



DAIRY FARMERS OF WISCONSIN ANNUAL REPORT 2023





PROUDLY
SUPPORTING OUR
DAIRY FARMERS



THROUGH
MARKETING, SALES
& PROMOTION

BUILDING MARKETS AND DRIVING DEMAND FOR WISCONSIN MILK AND DAIRY IS WHY WE EXIST.

Since 1983, Dairy Farmers of Wisconsin (DFW) has been helping drive increased demand for your milk by connecting with grocery retailers, building trust in dairy farmers and farming practices, and linking processors to key purchasers. All of this drives demand for and use of Wisconsin Milk.

Since the founding farmers created the marketing order in 1983, DFW continues to have an impact in an ever-shifting world. Over the past 40 years, our tactics and messaging have changed and evolved to meet consumer demands in the domestic and global retail markets. Families, schools, and even retail spaces look drastically different than they once did. To keep dairy relevant to today's consumers facing a variety of competitors in the ever-changing retail environment, it is essential to have a team of dedicated individuals to ensure dairy has a place at the table.

INFRASTRUCTURE IS KEY. Wisconsin has an unmatched winning combination of dedicated dairy farmers, proactive processors, solid dairy infrastructure, exceptional educational facilities, and powerful sustainability stories to share.

DFW works in partnership with key industry stakeholders, such as the University of Wisconsin, United States Dairy Export Council (USDEC), United States Department of Agriculture (USDA), Wisconsin Department of Agriculture, Trade, and Consumer Protection (DATCP), Professional Dairy Producers of Wisconsin (PDPW), Wisconsin Cheese Makers Association (WCMA), co-ops, processors, and numerous others to share the economic impact of dairy in Wisconsin as well as build and establish programming that supports Wisconsin Dairy. By staying connected within the industry, we avoid duplicate efforts and instead work together to drive dairy forward. From our schools to our export partners, Wisconsin truly is America's Dairyland.

Wisconsin houses the unique and revered Center for Dairy Research (CDR) at the University of Wisconsin-Madison. In their state-of-the-art facility, the experts at CDR focus on driving dairy excellence and innovation, providing education, and enhancing quality. They are dedicated to making the dairy industry successful. The partnership between DFW and CDR sets Wisconsin apart from other states.

DFW supports CDR dairy research and its world-class facility, driving the development of new products to meet consumer demands both domestically and abroad.

8418 EXCELSIOR DR. MADISON, WISCONSIN 53717
TEL: 608.836.8820

Some of the ways CDR helps create new markets for Wisconsin Milk include:

- Retaining an unparalleled group of world-renowned scientists and educators with expertise in dairy research, innovation, and technical support.
- Providing continuous education about current research, real-world experiences, and a solid combination of lectures and hands-on learning for continuous dairy optimization.
- Partnering with DFW to elevate the Master Cheesemaker Program (the only Master Cheesemaker Program outside of Switzerland) and share its 29 years of continued success.

SUSTAINABILITY HAS MANY DEFINITIONS AND COMES IN MANY FORMS, but we do know that it has an impact on consumer plans to purchase. Sharing our farmers' stories of land stewardship, cow care, and conservation practices that continue to be part of our Wisconsin tradition as they have been for generations, allows consumers to connect with where their food comes from and the people who make it possible.

WISCONSIN IS MAKING STEADY PROGRESS. About one in six days' worth of milk currently leaves the U.S. to dairy-deficit countries. DFW helped increase the number of Wisconsin companies exporting their products to over 30, helping our state rank fifth in dairy exports and first in cheese exports. In addition, Wisconsin makes nearly half of the specialty cheese in the United States. By working with the more than 260 dairy companies throughout Wisconsin, we drive brand identification with the Proudly Wisconsin Cheese® and Proudly Wisconsin Dairy® badges on over 4,000 products sold in 99% of retail stores around the nation.

DISCOVER. TASTE. CELEBRATE. Our June Dairy Month efforts showcased farm families and products from across the state. From media interviews to dairy farm breakfasts, DFW provided messaging and materials to educate millions of consumers. Visitors discovered farming practices, tasted our superior dairy products, and celebrated our dedicated dairy farmers, making June a time for all of Wisconsin to embrace the history, pride, and strength in America's Dairyland.

I encourage you to visit www.wisconsinmilk.org or connect with a staff member to learn more about DFW's programs that drive demand for Wisconsin milk.

Sincerely,

Chad Vincent, CEO

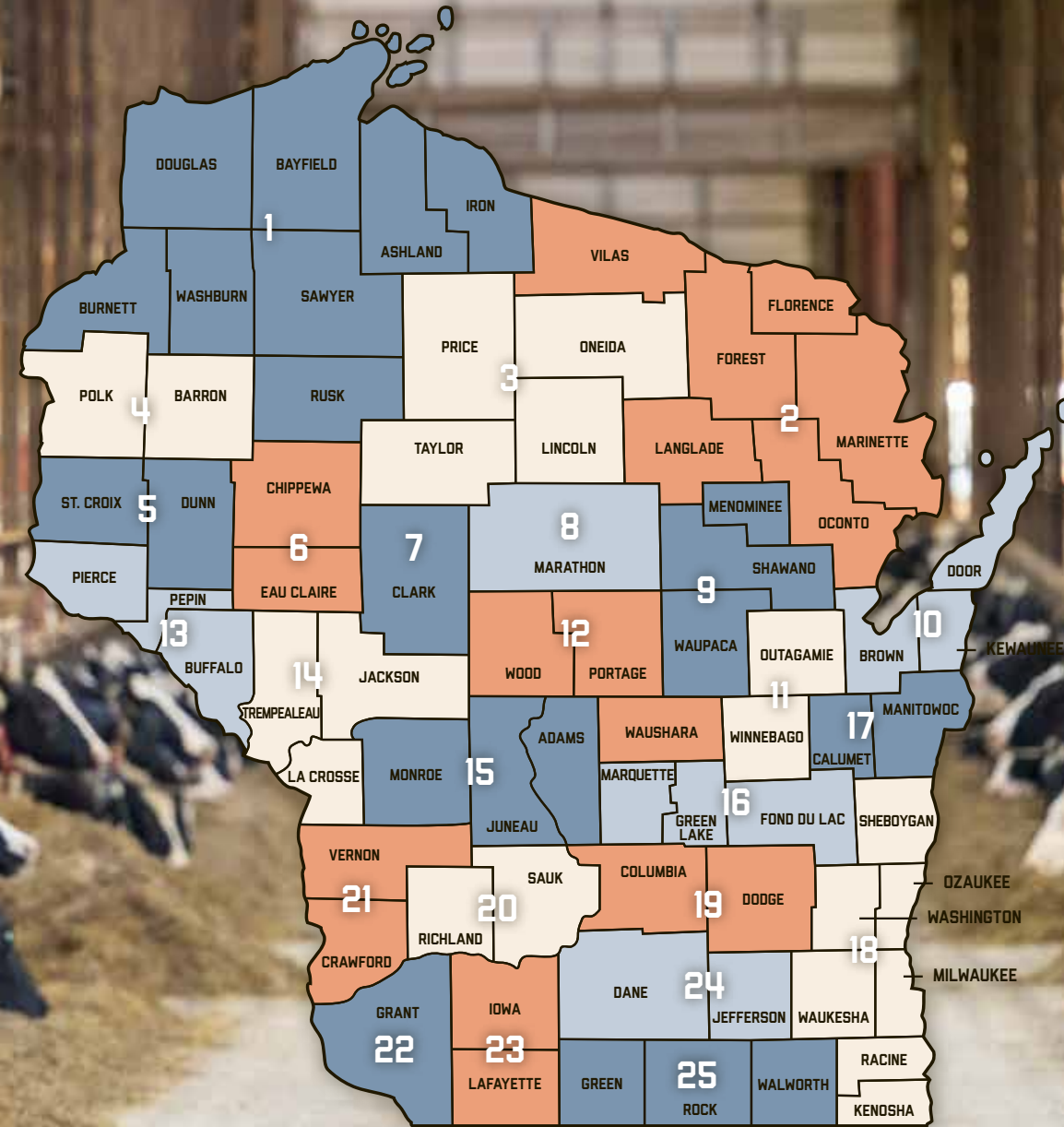
DAIRY FARMERS OF WISCONSIN

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TEL: 608.836.8820

FY23 BOARD OF DIRECTORS

We strive to be tireless advocates for Wisconsin dairy farmers and drive demand for Wisconsin dairy products.

Sign up for the Power of Promotion digital newsletter at WisconsinDairy.org



 DISTRICT 1 Brenda Schloneger bschloneger@wisconsinDairy.org	 DISTRICT 6 Doug Danielson ddanielson@wisconsinDairy.org	 DISTRICT 11 Dan Hinz dhinz@wisconsinDairy.org	 DISTRICT 16 Janet Clark* jclark@wisconsinDairy.org	 DISTRICT 21 Gail Klinkner* gklinkner@wisconsinDairy.org
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*Executive Committee Members, FY23

Each member of the Dairy Farmers of Wisconsin Board of Directors is elected to a three-year term. These directors guide the organization's financial affairs, formulate and set DFW's policies, approve the organization's mission and strategy, and serve on one of two main committees—Channel Management or Communications. All directors must be active dairy producers who sell milk into the commercial channels and live in the district where they are nominated.

New directors were elected in districts 4 and 25. Access WisconsinDairy.org for current FY24 representation.

Seats in districts 2, 5, 8, 11, 14, 17, 20, and 23 will be open for nominations in March 2024.

**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 & 2022**

**STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2023 & 2022**

ASSETS		
	2023	2022
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,365,290	\$ 4,681,312
Short-term investments—treasury notes	979,590	0
Short-term investments—corporate bonds	1,272,940	0
Short-term investments—certificates of deposit	959,290	2,255,469
Accrued interest receivable	55,856	37,697
Assessments receivable	2,546,738	2,551,920
Accounts receivable	58,616	47,454
Grants receivable	83,287	0
Inventory	346,783	407,019
Prepaid expenses	1,184,665	794,390
TOTAL CURRENT ASSETS	14,853,055	10,775,261
LONG-TERM INVESTMENTS		
Treasury notes	0	974,180
Corporate bonds	8,207,002	6,808,694
Certificates of deposit	3,348,161	2,346,474
TOTAL LONG-TERM INVESTMENTS	11,555,163	10,129,348
PROPERTY AND EQUIPMENT, NET	878,862	904,372
OTHER ASSETS		
Operating lease right-of-use assets	2,970	0
Website domain	300,000	300,000
Website development costs, net	297,540	509,864
TOTAL OTHER ASSETS	600,510	809,864
TOTAL ASSETS	\$ 27,887,590	\$ 22,618,845

LIABILITIES AND NET ASSETS		
	2023	2022
CURRENT LIABILITIES		
Accounts payable	\$ 2,261,325	\$ 1,320,504
Accrued expenses and other liabilities	467,005	523,712
Accrued wages	260,147	225,865
Contract liabilities	10,378	28
Operating lease liabilities	2,970	0
TOTAL LIABILITIES	3,001,825	2,070,109
NET ASSETS, without donor restrictions	24,885,765	20,548,736
TOTAL LIABILITIES AND NET ASSETS	\$ 27,887,590	\$ 22,618,845

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
	2023	2022
REVENUES, GAINS AND LOSSES		
Assessments	\$ 31,762,461	\$ 31,494,163
Grants	113,287	0
Investment return, net	187,177	(307,783)
In-kind contributions	62,431	74,653
Other	46,364	39,778
Realized gain (loss) on property and equipment disposals	5,969	(2,312)
Loss on disposal of website development costs	0	(4,176)
TOTAL REVENUES, GAINS AND LOSSES	32,177,689	31,294,323
EXPENSES		
Program services:		
Channel Management	14,919,067	13,392,757
Marketing and Communications	11,577,878	16,732,397
Total program expenses	26,496,945	30,125,154
Supporting services:		
Administration	1,343,715	1,308,270
TOTAL EXPENSES	27,840,660	31,433,424
Change in net assets without donor restrictions	4,337,029	(139,101)
Net assets, without donor restrictions, beginning	20,548,736	20,687,837
Net assets, without donor restrictions, ending	\$ 24,885,765	\$ 20,548,736

WMMB's financial statements are audited by SVA Certified Public Accountants, S.C., P.O. Box 44966, Madison, WI 53744-4966.

A complete copy of the fiscal year statements and auditor's report is available by writing or calling:
WMMB/DFW, 8418 Excelsior Drive, Madison, WI 53717, 608-836-8820 or 800-373-9662.

DFW increases visibility, distribution, trial, and sales of Wisconsin Cheese in the U.S. and abroad. Through partnerships with cheese companies, major retailers, and restaurant chains, we drive demand for and use of Wisconsin Milk.





Youth and Schools: Making Connections

Milk is the official beverage of Wisconsin Athletes.

Dairy Farmers of Wisconsin (DFW) works with the Wisconsin Interscholastic Athletic Association (WIAA) and the Wisconsin Sports Network (WSN) to reach coaches, parents, fans, and athletes to illustrate the vital connection between dairy farmers, their communities, and the impact dairy has on Wisconsin residents. This past year our efforts reached over two million households across the state, showcasing Wisconsin's dedicated dairy farmers and youth who grow and raise food for their local communities.

WIAA and WSN are unique opportunities to recognize exceptional individuals who bring qualities learned on the farm, such as integrity, commitment, problem solving, leadership, and determination to their teams. Programming highlighting dairy farming youth helps connect with consumers while sharing stories of sustainability, animal care, nutrition, and community involvement.

Chocolate milk's status as the official beverage of the WIAA was also a unique way to reinforce the nutritional value of dairy products and highlight our dairy farmers, their farming practices, and Wisconsin's heritage as America's Dairyland.

Local Promotions: Discover. Taste. Celebrate.

46 Dairy Farm families across Wisconsin shared their story during June Dairy Month.

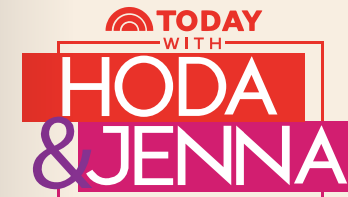
June Dairy Month 2023 provided Wisconsin Dairy Farmers an opportunity to reach key audiences with powerful stories. With the help of our farmers, we were able to showcase dairy farm families statewide. More than 37 million television impressions in Wisconsin and Western Minnesota were made—a 250% increase over 2022. On-farm and social engagements provided additional outlets to share dairy farming and sustainability stories with a larger audience, helping build trust in dairy farming and dairy products.

Social media engagements doubled this year with an average click-through rate of 4.69%, an outstanding achievement as averages are usually less than 1.84%. In addition to our broadcast campaign, we received nearly \$200,000 in free online publicity.

DFW partners assisted local, county-led Dairy Promotion groups and farm breakfast committees by developing and providing targeted marketing materials as well as sharing written and social media content via DFW's online channels.



DFW builds trust in farmers, dairy farming, dairy products, and our organization, moving Wisconsin Dairy to the forefront of consumers minds and driving demand for Wisconsin Milk.



Forbes



TastingTable.

mashed

culture the word on cheese



PR: Whey Cool Media

DFW earned over \$70 MILLION in free media!

Working to share stories with consumers, the DFW team continues to capitalize on and create new opportunities to connect with media nationwide. Major placements in FY23 included a segment on the TODAY Show (with Hoda and Jenna), as well as AllRecipes, Mashed, and Forbes. Studies show brand impact grew by over 15%, demonstrating consumers intend to buy and are aware of Wisconsin's superior products. Overall image perceptions have grown 20% since 2017, which is remarkable in the consumer space.

Through our marketing work over the past five years, consider-to-purchase conversions grew 80%, and our Proudly Wisconsin Cheese® and Dairy® badge awareness increased by 350%. This means consumers are looking and asking for products made using Wisconsin Milk. Through recipes, social media, and PR, we shared the stories of our award-winning products and the dairy farmers that make it all possible. The results were over six billion consumers reached through media, 13.4 million on social media platforms, and over 835,000 website visits.

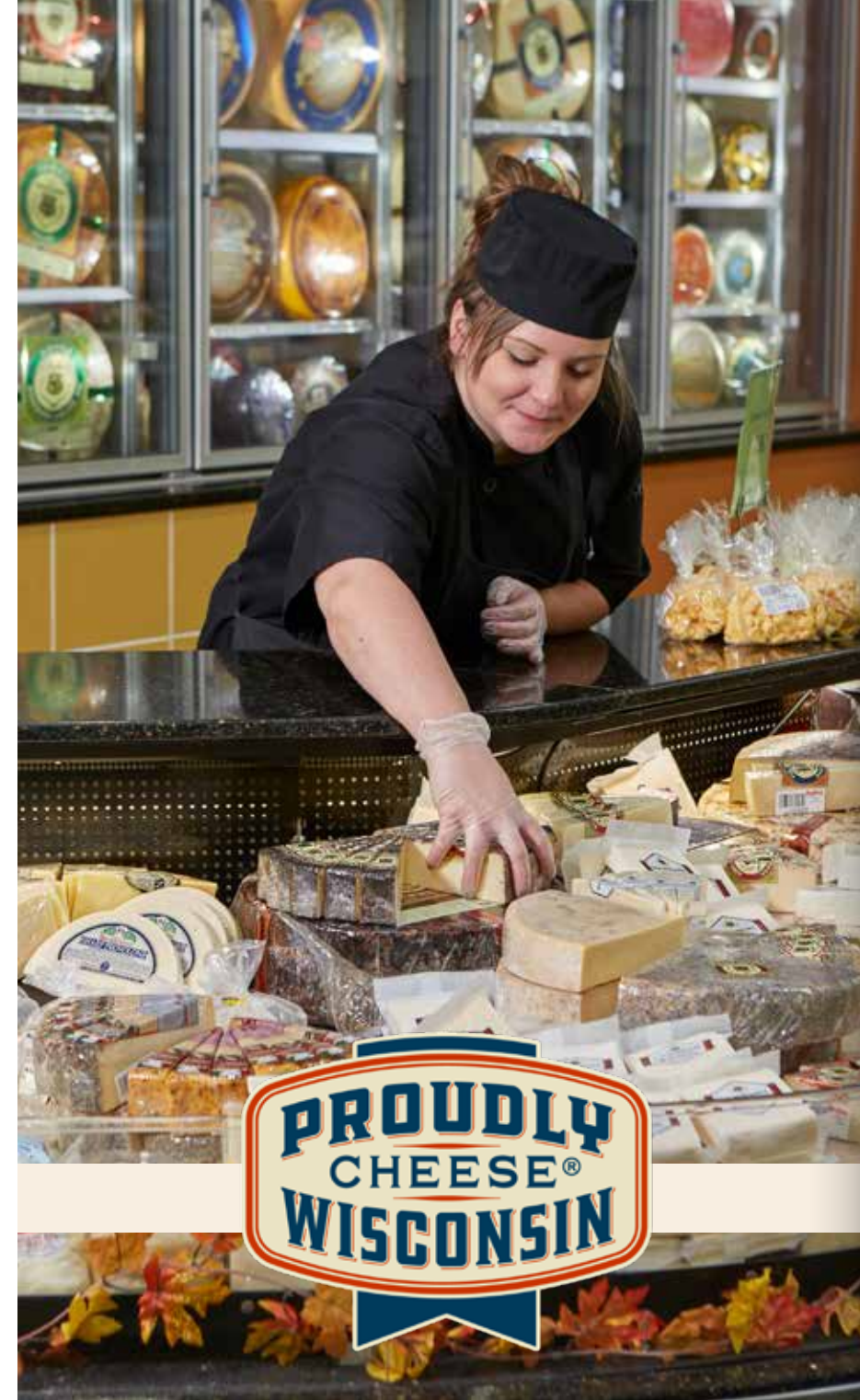
Retail: Look for the Badge!

Our Proudly Wisconsin Cheese® badge continues to be on more Wisconsin Cheeses. Today, 63 companies use the badge on over 4,700 items.

Our Proudly Wisconsin Cheese® badge (PWC) awareness has grown to 54% in under five years. This checkoff-driven branding helps consumers to recognize and trust our award-winning dairy products in the retail space; thus, moving more Wisconsin Milk. DFW's team is dedicated to strengthening partnerships with the state's dairy processors to elevate products and drive sales. The more processors sell, the more demand there is for Wisconsin Milk.

In the U.S., DFW's Channel Team directly engaged with the top 125 retailers and distributors in FY23 to build relationships and connect our dairy processors, distributors, and retail managers with those key stakeholders, ensuring Wisconsin Cheese is in 99% of grocery stores nationwide.

Dairy companies use the Proudly Wisconsin Cheese® and Dairy® badges to increase awareness and sales. Consumers crave the background of their food, and Wisconsin Dairy Farmers and Dairy products have amazing stories to tell. DFW assists retail and dairy companies with advertising and promotions to help put Wisconsin-labeled products in front of consumers.



Exports: Wisconsin Goes Global

The working partnership with DFW, USDEC, and DATCP continues to drive our focus and success in export markets.

With our partners we attended three international trade shows, hosted three international buyer missions, and presented on export markets and marketing. DFW also earned a \$100,000 Wisconsin Initiative for Agricultural Exports (WIAE) Grant to further develop Wisconsin exports.

Export markets are crucial for continued growth and new market opportunities for Wisconsin Dairy. Ninety-five percent of the world's population lives outside of the United States, and we are focused on propelling Wisconsin Dairy into the global marketplace. DFW partners with state and national agencies to open doors for new distribution and trade by connecting Wisconsin Dairy companies with international audiences and export partners. In the past year, DFW helped increase the number of Wisconsin companies exporting their products to over 30. To date, Wisconsin ranks fifth in exports and is first in specialty cheese exports.

Driving Wisconsin Dairy Ingenuity

With support from DFW and administered by the Center for Dairy Research, Wisconsin offers the only Master Cheesemaker Program outside of Switzerland. More than 90 masters out of the more than 1,200 total cheesemakers in the state have been certified, a testament to the program's high standards and rigor.



Dairy Farmers of Wisconsin proudly supports the partnership with the Center for Dairy Research and applauds their drive to better the industry both domestically and internationally.

Their new, world-class facility, funded by the dairy industry and the state, houses globally recognized experts in cheese, dairy ingredients, dairy processing, and food safety who work closely with Wisconsin Cheesemakers to develop products needed in current and emerging markets. These experts also provide additional assistance for small Wisconsin Processors in the areas of business development and food safety compliance. This helps keep plants open and receiving milk while also proactively addressing supply chain disruptions before they develop.

DFW proudly supports the partnership with the Center for Dairy Research and applauds their drive to better the industry both domestically and internationally.

DFW drives affinity for Wisconsin Dairy Products with an emphasis on cheese. 90% of the milk in Wisconsin is made into cheese and 90% of that cheese is sold outside of Wisconsin.





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