicky.

Applications and requirements for the 2025 Midwest Dairy Nebraska Division Scholarships will be available December 1, 2024.

For more detailed information about the Midwest Dairy Nebraska Division Educational Scholarships, go to: <https://www.midwestdairy.com/young-dairy-leaders/dairy-scholarships/nebraska-scholarships/>



Kaitlyn Hanson of Mead, Nebraska



Allison Engelman of Diller, Nebraska



Shan Sherwood of Lincoln, Nebraska



Makenna Held of Leigh, Nebraska



Brooke Hilgenkamp of Arlington, Nebraska



Halie Racicky of Mason City, Nebraska

Midwest Dairy teams up with Discover Dairy to promote the Adopt A Cow program to students and schools across Nebraska.

In its fifth year, Midwest Dairy has seen success with the Discover Dairy Adopt A Cow program among elementary students. This program provides a free, year-long virtual experience where kids watch the growth of a calf and interact with a dairy farmer. Students learn first-hand about animal care, where nutritious dairy foods come from, and important lessons about dairy farming in general. We see success within this program because it fosters a better relationship with students and farmers by helping students connect where nutritious food, like cheese for pizza, comes from. The Adopt A Cow program follows Common CORE education standards and is interactive with classroom curriculum, farm tours, virtual chats, and more. This school year, Midwest Dairy has seven local dairy farmer hosts connecting with 110,482 students from the Midwest Dairy region.

Jodi Cast of JJC Jerseys near Beaver Crossing, Nebraska has served as a host for the Adopt A Cow program for the past three years. During the 2023-2024 school year, 9,366 Nebraska students were engaged with the Adopt A Cow program.





REPORT TO THE NEBRASKA DAIRY INDUSTRY DEVELOPMENT BOARD

Southwest Dairy Museum, Inc.

July 1, 2023 – June 30, 2024

In accordance with the provisions of the Nebraska Dairy Industry Development Act, one dairy producer in Nebraska has opted to send their 10-cent local dairy promotion assessment pursuant to the Dairy Promotion and Research Order to the Southwest Dairy Museum, Inc. With the funds from this Nebraska dairy producer, we have developed and implemented the following dairy education and promotion programs in the State of Nebraska.

— MOBILE DAIRY CLASSROOM

The Southwest Dairy Farmers Mobile Dairy Classroom is a traveling, fully operational milking parlor, featuring a live cow. Trained full time instructors demonstrate how cows are milked using the modern milking process and describe how milk goes from the farm to the consumer. In addition, they discuss the importance of dairy foods in a healthy diet, emphasize the modern environmental and food safety practices on the dairy farm, and answer questions about the dairy farm and milk products. With these presentations, we provide educational aids such as teachers guides and informational materials for students and consumers to reinforce healthy eating habits. With limited funding in the State of Nebraska, we are scheduling schools in southern Nebraska.

The Mobile Dairy Classroom had visits in the Beatrice area scheduled in November 2023 but were cancelled due to inclement weather. Those schools are in the process of scheduling a new time to receive a visit.



COUNTY FAIRS

Southwest Dairy Farmers attended the Madison County Fair in Norfolk, NE, July 10 – 14, 2023

Southwest Dairy Farmers performed live milking demonstrations for fairgoers.



YOGURT FOR YOUTH PROGRAM

Southwest Dairy Farmers assisted four schools in Furnas County, Nebraska by providing nutritious and delicious yogurt products to students as a school snack.

In a letter from a NE school food service director, she stated:

"While visiting with teachers and students who are currently receiving yogurt, everyone has only positive things to say about your generous donation. Students have expressed to me not only their thanks, but also share that they are not hungry all morning because they did not wake up in time to eat breakfast or did not want to eat what was being offered to them at home. Teachers have told me they believe students are more focused and are anxious to compare test scores at the end of the term. Again, I cannot thank you enough for what you are providing - not just the yogurt, but the opportunity for our students."



CHOCOLATE MILK GRANT PROGRAM

The "Team Up With Chocolate Milk" Grant program is available to high school sports teams in southern Nebraska to give up to \$2,500 towards the purchase of chocolate milk for the entire season! This gives athletes the ability to experience chocolate milk as the ultimate sports drink with the goal to continue using it for recovery. These grants are awarded to applicants for fall, winter, and spring sport seasons.

This grant provides banners for additional opportunities for promotion at the school, game venues and social media.



JILL CASTLE

Southwest Dairy Farmers are working closely with Jill Castle, child nutrition expert, author, and mom, to help educate consumers about the importance of a healthy diet and sensible eating practices. She is also an advocate for the benefits of wholesome milk and dairy. Using digital marketing practices, we help get Jill's engaging nutrition messages to consumers via short video vignettes on YouTube and informative white papers on our website.



DAIRY PROMOTION AND SOCIAL MEDIA

Southwest Dairy Farmers have launched efforts on various digital platforms providing the opportunity to reach some of the 265 million Internet users in the United States – all at the click of a mouse. From Google AdWords campaigns featuring banner ads and targeted social media efforts, digital advertising gives us the ability to strategically place (and track) specific dairy messages, recipes, and other consumer-interactive applications in our producers' markets.

Using Facebook, Instagram, Google, and YouTube we are promoting a variety of dairy recipes with our short and entertaining Dairylicious videos. We also produce and promote informative messages about the importance of dairy in the lives of children, featuring childhood nutrition expert, Jill Castle.



DAIRY RECIPE CALENDAR

Again in 2024, our popular recipe wall calendar continued to remind people to “Share the Tradition, Share the Nutrition.” These recipes are easy to make and feature a wide variety of dairy products. These recipes are not just delicious but also include the nutritional value of dairy products. They are the perfect way to begin, or continue, traditions built around good, healthy food with family and friends. These calendars provide handy, tear out recipe cards for your recipe files.

These recipes are easy to make and feature a wide variety of dairy products. The results are not just delicious but also include the nutritional value of dairy products.



Southwest Dairy Farmers is committed to local consumer-driven marketing, advertising, education and promotion of the dairy industry, as well as, the dairy producers' role in it.



**NEBRASKA DAIRY INDUSTRY DEVELOPMENT
BOARD**

**Dairy Industry
Development
Act**

DAIRY INDUSTRY DEVELOPMENT ACT

- Administration:** This Act is administered by the Nebraska Dairy Industry Development Act Board. The Department of Agriculture is involved with some of these sections.
- Adoption:** This act was last revised during the 2013 session of the Nebraska Legislature.
- Rules:** The Nebraska Department of Agriculture has no authority to promulgate regulations under this Act. The Dairy Industry Development Board, however; has promulgated a regulation under this Act, known as Title 484, Chapter 1 – Dairy Industry Development Board Regulations.

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2-3948. Act, how cited.

Sections 2-3948 to 2-3963 shall be known and may be cited as the Dairy Industry Development Act.

Source: Laws 1992, LB 275, § 1; Laws 2001, LB 194, § 1; Laws 2004, LB 836, § 1.

2-3949. Terms, defined.

For purposes of the Dairy Industry Development Act:

- (1) Board shall mean the Nebraska Dairy Industry Development Board;
- (2) Commercial use shall mean sale for retail consumption or sale for resale, for manufacture for resale, or for processing for resale;
- (3) First purchaser of milk shall mean a person who buys milk from a producer and resells to another person the milk or products manufactured or processed from the milk;
- (4) Milk shall mean any class of cow's milk produced in the State of Nebraska;
- (5) Milk production unit shall mean any producer licensed by the Department of Agriculture;
- (6) Producer shall mean any person engaged in the production of milk for commercial use;
- (7) Producer-processor shall mean a producer who processes and markets the producer's own milk; and
- (8) Qualified program shall mean any state or regional dairy product promotion, research, or nutrition education program which is certified pursuant to 7 C.F.R. 1150.153, as amended. Such program shall: (a) Conduct activities as defined in 7 C.F.R. 1150.114, 1150.115, and 1150.116 intended to increase consumption of milk and dairy products generally; (b) except for programs operated under the laws of the United States or any state, have been active and ongoing before November 29, 1983; (c) be financed primarily by producers, either individually or through cooperative associations; (d) not use any private brand or trade name in advertising and promotion of dairy products unless the National Dairy Promotion and Research Board established pursuant to 7 C.F.R. 1150.131 and the United States Secretary of Agriculture concur that such requirement should not apply; (e) certify to the United States Secretary of Agriculture that any request from a producer for a refund under the program will be honored by forwarding that portion of such refund equal to the amount of credit that otherwise would be applicable to the program pursuant to 7 C.F.R. 1150.152(c) to either the National Dairy Promotion and Research Board or a qualified program designated by the producer; and (f) not use program funds for the purpose of influencing governmental policy or action.

Source: Laws 1992, LB 275, § 2.

2-3950. Legislative findings.

The Legislature declares it to be in the public interest that producers in Nebraska be permitted and encouraged to maintain and expand domestic sales of milk and dairy products, develop new products and new markets, improve methods and practices relating to marketing or processing of milk and dairy products, and inform and educate consumers of sound nutritional principles including the role of milk in a balanced diet. It is the purpose of the Dairy Industry Development Act to provide the authorization and to prescribe the necessary procedures by which the dairy industry in Nebraska may finance programs to achieve the purposes expressed in this section. The Nebraska Dairy Industry Development Board shall be the agency of the State of Nebraska for such purpose.

Source: Laws 1992, LB 275, § 3.

2-3951. Nebraska Dairy Industry Development Board; created; members; qualifications.

The Nebraska Dairy Industry Development Board is hereby created. Members of the board shall (1) be residents of Nebraska, (2) be at least twenty-one years of age, (3) have been actually engaged in the production of milk in this state for at least five years, and (4) derive a substantial portion of their income from the production of milk in Nebraska. Board members shall be nominated and appointed as provided in sections 2-3951.01 to 2-3951.04.

Source: Laws 1992, LB 275, § 4; Laws 2004, LB 836, § 2; Laws 2013, LB70, § 1.

2-3951.01. Board members; appointment; terms; officers; expenses.

(1) Members of the board shall, as nearly as possible, be representative of all first purchasers of milk and individual producer-processors in the state and, to the extent practicable, result in equitable representation of the various interests of milk producers both in terms of the manner in which milk is marketed and geographic distribution of milk production units in the state.

(2) The terms of the members of the board shall be three years, except that the first term of the initial and additional members of the board shall be staggered so that one-third of the members are appointed each year. The number of years for the first term of new and additional members shall be determined by the Governor. Once duly appointed and qualified, no member's term shall be shortened or terminated by any subsequent certification by the Department of Agriculture of milk production units from which a first purchaser of milk purchases milk.

(3) The Director of Agriculture or his or her designee shall be an ex officio member of the board but shall have no vote in board matters.

(4) Members of the board shall elect from among the members a chairperson, a vice-chairperson, and such other officers as they deem necessary and appropriate.

(5) Members of the board shall be reimbursed for their actual and necessary expenses as provided in sections 81-1174 to 81-1177.

Source: Laws 2004, LB 836, § 3; Laws 2013, LB70, § 2.

2-3951.02. Board members; nomination and appointment.

(1) Members of the board shall be nominated and appointed as follows:

(a) Each first purchaser of milk which purchases milk from at least twenty-one milk producers may submit to the Governor the names of up to two nominees for each forty milk production units, or major portion thereof, from which the first purchaser purchases milk. The Governor shall appoint one member for each forty production units, or major portion thereof, from nominees submitted pursuant to this subdivision, except that if milk production units certified by the Department of Agriculture have decreased so that each board member appointed pursuant to this subdivision represents less than a major portion of forty production units, the Governor shall maintain representation of one member for each forty production units, or major portion thereof, by not filling a vacancy caused by a member's term expiring; and

(b) All other first purchasers of milk and individual producer-processors who are not included among milk production units claimed by a first purchaser of milk entitled to submit nominees under subdivision (1)(a) of this section shall be combined as a group for the purpose of submitting nominees, and each first purchaser and individual producer-processor of the group may nominate up to two nominees. The Governor shall appoint two members from nominees submitted pursuant to this subdivision.

(2) Whenever the number of members of the board as determined by subsection (1) of this section results in less than seven members, the Governor shall appoint a member or members from the state at large to maintain membership of the board at seven members. Whenever such appointment is required, the board shall call for and submit a list of two or more nominees for each additional member needed to the Governor, and the Governor shall appoint a member or members from the nominees submitted pursuant to this subsection.

(3) Nominations in the case of term expiration or new or at-large membership and for all other vacancies shall be provided according to the process prescribed in section 2-3951.04. The Governor may choose the members of the board from the nominees submitted or may reject all nominees. If the Governor rejects all nominees, names of nominees shall again be provided to the Governor until the appointment is filled.

Source: Laws 2004, LB 836, § 4; Laws 2013, LB70, § 3.

2-3951.03. Board members; vacancies.

(1) A vacancy on the board exists in the event of the death, incapacity, removal, or resignation of any member; when a member ceases to be a resident of Nebraska; when a member ceases to be a producer in Nebraska; or when the member's term expires. Members whose terms have expired shall continue to serve until their successors are appointed and qualified, except that if such a vacancy will not be filled, as determined by the Governor under section 2-3951.02, the member shall not serve after the expiration of his or her term.

(2) For purposes of filling vacancies on the board, the Governor shall appoint one member from up to two nominees submitted by the vacating member's nominator under section 2-3951.02. In the event of a vacancy, the board shall certify to the vacating member's nominator that such a vacancy exists and shall request nominations to fill the vacancy for the remainder of the unexpired term or for a new term, as the case may be.

Source: Laws 2004, LB 836, § 5; Laws 2013, LB70, § 4.

2-3951.04. Board members; nominations; notification; procedure.

(1) When nominations for board members are required, written notification shall be given to each producer represented or to be represented by such member, including an at-large member. The first purchaser or purchasers of milk shall notify each producer from whom the first purchaser buys milk that each producer may submit written nominations. If the group represented is a combination of first purchasers of milk and individual producer-processors or if the member is an at-large member, the individual producer-processors shall receive notification from the Department of Agriculture.

(2) Nominations shall be in writing and shall contain an acknowledgment and consent by the producer being nominated. The nomination shall be returned by the producer to the first purchaser of milk or to the department from whom the producer received notification within fifteen days after the receipt of the notification. For nominations to replace a member whose term is to expire or for a new member, the producers shall receive notification between August 1 and August 15 preceding the expiration of the term of the member or the beginning of the term of a new member. For all other vacancies, the producers shall receive notification within thirty days after the member vacates his or her position on the board or within thirty days after the board calls for an at-large member or members as provided in section 2-3951.02.

(3) The first purchasers of milk, the department, or the board shall submit nominations to the Governor by September 30, in the case of term expiration or new or at-large member, or forty-five days after the member vacates his or her position for all other vacancies. The Governor shall make the appointments within thirty days after receipt of the nominations.

(4) All nominees shall meet the qualifications provided in section 2-3951.

Source: Laws 2004, LB 836, § 6; Laws 2013, LB70, § 5.

2-3952. Repealed. Laws 2004, LB 836, § 8.

2-3952.01. Repealed. Laws 2004, LB 836, § 8.

2-3953. Repealed. Laws 2004, LB 836, § 8.

2-3954. Repealed. Laws 2004, LB 836, § 8.

2-3955. Board; meetings; minutes.

(1) The board shall meet at least once every six months at a time and place fixed by the board. Special meetings may be called by the chairperson and shall be called by the chairperson upon request of at least twenty-five percent of the members of the board. Written notice of the time and place of all meetings shall be mailed in advance to each member of the board. A majority of members of the board shall constitute a quorum for the transaction of business. The affirmative vote of a majority of all members of the board shall be necessary for the adoption of rules and regulations.

(2) The board shall at each regular meeting review all expenditures made since its last regular meeting.

(3) The board shall keep minutes of its meetings and other books and records which shall clearly reflect all of the acts and transactions of the board. Such records shall be open to examination during normal business hours.

Source: Laws 1992, LB 275, § 8.

2-3956. Board; administration; limitation on expenses.

The board may contract for the necessary office space, furniture, stationery, printing, and personnel services useful or necessary for the administration of the Dairy Industry Development Act. The total administrative costs and expenses of the board shall not exceed five percent of the annual assessments collected in accordance with section 2-3958.

Source: Laws 1992, LB 275, § 9.

2-3957. Board; powers and duties.

The board shall:

(1) Arrange or contract for administrative and audit services which are necessary for the proper operation of the Dairy Industry Development Act;

(2) Procure and evaluate data and information necessary for the appropriate distribution of funds collected;

- (3) Direct the distribution of funds collected;
- (4) Prepare and approve a yearly budget;
- (5) Adopt and promulgate rules and regulations to carry out the act;
- (6) Establish a means by which all producers are informed annually on board members, policy, expenditures, and programs for the preceding year;
- (7) Authorize the expenditure of funds to conduct activities provided for by the act;
- (8) Bond such persons as necessary to ensure adequate protection of funds;
- (9) Make refunds to other qualified programs in other states and disburse as directed by producers pursuant to subdivision (8)(e) of section 2-3949;
- (10) Require that all books and records which clearly reflect all the transactions of its funded qualified programs be made available for audit by the board;
- (11) Initiate appropriate enforcement of the act and the rules, regulations, and orders promulgated under the act;
- (12) Accept remittances or credits and apply for and accept advances, grants, contributions, and any other forms of assistance from the federal government, the state, or any public or private source for administering the act and execute contracts or agreements in connection therewith;
- (13) When necessary, appoint committees and advisory committees, the membership of which reflects the different funding regions of the United States and of the State of Nebraska in which milk is produced and delegate to such committees the authority reasonably necessary to administer the act under the direction of the board and within the policies determined by the board; and
- (14) Exercise all incidental powers useful or necessary to carry out the act.

Source: Laws 1992, LB 275, § 10.

2-3958. Mandatory assessment; board; duties.

- (1) There shall be paid to the board a mandatory assessment of ten cents per hundredweight on all milk produced in the State of Nebraska for commercial use.
- (2) The board may audit financial and other records of first purchasers of milk, producers, and their agents pertaining to the assessment provided for in this section and otherwise ensure compliance with the Dairy Industry Development Act.

(3) For purposes of the act, when milk is sold to an out-of-state purchaser, the sale shall be deemed to have occurred in Nebraska if the milk was otherwise produced within Nebraska immediately prior to such sale and such sale is the first purchase of the milk for commercial use.

(4) For purposes of the act, when milk is produced out-of-state but sold to a first purchaser of milk in Nebraska, the assessment provided for in this section may be assessed and retained in Nebraska only if the producer consents.

Source: Laws 1992, LB 275, § 11.

2-3959. Assessment; payment; procedures.

The assessment prescribed in section 2-3958 shall be paid by producers at the time of first sale or delivery of milk for commercial use and shall be collected by the first purchaser of milk except as provided in this section. The first purchaser of milk shall remit the assessment to the board when the first purchaser of milk issues the milk payroll to producers. When milk is sold by producers to nonresident first purchasers of milk, the nonresident first purchaser of milk shall remit the assessments to the board. Producer-processors shall remit the assessments to the board. All assessments shall be remitted to the board not later than the last day of the month following the month in which the milk was commercially used, and a report shall be filed by the person responsible for remitting the assessment at the time that the assessment is remitted. The board shall make proper refunds to producers pursuant to subdivision (8)(e) of section 2-3949 at least quarterly. The board shall promulgate rules and regulations concerning the payment, remittance, refunding, and reporting of assessments. All money collected by the board shall be remitted to the State Treasurer for credit to the Nebraska Dairy Industry Development Fund.

Source: Laws 1992, LB 275, § 12.

2-3960. Nebraska Dairy Industry Development Fund; created; use; investment.

The Nebraska Dairy Industry Development Fund is hereby created. Money in the fund shall be used for the administration of the Dairy Industry Development Act, including advertising and promotion, market research, nutrition and product research and development, and nutrition and educational programs. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Source: Laws 1992, LB 275, § 13; Laws 1994, LB 1066, § 7.

Cross References

- **Nebraska Capital Expansion Act**, see section 72-1269.
- **Nebraska State Funds Investment Act**, see section 72-1260.

2-3961. Use of funds; limitations.

The board shall not set up programs or agencies of its own but shall fund active, ongoing, qualified programs as stated in section 114 of the Dairy Production Stabilization Act of 1983, Public Law 98-180, as amended, and the regulations promulgated pursuant thereto. Funds may be used by qualified programs to jointly sponsor projects with any private or public organization to meet the objectives of the Dairy Industry Development Act.

Source: Laws 1992, LB 275, § 14.

2-3962. Board; report; contents.

The board shall prepare a report on or before October 1 of each year setting forth the income received from the assessments collected in accordance with section 2-3958 for the preceding fiscal year, and the report shall include:

- (1) The expenditure of funds by the board during the year for the administration of the Dairy Industry Development Act;
- (2) A brief description of all contracts requiring the expenditure of funds by the board;
- (3) The action taken by the board on all such contracts;
- (4) An explanation of all programs relating to the discovery, promotion, and development of markets and industries for the utilization of dairy products and the direct expense associated with each program;
- (5) The name and address of each member of the board; and
- (6) A brief description of the rules, regulations, and orders adopted and promulgated by the board.

The board shall submit the report electronically to the Clerk of the Legislature and shall make the report available to the public upon request.

Source: Laws 1992, LB 275, § 15; Laws 2013, LB222, § 1.

2-3963. Violations; penalties; unpaid assessment; late payment fee.

- (1) Any person violating any of the provisions of the Dairy Industry Development Act shall be guilty of a Class III misdemeanor.
- (2) Any unpaid assessment shall be increased one and one-half percent each month beginning with the day following the date such assessment was due. Any remaining amount due, including any unpaid charges previously made pursuant to this section, shall be increased at the same rate on the corresponding day of each succeeding month until paid.

(3) For purposes of this section, any assessment that was determined at a date later than prescribed by section 2-3959 because of the failure to submit a report to the board when due shall be considered to have been payable on the date it would have been due if the report had been timely filed. The timeliness of a payment to the board shall be based on the applicable postmarked date or the date actually received by the board, whichever is earlier. Any assessments and late payment fees may be recovered by action commenced by the board.

(4) The remedies provided in this section shall be in addition to and not exclusive of other remedies that may be available by law or in equity.

Source: Laws 1992, LB 275, § 16.

NEBRASKA ADMINISTRATIVE CODE

TITLE 484, NEBRASKA ADMINISTRATIVE CODE, CHAPTER 1

NEBRASKA DAIRY INDUSTRY DEVELOPMENT BOARD

DAIRY INDUSTRY DEVELOPMENT BOARD REGULATIONS

December, 2015

MAY 16 2016

NEBRASKA ADMINISTRATIVE CODE

TITLE 484 – NEBRASKA DAIRY INDUSTRY DEVELOPMENT BOARD

CHAPTER 1 - DAIRY INDUSTRY DEVELOPMENT BOARD REGULATIONS

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APPROVED

MAY 16 2016

Pete Ricketts
PETE RICKETTS
GOVERNOR



APPROVED
DOUGLAS J. PETERSON
ATTORNEY GENERAL

APR 25 2016

BY *Emily Rose*
ASSISTANT ATTORNEY GENERAL

NEBRASKA ADMINISTRATIVE CODE

TITLE 484 - NEBRASKA DAIRY INDUSTRY DEVELOPMENT BOARD

CHAPTER 1 - DAIRY INDUSTRY DEVELOPMENT BOARD REGULATIONS

001 Mandatory Assessments.

001.01 Payment. Payment of mandatory assessments shall be made to the Board as set forth in the Dairy Industry Development Act.

001.02 Remittance. The Board shall accept remittances or credits as set forth in the Act.

001.03 Reporting. The Board may audit records of first purchasers, producers and their agents pursuant to the Act.

002 Refunds.

002.01 Refund Request. Producers desiring the redirection of their mandatory checkoff assessment under Neb. Rev. Stat. §2-3958(1) shall make a refund request to the Nebraska Department of Agriculture, P.O. Box 94947, Lincoln, NE, 68509. Refund requests shall be received within sixty days of the date of assessment. A refund request shall contain the following:

002.01A Proof that an assessment has been deducted by a first purchaser, in the form of a copy of a settlement form or check stub, clearly indicating the nature, purpose and amount of the deducted assessment, and the date deducted.

002.01B A statement indicating whether the checkoff assessment is to be redirected to the National Dairy Board or a qualified program designated by the producer.

002.01C If the producer requests that the checkoff assessment be redirected to a qualified program, proof that such program is a "qualified program" as defined pursuant to Neb. Rev. Stat. §2-3949(8).

TITLE 484
CHAPTER 1

002.02 If a producer designates a qualified program in a redirection request rather than the National Dairy Board, the Board shall verify whether the producer's designee is a qualified program as set forth under Neb. Rev. Stat. §2-3949(8).

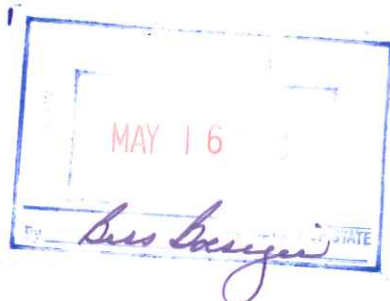
002.03 If the program designated by the producer is a qualified program under Neb. Rev. Stat. §2-3949(8), funding shall be disbursed after a contract is entered into between the Board and the qualified program.

003 Annotation. Neb. Rev. Stat. §§2-3948 to 2-3963.

APPROVED

MAY 16 2016

Pete Ricketts
PETE RICKETTS
GOVERNOR



APPROVED
DOUGLAS J. PETERSON
ATTORNEY GENERAL

APR 25 2016

BY *Emily Rose*
ASSISTANT ATTORNEY GENERAL

**NEBRASKA DAIRY INDUSTRY DEVELOPMENT
BOARD**

Contracts

NEBRASKA DEPARTMENT OF AGRICULTURE
FEE COLLECTION PROGRAM

ENFORCEMENT PROCEDURES

FOR COLLECTION OF FEES AS PROVIDED FOR
IN THE DAIRY INDUSTRY DEVELOPMENT ACT (SECTION 2-3948)

Requirement:

There shall be paid, to the Nebraska Dairy Industry Development Board, a mandatory assessment of ten cents (10¢) per hundredweight (cwt) on all milk produced in the state of Nebraska for commercial use. The assessment shall be paid by producers at the time of first sale or delivery of milk for commercial use and shall be collected by the first purchaser of milk. Producer/processors shall remit the assessments to the Board. The first purchaser shall maintain the necessary record of fees collected for each purchase of milk produced in the state of Nebraska. All assessments shall be remitted to the Board no later than the last day of month following the month in which the milk was commercially used, and a report shall be filed by the person responsible for remitting the assessment at the time the assessment is remitted.

Any request from a producer for a refund under the Program will be honored by forwarding that portion of such refund equal to the amount of credit, that otherwise would be applicable to the Program, to either the National Dairy Promotion and Research Board or a qualified program designated by the producer.

Definitions:

1. First purchaser of milk shall mean a person who buys milk from a producer and resells to another person the milk or products manufactured or processed from the milk.
2. Board shall mean the Nebraska Dairy Industry Development Board.
3. Commercial use shall mean sale for retail consumption or sale for resale, for manufacturing for resale, or for processing for resale.
4. Milk shall mean any class of cow's milk produced in the state of Nebraska.
5. Milk production units shall mean any producer licensed by the Department of Agriculture.
6. Producer shall mean any person engaged in the production of milk for commercial use.
7. Producer/processor shall mean a producer who processes and markets the producer's own milk.
8. Qualified program shall mean any state or regional dairy product promotion, research, or nutrition education program which is certified pursuant to 7 C.F.R. 1150.153.

Confidentiality:

Fee collection records shall be kept in the strictest confidence allowed by Nebraska law. To the extent allowable by law, only agency total data will be released.

Procedure for Determining First Purchaser:

When a party or board member gives a name of an individual or firm to the Nebraska Dairy Industry Development Board which they believe is a first purchaser of milk and not assessing the checkoff, the Fee Collection Program will take the following action:

1. A letter is written to the individual or firm in question advising that the mailing list is being updated and asking whether or not they are a first purchaser.
2. If they respond they are a first purchaser of milk, they will be set up on the mailing list to receive a monthly notification. A copy of the Statute will be mailed out to them.
3. If they respond they are not a first purchaser of milk, the Fee Collection Program will inform the Dairy Industry Development Board of the response.

4. Board action will determine enforcement action and enforcement steps desired to garner compliance. This may include a request for a special audit or request the State Attorney General Office to initiate legal proceedings in accordance with the law.

Procedure for Collecting the Assessment from First Purchasers:

1. Monthly Notification will be sent physically or electronically to those first purchasers on the mailing list.
2. Non-respondents will be sent a delinquent second notice notification with penalty due the first week following the month they were due.
 - If the form is received late (according to the postmark or email date), the firm will receive a letter for payment on the penalty.
 - If, after the due date, we haven't received the fee form, a letter notifying the firm of being delinquent and having the penalty due will be sent.
 - Penalty assessed shall be 1 ½% each month, beginning with the day following the date such assessment was due. Any remaining amount due, including any unpaid charges previously made pursuant to the act, shall be increased at the same rate on the corresponding day of each succeeding month until paid.
3. If no response, a third notice notification will be sent (for the appropriate situation in #2) the first week following the month in which the second notice was sent with the penalty added into the notification for each month delinquent. The notification will be jointly signed by the Chairman of the Board and Fee Collection Program.
4. If, after two weeks, there is no response after the third notice, a call will be made to the firm and a delinquent list will be sent to the Board. Legal enforcement of the Nebraska Dairy Industry Development Board statutory requirements will be the Board's responsibility.
5. Board action will determine enforcement action and enforcement steps desired to garner compliance. This may include a request for a special audit, or utilizing the State Attorney General's Office to initiate legal proceedings in accordance with the law.

Auditing Procedures:

Audit Authority:

Neb. Rev. Stat. §2-3958(2) R.R.S., 1997, states:

The Board may audit financial and other records of first purchasers of milk, producers, and their agents pertaining to the assessment provided for in this section and otherwise ensure compliance with the Dairy Industry Development Act.

Audit Scope:

Neb. Rev. Stat. §2-3958(1) R.R.S., 1997, states:

There shall be paid to the Board a mandatory assessment of ten cents (.10) per hundredweight on all milk produced in the State of Nebraska for commercial use.

The auditor will verify reports submitted to the Dairy Industry Development Board by examining records that may include, but are not limited to, the general ledger and its accounts, purchases journals or registers, check registers, producer accounts, and/or any other record or records which pertain to the assessment or compliance with the Act. The auditor will conduct one audit per fiscal year with no first purchaser being selected two years in a row.

A primary contact person will be noted for use in follow up for making future contact, and will be presented with the results of the audit. The standard audit form presented will serve as a notice of refund due in the case an overpayment, or as an invoice in the case of an underpayment. Payments are to be sent to the customary fee collection agency and not collected by the auditor. The audit results, less any proprietary information, will also be presented to the Board at its next regularly scheduled meeting.

The auditor conducts compliance reviews of first purchasers on a random sample basis. The audit covers a one-year review of the monthly forms that are received. Special audits may also be conducted at the specific request of the Board.

An internal review will be done on a semi annual basis to verify accuracy of the Dairy Industry Development Board fee form data. This review will include a comparison to data received from the National Dairy Promotion and Research Board. Total pounds of milk purchased from pooled and non-pooled sources are compared and a reconciliation is done. In addition, the Nebraska Department of Agriculture will verify Grade A milk purchased by an individual entity to data received by the Department of Agriculture Dairy Regulatory Division under the Nebraska Pasteurized Milk Law. A report of all findings will be discussed at each Nebraska Dairy Industry Development Board meeting. The Milk Market Administrator, not the Department of Agriculture, will be able to verify manufactured milk purchases made. These would be incorporated into first purchaser on-site audits conducted under agreement by the Department of Agriculture and the Board.

The Nebraska Dairy Industry Development Board contracts for fee collection, audit, and fiscal services with the Nebraska Department of Agriculture. The Memorandum of Agreement, entered into annually, details services performed by the Department of Agriculture for the Dairy Industry Development Board and the amount and method of reimbursing costs incurred.

AGREEMENT
between the
NEBRASKA DAIRY INDUSTRY DEVELOPMENT BOARD
and the
NEBRASKA DEPARTMENT OF AGRICULTURE
#18-01-176

This Agreement is entered into by and between the Nebraska Dairy Industry Development Board, (hereafter "Board,") and the Nebraska Department of Agriculture, (hereafter "Department").

PURPOSE: The purpose of this Agreement is that the Board desires the Department to assist the Board in performing fee collection, budget, accounting, and auditing services, and the Department is desirous of providing such assistance.

AUTHORITY: This Agreement is being entered into pursuant to the Dairy Industry Development Act, Neb. Rev. Stat. §§ 2-3948 to 2-3963 (hereafter "Act") and Neb. Rev. Stat. §§ 81-201.03 and 81-201.04 authorizing the Department to provide management services.

THEREFORE, in consideration of the covenants herein contained, it is agreed by and between the parties hereto as follows:

A. DESCRIPTION OF WORK

1. The Department agrees to assist the Board from **July 1, 2023, to June 30, 2024**, by providing the following services on a cost reimbursement basis, but such services shall not exceed nine thousand dollars and no cents (\$9,000.00) in value.

a. Fee Collection Services:

- (1) Distribution of monthly fee forms
- (2) Processing and return of forms
- (3) Follow-up on delinquent accounts in accordance with the agreed-upon enforcement procedures, attached as Attachment A and incorporated herein by this reference.
- (4) Process refunds as requests are made.

- (5) Update enforcement procedures as needed for Board approval.
 - (6) Maintain an updated mailing list of first purchasers.
 - (7) Maintain records in accordance with State record retention schedule.
 - b. Fiscal Services:
 - (1) Prepare and electronically submit Board approved budget.
 - (2) Perform accounting functions to enable the Board to operate as a State agency.
 - (3) Monitor fund investment.
 - (4) Deposit revenue into Nebraska Dairy Industry Development Cash Fund.
 - (5) Prepare revenue and expenditure documents.
 - (6) Review expenditures for compliance with State guidelines.
 - (7) Prepare a monthly summary of revenue and expenditure fiscal report.
 - (8) Maintain records in accordance with State record retention schedule and LB 429 of 2013 related to State contracts.
 - c. Auditing Services:
 - (1) Conduct field auditing of first purchaser accounts as authorized by Board action as set out in Attachment A.
 - (2) Internal auditing of revenue and expenditures for compliance.
 - d. Miscellaneous Services:
 - (1) Keep a Statewide inventory.
 - e. To provide the above services, the Department shall employ the necessary personnel and incur the necessary operating and travel expenditures. Each month a fiscal report shall be provided to the Board detailing the total budget, monthly expenditures, and fiscal year-to-date expenditures incurred, along with an Interagency Billing Transactions Document billing for the prior month's services performed.
2. The Department and the Board agree, that the Department will keep all producer and first purchaser fee collection data and audit

information confidential to the extent possible under the State of Nebraska Public Records Laws, Neb. Rev. Stat. §§ 84-712 to 84-712.09. Due to a limited number of first purchasers and/or processors, it is the Board's desire that records and information generated pursuant to this Agreement not create a proprietary advantage for a first purchaser of milk. The Department shall report total dollars deposited and/or refunded to the Board and the Board's administrative office, but not disclose to Board members, the administrator, or others individual milk first purchaser data. It is agreed the Department shall not be liable nor responsible for an agency or employee of the State of Nebraska not part of, or employed by, the Department or for any other individual not employed by the Department relative to the confidentiality of this paragraph. Any dispute relative to this shall be the responsibility of the Board to seek legal guidance from the State Attorney General.

B. ALLOWABLE COSTS and PAYMENTS

1. The Board shall provide a sum not to exceed nine thousand dollars and no cents (\$9,000.00) under this Agreement on a cost-reimbursement basis. If services in excess of \$9,000.00 are requested by the Board, this Agreement shall be amended in writing, if both parties agree to such amendment;
2. The Department shall bill the Board monthly. Final billing shall be received no later than July 15, 2024;
3. Payment for services under this Agreement is contingent upon the receipt of sufficient funding pursuant to the Act;
4. The Department agrees that funds provided under this Agreement shall be used only for the project and purpose enumerated herein; and
5. Any funds paid to the Department under this Agreement and not fully utilized and earned pursuant to this Agreement during the Agreement period shall be returned to the Board.

C. AGREEMENT PERIOD:

The term of this Agreement is from **July 1, 2023, to June 30, 2024**, unless sooner terminated or completed as provided for in Section D, except that the provisions for the final billing and the final payment shall remain in effect beyond the term of the Agreement.

D. AGREEMENT PROVISIONS

1. Termination: This Agreement may be terminated, at any time, upon mutual written consent of the parties, or by either party, with or without cause, upon thirty (30) days written notice to the other party. In the event of termination, the Board shall pay the Department for the cost of services provided up to the date of termination.
2. Complete Understanding: This Agreement incorporates the complete understanding of the parties. Any modification of the Agreement shall be in writing and executed by each party to be valid.
3. Relationship of Parties: It is understood by both the Department and the Board that neither is an employee of the other party and that neither party assumes any responsibility beyond those specifically stated in this Agreement.
4. Assignable: This Agreement is not assignable without the express written approval of the Board.
5. Governing Law: This Agreement shall be governed in all respects by the laws and statutes of the State of Nebraska. Any legal proceedings against the Department or Board regarding this Agreement shall be brought in the State of Nebraska administrative or judicial forums as defined by Nebraska State law.
6. Indemnification: To the extent allowable by Nebraska State Law, the Board and the Department, agree each party is responsible for its own costs, and shall indemnify the other party for such costs, arising from any and all claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and expenses of every nature, including investigation costs and expenses, settlement costs, and attorney fees and expenses, arising out of, resulting from, or attributable to the willful misconduct, negligence, error, or omission of its own employees, subcontractors, consultants, representatives, and agents. The obligation to indemnify shall survive the expiration or termination of this Agreement.
7. Authority to Enter Agreement: The Board and the Department warrant that the individual signing this Agreement has the legal power, right, and authority to enter into this Agreement and to bind itself accordingly.

8. Severability: If any term or condition of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this Agreement did not contain the particular provision held to be invalid.
9. Penalty for Breach: In the event that either party fails to perform as specified under this Agreement, the party failing to perform shall pay any additional costs resulting from the failure to perform.

E. RECORDS AND WORK PRODUCT PROVISIONS

1. Records Available: The books of account, files, and other records which are applicable to this Agreement shall be made available in the State of Nebraska for inspection, review, copying, and audit by the other party and its representatives to determine the proper application and use of all funds used pursuant to the Agreement. All records involving transactions related to this Agreement are to be maintained for a period of five (5) years from the date the term of this Agreement begins or as long as is required by Nebraska law. If any litigation or audit is begun, or a claim is instituted involving the Agreement, records shall be retained beyond the five (5) year period until litigation, audit findings, or claim has been fully resolved.
2. Auditing Standard: The Board, under the Office of Management and Budget's Uniform Guidance, will utilize a risk-based approach to review federal and state contract dollars expended to subrecipients. This may include the Department providing recent audit reports to evaluate prior audit experiences and audit findings; Board review of subrecipient control environment; and the Department providing copies of invoices detailing how the funds were expended.

F. COMPLIANCE PROVISIONS

1. Nondiscrimination:
 - a. The Department and the Board, and any and all subcontractors, agree to comply with all applicable local, state, and federal statutes and regulations regarding civil rights laws and equal opportunity employment. The Nebraska Fair Employment Practice Act, Neb. Rev. Stat. §§48-1101 to 48-1125, prohibits contractors of the State of Nebraska, and their subcontractors, from discriminating

against any employee or applicant for employment, with respect to hire, tenure, terms, conditions, compensations, or privileges of employment because of race, color, religion, sex, disability, marital status, or national origin. Both parties guarantee compliance with the Nebraska Fair Employment Practice Act, and breach of this provision shall be regarded as a material breach of this Agreement.

2. ADA Compliance: All provisions under this Agreement are subject to the Americans with Disabilities Act.
3. Worker's Compensation: The Department and the Board, and any and all subcontractors agree to guarantee payment of compensation to injured workers according to the Nebraska Worker's Compensation Act.
4. Drug Free: The Department and the Board, and any and all subcontractors agree to have in force during the Agreement period, and available for inspection, a policy regarding a drug-free workplace. The policy shall contain:
 - a. A statement notifying employees that the unlawful manufacture, distribution, possession, or use of a controlled substance is prohibited in the workplace;
 - b. The specific actions that will be taken against employees for violating the policy; and
 - c. A requirement that each employee receive a copy of the policy.
5. Immigration Verification:
 - a. The Department and any and all subcontractors shall use a federal immigration verification system to determine the work eligibility status of new employees physically performing services within the State of Nebraska. A federal immigration verification system means the electronics verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of newly hired employees.

- b. If the Department uses a subcontractor who is an individual or sole proprietorship, the Department agrees to require the subcontractor to complete the United States Citizenship Attestation Form available in the DAS website at <http://das.nebraska.gov/materiel/purchasing.html/>. If the subcontractor indicates on such attestation from that he or she is a qualified alien, the subcontractor shall provide to the Department the U.S. Citizenship and Immigration Service documentation required to verify the subcontractor's lawful presence in the United States using the Systematic Alien Verification for Entitlements (SAVE) Program.

IN WITNESS WHEREOF, the parties execute this Agreement.

Date

6/7/2023

Kent Pulfer, Chairman
Nebraska Dairy Industry Development Board

Date

6-13-2023

For

Sherry Vinton, Director
Department of Agriculture

Attachment A

NEBRASKA DEPARTMENT OF AGRICULTURE
FEE COLLECTION PROGRAM

ENFORCEMENT PROCEDURES

FOR COLLECTION OF FEES AS PROVIDED FOR
IN THE DAIRY INDUSTRY DEVELOPMENT ACT (SECTION 2-3948)

Requirement:

There shall be paid, to the Nebraska Dairy Industry Development Board, a mandatory assessment of ten cents (10¢) per hundredweight (cwt) on all milk produced in the state of Nebraska for commercial use. The assessment shall be paid by producers at the time of first sale or delivery of milk for commercial use and shall be collected by the first purchaser of milk. Producer/processors shall remit the assessments to the Board. The first purchaser shall maintain the necessary record of fees collected for each purchase of milk produced in the state of Nebraska. All assessments shall be remitted to the Board no later than the last day of month following the month in which the milk was commercially used, and a report shall be filed by the person responsible for remitting the assessment at the time the assessment is remitted.

Any request from a producer for a refund under the Program will be honored by forwarding that portion of such refund equal to the amount of credit, that otherwise would be applicable to the Program, to either the National Dairy Promotion and Research Board or a qualified program designated by the producer.

Definitions:

1. First purchaser of milk shall mean a person who buys milk from a producer and resells to another person the milk or products manufactured or processed from the milk.
2. Board shall mean the Nebraska Dairy Industry Development Board.
3. Commercial use shall mean sale for retail consumption or sale for resale, for manufacturing for resale, or for processing for resale.
4. Milk shall mean any class of cow's milk produced in the state of Nebraska.
5. Milk production units shall mean any producer licensed by the Department of Agriculture.
6. Producer shall mean any person engaged in the production of milk for commercial use.
7. Producer/processor shall mean a producer who processes and markets the producer's own milk.
8. Qualified program shall mean any state or regional dairy product promotion, research, or nutrition education program which is certified pursuant to 7 C.F.R. 1150.153.

Confidentiality:

Fee collection records shall be kept in the strictest confidence allowed by Nebraska law. To the extent allowable by law, only agency total data will be released.

Procedure for Determining First Purchaser:

When a party or board member gives a name of an individual or firm to the Nebraska Dairy Industry Development Board which they believe is a first purchaser of milk and not assessing the checkoff, the Fee Collection Program will take the following action:

1. A letter is written to the individual or firm in question advising that the mailing list is being updated and asking whether or not they are a first purchaser.
2. If they respond they are a first purchaser of milk, they will be set up on the mailing list to receive a monthly notification. A copy of the Statute will be mailed out to them.
3. If they respond they are not a first purchaser of milk, the Fee Collection Program will inform the Dairy Industry Development Board of the response.

4. Board action will determine enforcement action and enforcement steps desired to garner compliance. This may include a request for a special audit or request the State Attorney General Office to initiate legal proceedings in accordance with the law.

Procedure for Collecting the Assessment from First Purchasers:

1. Monthly Notification will be sent physically or electronically to those first purchasers on the mailing list.
2. Non-respondents will be sent a delinquent second notice notification with penalty due the first week following the month they were due.
 - If the form is received late (according to the postmark or email date), the firm will receive a letter for payment on the penalty.
 - If, after the due date, we haven't received the fee form, a letter notifying the firm of being delinquent and having the penalty due will be sent.
 - Penalty assessed shall be 1 ½% each month, beginning with the day following the date such assessment was due. Any remaining amount due, including any unpaid charges previously made pursuant to the act, shall be increased at the same rate on the corresponding day of each succeeding month until paid.
3. If no response, a third notice notification will be sent (for the appropriate situation in #2) the first week following the month in which the second notice was sent with the penalty added into the notification for each month delinquent. The notification will be jointly signed by the Chairman of the Board and Fee Collection Program.
4. If, after two weeks, there is no response after the third notice, a call will be made to the firm and a delinquent list will be sent to the Board. Legal enforcement of the Nebraska Dairy Industry Development Board statutory requirements will be the Board's responsibility.
5. Board action will determine enforcement action and enforcement steps desired to garner compliance. This may include a request for a special audit, or utilizing the State Attorney General's Office to initiate legal proceedings in accordance with the law.

Auditing Procedures:

Audit Authority:

Neb. Rev. Stat. §2-3958(2) R.R.S., 1997, states:

The Board may audit financial and other records of first purchasers of milk, producers, and their agents pertaining to the assessment provided for in this section and otherwise ensure compliance with the Dairy Industry Development Act.

Audit Scope:

Neb. Rev. Stat. §2-3958(1) R.R.S., 1997, states:

There shall be paid to the Board a mandatory assessment of ten cents (.10) per hundredweight on all milk produced in the State of Nebraska for commercial use.

The auditor will verify reports submitted to the Dairy Industry Development Board by examining records that may include, but are not limited to, the general ledger and its accounts, purchases journals or registers, check registers, producer accounts, and/or any other record or records which pertain to the assessment or compliance with the Act. The auditor will conduct one audit per fiscal year with no first purchaser being selected two years in a row.

A primary contact person will be noted for use in follow up for making future contact, and will be presented with the results of the audit. The standard audit form presented will serve as a notice of refund due in the case an overpayment, or as an invoice in the case of an underpayment. Payments are to be sent to the customary fee collection agency and not collected by the auditor. The audit results, less any proprietary information, will also be presented to the Board at its next regularly scheduled meeting.

The auditor conducts compliance reviews of first purchasers on a random sample basis. The audit covers a one-year review of the monthly forms that are received. Special audits may also be conducted at the specific request of the Board.

An internal review will be done on a semi annual basis to verify accuracy of the Dairy Industry Development Board fee form data. This review will include a comparison to data received from the National Dairy Promotion and Research Board. Total pounds of milk purchased from pooled and non-pooled sources are compared and a reconciliation is done. In addition, the Nebraska Department of Agriculture will verify Grade A milk purchased by an individual entity to data received by the Department of Agriculture Dairy Regulatory Division under the Nebraska Pasteurized Milk Law. A report of all findings will be discussed at each Nebraska Dairy Industry Development Board meeting. The Milk Market Administrator, not the Department of Agriculture, will be able to verify manufactured milk purchases made. These would be incorporated into first purchaser on-site audits conducted under agreement by the Department of Agriculture and the Board.

The Nebraska Dairy Industry Development Board contracts for fee collection, audit, and fiscal services with the Nebraska Department of Agriculture. The Memorandum of Agreement, entered into annually, details services performed by the Department of Agriculture for the Dairy Industry Development Board and the amount and method of reimbursing costs incurred.

AGREEMENT

between

THE NEBRASKA DAIRY INDUSTRY DEVELOPMENT BOARD
and
MIDWEST DAIRY ASSOCIATION

This Agreement is made and entered into this 1st day of July, 2023, by and between Midwest Dairy Association, herein called "Midwest Dairy," and the Nebraska Dairy Industry Development Board, herein called "Board."

WHEREAS, the Legislature of the State of Nebraska has enacted the Dairy Industry Development Act (Neb. Rev. Stat. § 2-3948 *et seq.*), which, by this reference, is hereby incorporated into this Agreement;

WHEREAS, the purpose of the Act is to maintain and expand domestic sales of milk and dairy products, develop new products and new markets, improve methods and practices relating to marketing or processing of milk and dairy products, and inform and educate consumers of sound nutritional principles including the role of dairy products in a balanced and healthful diet;

WHEREAS, Neb. Rev. Stat. § 2-3950 of the Act designates the Board as the agency of the State of Nebraska responsible for carrying out the purposes of the Act;

WHEREAS, Neb. Rev. Stat. § 2-3961 of the Act authorizes the Board to jointly sponsor projects with any private or public organization that is a qualified program (any state or regional dairy product promotion, research, or nutrition education program which is certified pursuant to 7 C.F.R. § 1150.153 as amended) to meet the objectives of the Act;

WHEREAS, the purposes of the Act will be effectively and meaningfully carried out if the Board cooperates with Midwest Dairy in carrying out said purposes; and

WHEREAS, both parties hereto desire to enter into this Agreement in order to carry out the purposes of the Act.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed by and between the parties that:

1. Midwest Dairy hereby certifies that it is a "qualified program" within the meaning of Neb. Rev. Stat. § 2-3949.
2. The term of the Agreement shall be from July 1, 2023, through June 30, 2024.
3. The relationship of the Board and Midwest Dairy under this Agreement shall be that of principal and independent contractor. It is understood by both the Board and Midwest Dairy that Midwest Dairy is not an employee or agent of the Board and it is understood that the Board assumes no responsibility beyond those specifically stated in this Agreement.

4. Midwest Dairy shall provide the following Administrative Services that will include but are not limited to:

- Coordinate meeting notices, records, and agenda with the Nebraska Department of Agriculture.
- Provide minutes, information reports, and follow-up reports as requested by the Board and required by law.
- Advance Board-approved expenses to the State for payment in accordance with the requirements of the Nebraska Department of Administrative Services ("DAS") and other applicable laws.
- Obtain stationery and letterhead for the Board as needed and in accordance with DAS requirements and other applicable laws.
- Maintain and update the roster of the Board.
- Correspond with first purchasers with regard to nominations and appointments to the Board and the operative dates.
- Follow-up with the Governor's office on appointments to the Board.
- Remind first purchasers if a vacancy exists on the Board.
- Assist the Nebraska Attorney General's office as needed with relation to Dairy Board contracts.
- Obtain certified audits and proof of bonding from qualified programs contracted to the Board and forward to the Department of Agriculture to review for compliance.
- Develop and publish an annual report on or before October 1 of each year, setting forth the income received from the assessments collected in accordance with Neb. Rev. Stat. § 2-3958, for the preceding fiscal year and the report shall include:
 - (1) The expenditure of funds by the Board during the year for the administration of the Dairy Industry Development Act;
 - (2) A brief description of all contracts requiring the expenditure of funds by the Board;
 - (3) The action taken by the Board on all such contracts;
 - (4) An explanation of all programs relating to the discovery, promotion, and development of markets and industries for the utilization of dairy products and the direct expense associated with each program;

- (5) The name and address of each member of the Board; and a brief description of the rules, regulations, and orders adopted and promulgated by the Board.
 - (6) Such report shall be reviewed by the Board Chair prior to filing and shall be available to the public upon request.
5. In consideration of satisfactory and good faith performance of the Administrative Services described in Paragraph 4 by Midwest Dairy, the Board agrees to:
 - 1) Reimburse Midwest Dairy monthly an administrative fee in association with the redirection of checkoff dollars by a producer to a qualified program other than Midwest Dairy. This administrative fee shall be one percent (1.0%) of the revenue collected from producers who choose this redirection option. Payment of the administrative fee by the Board shall be made provided that sufficient funds, as budgeted under Neb. Rev. Stat. § 2-3960, are generated and legislative appropriation is made.
 - 2) The administrative fee shall be used to fund the Administrative Services provided by Midwest Dairy as described in Paragraph 4 of this Agreement.
 - 3) The amount of the administrative fee will be included in the monthly contractual payment of the unexpended fund balance as described in Paragraph 8 of this Agreement.
6. Midwest Dairy shall provide the Board a summary evaluation report within thirty (30) days after the end of the contract period, including a summarization of revenue received and a general categorization by type of expenditure, expenditures made.
7. In addition to the Administrative Services provided under Paragraph 4 above, Midwest Dairy shall provide the following services:

Implementation of the relevant Nebraska components of Dairy Management, Inc.'s national Unified Marketing Plan and Midwest Dairy's Strategic Plan::

1. Outcomes Total dairy sales outpace U.S. production
2. Consumer attitudes increase across:
 - a. dairy as a source of nourishment
 - b. dairy as environmental solution
3. Customers and influencers assert dairy's role in nutrition & environmental progress

How are Outcomes achieved:

1. Sustainability
2. Innovation
3. Reputation
4. Exports

Midwest Dairy Strategic Plan:

1. Increase Dairy Sales
 2. Grow Trust in Dairy
 3. Advance Dairy Research
 4. Create Dairy Checkoff Advocates
 5. Develop Farm & Community Leaders
 6. Enhance Midwest Dairy Employee Culture
- Dairy Product Research
 - Coordination of Research through National Research Plan/Midwest Dairy Foods Research Center/University of Nebraska
 - Administration necessary to conduct the above programs including accounting tracking and reporting to meet Dairy Management, Inc.'s Unified Marketing Plan requirements.
8. In consideration of satisfactory and good faith performance of the services described in Paragraph 7 by Midwest Dairy, the Board agrees to make monthly contractual payments in an amount equal to the unexpended fund balance of the Nebraska Dairy Industry Development Fund as reflected on the Nebraska Information System ("NIS") on the fifth working day each calendar month after Board, administrative, fee collection, accounting, and auditing expenses are calculated. This dollar amount shall be based upon the State's official NIS accounting system. The Board agrees to make payment provided sufficient funds, as budgeted under Neb. Rev. Stat. § 2-3960, are generated and legislative appropriation is made.
9. Midwest Dairy shall provide a final report within sixty (60) days after the completion of this Agreement. The Final Report shall include a description of activities undertaken a full accounting of all money spent under this agreement, and include materials produced under this Agreement.
- Midwest Dairy shall also prepare and submit a full accounting of all expenditures before each meeting of the Board so that expenditures can be reviewed in accordance with Neb. Rev. Stat. § 2-3955.
10. Midwest Dairy shall provide a copy of its annual report covering Midwest Dairy's prior fiscal year to the Board during the June board meeting.
11. Midwest Dairy shall:
- a. Not discriminate against recipients of services on the basis of race, color, religion, national origin, sex, disability or age; and
 - b. Not discriminate against any employee or applicant for employment on the basis of race, color, religion, national origin, sex or any other qualified disability. It is further understood that, if Midwest Dairy is in violation of this clause, it shall be barred forthwith from receiving further funds unless a satisfactory showing is made that discriminatory practices have terminated and that a recurrence of such act or action is unlikely.

- c. Have in force during the Agreement period, and available for inspection, a policy regarding a drug-free workplace. The policy shall contain:
 - (1) A statement notifying employees that the unlawful manufacture, distribution, possession, or use of a controlled substance is prohibited in Midwest Dairy's workplace;
 - (2) The actions that will be taken against employees for violating the policy; and
 - (3) The requirement that each employee receive a copy of the policy.
- 12. Midwest Dairy shall indemnify and hold harmless the Board from any and all claims and liabilities, including costs and legal fees that may arise out of or on account of any failure on the part of Midwest Dairy to perform such duties for the Board as herein specified. This obligation shall survive the expiration or termination of this Agreement.
- 13. The provisions of this Agreement may be amended by mutual agreement of the parties hereto in writing, at any time.
- 14. This Agreement may be terminated by either party hereto at any time by ninety (90) day advance written notice to the other party. In the event of an actual or anticipated material breach of this Agreement, the Board may terminate this Agreement immediately. If the Agreement is terminated, Midwest Dairy shall not incur any additional obligations and shall repay unobligated funds in accordance with Paragraph 18, below.
- 15. This Agreement is not assignable without the express written approval of the Board.
- 16. Midwest Dairy agrees that the books of account, files, and other records of Midwest Dairy which are applicable to this Agreement shall, at all times, be available for inspection, review, and audit by the Board or its contract representatives to determine the proper application and use of all funds paid to or for the account or benefit of the Board or as otherwise required by the laws of the State of Nebraska.
- 17. Furthermore, Midwest Dairy agrees to maintain all books, documents, papers, or any other records involving transactions related to this Agreement for a period of five (5) years or as otherwise required by the laws of the State of Nebraska. If any litigation or audit is begun or a claim is instituted involving the Agreement, Midwest Dairy shall retain the records beyond the five (5) year period until litigation, audit findings, or claim has been fully resolved, and the Board has agreed that such records do not need to be retained.
- 18. Any funds paid to Midwest Dairy under this Agreement, and not fully utilized pursuant to the terms of this Agreement during the Agreement period or prior to termination shall be returned to the Board, unless otherwise agreed in writing by the parties. Furthermore, if Midwest Dairy fails to perform as outlined herein, Midwest Dairy may be required to repay funds received not utilized under this Agreement.

19. The funds expended pursuant to this Agreement shall be spent only on Midwest Dairy's performance pursuant to this Agreement and for no other purpose.
20. Midwest Dairy shall procure a policy or policies of insurance from an insurance company licensed to write such insurance in the state which policy or policies of insurance shall guarantee payment of compensation to injured workers according to the Nebraska Workers Compensation Act if an employee of Midwest Dairy is subject to the Nebraska Workers Compensation Act.
21. All provisions of this Agreement are subject to the Americans with Disabilities Act.
22. Midwest Dairy is required and hereby agrees to use a federal immigration verification system to determine the work eligibility status of new employees physically performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of a newly hired employee.
23. This Agreement shall be governed in all respects by the laws and statutes of the State of Nebraska. Any legal proceedings regarding this Agreement shall be brought in the State of Nebraska administrative or judicial forums as defined by Nebraska State law.

IN WITNESS WHEREOF, the parties hereto do execute this Agreement.

MIDWEST DAIRY ASSOCIATION
Federal ID Number, 41-0433125

6/12/2023
Date

Molly Pelzer
Molly Pelzer, CEO

NEBRASKA DAIRY INDUSTRY
DEVELOPMENT BOARD

6/7/2023
Date

Kent Pulfer
Kent Pulfer, Chairman

AGREEMENT

Between

THE NEBRASKA DAIRY INDUSTRY DEVELOPMENT BOARD

And

SOUTHWEST DAIRY MUSEUM, INC

This Agreement is made and entered into this 1st day of July 2023, by and between Southwest Dairy Museum, Inc., herein called "Southwest," and the Nebraska Dairy Industry Development Board, herein called "Board."

WHEREAS, the Legislature of the State of Nebraska has enacted the Dairy Industry Development Act, (Neb. Rev. Stat. § 2-3948, *et seq.*), which, by this reference, is hereby incorporated into this Agreement;

WHEREAS, the purpose of the Act is to maintain and expand domestic sales of milk and dairy products, develop new products and new markets, improve methods and practices relating to marketing or processing of milk and dairy products, and inform and educate consumers of sound nutritional principles including the role of dairy products in a balanced and healthful diet;

WHEREAS, pursuant to Neb. Rev. Stat. § 2-3949(8)(e), the Board has received a request from a producer that his promotion check-off funds be remitted to Southwest;

WHEREAS, Neb. Rev. Stat. § 2-3950 of the Act designates the Board as the agency of the State of Nebraska responsible for carrying out the purposes of the Act;

WHEREAS, Neb. Rev. Stat. §§ 2-3949(8)(e) and 2-3959 of the Act require that the Board transfer the funding of producers who request to have their promotion check-off dollars directed to a Qualified Program certified pursuant to 7 C.F.R. 1150.153;

WHEREAS, the purposes of the Act will be effectively and meaningfully carried out if the Board cooperates with Southwest in carrying out said purposes; and

WHEREAS, both parties hereto desire to enter into this Agreement in order to carry out the purposes of the Act.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed by and between the parties hereto that:

1. The term of the Agreement shall be from July 1, 2023, through June 30, 2024.
2. It is understood by both the Board and Southwest that Southwest is not an employee or agent of the Board, and it is understood that neither the Board nor Southwest assumes any responsibility beyond those specifically stated in this Agreement.
3. Southwest shall provide the following services:
 - a. Promotional and educational services that further the purpose of the Act, which may include, but not necessarily be limited to:
 - i. Mobile Dairy Classroom presentations, primarily in the southern tier of counties in Nebraska.
 - ii. Provided adequate funding is available, and it is mutually agreed by both parties, Mobile Dairy Classroom presentations in other designated areas of Nebraska.
 - iii. Subject to Board approval, other dairy educational and promotional programs in schools, fairs, and community events, provided adequate funding is available
4. Southwest shall submit to the Board documentation that they are a USDA-qualified program within thirty (30) calendar days upon execution of the Agreement.
5. In consideration of satisfactory and good faith performance hereunder by Southwest, the Board agrees to make monthly payments in an amount equal to producer requests to have their promotion check-off dollars directed to Southwest as reflected on the State's official Nebraska Information System (NIS) accounting system on the fifth working day of each calendar month less a 1% administrative fee. The Board agrees to make payment to Southwest provided that the appropriation is authorized by the Legislature, check off dollars were received from the Producer, and that Southwest continues to maintain its status as a Qualified Program.
6. Southwest shall provide a summary evaluation report within thirty (30) days after the end of the contract period, which includes a summary of revenue received and a general categorization by type of expenditure, expenditures made and a summary of all activities undertaken, including all materials produced under this Agreement.


Southwest shall also provide an accounting of all expenditures prior to each regular meeting of the Board to allow for review as required by Neb. Rev. Stat. § 2-3955.

7. Southwest shall:
- a. Not discriminate against recipients of services on the basis of race, color, religion, national origin, sex, disability or age; and
 - b. Not discriminate against any employee or applicant for employment on the basis of race, color, religion, national origin, sex or any other qualified disability. It is further understood that, if Southwest is in violation of this clause, it shall be barred forthwith from receiving further funds unless a satisfactory showing is made that discriminatory practices have terminated and that a recurrence of such act or action is unlikely.
 - c. Have in force during the Agreement period, and available for inspection, a policy regarding a drug-free workplace. The policy shall contain:
 - (1) A statement notifying employees that the unlawful manufacture, distribution, possession, or use of a controlled substance is prohibited in Southwest's workplace;
 - (2) The actions that will be taken against employees for violating the policy; and
 - (3) The requirement that each employee receive a copy of the policy.
8. Southwest shall indemnify and hold harmless the Board from any and all claims and liabilities, including costs and legal fees that may arise out of or on account of any failure on the part of Southwest to perform such duties for the Board as herein specified. Southwest's obligation to indemnify the Board shall survive the expiration or termination of this Agreement. Such indemnification and assumption of liability found in this section is limited to the extent provided for by law.
9. The provisions of this Agreement may be amended by mutual agreement to the parties hereto in writing, at any time.
10. This Agreement may be terminated by either party hereto at any time by ninety (90) day advance written notice to the other party. Termination of the Agreement does not extinguish the Board's obligation under Neb. Rev. Stat. §§ 2-3949(8)(e) and 2- 3959 of the Act to transfer the funding of producers who request to have their promotion check-off dollars directed to a Qualified Program certified pursuant to 7 C.F.R. 1150.153.
11. This Agreement is not assignable without the express written approval of the Board.

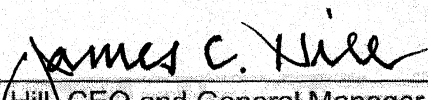
12. Southwest agrees to maintain all books, documents, papers, or any other records involving transactions related to this Agreement for a period of five (5) years or as otherwise required by law. If any litigation or audit is begun or a claim is instituted involving the Agreement, Southwest shall retain the records beyond the five (5) year period until litigation, audit findings, or claim has been fully resolved, and the Board has agreed that such records do not need to be retained.
13. The funds transferred to Southwest under this Agreement shall be utilized only for the purposes as set forth in Paragraph 3 of this Agreement and for no other purpose.
14. Southwest shall procure a policy or policies of insurance from an insurance company licensed to write such insurance in the state which policy or policies of insurance shall guarantee payment of compensation to injured workers according to the Nebraska Workers Compensation Act if an employee of Southwest is subject to the Nebraska Workers Compensation Act.
15. All provisions of this Agreement are subject to the Americans with Disabilities Act.
16. Southwest is required and hereby agrees to use a federal immigration verification system to determine the work eligibility status of new employees physically performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of a newly hired employee.
17. If any term or condition of this agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this Agreement did not contain the particular provision held to be invalid.
18. This agreement shall be governed in all respects by the laws and statutes of the State of Nebraska. Any legal proceedings against the Board regarding this Agreement shall be brought in the State of Nebraska administrative or judicial forums as defined by Nebraska State law.

IN WITNESS WHEREOF, the parties hereto do execute this Agreement.

6/7/2023
Date


Kent Puller, Chairman
Nebraska Dairy Industry Development Board

6-12-23
Date


Jim Hill, CEO and General Manager
Southwest Dairy Museum, Inc.
Federal ID Number, 75-1899434