



# MilkPEP Annual Report 2022



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## Our Mission: To Make Milk Matter More

We are milk people.

We love milk, and we live to share that passion with others. We celebrate and communicate real milk's essential goodness and unique value – loudly and proudly – through world-class communications and thought leadership. We always steward our funders' investment with care and accountability.

# Letter From the Chair of the Board

**During five years serving on the MilkPEP board, I am honored to serve as chairperson for this organization that is deeply committed to the mission of making milk matter more in the hearts and minds of consumers nationwide.**

Throughout the year, I've witnessed how MilkPEP's CEO Yin Woon Rani led and inspired her team to see possibilities and stretch beyond where milk has ever gone before.

I am impressed by how the small MilkPEP team works hard with industry partners across the dairy ecosystem.

Collaborating on strategies, sharing resources, and partnering on key initiatives strengthens the impact we can make on our entire category.

MilkPEP continues to be a careful steward of processor dollars while also providing significant opportunities for milk processors to build their brands. With the real challenges our entire milk category faces today, I encourage all of us to come together, leverage the offerings from MilkPEP, and stay the course on this marathon we're running to stem milk's decline.

## **Tim Kelly**

Senior Vice President/General Manager,  
Shamrock Foods



**“I am impressed by how the small MilkPEP team works hard with industry partners across the dairy ecosystem.”**

# Letter From the CEO

As I enter my fourth year as CEO at MilkPEP I'm so grateful to be part of a resilient industry, representing a category whose product has stood the test of time. Despite the ongoing macro and business challenges facing the milk category, together we make progress against headwinds, embrace small wins, and continue to push forward.

MilkPEP remains committed to our mission to Make Milk Matter more in the hearts and minds of consumers. In 2022, our main focus was modernization – across all consumer programming, research and insights, as well as commercial efforts.

Our national consumer campaign, You're Gonna Need Milk For That, made great strides to educate consumers on the benefits of milk. The campaign leveraged powerful milk claims, like "Hydrates Better Than Water", showed up unexpectedly, loud and proud, and tied into modern culture in an impactful manner.

For our brands, MilkPEP introduced enhanced program opportunities, resources, and communications, including new Out-Of-Home (OOH) and influencer co-op programs. A branding refresh, new website and digital asset management system modernized MilkPEP's communications, giving brands easy access to a library of research and resources through powerful search functionality.

In 2022, MilkPEP generated 3.1 gallons of milk sold for every dollar invested netting a total of 170MM incremental gallons fueled by improved perceptions and cultural relevance among our key targets. Throughout this report you'll learn a lot more about the ways our 2022 programs helped shape consumer attitudes and stem milk's decline.

As agile marketers we continuously evaluate our work and adjust channel, content, frequency, and more to best reach our target consumers. Simultaneously, we are steadfast in our thoughtful allocation of processor investment – it is central to everything we do here at MilkPEP.

I value and welcome your thoughts.  
Sincerely,



**Yin Woon Rani**  
CEO, MilkPEP



**“MilkPEP remains committed to our mission to Make Milk Matter more in the hearts and minds of consumers.”**

If we had to choose just  
**one word** to describe 2022:

MODERN

# How did **Modern** come to life?

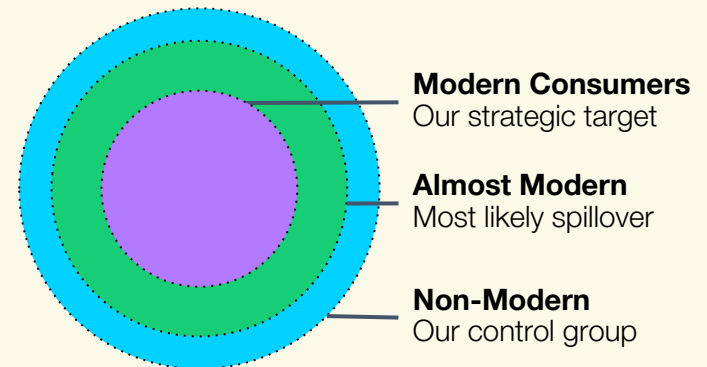
- Focused on targeting Modern Milk Families
- Researched what it means to be a modern beverage
- Discovered bold new ways to reach consumers
- Tied into modern culture
- Upgraded our digital infrastructure
- Introduced innovative programs and offerings for brands
- Showed up in unexpected ways

**Looking ahead to 2023**, we'll continue to build on our "modern" strategic approach throughout our messaging, media, audience, and platforms.

## Who are modern families?

They're active, open-minded, and influential. Their on-the-go lifestyles are defined by physical, social, and emotional strength.

### Modern Families Sizing Our Footprint

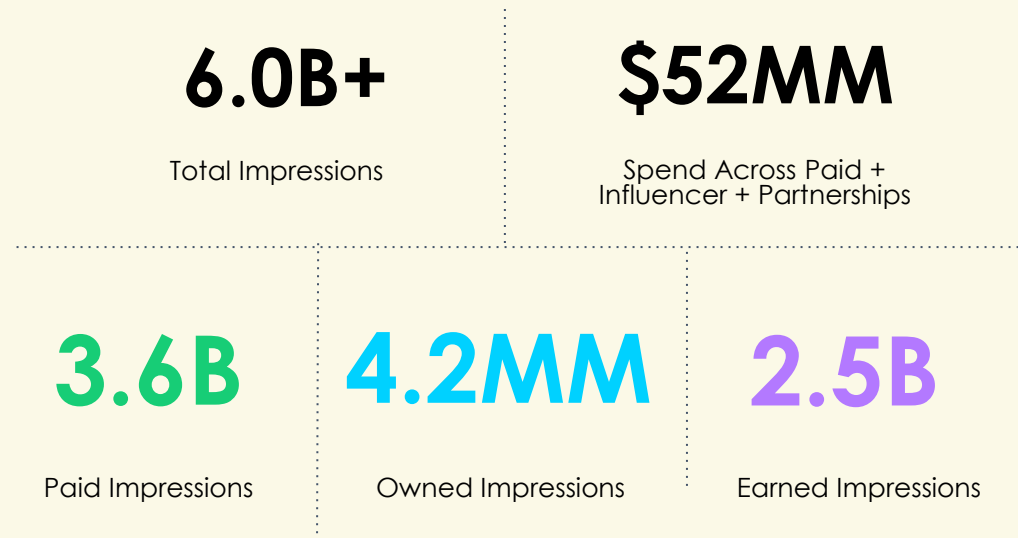


#### Modern Consumers represent:

97MM People  
29% of Population  
42% of Milk Volume

# Impact at a Glance

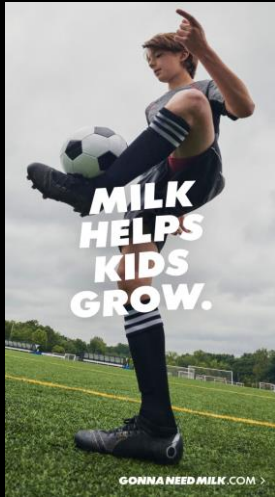
The 2022 marketing program was successful in driving scale and efficiency to Modern Milk Audiences through a combined effort of paid, owned, and earned media, achieving **28% above impressions target**.



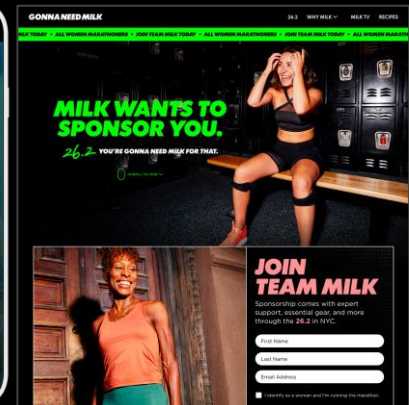
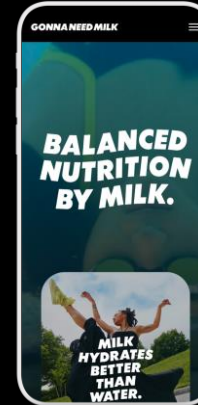
**YOU'RE  
GONNA  
NEED  
MILK  
FOR THAT.**

Making its debut in 2021, the **You're Gonna Need Milk For That** platform continued in 2022 with fully integrated, digital-first programming that proudly amplified milk's nutritional benefits in creative and modern ways while positioning milk as a powerful beverage for performance.





got milk?  
GONNA NEED MILK.COM >



[TwitchCon Case Study](#)

[26.2 Launch Video](#)

# Make the Trade Program

## Beginning 2022 With Award-Winning Shopper Marketing

MilkPEP's "[Make the Trade](#)" omnichannel program took a cutting-edge approach to sweepstakes activation, leveraging pro football partnerships to award exclusive NFT prizes.

The Result: This in-store marketing program showed a 5.58% lift among alternative milk buyers exposed to the ad, largely due to switchers from almond milk.

## The Shopper Journey: 360 Marketing Comms

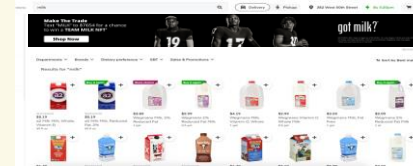


Won a REGGIE Award in the Promotion Marketing category at the Association of National Advertisers' 40th annual event.



Honored for Digital In-Store Activation by the Path to Purchase Institute.

Read the [case study](#)



INSTACART BANNER ADS



NEPTUNE BANNER ADS



ADAPTED AWARENESS ADS  
15.6MM IMPRESSIONS



BIG HAPPY  
LANDING PAGE  
17.3MM IMPRESSIONS



INMARKET PRECEPTIVITY BANNER ADS  
6.8MM IMPRESSIONS



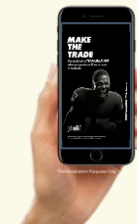
ORGANIC & PAID SOCIAL MEDIA  
6.2MM IMPRESSIONS



16 MILLION+  
CUSTOM MILK LABELS



WALMART  
NECK HANGERS



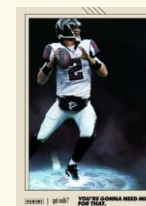
INMARKET IN-STORE  
NOTIFICATIONS



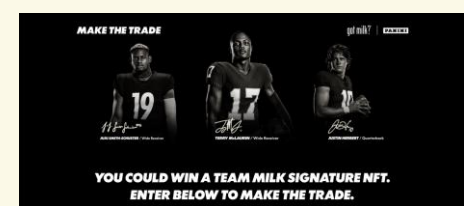
SHELF SIGNAGE  
164MM IMPRESSIONS



TEAM MILK  
BASE CARD



DIY TRADING CARD  
(SAMPLE)



ORGANIC & PAID SOCIAL MEDIA



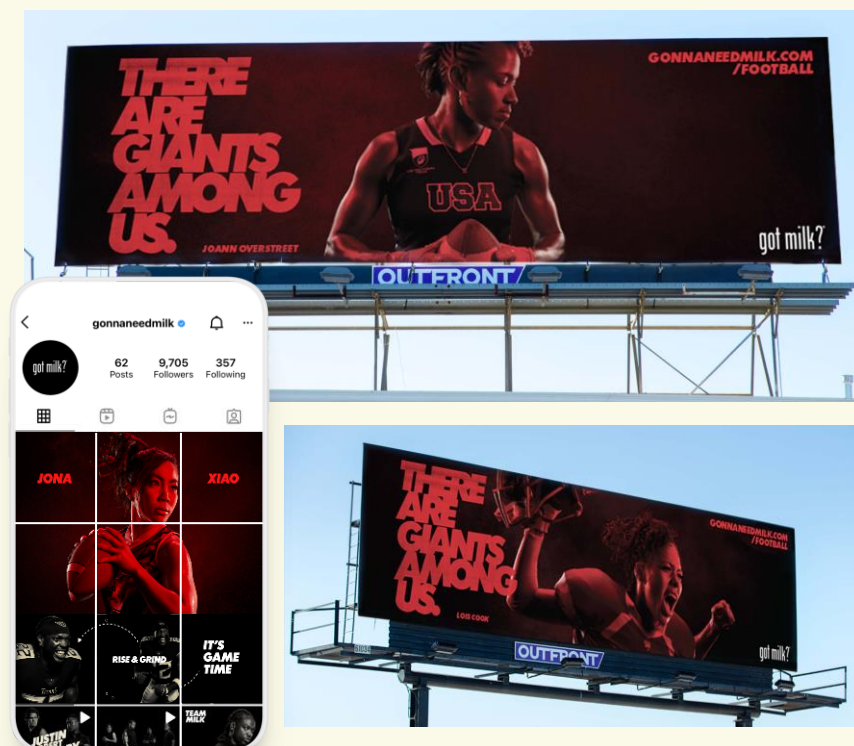
# Football is Football

## Debuting Our Spotlight on Women Athletes

MilkPEP's focus on fast and fun football content with NFL players to this point had only featured men. Milk fuels everyone's passions, so we followed with a female football program highlighting student athletes and pro women footballers.

Alongside GENYOUth, we asked for communities to nominate the Female Flag Players of the Year to become part of Team Milk and win a \$5k scholarship, celebrating young women athletes and tying milk to the emerging sport.

We also launched the exciting Football is Football campaign alongside pros Joan Overstreet, Lois Cook, Adrienne Smith, and Jona Xiao – who all use milk in their training diet and recovery. These women became the faces of Team Milk across our social channels, out-of-home, paid media, and in a [30-second PSA](#) airing on NFL Network just prior to the Super Bowl LVI kickoff.



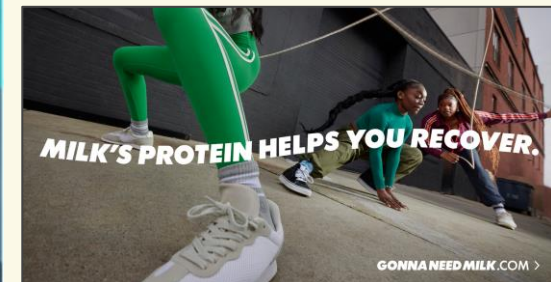
# Claims Parade

## Making Milk the Thing Through Claims

In 2022, we shifted the You're Gonna Need Milk narrative from "Milk fuels athletes" to "Milk fuels you and your family." **Through always-on programming across paid media and out-of-home (OOH), we focused on research-grounded claims about milk to drill into factual yet unexpected benefits ranging from hydration to wellness to height.** With the backdrop of bottles and lifestyle imagery, these claims broaden the milk story while continuing to move the needle on how milk can help people perform in all kinds of ways.

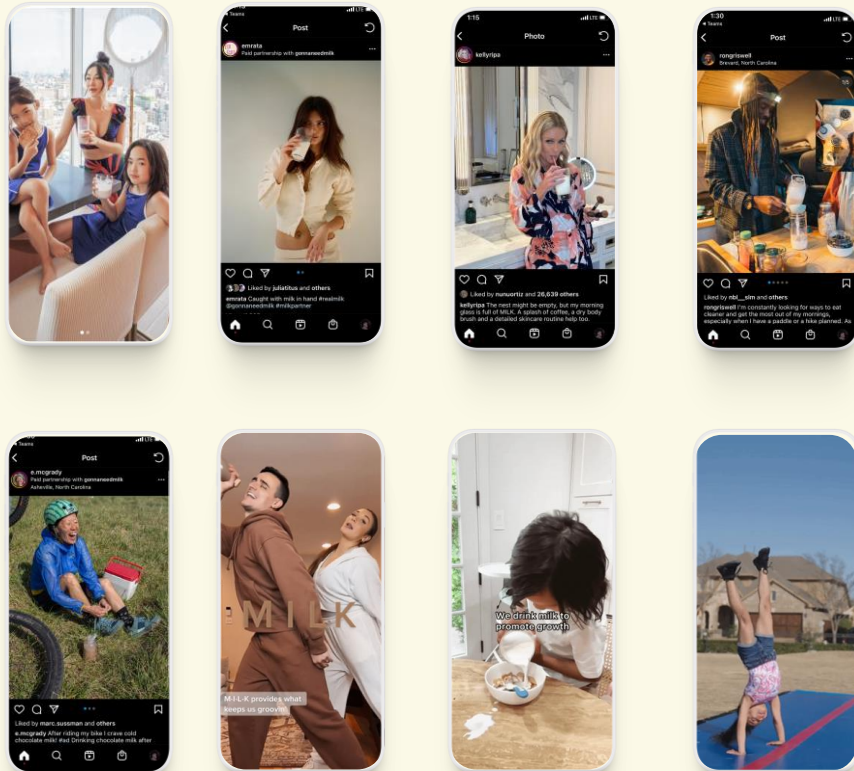
## Driving Recognition Across Paid Channels

Leveraging the claims messaging and creative, 2022 always-on paid media campaigns across direct, programmatic, OOH, and search targeted modern parents and delivered **20% above planned impressions.**



# Using Influencers as a Media Channel

We created a large-scale, diverse influencer program, partnering with 246 creators across lifestyle, fitness, wellness, food and recipe, outdoor, and sustainability categories.



276.3MM

Social Reach

246

Total Influencers

2.7MM

Total Engagements

316

Total Posts

94.6%

Positive Sentiment

7.2%

Engagement Rate

# Bringing the Facts With Subject Matter Experts

We partnered with a unique set of six subject matter experts including an athlete, a pediatrician, a nutritionist, and more to lend further credibility to milk's claims across the media and social media landscape.

While our influencers play a pivotal role in mass visibility, our subject matter experts add credibility to milk in social conversations. With their own loyal following, our SMEs are reputable authorities that help us vocalize the benefits of milk through data, science, knowledge, and expertise and also help people better understand our messaging. [See more here.](#)

6

SMEs Live

33

Social Posts

6.3%

Average Engagement Rate

*\*IG industry average  
engagement rate: 2%  
\*TikTok industry average  
engagement rate: 5%*

19.8MM

Social Reach

204k

Social Engagements

**Here's why I choose real dairy milk over plant-based alternatives as a mom and a pediatrician.**

Real dairy milk has just 3 ingredients: milk, Vitamin A, and Vitamin D. It's also an efficient vehicle of 13 essential nutrients and is the top food source of 9 nutrients in kids' diets!

#gonnaneedmilk #ad @gonnaneedmilk

**Dr. Tanya Altmann**





# Driving Reconsideration Through Retreat

## Gonna Need Milk x Isaac Boots

We hosted top editors from **Bustle**, **Marie Claire**, **Men's Health**, **NYLON**, and **New York Magazine** at Southampton's wellness resort Shou Sugi Ban House – which was turned into a Milk house for a wellness weekend.

Greeted with @gonnaneedmilk customized bags and branded gear, editors partook in milk-forward meals, educational learning, and a Torch'd class taught by celebrity trainer Isaac Boots.

Following the class, attendees enjoyed Isaac's favorite milk-based recovery smoothies and chatted with him about why milk is his go-to performance beverage.

***“Never knew about the protein difference – I’m definitely switching from my almond milk now.”***

***-Class Attendee***



A woman with long brown hair, wearing a black sports bra and black shorts, is sitting on a wooden bench in a locker room. She is smiling and holding her head with both hands. The background shows rows of dark lockers.

# 26.2

## **EVERY. WOMAN. SPONSORED.**

From early in the year with our Football is Football campaign, we held that Milk fuels all athletes no matter the gender.

The second initiative in the pursuit of equity in sport is 26.2 - sponsoring all female runners on their road to their 26.2 finish line and future finish lines to come.

Watch the [case study](#) for more on the 26.2 mission.



# 26.2 Debuts in NYC

## Reaching Modern Families and Moms in New Ways

Unlike other brands, instead of sponsoring the New York City Marathon itself, MilkPEP's 26.2 program sponsored the women running it. For every woman to join #TeamMilk, we matched their registration fee in a donation to our charity partner, Girls on the Run (GOTR). The result: On behalf of #TeamMilk runners, MilkPEP donated \$600,000 to GOTR, supporting the next generation of women runners.

MilkPEP built awareness and excitement among women marathon runners with unmissable invitations, targeted running routes, and key influencers. Leveraging our influencer strategy, we partnered with a diverse group of empowering women runners, experts, and trainers with the ultimate goal of raising awareness for the program mission and driving signups to #TeamMilk.

At the Expo, Milk's experiential booth offered women exclusive gear, nutrition workshops, a stretch lab, and more. At the finish line, #TeamMilk was treated to a private recovery lounge complete with chocolate milk.

The program was a success, gaining over 1B paid and earned impressions, and 3,543 signups. We achieved over **9.86MM potential impressions across 80 posts**, including #TeamMilk women, and **over 105K engagements**.







# Reaching Youth in Modern Ways

We introduced milk characters who shared the benefits of milk in fun and unexpected ways to reach our target youth audience.

Featured in fun-size 15-second ads, these characters appeared on social, in materials for a SuperAwesome media partnership, and in a lively TwitchCon activation. See the characters star in their shorts on [Milk TV](#).



As a presenting sponsor of TwitchCon 2022, an event hosted by the streaming platform Twitch, we reached teens in a most modern and experiential way through declaring milk the performance drink of gamers. Milk's spectacular interactive booth had non-stop action from attendees.

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Outlets

\$1.65MM+

AVE (Media Value)

177,366,203

Impressions



# Connecting to Modern Culture

## Pilk

In time for the holidays, MilkPEP conducted a cultural collaboration with Pepsi to highlight Pilk, an interesting drink with a cult following. We tapped three influencers within the mother/daughter space to support the program, generating 1.2MM impressions and 17.5k+ engagements!

While outside of our priority performance pillar, this cultural moment drove significant conversation and interest across both media and social media. See the video [here](#).

## Tesla Tweet

We tapped into some real-time cultural relevance – immediately getting into the conversation using our characters. See the tweet [here](#).

## Luke at the Turkey Trot

We brought our characters to the Mamaroneck Township Turkey Trot in November 2022 and made connections with the families getting active. See our reel [here](#).



# New Programs for Brands

## YGNMFT Gets Local

MilkPEP introduced new co-op offerings in 2022 for milk brands to leverage national YGNMFT programs in a relevant way for their local markets.

### Team Milk Local

The Team Milk Local program is an influencer program providing brands their own exclusive influencer(s), MilkPEP-funded up to \$5,000. Nearly 40 brands participated with 60 influencers live in 2022.



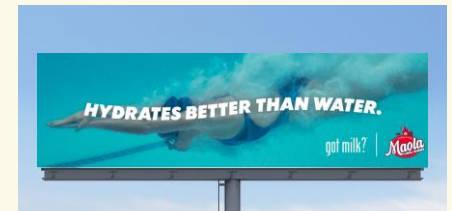
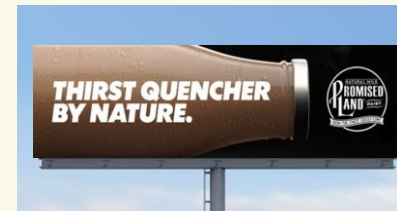
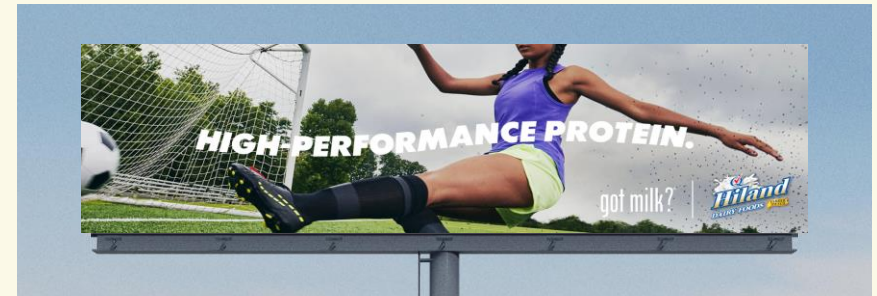
@hungryjessbigcity  
for **Turner Dairy**



@streetsmart.rd  
for **Hiland Dairy**

### Co-Op Out-of-Home

The out-of-home program enabled brands to partner with MilkPEP for a billboard, subsidized by MilkPEP. Brands were provided a custom proposal featuring an interactive map of board locations, descriptions, photo selects, and cost breakdown per board and per rotation, and could run the image and claims of their choice.

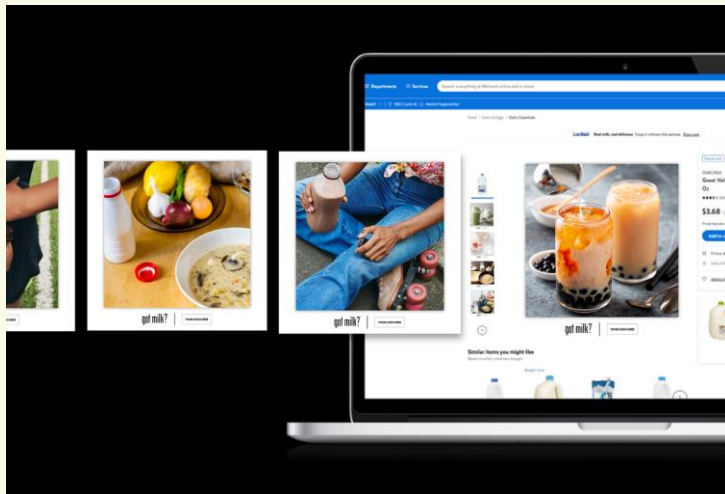


# Category Leadership

## Telling Milk's Retail Story

MilkPEP's category leadership efforts provide useful thought leadership and best practices, inspiring milk brands and retailers to partner to grow the category.

MilkPEP's webinar "How to Stand Out on the Digital Shelf" educated processors on how to get noticed on the digital shelf using newly created, customizable Product Display Page tiles. MilkPEP also demonstrated how to use the new Out of Stock tool to optimize milk sales at retailers by controlling out-of-stocks, enabling milk brands to drive sales for their retail customers.



## Want to Fuel Dairy Category Growth?

**YOU'RE GONNA NEED MILK FOR THAT.**

Milk is the OG Superfood, fueling people for centuries — and it's fueling your customers today too, thanks to the numerous health and wellness benefits it provides.



Milk's *Progressive Grocer* storyscape shared milk's powerhouse category story, receiving a platinum award honor for native advertising from the AVA Digital Award competition for excellence in digital marketing and web-based design.

## Working Groups

### Making Industry Voices Heard

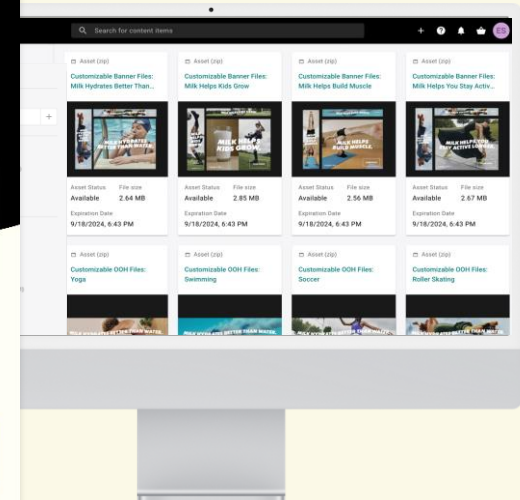
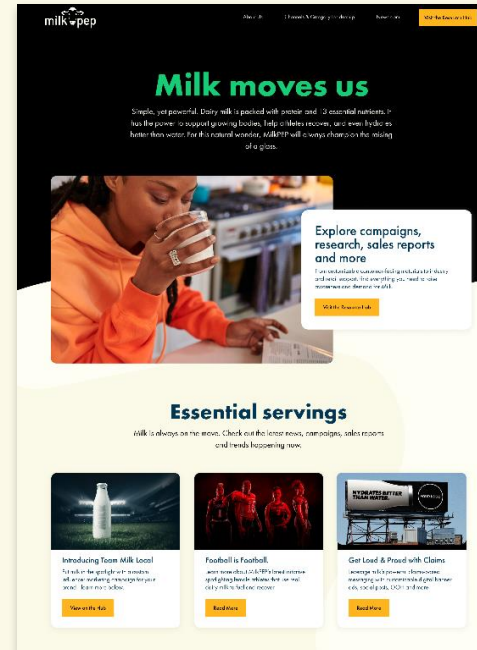
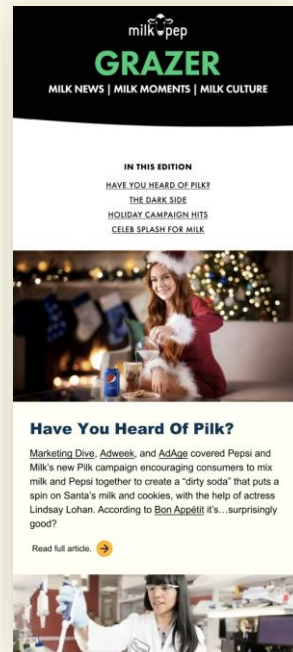
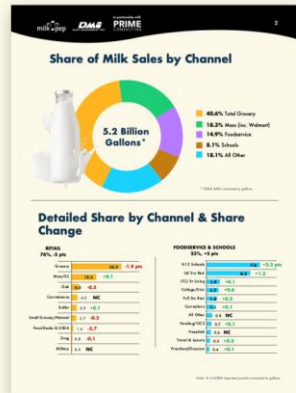
Comprised of senior executives from a variety of milk brands, marketing and sales working groups provide valuable and timely feedback on program development, research activity, and insights into how MilkPEP can better serve the processor community.

The sales working group provided valuable feedback for MilkPEP's category leadership efforts. Insights from participants helped enhance the One More Door story and launch the One More Door tool. These new resources enable milk brands to strengthen their relationship with their retail customers through better management of out-of-stocks and reclaiming milk's space allocation to drive retail sales.



# Modernizing Industry Communication

MilkPEP.org gets a fresh new look, streamlined emails, and a new digital asset management system for processors



The Resource Hub, a modern digital asset management system, contains all the MilkPEP information available to processors, spanning research and insights, webinar programs, digital and social assets, marketing guidance, category leadership assets, and more.

# Financial Report

National Fluid Milk Processor Promotion Board

Statement of Assets, Liabilities, and Net Assets  
Dec. 31, 2022, and Dec. 31, 2021

MilkPEP is driving milk volume in line with pre-pandemic levels\* with less spend and greater engagement, resulting in an efficiency rate 14% higher than our historic average.

3.1X

returning 3.1 gallons  
for every \$1 spent

\$52MM

marketplace investment  
to drive demand

170MM

gallons of  
incremental volume\*

\*In 2019, MilkPEP drove 167 MM incremental gallons with a 2X return.  
Source: IRI MilkPEP Marketing Mix 2019 and Circana IRI MilkPEP Marketing Mix 2022.



ASSETS	2022	2021
Cash and cash equivalents	\$11,449,193	\$18,496,501
Short-term Investments	21,051,874	-
Assessments receivable, net	9,706,529	10,860,558
Prepaid expenses	98,170	574,468
Capital Assets, net of accumulated depreciation	80,846	115,819
Right of use assets (operating/financing)	935,465	-
Other	17,885	17,885
<b>Total Assets</b>	<b>\$43,339,962</b>	<b>\$30,065,231</b>

LIABILITIES & NET ASSETS	2022	2021
Current liabilities	\$11,434,977	\$9,805,208
Long-term liabilities	769,394	12,028
<b>NET ASSETS:</b>		
Designated for contingencies	2,500,000	2,500,000
Undesignated	28,635,591	17,747,995
<b>Total Liabilities &amp; Net Assets</b>	<b>\$43,339,962</b>	<b>\$30,065,231</b>

REVENUES	2022	2021
Assessments	\$79,759,427	\$82,406,391
Interest	176,791	19,542
Other	35,570	27,603
<b>Total Revenue</b>	<b>\$79,971,788</b>	<b>\$82,453,536</b>

EXPENSES	2022	2021
<b>PROGRAM EXPENSES:</b>		
Consumer	\$53,696,826	\$61,553,774
Industry	5,530,961	5,365,741
<b>Total Program Expenses</b>	<b>\$59,227,787</b>	<b>\$66,919,515</b>
<b>SUPPORTING SERVICES:</b>		
Administration	2,684,560	2,259,444
USDA Oversight & Compliance	677,044	542,766
California Grant	6,660,720	6,855,651
Other	(165,919)	9,652
<b>Total Expenses</b>	<b>\$69,084,192</b>	<b>\$76,587,028</b>





**Stay Connected.**



[milkpep.org](http://milkpep.org)

[gonnaneedmilk.com](http://gonnaneedmilk.com)