



**Agriculture  
and Markets**

# Dairy Promotion Order

Update to the Milk Marketing Advisory Council

December 19, 2023

# 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, 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 the National Dairy Promotional and Research Board for national programming.
- The DPO Advisory Board advises the New York State Agriculture Commissioner on the disposition of approximately \$16 million a year in funds collected under the DPO.

# Board Member Roles & Responsibilities

The NYS Dairy Promotion Advisory Board is comprised of ten New York State dairy producers.

Current board members:

- Larry Bailey of Fort Ann, endorsed by Dairy Farmers of America
- Kim Nelson of West Winfield, endorsed by Agri-Mark
- Julie Patterson of Auburn, an at-large member
- Jason Kehl of Strykersville, endorsed by Niagara Frontier Cooperative Milk Producers' Bargaining Agency, Inc.
- Carl Moore of North Bangor, endorsed by NY Farm Bureau
- Dean Handy of St. Johnsville, endorsed by New York State Grange
- Alicia Lamb of Oakfield, an at-large member
- Judi Whittaker of Whitney Point, an at-large member
- Roberta Wolf of Lyons, endorsed by Rochester Cooperative Milk Producers' Bargaining Agency, Inc.
- Sarah Head of Homer, an at-large member

# 2024 Funding Selection Process

The process  
used by the DPO  
Advisory Board  
includes:

Identifying overall  
goals for Promotion  
and Research

Issuing press release  
seeking applications  
that meet these  
goals

Reviewing and  
ranking the  
submitted  
applications

Recommending  
funding allocations  
for applicants based  
on available funds.

# DPO Budget for 2024

The NYS DPO recommended budget for 2024 was:

Revenues	\$ 17,150,000
Promotion Projects	\$ 15,133,020
Research Projects	\$ 1,866,560
Administration	<u>\$ 150,000</u>
Total Expenses	\$ 17,149,580
Net Budget	\$ 420

# Requests for Promotion Applications for 2024

The DPO Advisory Board met in June to vote on its goals for 2024.

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.
- 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.

# Requests for Promotion Applications for 2024 (Cont.)

- Increase the sales and consumption of milk and dairy products produced in the US and exported to other countries.
- 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 (people ages 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 Applications Received

- The DPO received Promotion applications from 14 different organizations, requesting roughly \$20.11 million.
- From these applications, the Board recommended funding 9 organizations for projects that totaled \$15.13 million.



# Requests for Research Applications for 2024

The Board also outlined their research goals for 2024. The research goals were 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.
- Develop a research study identifying opportunities and challenges to the vitality of the dairy industry that can be used to educate consumers ensuring the growth of dairy processing in New York State.

# Research Applications Received

- The DPO received research applications from 2 different organizations requesting roughly \$2.36 million.
- From these applications, the Board recommended funding two organizations for projects that totaled roughly \$1.86 million.

# Approved for Funding in 2024

1. American Dairy Association North East: \$10,500,000
2. New England Dairy Promotion Board: \$1,650,000
3. New York Agriculture in the Classroom: \$754,020
4. New York Animal Agriculture Coalition: \$800,000
5. Milk for Health: \$660,000
6. Dairy Product Runway: \$225,000
7. Corning Place Communications: \$200,000
8. Burt Media: \$200,000
9. Wahl Media: \$144,000
10. Cornell University Research: \$1,716,560
11. Aimpoint Research: \$150,000

**Total: \$16,999,580**

# 2024 Funded Projects

## American Dairy Association North East - \$10,500,000

- Youth programs: increase dairy offerings on school breakfast and lunch menus, virtual farm tours, increase number of schools participating in farm-to-school programs.
- Retail services: dairy aisle reinvention (cheese pushers, yogurt dividers, signage), increase food bank purchasing of dairy products, e-commerce expansion (ex: Instacart)
- Promote dairy's image with consumers: social media, traditional media, nutrition education, environmental outreach, crisis and issues planning and communications
- Industry relations: spokesperson program development and training, dairy ambassador program, local dairy promotion grants
- Gen Z marketing

## New England Dairy Promotion Board – \$1,650,000

- Runs multiple programs under the following categories:
  - Increase trust in dairy among target audiences
  - Support increased dairy sales in schools and through retail
  - Support national programs influencing increased consumption of milk and dairy products.

# 2024 Funded Projects

## New York Agriculture in the Classroom - \$754,020

- Provide grants to county Cornell Cooperative Extension Associations to lead lessons in New York schools, develop and facilitate classroom programs to enhance dairy education, provide professional development workshops and on farm experiences for educators, and implement professional learning opportunities for dairy in the classroom educators.

## New York Animal Agriculture Coalition - \$800,000

- Received funding for two programs: dairy cow birthing center and Moo-ving across New York, a mobile dairy experience (still in the planning phase)

## Milk for Health – \$660,000

- Runs the following programs: streaming media, Explore & more, fairs & public events, adopt a cow, magic shows, web/social media, influencers, cooking classes, programs at Buffalo City Schools, and other school events.

## Dairy Product Runway – \$225,000

- Contest administered by Cornell’s Center for Regional Economic Advancement to educate and promote startups, to successfully progress into capitalization, commercialization, and competitions such as Grow-NY and VentureFuel.

# 2024 Funded Projects

## Corning Place Communications –

\$200,000

- Project approved includes dairy stewardship campaign management, dairy stewardship video series, paid digital campaign, and dairy producers and stakeholders toolkit.

## Burt Media –

\$200,000

- The project includes NYDairy brand management, paid social media campaign, and creative development

## Wahl Media –

\$144,000

- Partnership with Kinney Drugs to promote milk and dairy products. Connect with consumers to improve image of dairy and increase sales of dairy.

## Cornell University Research –

\$1,716,560

- Supporting several current and new research projects related to dairy production and processing

## Aimpoint Research –

\$150,000

- Gather data through research analysis and interviews for insight into practices, challenges, and opportunities of the Dairy industry. Conduct high level economic analysis of NY dairy. Create detailed report with findings.

Thank you!