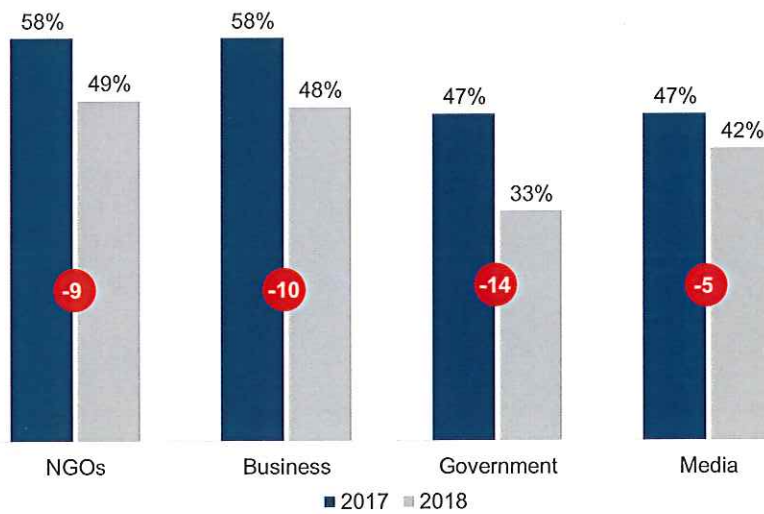




CONSUMER CONFIDENCE & PERCEPTION

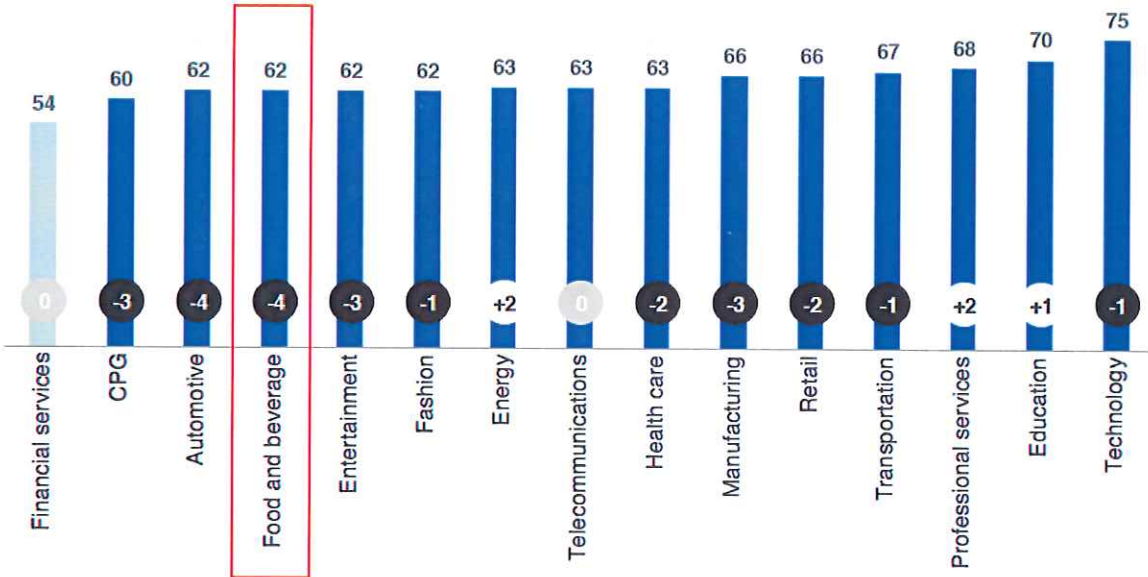
Jen Walsh
Vice President, Insights & Strategy
Dairy Farmers of Wisconsin

Trust Crash In All Categories

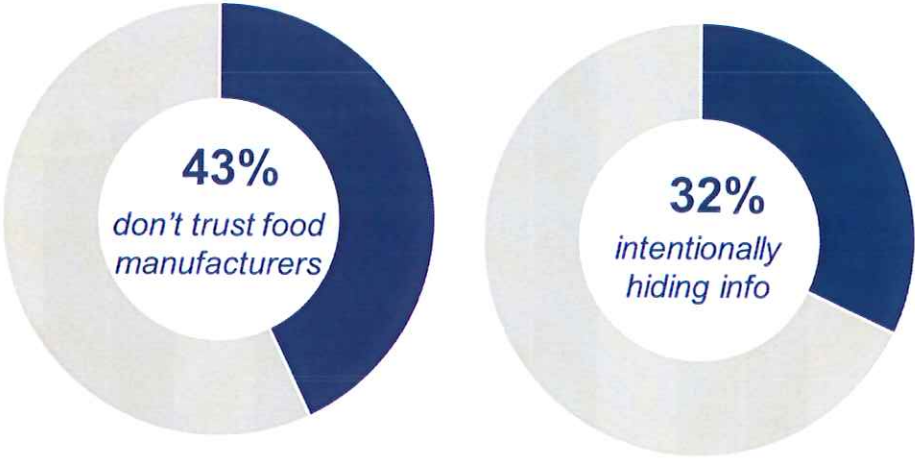


Source: Edelman Trust Barometer, 2018 US Only

Trust In Food & Beverages Diminishing

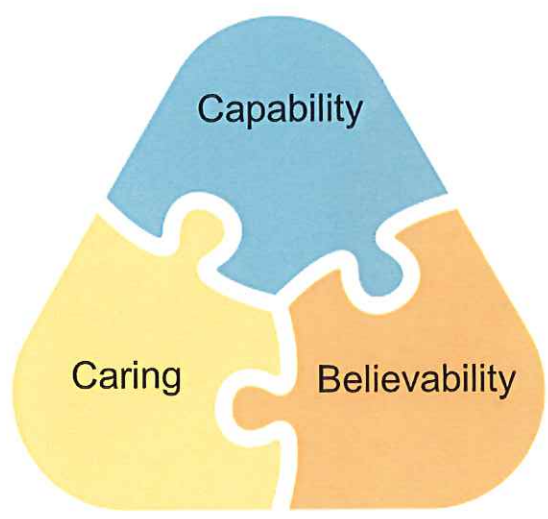


Consumer Trust

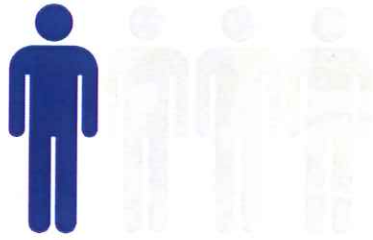




Three Components Of Trust



Lack Of Shared Values Leads To Perceptions That Big = Bad



Only **1 in 4** consumers say small food companies put their own interests ahead of the public interest



But more than **half** say large food companies put their own interests ahead of the public interest

Big = Bad



Brands With a Purpose



50%

faster growth vs other brands

60%

account for 60% of company growth

DAIRY FARMERS
OF
WISCONSIN

To prosper over time, every company must not only deliver financial performance, but also show how it makes a positive contribution to society.

LAURENCE D. FINK

Chairman & Chief Executive Officer

BLACKROCK®

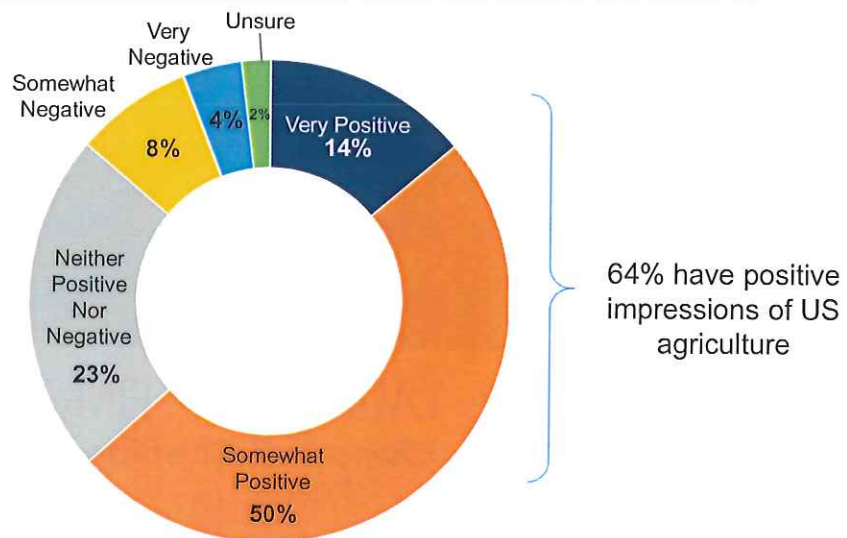
DAIRY FARMERS
OF
WISCONSIN

Our job as CEOs now includes driving what we think is right. It's not exactly political activism, but it is action on issues beyond business.

BRIAN MOYNIHAN
Chief Executive Officer

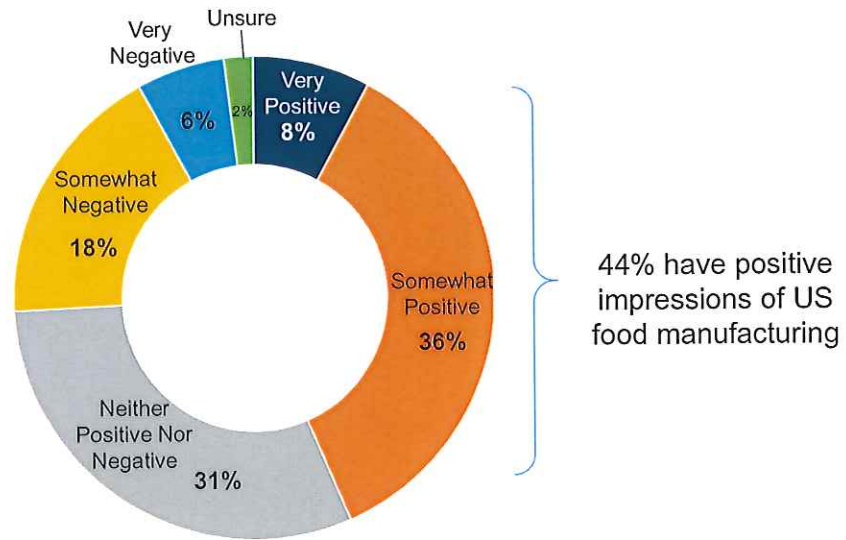


Consumers Have Positive Impressions of Agriculture



Source: Center for Food Integrity, 2017 Consumer Trust Study
What would you say is your overall impression of US agriculture today?

Impressions of Food Manufacturing Are Less Positive



Source: Center for Food Integrity, 2017 Consumer Trust Study
What would you say is your overall impression of food manufacturing in the US today?

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Farmers Among Most Trusted

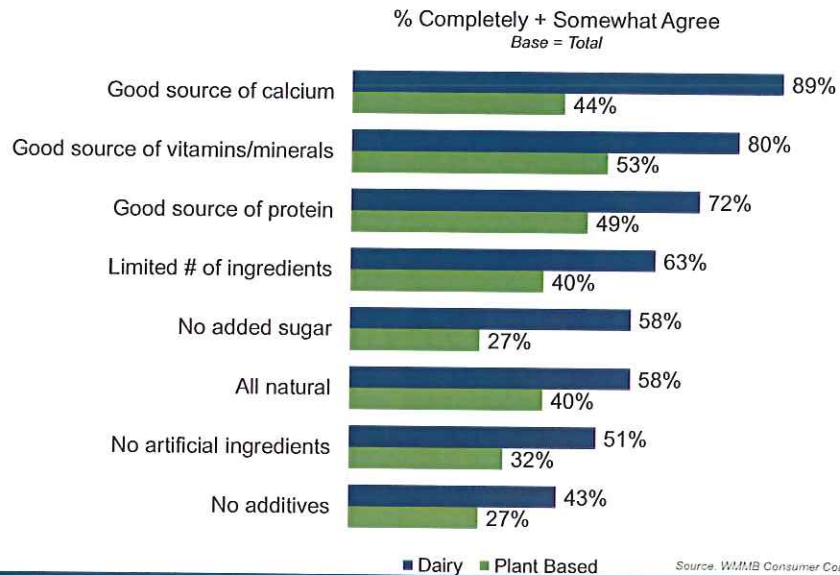
	Trusted To Ensure Safe Food <small>Mean: 10-pt scale</small>	Trusted To Ensure Healthy Food <small>Mean: 10-pt scale</small>
Family	7.31	7.10
Doctor	7.23	6.80
Farmers	6.79	6.80
Dietitians	6.62	6.40
Nutrition Groups	6.56	6.41
University Scientists	6.56	6.27
Federal Regulatory Agencies	6.23	6.24
State Regulatory Agencies	6.22	6.24
Grocery Stores	6.34	6.22
Restaurants	5.78	5.83
Food Companies/Manufacturers	5.77	5.75

Source: Center for Food Integrity, 2017 Consumer Trust Study
Please rate the level of trust you have in the following groups to ensure safe/healthy food in the US. 10-pt scale

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NUTRITION

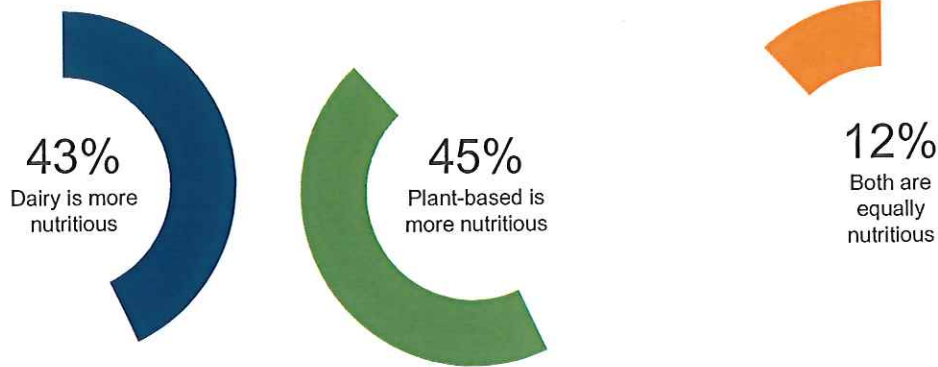
Dairy milk scores much higher than plant-based on many nutrition-focused dimensions.



Source: WMMB Consumer Confidence Pre-Test December 2016, WI Only

And yet less than half believe dairy milk is more nutritious than plant-based milk overall.

Which is more nutritious?

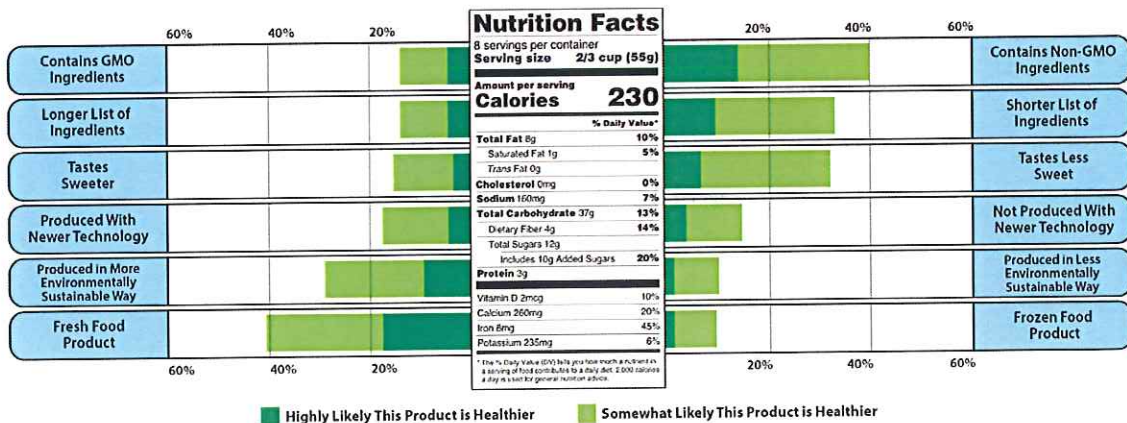


Source: WMMB Consumer Confidence Pre-Test December 2016, WI Only

DAIRY FARMERS OF WISCONSIN Q3a. Still thinking of dairy milk and plant-based milk, such as almond or soy milk, which is more nutritious?

Nutrition Is More Than The Nutrition Facts Panel

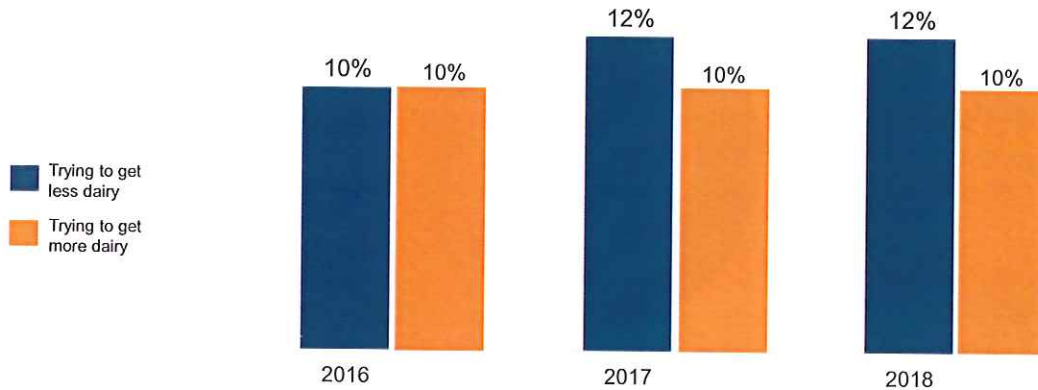
If Two Products Have the Same Nutrition Facts Panel...
Which is Healthier?



Source: IFIC Food & Health Survey, 2018

DAIRY FARMERS OF WISCONSIN Q18. Imagine you came across two food products that had the exact same Nutrition Facts Panel. Would any of the following details lead you to believe that one of the products was more likely to be healthier? (n=1,000)

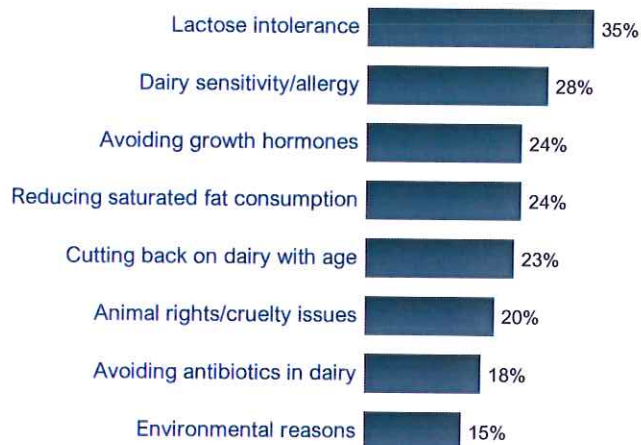
Dairy Intake



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WISCONSIN

Source: NPD, Eating Patterns In America, 2018

Digestive intolerance is the main reason consumers avoid dairy

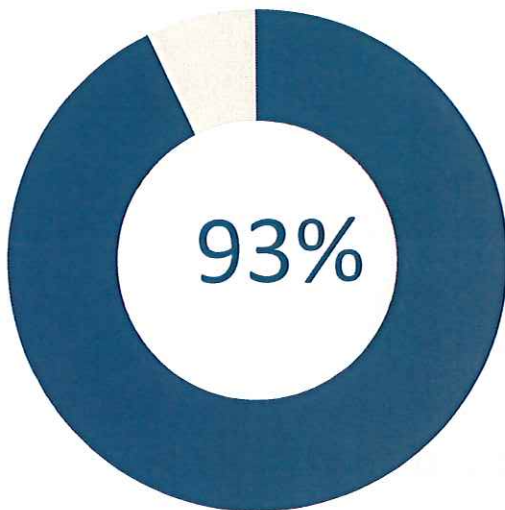


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WISCONSIN

Source: Cargill, The Shifting Global Dairy Market, 2018

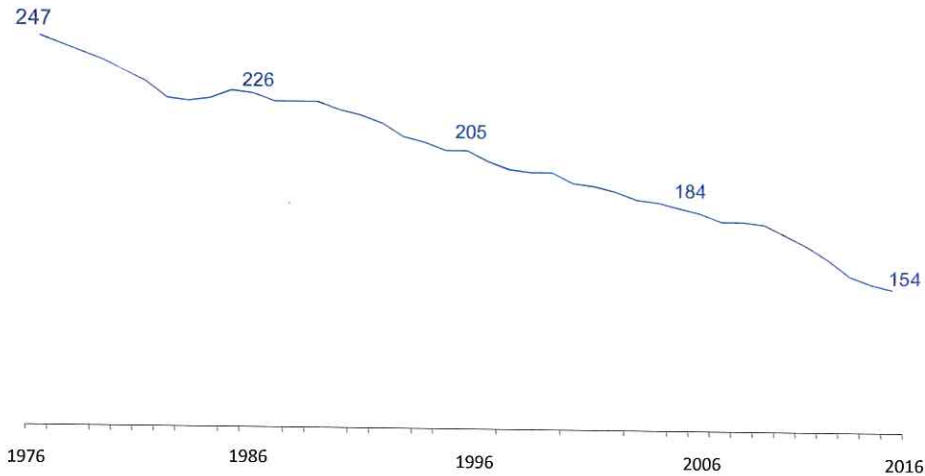
FLUID MILK CONSUMPTION

White Milk



115 million households

US Milk Per Capita Consumption (in lbs.)

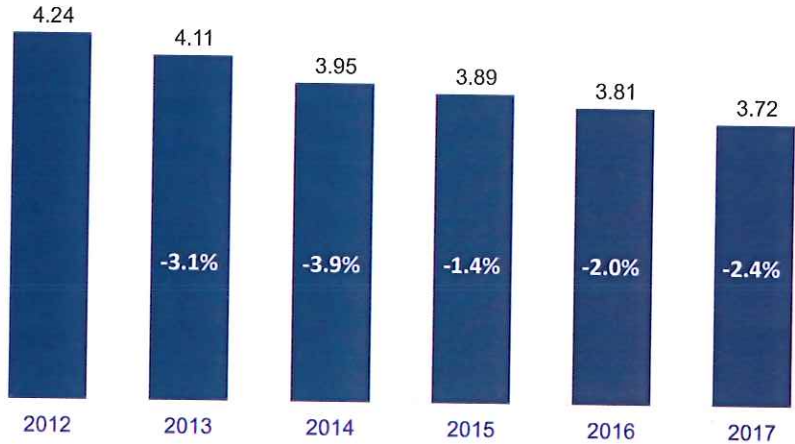


Source: USDA National Agricultural Statistics Service

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Retail Sales of Fluid Milk

Volume Sales of Fluid Milk (in billions of gallons)



Source: IRI WMMB Custom Database

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OF
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Whole Milk Sales Up

	Volume Growth			Volume Share
	2017	2018 thru 8/12	4 wks end 8/12	2018 thru 8/12
TOT Milk	-2.4%	-2.4%	-3.2%	100.0%
Whole	+3.0%	+1.9%	+1.0%	38.0%
2%	-2.8%	-2.8%	-3.7%	37.0%
1%	-6.1%	-5.7%	-6.7%	16.7%
Fat Free	-13.3%	-11.5%	-11.8%	8.3%



Source: IRI Market Advantage Retail Sales Data

DAIRY FARMERS
OF
WISCONSIN

Flavored Milk Sales Up

	Volume Growth			Volume Share
	2017	2018 thru 8/12	4 wks end 8/12	2018 thru 8/12
TOT Milk	-2.4%	-2.4%	-3.2%	100.0%
White	-2.8%	-2.6%	-3.3%	93.1%
Flavored	+3.8%	+1.0%	-1.0%	6.0%



Source: IRI Market Advantage Retail Sales Data

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OF
WISCONSIN

Lactose-Free Milk Sales Up

	Volume Growth			Volume Share
	2017	2018 thru 8/12	4 wks end 8/12	2018 thru 8/12
TOT Milk	-2.4%	-2.4%	-3.2%	100.0%
Full lactose	-2.9%	-2.8%	-3.6%	96.0%
Lactose-free	+11.6%	+9.0%	+8.6%	4.0%



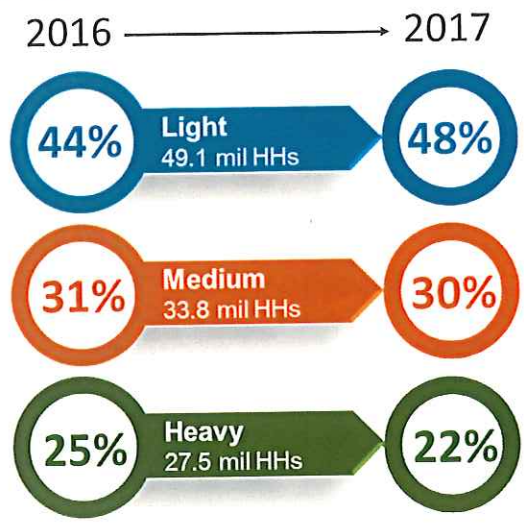
74.6 million fewer gallons of milk in 2017 vs 2016

Source: IRI National Consumer Panel, Total All Outlets; 52 weeks ending 11/12/2017 vs YAG

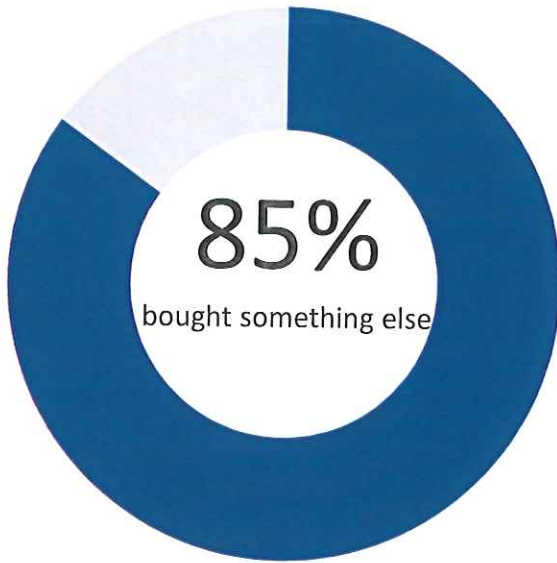
DAIRY FARMERS OF WISCONSIN



Buyer Migration

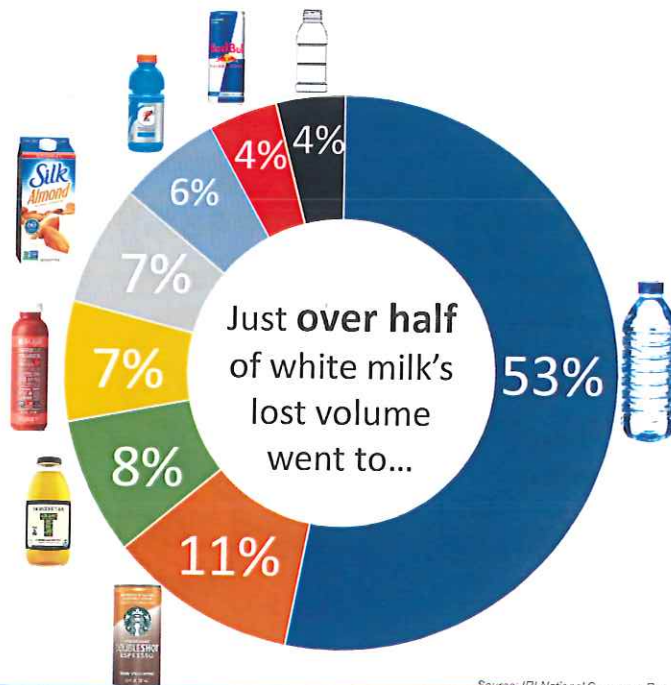


Source: IRI National Consumer Panel, Total All Outlets: 52 weeks ending 11/12/2017 vs YAG



Source: IRI National Consumer Panel, Total All Outlets; 52 weeks ending 11/12/2017 vs YAG

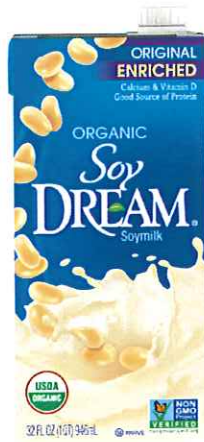
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WISCONSIN



Source: IRI National Consumer Panel, Total All Outlets; 52 weeks ending 11/12/2017 vs YAG

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OF
WISCONSIN

Our View of Milk Alternatives



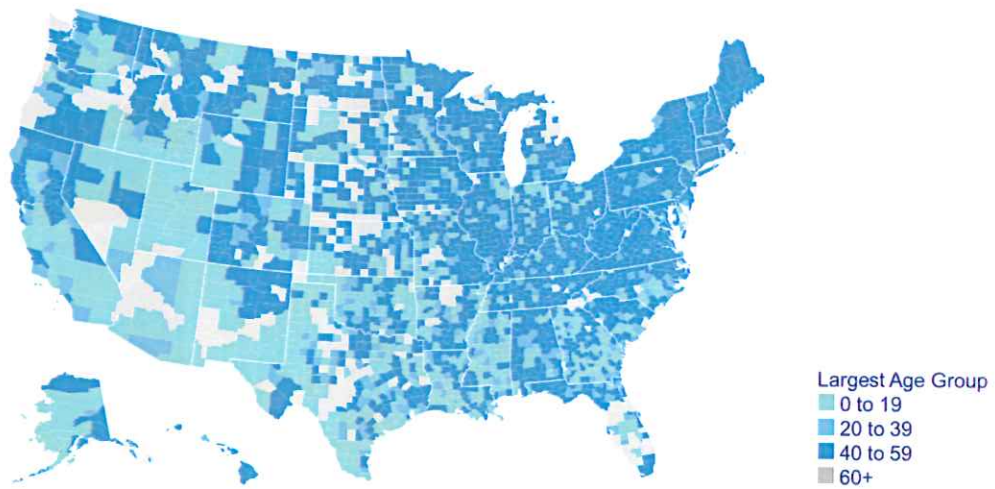
DAIRY FARMERS OF WISCONSIN

Consumers' View of Milk Alternatives



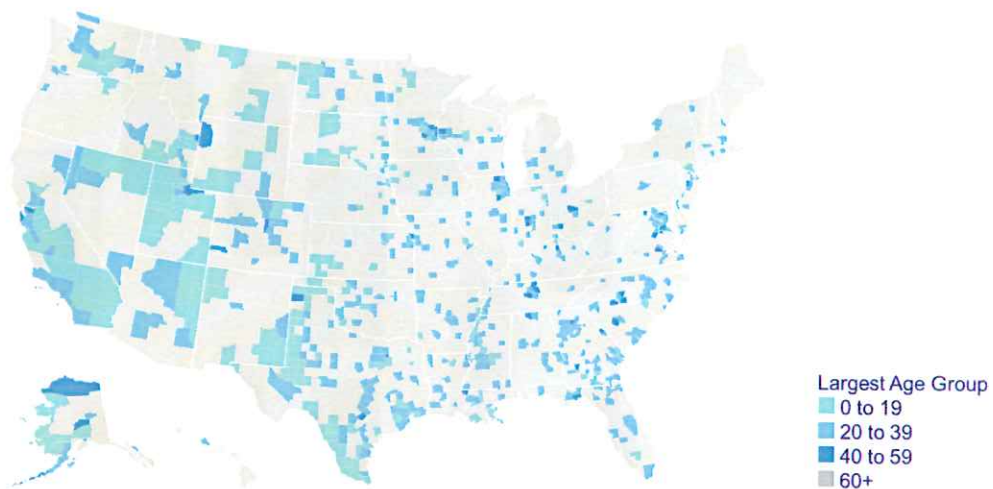
DAIRY FARMERS OF WISCONSIN

Aging of America: Largest Age Group by County in 2010



Source: Chmura Economics & Analytics

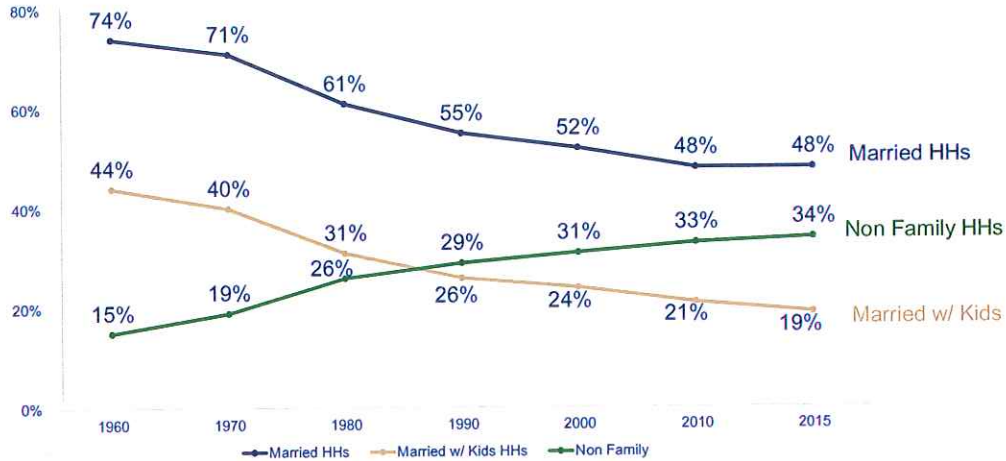
Aging of America: Largest Age Group by County in 2030



Source: Chmura Economics & Analytics

Married With Kids No Longer The Norm

Household Composition

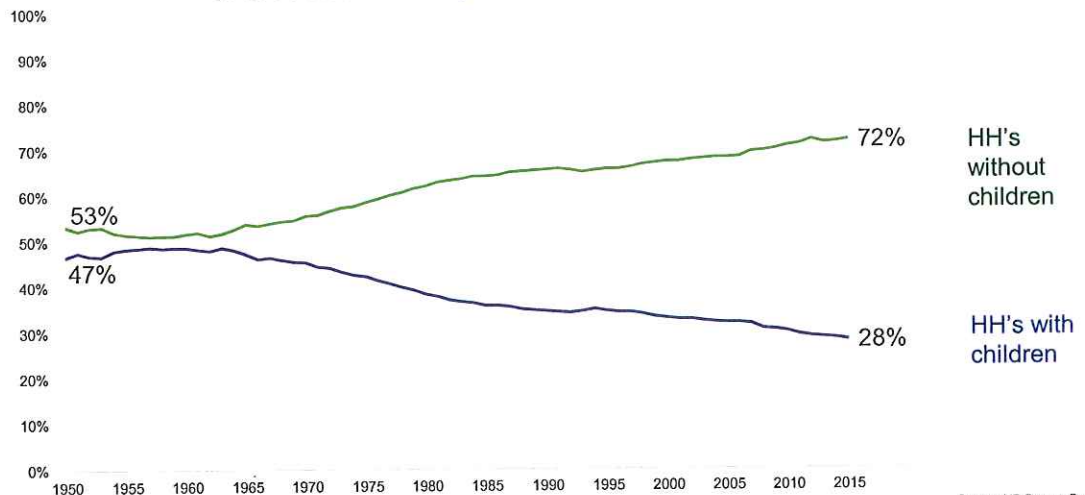


Source: US Census Bureau



Fewer Households With Children

% of US Households by Presence of Children <18



Source: US Census Bureau



