

**NEBRASKA DAIRY INDUSTRY DEVELOPMENT
BOARD**

Annual Report

July 1, 2025 - June 30, 2026

NEBRASKA DAIRY INDUSTRY DEVELOPMENT BOARD

Annual Report July 1, 2025 – June 30, 2026

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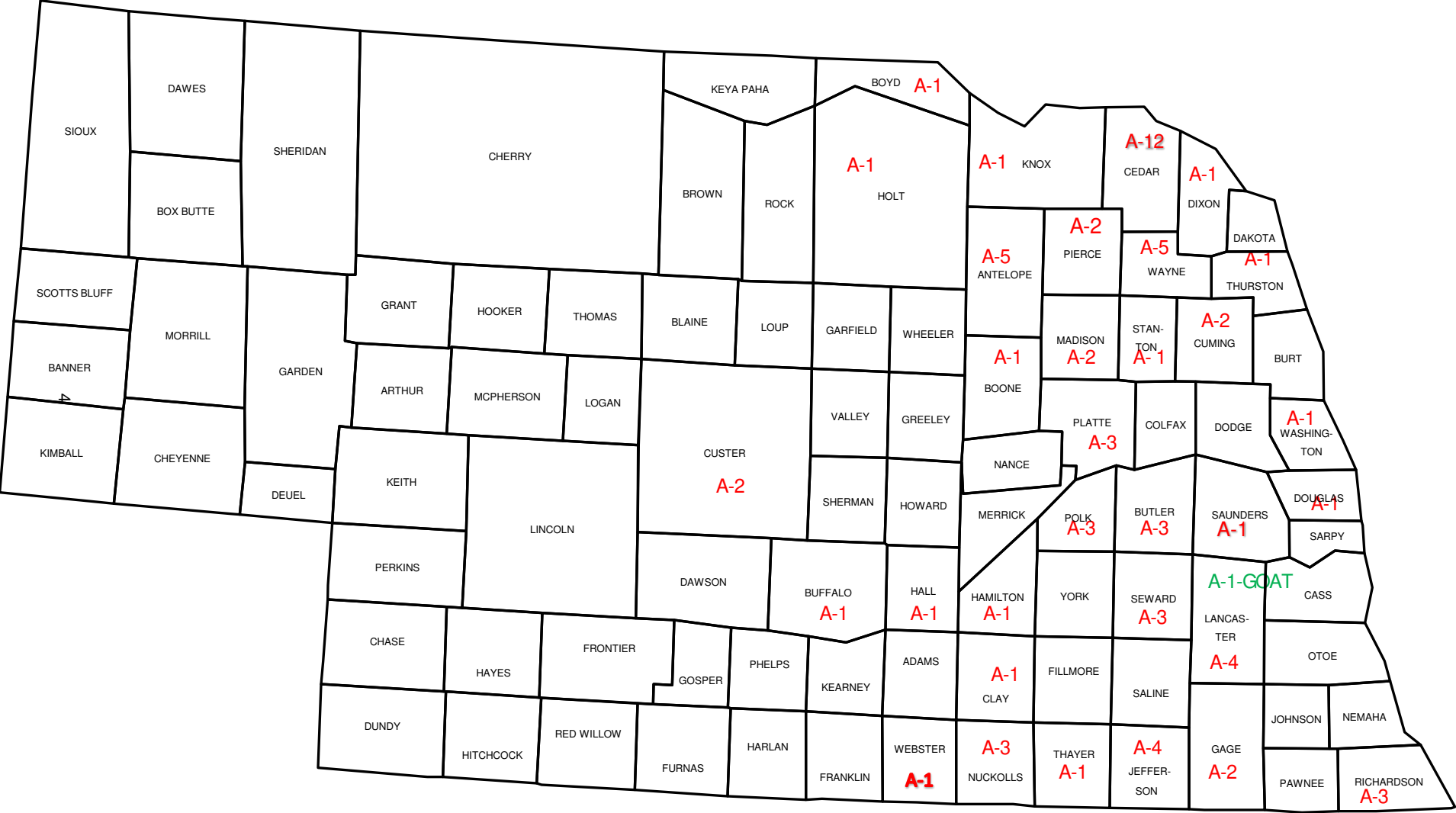
NEBRASKA MILK FIRST PURCHASERS

01-09-2026

<u>Company</u>	<u>Grade A</u>
Associated Milk Producers PO Box 430 Freeman, SD 57029	5.5
Burbach's Countryside Dairy (sells to self and AMPI) 56670 880 Road Hartington, NE 68739	0.5
Dairy Farmers of America PO Box 901546 Kansas City, MO 64190-1546	48
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
Beauty View Farm (Konecky)	1
Nebraska Milk Producers Non-Stock Coop	13
Jisa	1
E Bar N Creamery	1
Clover Cove Ranch	1
TOTAL	75

Nebraska Department of Agriculture
Food Safety and Consumer Protection
Dairy Producers by County (01-09-2026)

Grade A 75



NDID Board - Directory

9/10/2026

Jodi Cast

JJC Jerseys
4011 A Street Rd
Beaver Crossing, NE 68313
Home:
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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

Valerie Parsons

Nebraska Department of Agriculture
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Lincoln, NE 68509-
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Email: Valerie.Parsons@nebraska.gov
Represents: NE Dept. of Ag
Board Position Type: Ex Officio - Government
Officer Position: None
Ships Milk To:
Term End Date: 1/2/0001

Heath Snodgrass

O & W Dairy Farm, Inc.
85801 518th Ave.
Orchard, NE 68764
Home:
Mobile: (402) 929-0275
Work:
Fax:
Email: gweedo2227@gmail.com
Represents: At-Large
Board Position Type: Member
Officer Position: None
Ships Milk To: Dairy Farmers of America (DFA)
Term End Date: 11/2/2027

David Crook

Crook Dairy
71109 635 Boulevard
Humboldt, NE 68376
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Mobile: (402) 862-5323
Work: (402) 862-2834
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Email: crookn503@gmail.com
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

MPM Farm
811 Brooke Dr.
Wayne, NE 68787-1248
Home: (402) 375-2285
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Work: (402) 375-2285
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Email: mpmdairy@gmail.com
Represents: Other First Purchaser
Board Position Type: Member
Officer Position: Chair
Ships Milk To: Wells Dairy, Inc. - Corporate
Term End Date: 11/2/2028

Doug Temme

Temme Agribusiness Inc.
57618 858th Rd.
Wayne, NE 68787
Home:
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Work: (402) 375-4191
Fax:
Email: temmdo@gmail.com
Represents: AMPI
Board Position Type: Member
Officer Position: Secretary/Treasurer
Ships Milk To: AMPI Inc. Corporate Office
Term End Date: 11/2/2028

Bill Demerath

Demerath Farms Inc.
53097 863 Road
Plainview, NE 68769
Home:
Mobile: (402) 360-1000
Work: (402) 582-4849
Fax:
Email: wjdemerath@hotmail.com
Represents: At-Large
Board Position Type: Member
Officer Position: None
Ships Milk To: AMPI Inc. Corporate Office
Term End Date: 11/2/2028

Joyce Racicky

Elk-Creek Dairy
78074 Elk Creek Rd.
Mason City, NE 68855
Home:
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Work: (308) 732-3263
Fax: (308) 732-3263
Email:
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, 2025 to June 30, 2026

Category	FY 25-26 Budget	June 2026	YTD Total	YTD %
Beginning Cash Balance	\$ 107,707	\$ 107,611.42	\$ 107,706.85	
Revenue				
Dairy Checkoff	\$ 1,400,000	\$ 107,180.47	\$ 1,237,280.51	
Penalty	100	0.00	14.41	
Other Revenue	25	0.00	186.15	
Investment Interest	2,000	214.96	2,093.79	
Dumped Milk Refund	0	0.00	0.00	
Total Revenue	\$ 1,402,125	\$ 107,395.43	\$ 1,239,574.86	88.41%
Total Available Cash	\$ 1,509,832	\$ 215,006.85	\$ 1,347,281.71	
Expenditures				
NDA Administrative Contract	\$ 9,000	\$ 0.00	\$ 6,007.82	
Midwest Dairy Association	1,394,611	106,331.47	1,222,772.45	
Board Expense	1,000	0.00	689.56	
DAS Assessments	1,000	0.00	138.00	
Annual Audit	9,000	0.00	8,998.50	
Total Expenditures	\$ 1,414,611	\$ 106,331.47	\$ 1,238,606.33	87.56%
Adjustment to Fund Balance		0.00	0.00	
Ending Cash Balance	\$ 95,221	\$ 108,675.38	\$ 108,675.38	

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

Percent of Fiscal Year Elapsed 100%

FY 24-25 Revenue to Date: \$ 1,244,722.37

FY 24-25 Expenditures to Date: \$ 1,231,976.13

**Midwest Dairy Association
Nebraska Division
July 1, 2025 to June 30, 2026**

REVENUE:

NDIDB Checkoff Revenue

12 Months

\$ 1,222,773

EXPENSES:

Innovation:

DMI Projects 316,504 (incl. UDIA Membership)

Dairy Experience:

Sales Demand 155,027

Sales Youth 14,935

Thought Leader 57,287

Trust Adult 151,921

Trust Youth 76,038

Strategic Initiative 12,623

Research 65,606

Agricultural Affairs

Farmer Leadership 97,152

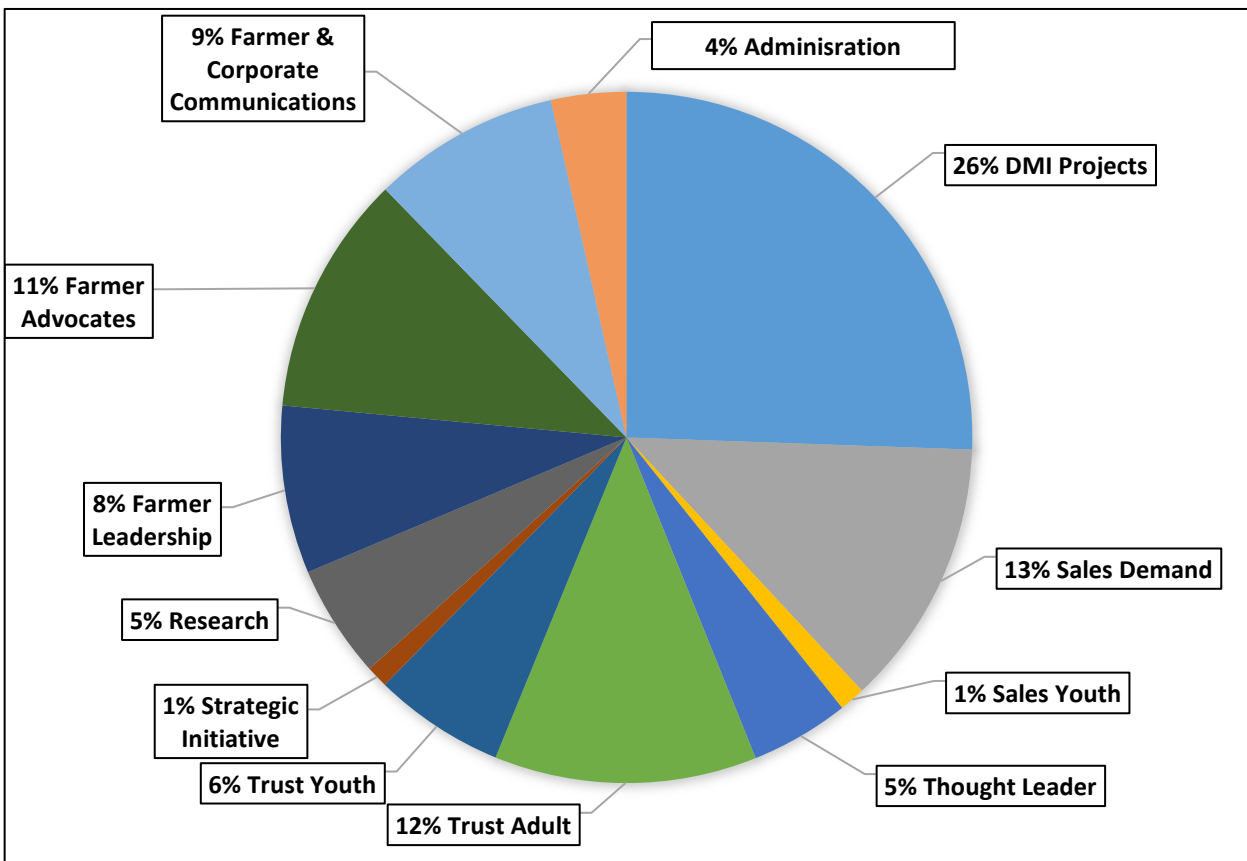
Farmer Advocates 139,248

Farmer & Corporate Communications 108,573

Administration 43,420

Total Expenses \$ 1,238,332

Excess of Revenue over Expenses \$ (15,560)



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, 2025 through June 30, 2026, NDIDB funded the following qualified program organization:

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.

Nebraska Dairy Promotion Highlights

JULY 1, 2025 – JUNE 30, 2026



Regional/Nebraska Dairy Promotion Highlights

Midwest Dairy developed the below objectives to drive focus in 2024-2026. The objectives reflect both business needs and foundational needs of the organization. The following objectives and strategies supply the direction for programming and investment priorities.

- Increase Dairy Sales
- Grow Trust in Dairy
- Advance Research in Dairy
- Create Dairy Checkoff Advocates
- Develop Farm and Community Leaders for Dairy

Increase Dairy Sales

Freddy's Frozen Custard & Steakburgers partnerships makes an impact

- Midwest Dairy and Freddy's Frozen Custard and Steakburgers teamed up in late 2025 for an impactful partnership. The goal was to collaborate on influencer activations, support the launch of the new National Frozen Custard Day, and promote another craveable limited-time offer (LTO), the Smoky Bacon Cheddar Stack.



Results

- Overall, the partnership was incredibly successful, with results totaling 1,021,000 pounds of incremental milk.

Protein powers retails partnerships in January

- According to the Hartman Group, protein ranks number one across generations in nutrient importance. Midwest Dairy research has found that 86% of consumers over the age of 18 say dairy is healthy, and 81% recognize it as a good source of protein. Midwest Dairy continues to prioritize retailer collaborations that emphasize dairy's protein benefits.
- In January, Midwest Dairy partnered with Price Chopper to highlight how dairy offers an easy and affordable way to boost protein in family meals and snacks.
 - Through these efforts, nearly 200,000 consumers were reached, resulting in 194,000 incremental pounds of milk sold.

- Every January, families reset, and they focus on eating better, adding protein, and making healthier choices. This year, Midwest Dairy made sure dairy was part of that choice at Fareway.
 - This one-month campaign delivered 550,218 incremental pounds of milk sold. By aligning consumer protein motivation with dairy's established health credentials, this activation successfully converted intent into sales in-store and online.



Dairy wins back-to-school and tailgating season

- During the fall back-to-school and tailgating season, Midwest Dairy teamed up with several retail partners to drive demand for dairy products across the 10-state region. As part of Midwest Dairy's strategy to leverage key moments throughout the year, the back-to-school season provides an ideal opportunity to remind families that dairy offers both nutrition and convenience, making it a natural fit for lunchboxes, snacks, and quick breakfasts. Midwest Dairy leveraged a second key moment, tailgating, to remind shoppers that dairy belongs at every celebration.
- Midwest Dairy partnered with Hy-Vee to put cheese front and center during tailgating season, connecting dairy to game-day favorites and driving strong results for Midwest dairy farmers.
 - The campaign delivered more than 551,000 incremental pounds of milk sold, turning digital engagement into real value for dairy farm families.
- Chicory, a third-party vendor, drives sales growth through recipe inspiration. It turns online recipes into interactive experiences by allowing shoppers to add ingredients directly to their online grocery carts. Online recipe use has surged, with 91% of shoppers using recipes regularly. Midwest Dairy partnered with Chicory to bring dairy front and center through Back to Sports messaging.
 - Results from the Chicory campaign included 4.6 million impressions with over 57,000 clicks on the ad for a clickthrough rate of 0.12%, driving over 5 million incremental pounds of milk sold.
- Neptune Retail Solutions is a third-party vendor that supports in-store signage across retailers in the 10-state region. Data shows that 86% of grocery trips take



place in physical stores, and 46% of in-store shoppers are inspired by displays and signage. Midwest Dairy teamed up with Neptune to “Create the Ultimate Game Day Spread” through aisle blades.

- In total, 896 stores featured signage in the cheese aisle, including Kroger, Hy-Vee, Jewel, Schnucks, Fareway, and Price Chopper, resulting in over 1.5 million incremental pounds of milk sold.
- Midwest Dairy partnered with Instacart – the largest online grocery marketplace in North America – to connect consumers with personal shoppers who deliver groceries from local retailers straight to their doors.
 - Through search and shoppable e-commerce display ads, the campaign drove 3.3 million impressions, with 94,000 clicks and an \$18.30 return on ad spend.
- By leveraging key moments, such as back-to-school and tailgating, Midwest Dairy partners with retailers to develop strong campaigns with dairy-focused messaging that drive millions of incremental pounds of milk sold for farmers while reinforcing dairy as a go-to solution for consumers.

Grow Trust in Dairy

Nebraska Agriculture and Science Education Leadership Institute (NASELI)

- Midwest Dairy proudly supported the NASELI - a teacher development initiative focused on creating agriculture-based science resources tailored for Nebraska classrooms.
- During the July workshop, educators participated in the “More Cheese, Please” transfer task, rolling up their sleeves to make their own cheese!

Results

- Two workshops brought together eight science and agriculture educators with a shared goal: streamline curriculum and develop an online repository of NE-specific materials to enhance science lessons. Dairy-focused STEM resources are being integrated into this platform, ensuring students learn the vital role dairy plays in agriculture and nutrition.

From Weights to Wellness: Milk’s Message Takes Center Stage at University of Nebraska, Lincoln (UNL) Campus Rec

- This collaboration has included event participation in events like the Big Red Welcome, digital messaging across campus rec equipment, and digital boards promoting dairy’s role in wellness and sustainability.

- In 2025, the partnership grew with the unveiling of the newly constructed power room at the UNL City Campus Rec Center. Midwest Dairy was given the opportunity to put messaging on a blank wall. Working with the MilkPEP marketing team, a bold, visually engaging design was created featuring the message: “Milk’s protein helps build stronger muscles.”

Results

- The wall will be visible to all students, staff, and visitors who use the Rec Center—averaging 2,840 daily visits and more than 1 million visits annually.



Dairy Farm Tour Highlights Sustainability at Prairieland Dairy

- Midwest Dairy partnered with Prairieland Dairy in Firth, Nebraska, to host an educational farm tour for a dynamic group of Nebraska-based thought leaders.
- The tour provided an in-depth look at modern dairy farming, focusing on cow care, the milking process, and on-farm sustainability efforts. Guests also toured *Prairieland Gold*, the farm’s composting facility, where food waste from Lincoln Public Schools is repurposed into nutrient-rich compost—diverting it from landfills and supporting healthy soils.
- To provide additional education, Joe Guenther from Nutrient Advisors joined the tour to speak on soil health and his role in helping Prairieland meet regulations tied to their operational permits for both the composting site and the dairy.

Results:

- Feedback from the post-event survey reflected strong appreciation for the tour:
 - *“I think it’s super important for people to have opportunities to interact with the people and places that provide their food!”*
 - *“This is very educational. The fact that they are willing to spend time showing what they are doing to others is very inspiring.”*
- Attendees included representatives from the University of Nebraska–Lincoln (UNL), Nebraska Conservation, City of Lincoln Sustainability Department, Beyond School Bells, and Lincoln Public Schools.

- This experience fostered meaningful connections, sparked conversations around sustainable food systems, and showcased how dairy farms like Prairieland are leading the way in innovation, education, and environmental care. Connecting with thought leaders in this way continues to help build trust in dairy!

Adopt a Cow Program

During the 2025-2026 back-to-school season, Midwest Dairy again partnered with the Adopt a Cow program to bring dairy's story to students across the 10-state region. This free program connects dairy farmers with educators to help students learn where their food comes from.

- Students track the growth of a calf throughout the school year while engaging in lessons and activities.



Results

- Jodi Cast of JJC Jerseys near Beaver Crossing, NE has served as a host for the Adopt a Cow program for the past six years. This school year, more than 10,968 Nebraska students were engaged, and 162,951 total students from the Midwest Dairy region.
- Though primarily designed for classrooms, the program has also reached Boys & Girls Clubs, libraries, daycares, senior living centers, and more.

Nebraska State Fair

- At the 2025 Nebraska State Fair, Midwest Dairy engaged consumers through multiple activations to build trust and highlight dairy's role in sustainable nutrition.
- Midwest Dairy partnered with the Nebraska Pork Producers Association for four live cooking demos during the popular Chef Nadar's Deliciousness with Dairy and Pork events.
- During Nebraska's Largest Classroom, 2,200 elementary students visited the dairy exhibit to learn from farmers, ambassadors, and staff, and enjoy cold milk from Hiland Dairy.
- Throughout the fair, the "Moo Crew" led milking demonstrations featuring all seven dairy cow breeds, handed out ice cream coupons linking to dairy nutrition



info at USDairy.com. A new feature was a video on robotic milking, playing continuously outside the milking demo area for visitors to watch at any time.

Advance Research in Dairy

Midwest Dairy Accelerator Delivers Big Wins for Dairy Innovation

- Launched in partnership with VentureFuel, the eight-week program helped four startup companies connect with industry experts to fast-track the growth of their dairy-based products designed to meet evolving consumer needs.
- The program, which ran throughout the summer, built on Midwest Dairy's prior incubator partnerships with The Hatchery and No More Empty Pots. It evolved from single-day pitch events into a comprehensive accelerator experience.

Results

- In front of an audience of Midwest Dairy staff, key partners, and industry colleagues, RoseBud Ice Cream of Glen Ellyn, Illinois, earned the grand prize of \$20,000 and an additional \$10,000 in consulting support donated from Queue Brand Communications. Zoguri, based in Omaha, Nebraska, was named runner-up, receiving \$10,000 to support its next stage of growth.
- The two winning companies exemplify the innovation Midwest Dairy set out to inspire. RoseBud's squeezable soft-serve pouches make enjoying ice cream simple and mess-free, a format that's already winning over families looking for convenience. Zoguri is taking dairy in a new direction, developing fermented dairy supplements featuring a proprietary *L. reuteri* probiotic strain to support gut health and overall wellness.

Midwest Dairy Foods Research Center (MDFRC)

- MDFRC is a collaborative effort between dairy farmers and the University of Minnesota, Iowa State University, South Dakota State University, University of Nebraska-Lincoln, Kansas State University, and the University of Missouri. This collaboration is focused on delivering research and education that benefit consumers and fuels a strong market for Midwest dairy.
- To learn more about the current MDFRC projects, [visit this link](#).
- MDFRC holds its annual meeting each summer. This meeting is an open invitation to Operational Advisory Committee members, faculty, and students to evaluate



and score research proposals for potential funding in the next funding cycle.

Create Dairy Checkoff Advocates

Building Connections and Tasting Innovation at the Central Plains Dairy Expo

- The Central Plains Dairy Expo was held March 18-19, 2026, in Sioux Falls, South Dakota, bringing together dairy farmers from across the region, with Midwest Dairy in the center of the action. The Midwest Dairy team was on hand to connect with dairy farmers, share how their local checkoff dollars are making an impact, and highlight opportunities available to them.
- Wednesday afternoon featured a special Taste & Learn Experience. This interactive session showcased how checkoff investments in research, insights, and innovation are bringing new dairy products to consumers, building trust, and increasing sales. Attendees had the chance to taste two products supported by checkoff dollars, ratio Pro-Fiber Yogurt and Dundee Popcorn.
- The expo wrapped up with an evening networking reception, hosted in partnership with Iowa State Dairy Association, Minnesota Milk Producers Association, Nebraska State Dairy Association, South Dakota Dairy Producers, Western Iowa Dairy Alliance, and Edge Dairy Farmer Cooperative. Midwest Dairy looks forward to continuing these valuable opportunities to connect with farmers and share the many ways checkoff efforts are helping increase trust and sales with consumers.

Develop Farm and Community Leaders for Dairy

Midwest Dairy invests in the future through scholarships

- Midwest Dairy Nebraska Division awarded \$5,000 in scholarships to six high school and college students for the 2026-2027 academic school year.
- Recipients were evaluated on academic achievement, past and present leadership involvement in school and community, past and present involvement in the dairy community, career aspirations on how they plan to represent the dairy industry in the future and required letters of reference.

Results

- 2026 Scholarship Award Recipients: Sudeep Sachinthaka, Carter Behnken, Kammy Held, Isaac Guenther, Tanyln Larson, and Halie Racicky.



Nebraska Dairy Ambassadors

- The Midwest Dairy Ambassador program offers young dairy leaders a unique educational opportunity to develop leadership skills while advocating for the dairy industry. Helping to grow trust in dairy during their year-long experience, the 2025 Nebraska Dairy Ambassadors took part in nearly 60 event activations and leadership opportunities.
- The ambassadors gained valuable insights into the dairy industry and developed their leadership skills through participation in both industry and consumer events, as well as virtual and in-person trainings. Additionally, the ambassadors advocated for the dairy industry at a variety of consumer-focused events.
- At the end of the year, ambassadors are eligible to apply for scholarships valued at up to \$1,000. Scholarship amounts are based on involvement in various program activities, including orientation and training sessions, social media posts, participation in industry events, and attendance at ambassador event activations.
- The ten 2025 Nebraska Dairy Ambassadors completed their year of service in December and included Jenna Albers, Clara Bates, Shaylee Heidtbrink, Joslyn Hochstein, Brianna Klabenes, Eliza Lange, Jenna Muntz, Ava Noecker, Emily (Rempel) Ostdiek, and Brylee Ross.
- The seven 2026 Nebraska Dairy Ambassadors began their role in January and include Jordan Aschoff, Carter Behnken, Hannah Dean, Eliza Lange, Alicia Lopez, Madison Martinez, and Alyvia Shultz-Ramer.



National Dairy Promotion Highlights

National Dairy Promotion Highlights

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 dairy farmers across Nebraska's nearly 75 dairy farms, 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 Plan that DMI develops and implements in partnership with 12 dairy promotion organizations – including Midwest Dairy – to align national and local dairy promotion strategies and activities focused on **action** in the following core priorities:

- **Innovation:** Develop technology-powered breakthrough science and innovations that advance U.S. dairy's wellness and product leadership
- **Reputation:** Taking a louder, more proactive, and competitive approach to sharing dairy's indispensable role as a solution for consumer wellness and a societal solution for communities and environmental progress
- **Exports:** Positioning U.S. dairy as a consistent, preferred supplier in key global markets

Innovation

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

Product Innovation Partnerships to grow incremental and sustainable dairy sales via partners, new growth platforms and technologies

In 2025, DMI partnered with leaders in foodservice, retail and consumer packaged goods to launch disruptive new products and marketing programs. DMI launched more than 12 new products, including: Domino's Parmesan Stuffed Crust; Taco Bell Churro Chillers and Live Mas test market expansion, Queso Crisp Taco test, Flamin' Hot Grilled Cheese Burrito; McDonald's McDonaldland Shake; General Mills YoBark, Yoplait Protein ratio trio yogurt, & GoGurt Protein; and DFA Milk50 and TruMoo Zero, among others.

Additionally, DMI actively sought out new partners and engaged more than 10 major brands in retail and foodservice, including Dunkin, Baskin Robbins, Starbucks, Nurri, Philadelphia, Sargento, LALA, Chobani, and Danone.

Results

- Retail: Yogurt Category volume grew 8.8%, General Mills new product volume 81.7 M lbs., up 9.7M lbs. from 2024 (13.8%).
- Fluid Milk: Value-Added volume grew 5%, Lactose Free + flavored volume grew 6.5%, Alternatives declined 6%.

Accelerate Science Discovery and Commercialization via New Product and Technology Platforms and New Consumer Health & Wellness Benefits

In 2025, DMI successfully completed a licensing agreement to launch encapsulated product for 2027 launch (lactoferrin, tryptophan). Through Discovery Science efforts and an expanding network of research partners, DMI identified new health and wellness benefits associated with dairy components, helping uncover future opportunities for product development and consumer engagement. DMI also worked to bring dairy science to life for farmers, consumers, and the scientific community through publications, presentations, and media outreach. In addition, the team provided leadership in disruptive concept development, nutrition consulting, product research and development support, growth platform planning, and prototype inspiration with major dairy brands and companies across industry events. To guide future investments, DMI leveraged insights from its Science Advisory Council and its Artificial Intelligence (AI) Milk Molecule database to identify the highest-priority dairy bioactives and product benefits for technology development and commercialization efforts planned for 2026–2028.

Results

- Over four industry Health & Wellness (H&W) products launched through DMI partners.
- Created more than 57 science-backed marketing messages that were published in an Innovation Center Health and Wellness Playbook. The playbook is focused on the following health and wellness benefit areas: growth and performance, healthy heart & weight, digestive health, and immunity. Completed the first product playbook chapter with a focus on “Milk”. Shared this playbook with more than 100 leading brands in the industry for activation.
- Completed 25 nutrition research publications and presentations, initiated 19 research projects, and Mayo Clinic completed two projects in the areas of cardiovascular disease, digestive health and immunity.
- Funded 14 new product R&D and technology projects related to the areas of H&W, snacking, and bi-product utilization.
- Identified and built research roadmap for the priority bioactives and product benefits we'll pursue through product technology investment in 2026-2028 (e.g. Milk Fat Globule Membrane/Milk Polar Lipids).

More Dairy Talent and Research and Development

In 2025, DMI Completed an analysis of dairy R&D research and talent—from students to professors—across the university research network to better understand how to recruit students into dairy science careers, strengthen industry talent placement, and ensure Research Centers have the technologies needed to support students, faculty, companies, and product innovation. DMI also partnered with students and universities to grow interest in dairy through research projects.

Results

- Over 100 students competed in the Dairy Research Competition across 21 universities.
- Over 15 product research projects underway amongst nine universities to create value and new growth spaces for dairy.
- Student and university engagement with nine universities and over 200 students in dairy challenges.

Reputation

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

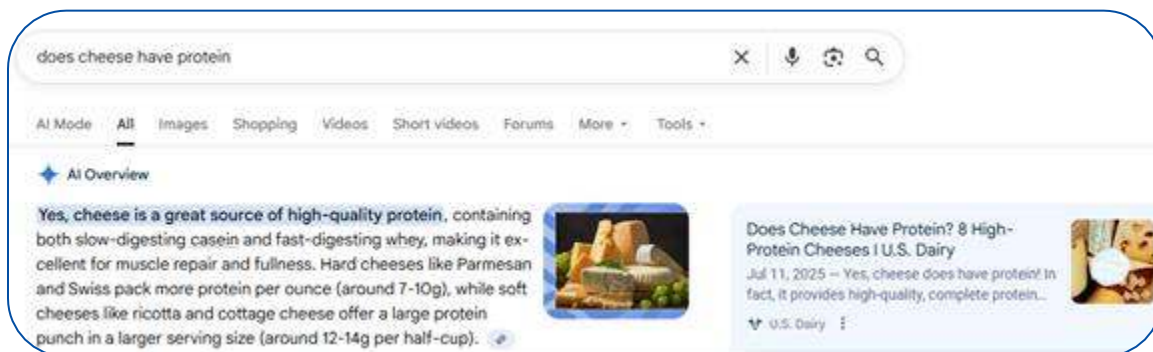
Win in Key Channels

- **US Dairy Online Presence:** In 2025, DMI continued to strengthen dairy's presence across key digital channels by delivering engaging, educational, and entertaining content designed to connect with consumers and reinforce dairy's relevance in everyday life. The U.S. Dairy online platform provided consumers with timely "edu-tainment" content that inspired confidence in dairy while showcasing its role in health, wellness, and culinary enjoyment. DMI also expanded its paid search strategy by leveraging YouTube and Google's Performance Max technology, allowing dairy messaging to reach consumers across Google's full ecosystem, including Search, Display, Discover, Gmail, Maps, and YouTube. To maintain a strong position in an increasingly AI-driven information landscape, DMI continued investing in organic search strategies that help ensure credible, science-based dairy information remains highly visible in generative search results. Additionally, DMI partnered with influential online creators across fitness, lifestyle, parenting, and culinary categories to authentically engage target audiences and extend dairy's reach through trusted voices and relevant content.

Results:

- Doubled average user time on USDairy.com over 2024 with more than four million users spending at least one minute on a page.

- 9% increase in active users on USDairy.com—6.1M, up from 5.6M in 2024.
- Established US Dairy citations in Google AI Overviews (search results now found at top of results page). Inclusion of U.S. Dairy's official website and content in Google's AI Overview means that Google's algorithm views our information as accurate, relevant and authoritative. Appearing in the AI Overview in search results is key, as it is **directly at the top of the page**. Many consumers only review that summary at the top, rather than scrolling down through the rest of the search results. See sample below.



- **Thought Leader Engagement:** In 2025, DMI expanded its thought leadership efforts to shape perceptions of dairy among key influencers, media, and industry stakeholders. Through strategic partnerships with trusted and relevant media outlets, DMI delivered articles, social content, and video storytelling that showcased new and evolving perspectives on dairy. The organization also leveraged precision targeting on LinkedIn to engage thought leaders with timely, relevant content focused on dairy's value and innovation. In addition, DMI secured media coverage highlighting dairy's role in health and wellness, emerging scientific research, innovation, and environmental progress. These efforts were strengthened through collaboration with members of the Reputation Council, who helped elevate compelling stories and amplify executive voices that reinforce dairy's leadership and credibility.

Results:

- Partnered with top thought leader outlets—including *Wall Street Journal*, *Financial Times*, *Food Navigator*, *Food Dive*, *Trellis* and more—to publish articles written by dairy leadership including Dr. Katie Brown, President of the National Dairy Council and Barb O'Brien, CEO of DMI, as well as articles by independent reporters.
- **Retail and E-Commerce:** DMI leveraged retail and e-commerce channels to connect with consumers through personalized dairy messaging tailored to shopper personas, preferences, and need states. By reaching consumers during key moments in the grocery planning and purchasing journey, DMI helped keep

dairy top of mind and drive consideration at the point of purchase. Targeted campaigns included a four-week Instacart activation centered on milk as the featured product, promoting lactose-free and whole milk options around the Super Bowl shopping season. DMI also partnered with major retailers, including Walmart and Costco, to execute campaigns during the back-to-school and back-to-sports periods, reinforcing dairy's role in fueling busy families and active lifestyles. These efforts helped position dairy products in front of consumers when purchase decisions were being made, supporting demand and sales across key retail channels.

Results: Walmart and Costco

- \$67M total incremental sales
- \$17 return on every dollar spend on the retail and ecommerce campaign
- 3.41%-dollar sales lift
- **Events:** In 2025, DMI partnered with Florida Dairy Farmers, Midwest Dairy, and ADA North East to activate at the South Beach Wine & Food Festival in Miami, connecting dairy with cultural traditions and emerging food trends. The event provided an opportunity to engage food-focused audiences and reinforce dairy's relevance through recipe sampling that highlighted dairy's role across diverse culinary traditions. DMI also supported MilkPEP's Every Woman's Marathon in Phoenix, Arizona, helping drive reconsideration of milk as a performance beverage while highlighting its protein and performance benefits for female runners.

Results:

- South Beach Food & Wine Festival: Activated 13 national and local influencers, generating more than 7M impressions. Geo-targeted social media efforts encouraged visits to the Undeniably Dairy-sponsored space. Post-event recipe amplification generated 1.1M+ engagements and 2.3M+ views on Facebook and Instagram and 9K+ outbound clicks from Pinterest to USDairy.com.
- Every Woman's Marathon: Highlighted Olympian and Vermont dairy farmer Elle Purrier St. Pierre and New York dairy farmer Holly Hardie. Collaborated with MilkPEP on unique and socially shareable activations– Undeniably Dairy Hair Braiding Bar, sign-making station, and an iconic MILK photo experience, creating fun and memorable moments for thousands of runners and their families.
- **Rallying the Dairy Community – First 1,000 Days:** In 2025, DMI rallied the dairy community around the First 1,000 Days initiative by collaborating with state and regional dairy organizations, brands, cooperatives, processors, MilkPEP, and

the U.S. Dairy Export Council (USDEC) to highlight the critical role dairy foods play in maternal and childhood health. The initiative was supported through a variety of integrated tactics, including earned and owned media partnerships, healthcare professional engagement, and participation in medical conferences, helping bring greater awareness to dairy's nutritional benefits.

Results:

- Doubled dairy's share of voice (which measures how much conversation around a particular topic includes dairy) in traditional media around the First 1,000 days over 2024.
- Increased dairy's share of voice in social media around the First 1,000 days by 25% over 2024
- NDC research elevated conversation around dairy and key nutrients: NDC's study around the importance of iodine drove nearly 200 articles, accounting for 90% of mentions of dairy and iodine in the studied period.
- Reached more than 60K health and wellness professionals.

Build Relevance with Youth

In 2025, DMI helped schools navigate USDA's updated school meal nutrition standards, including changes in approach to flavored milk, added sugars in milk and yogurt, sodium and meat/meat alternatives. Through this initiative, DMI assembled a checkoff-wide team to tackle menu creation, recipe development, culinary and educational training and marketing.

Results:

- Empowered schools with compliant, craveable, and cost-effective solutions including:
 - Three sample breakfast menus
 - 10 new "student-tested" recipes and 18 updated state and regional recipes
 - Instructional videos, presentation templates, School Nutrition Association-sponsored webinar and more

Activate Third-Party Voices

- **Health and Wellness:** In 2025, DMI advanced its health and wellness efforts by preparing for and anticipating the 2025–2030 Dietary Guidelines for Americans while continuing to strengthen dairy's role in nutrition and public health conversations. DMI worked to highlight dairy's cultural relevance and modernize healthcare outreach through partnerships with organizations such as the National Medical Association, Diversify Dietetics, and the National Hispanic Medical

Association. The organization also collaborated with leading healthcare institutions, including the American Academy of Pediatrics and Mayo Clinic, to modernize nutrition education resources for pediatricians and support the delivery of evidence-based dairy nutrition information to healthcare professionals.

Results:

- Dietary Guidelines for Americans 2025-2030 recognized dairy as a nutrient-dense food group, reinforcing dairy's continued relevance for Americans. Dairy foods including milk, cheese and yogurt – at all fat levels– are encouraged for the first time.
- Expanded health and wellness partnerships with additional activations, new partnership agreements, and growing relationships.
- American Academy of Pediatrics launched Nourish & Flourish physician nutrition education program, funded by NDC educational grant.
- Relationship with the National Medical Association lead to the first meeting with the Association of Black Cardiologists (ABC), resulting in an agreement to work together in the future.
- Reached 230K health and wellness professionals at more than 70 medical conferences, National Dairy Council-led convenings and webinars.
- **Sustainability:** DMI advanced support for U.S. Dairy's environmental progress by engaging with sustainability thought leaders that bring credibility to dairy's sustainability story, focusing on greenhouse gas, water, soil and biodiversity. DMI also facilitated thought leader engagement and brought farmer voices to the table during annual Climate Week in New York City. In addition, DMI engaged select thought leaders in dairy's 2050 Strategic Roadmap design and release.

Protect Dairy's Reputation

In 2025, DMI used Dairy Communications Management Team (DCMT) across dairy organizations including DMI, MilkPEP, International Dairy Foods Association, National Milk Producers Federation and U.S. Dairy Exports Council to coordinate strategy in addressing issues or crises. DMI created modern, digitally driven training and continuous education modules to support crisis readiness and maintained a monthly issues radar and dashboard to better inform and prepare the dairy community in assessing reputational risk across key issues.

Results

- Proactively prepared and defended against Oatly-backed film with unified industry response, mitigating reputational risk. Assessed the documentary's content, intent and reach; developed and deployed messaging, Q&A and guidance. Resulted in no major media pickup and limited reaction.

- Executed several meetings and training sessions for Federation Crisis leads and the DCMT, where topics included AI, the changing media landscape and its impact on dairy, raw milk, and more. These sessions ensured a unified, effective response to issues.

Exports

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

Continue U.S. Dairy Export Growth in Volume, Value & Market Share in Priority Markets

In 2025, DMI continued efforts to grow U.S. dairy export volume, value, and market share in priority markets. Although some partnerships faced geopolitical and inflationary headwinds, objectives for existing partnerships were met. In Latin America, coordinated digital, targeted media, and in-store support helped Dairy Farmers of America's Borden cheese meet year one volume goals. They also exceeded distribution goals into 4 markets: Costa Rica, Guatemala, El Salvador, and Honduras as well as launched 37 SKUs. Pizza Hut Indonesia delivered a series of successful limited-time offers during the first half of the year, including the Cheese Rizz Pizza, which features nearly one pound of cheese on each large pizza and incorporates U.S. cheese in four ways. The promotion became Pizza Hut Indonesia's most successful limited-time offer to date, surpassing the previous record set by the 2024 Cheese Overflow partnership. Domino's Taiwan also achieved strong first-half sales, including 18% same-store sales growth. U.S. cheese volume was projected to increase by 5% by year-end, following 11% growth the previous year, with the Volcano platform and triple-layer pizzas contributing to that growth.

Results

- Foodservice partnerships launched (or relaunched) a combined 14 new products and multiple successful promotions.
- McDonald's Japan conducted in-store testing of U.S. cheese, utilizing over two million pounds of U.S. cheese over the last couple of years with only the cost of team travel invested. Partnership discussions are ongoing.
- Expanded distribution for U.S. cheese to 11 new (to our partners*) markets (exceeding partnership goals).
- Continue to diversify partnership portfolio across categories, markets, channels, and partnership type.
- Board approved four new partnerships, including distributors and our first non-coop/branded cheese supplier.
- Expanded the scope of an existing partnership to include fluid milk/cream.

- Though individual partnerships have faced geopolitical and financial headwinds, collectively international partnerships are delivering incremental U.S. dairy export volume. Through Q3, partnerships delivered:
 - Approximately 209M pounds of value-added dairy ingredients
 - Approximately 41M pounds of cheese
 - Foodservice partnerships launched (or relaunched) 14 new products.
 - Expanded distribution for U.S. dairy to 11 new (to our partners*) markets.
 - The Board approved four new partnerships and expansion of an existing partnership to include fluid milk/cream.

Expand Value-Added Initiatives & Partnerships

In 2025, DMI expanded value-added initiatives and partnerships by collaborating with checkoff partners to share findings from Japan cheese research through presentations and outreach. Orange Cheese Company used the research to accelerate product development and innovation for its Oralife cheese brand, which is made with 100% U.S.-sourced dairy. DMI also executed an omnichannel campaign pilot with HEB grocery in Mexico to drive sales of U.S. cheese brands. In addition, DMI participated in USDEC-led bulk cheese workshops in Japan and South Korea to advance opportunities for expanding U.S. cheese exports across retail and foodservice channels. The workshops brought together 16 U.S. dairy suppliers and more than 76 in-market buyers and manufacturers.

Results

- HEB Mexico omnichannel campaign delivered a return on ad spend (ROAS) of \$7.47, driving 93% higher unit sales than the previous year. Staff working with USDEC Cheese Marketing team to determine pilot expansion plan for 2026.
- Working with USDEC local teams to determine discovery discussion opportunities resulting in bulk cheese workshops; at least two interested potential partners.

**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 2006

Paul Leitch
GOVERNOR



NEBRASKA ADMINISTRATIVE CODE

APPROVED
DOUGLAS J. PETERSON
ATTORNEY GENERAL

APR 25 2006

BY *Emily Rose*
ASSISTANT ATTORNEY GENERAL

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

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, 2025, to June 30, 2026**, 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, 2026;
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, 2025, to June 30, 2026**, 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.

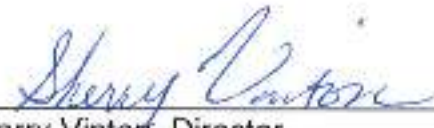
- b. If the Department uses a subcontractor who is an individual or sole proprietorship, the Department agrees to require the subcontractor to complete the United States Citizenship Attestation Form available in the DAS website at <http://das.nebraska.gov/materiel/purchasing.html/>. If the subcontractor indicates on such attestation form 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.

6/5/2025
Date


Kent Pulfer, Chairman
Nebraska Dairy Industry Development Board

6-5-25
Date


Sherry Vinton, Director
Department of Agriculture

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 semiannual 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 Milk Act. 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 2025, 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, 2025, through June 30, 2026.

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::

Outcomes

1. 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.

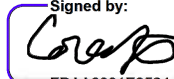
IN WITNESS WHEREOF, the parties hereto do execute this Agreement.

MIDWEST DAIRY ASSOCIATION
Federal ID Number, 41-0433125

6/9/2025

Date

Signed by:



FDAAG001E952449...

Corey Scott, CEO

NEBRASKA DAIRY INDUSTRY
DEVELOPMENT BOARD

Date

6/5/2025

Kent Pulfer, Chairman

