



**Agriculture
and Markets**

Dairy Promotion Order

Update to the Milk Marketing Advisory Council

October 22, 2021

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
- The NYSDPO collected over \$15 million in revenue for 2020. 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



2022 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 2022

The DPO Advisory Board met on July 16th to vote on its priorities and goals for 2022.

The Board identified eight 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)
- Promoting uniqueness of, and increased sales of, New York milk, dairy products and / or ingredients throughout the entire food supply chain through various distribution channels and partnerships, including but not limited to, e-commerce, curbside sales, etc.

Requests for Promotion Proposals for 2022 (Cont.)

- Proactively improve the image of dairy products and / or dairy producers' farming practices among consumers, thus improving the acceptance and consumption of New York milk and dairy products.
- Improve communication to dairy producers and dairy stakeholders to inform them how they can assist in improving the consumption of New York milk and dairy products by highlighting the sustainability story.
- Increase the sales and consumption of milk and dairy products produced in the US and exported to other countries.

Requests for Promotion Proposals for 2022 (Cont.)

- Participation in national programs influencing increased consumption of milk and dairy products.
- Create target marketing to promote the consumption of NYS Milk and dairy products to Gen Z (10 to 23 years old).
- Develop and implement marketing strategies that are inclusive of the socially diverse population to increase the consumption of NYS milk and dairy products.

Promotion Proposals Received

- The DPO received Promotion proposals from eight different organizations, requesting roughly \$16.589 million.
- From these proposals, the Board recommended funding six organizations for projects that totaled \$13.880 million.

Requests for Research Proposals for 2022

The Board also outlined their research goals for 2022. The research goal was defined as projects that:

- Conduct research projects that create new products and / or enhance the safety, quality, and sensory attributes to expand the demand for New York dairy products and dairy ingredients.

Research Proposals Received

- The DPO received research proposals from four different organizations requesting more than \$3 million.
- From these proposals, the Board recommended funding two organizations for projects that totaled \$1.474 million.

Recommended for Funding in 2022

Dairy Promotion:

American Dairy Association North East:	\$10,300,000
New England Dairy Promotion Board:	\$ 1,600,000
Cornell Agriculture in the Classroom:	\$ 650,000
VentureFuel:	\$ 495,000
Milk for Health:	\$ 465,000
<u>New York Animal Agriculture Coalition:</u>	<u>\$ 370,000</u>
Total Promotion	\$13,880,000

Dairy Research

Cornell University:	\$ 1,079,079
<u>Jeb and Company</u>	<u>\$ 395,000</u>
Total Research	\$ 1,474,079

DPO Budget for 2022

The NYS DPO recommended budget for 2022 was:

Revenues	\$ 15,500,000
Promotion Projects	\$ 13,880,000
Research Projects	\$ 1,474,079
Administration	<u>\$ 145,000</u>
Total Expenses	\$ 15,499,079
Net Budget	\$ 921

2022 Funded Programs Breakdown: (estimate)

Program	Estimated Funding	% of budget
Youth	\$ 3,640,662	23%
National Programs	\$ 3,025,498	20%
Retail	\$ 1,972,216	13%
Farmer Image	\$ 1,927,019	12%
Research	\$ 1,474,079	10%
Ad / Promotion	\$ 966,545	6%
Gen Z Targeting	\$ 948,690	6%
Communication	\$ 904,371	6%
Dairy Competition	\$ 495,000	3%
Administration	\$ 145,000	1%
Total	\$ 15,499,079	100%

THANK YOU