



**Agriculture  
and Markets**

# Dairy Promotion Order

Update to the Milk Marketing Advisory Council

November 9, 2020

# Dairy Promotion Order (DPO)

What is the Dairy Promotion or “Check Off” Program?

- In 1983, under the mandated USDA national “checkoff” program, milk producers in the US are required to pay 15 cents per hundredweight (cwt) of milk produced to be spent, on an annual basis on promotion and research (7 U.S.C. 4501-4514)
- In New York State the NYSDPO was proposed in 1972 and approved by a referendum vote of NY Dairy Producers (<https://www.nysenate.gov/legislation/laws/UDA/16-X>)
  - The New York State law requires an assessment of 10 cents per cwt on all NY produced milk, this money is sent to the NYSDPO on a monthly basis.
  - This is the maximum rate allowed to offset the national obligation which means 10 cents stays in NYS for NY programming and 5 cents is sent to USDA for national programming
- In 2019, the NYSDPO collected about \$15 million. These funds are allocated to organizations based on goals set by the NYSDPO board

# Board Member Roles & Responsibilities

*The NYS Dairy Promotion Advisory Board is comprised of ten New York State dairy producers who advise and recommend to the Commissioner of Agriculture and Markets how the NYSDPO funds are spent.*

# NYS Dairy Promotion Order Members



# 2021 Funding Selection Process

The process used by the Dairy Promotion Order Advisory Board included:

- Identifying overall goals for Promotion and Research
- Issuing press releases seeking proposals that met these goals
- Reviewing and ranking the submitted proposals
- Recommending funding based on the rankings and available funding.

# Requests for Promotion Proposals for 2021

The DPO Advisory Board met on July 27 to discuss its priorities and goals for 2021.

The Board identified six goals to guide its PROMOTION work in boosting the dairy industry in New York State.

- Increase the consumption of New York milk and dairy products by youth (lunches, breakfasts, and other offerings)
- Promote uniqueness of, and increase sales of, New York milk, dairy products and/or ingredients throughout the entire food supply chain through various distribution channels, including but not limited to, retail stores, e-commerce, curbside sales, etc.

# Requests for Promotion Proposals for 2021 (Cont)

- Improve the image of dairy products and/or dairy producers among consumers, improving the acceptance and consumption of New York milk and dairy products.
- Improve communication to dairy producers to inform them how they can highlight their sustainability story to help increase the consumption of New York milk and dairy products.
- Increase the sales and consumption of milk and dairy products produced in the US and exported to other countries.
- Participate in national programs influencing increased consumption of milk and dairy products.

# Promotion Proposals Received

- The DPO received Promotion proposals from 13 different organizations requesting more than \$17.7 million.
- From these proposals, the Board recommended funding six organizations for projects that totaled \$13.4 million.



# Requests for Research Proposals for 2021

The Board also outlined their Research goals for 2021. The research goal was defined as projects that:

- Focuses on increasing consumer demand for New York-produced fluid milk and dairy products and further ensuring dairy product safety.

# Research Proposals Received

- The DPO received Promotion proposals from four different organizations requesting more than \$2.4 million.
- From these proposals, the Board recommended funding two organizations for projects that totaled \$1.7 million.

# Recommended for Funding in 2021

## Dairy Promotion:

American Dairy Association North East:	\$10,500,000
New England Dairy Promotion Board:	\$ 1,650,000
Milk for Health:	\$ 465,000
New York Animal Agriculture Coalition:	\$ 200,000
American Dairy Products Institute:	\$ 147,000
<u>Cornell Agriculture in the Classroom:</u>	<u>\$ 450,000</u>
<b>Total Promotion</b>	<b>\$13,412,000</b>

## Dairy Research

Cornell University:	\$ 1,371,285
<u>Jeb and Company</u>	<u>\$ 360,000</u>
<b>Total Research</b>	<b>\$ 1,731,285</b>

# DPO Budget for 2021

The NYS DPO recommended budget for 2021 was:

Revenues	\$15,250,000
Promotion Projects	\$13,412,000
Research Projects	\$ 1,731,285
Administration	<u>\$ 100,000</u>
Total Expenses	\$15,243,285
Net Budget	\$ 6,715