

MINUTES

TUESDAY, AUGUST 24, 2010
LOUISIANA DAIRY INDUSTRY PROMOTION BOARD MEETING
5825 FLORIDA BOULEVARD
VETERANS' MEMORIAL AUDITORIUM
BATON ROUGE, LA

CALL TO ORDER

Chairman Lanny Conerly called the meeting to order at 10:07 a.m. Mr. Conerly introduced Donnie Fisher, the newly appointed LDIPB member who took the place of Dean Graner who recently sold his dairy.

ROLL CALL

LDIPB Director Michelle Estay called the roll.

DECLARATION OF A QUORUM

The presence of a quorum was declared by Chairman Conerly.

MEMBERS PRESENT

PAUL ALFORD
LANNY CONERLY
DONNIE FISHER
SUSIE SHARKEY
JERRY SIMPSON
BRYAN STAFFORD

MEMBERS ABSENT

CHARNEL BAILEY
RUSSELL CREEL
COMMISSIONER MIKE STRAIN

ELECTION OF OFFICERS FOR LDIPB

A motion made by Bryan Stafford and second by Jerry Simpson to keep the officers the same as last year with Lanny Conerly as Chairman and Russell Creel as Vice-Chairman. The motion carried.

ELECTION OF SUDIA BOARD MEMBER AND DELEGATES

A motion made by Paul Alford and second by Jerry Simpson to re-elect Lanny Conerly as SUDIA Director. The motion carried.

A motion made by Donnie Fisher and second by Jerry Simpson to elect Susie Sharkey and Paul Alford as SUDIA delegates. The motion carried.

APPROVAL OF MINUTES

A motion made by Jerry Simpson and second by Bryan Stafford to approve the minutes of the June 10, 2010 meeting. The motion carried.

FINANCIAL REPORT

Michelle Estay read the June 2010 financial report. She advised the Board that it was over budget by \$36,622 for the last fiscal year and had to go into reserves. Mrs. Estay informed the Board that it will probably go over budget again this fiscal year by about \$30,000. The savings would be depleted in about six years if the same budget is kept every year. Also, assessments will continue to go down with dairy farmers going out of business. The Board discussed the need to put the funds to work and not just keep them in the savings account. Chairman Conerly said that the Board will keep the same budget this year that was passed in the last meeting and look into changing it next year.

Susie Sharkey inquired about the budget for Dairy Days in Tangipahoa, St. Helena and Washington Parishes. She said that Tangipahoa has more dairies than St. Helena and asked the other members for their input on changing the budget to reflect that. Mrs. Estay said she had received thank you notes from Ronnie Bardwell for Dairy Days. Board members decided to keep the Dairy Days budget the same for the current year and consider changing it next year.

Mrs. Estay read the July 2010 financial report. She informed the Board that there were no expenses for July yet, but SUDIA still needs to send the bill for the SUDIA summer board meeting. She explained that the collections listed in the July report were actually June's payments since assessments come in a month later.

A motion made by Bryan Stafford and second by Jerry Simpson to approve the financial reports. The motion carried.

ASSESSMENTS

Sue Mosley, USDA Market Administrator for the Southeast Marketing Area, spoke to the Board about assessments. She stated that her office is responsible for auditing the dairies and making sure that the money gets to where it should be sent. Ms. Mosley explained the pre-audit, audit and enforcement procedures for assessments. If a dairy does not pay, they contact them to attempt to collect the money. If the money is still not paid, the dairy is turned over to the Office of General Counsel. There is a 99% compliance rate with the assessments. Ms. Mosley gave a listing of distributing plants that are exempt from being fully regulated by the federal order due to their small size. The farmer is not exempt from paying the promotion assessment, but the small processing plant is exempt from paying the processor assessment. The processor plant which is the responsible party to collect from the producer is supposed to withhold the assessment from the farmer's pay and send it in to the National Dairy Promotion and Research Board. If an assessment is not paid, the processor is the responsible party and the National Dairy Promotion and Research Board will go to them for payment. Ms. Mosley said that in all likelihood, the processor will try to recoup some of that money from the farmer. For every month an assessment is late, there is a penalty from the beginning date. The USDA will send a bill for the total amount and try to collect everything. Since Louisiana is a mandatory state, the USDA would send Louisiana's portion of the assessment to them. Ms. Mosley was not certain if the USDA would try to collect all delinquent assessments in one lump sum or several payments.

Mr. Conerly explained that there is also a state law that requires assessments to be collected, but if there is a situation where someone is not paying, it would be better for national to institute collection activities. Ms. Mosley stated that national was aware of a current situation in Louisiana like this and they are proceeding with the enforcement process.

DISCUSSION ON REFERENDUM VOTE

Mr. Conerly informed the Board that a referendum vote is coming up next year in which dairy farmers would choose whether or not to continue to send ten cents to the Louisiana program or send it to the national program. Mrs. Estay explained the statute dealing with the Dairy Promotion Board referendum. She said that the referendum takes place every five years and that the only farmers eligible to vote are those who produced one month prior to the vote. Mrs. Estay will meet with Gary Cazaubon, Milk and Dairy Program Administrator for DHH, to come up with the list and the Board would have to approve it. She said that the vote could be done any time in 2011, but would probably take place in March. The ballots would have to be mailed 15 days prior to the vote. The ballots have to be postmarked by a certain date to be counted. The Board would need to meet no later than seven days after that to count the ballots; the ballots would be opened at that time. The result of the vote would take effect ten days following this date. Mrs. Estay said that a printer would produce the ballots. She reiterated that the ballots would have to remain sealed in the envelopes until they are counted.

Mr. Conerly said that it is important that the ballot and letter reflect that the vote is not whether or not to pay the 15 cents, but where the money goes. Mrs. Estay assured the Board that the letter from the Commissioner would explain how the assessment works. Dairy farmers will be sent the letter, instructions and ballot. Board members suggested highlighting or underlining the section of the ballot that explains that the assessment is mandatory and is only a matter of who gets the money. Donnie Fisher inquired whether there would be a vote per farmer or per permit. Mr. Cazaubon explained that there would be a vote per permit.

GMC+ ADVERTISING REPORT

Glenda English and Randy Reyes of GMc+ Advertising presented the 2010-2011 communications plan based on the \$120,000 budget. Ms. English presented the 2010-2011 overall goal and objectives, target audience, research, overall communications strategy, creative positioning, creative rationale and media recommendation. The media recommendation included New Orleans, Baton Rouge and Hammond markets. In New Orleans, the plan included Radio Disney, WDSU TV 6 (NBC), WGNO TV 26 (ABC), WWL TV 4 (CBS), Cox Communications and USA Today New Orleans Saints Yearbook and Preview. In Baton Rouge, the plan included WBRZ TV 2 (ABC), WAFB TV 9 (CBS) and Cox Communications. In Hammond, the plan included CBS Outdoor. Paul Alford suggested that there should be some media presence in Shreveport. Board members decided to drop the billboards in Baton Rouge and do TV in Shreveport.

Mr. Reyes presented possible promotional items GMc+ can produce for the upcoming year. He showed several t-shirt designs for the Washington Parish Fair. He also showed a magnet, balloon, cow bell, flat bill cap, moomoozela (vuvuzela), Nerf basketball, pencil, stress ball and tumbler.

Board members offered input on the promotional items. Susie Sharkey expressed that she does not like the flat bill caps and would like to see another option. The Board advised GMC+ that they liked the t-shirt with the smaller basketball player milk splash and would like to see a milk splash shirt with a football player. They also liked the original ice cream shirt.

At Mrs. Sharkey's request, Mrs. Estay checked on prices of cow costumes. She said the average price is \$1,300. She suggested that the Board meet with Disney first about promotions planned and see if it would be economical. Mr. Conerly said the Board could make a decision at the next meeting whether to purchase a cow costume.

SUDIA REPORT

Cheryl Hayn and Linda Greco of SUDIA presented the 2011 Program and Budget Report. Mrs. Hayn presented and explained the contract between SUDIA and LDIPB.

A motion made by Jerry Simpson and second by Paul Alford for the LDIPB to renew the contract with SUDIA. The motion carried.

PUBLIC COMMENT

Jamie Shoemaker with The Boot Magazine made a presentation introducing his publication which is available in the Baton Rouge, New Orleans and Lafayette markets. Mr. Shoemaker said the magazine is free and approximately 25,000 are printed each month. There are 450 distribution points. In addition to stories, the magazine offers advertising and a website, "thebootmagazine.com." Mr. Shoemaker will meet with GMC+ and Mrs. Estay to discuss advertising opportunities for the Board which will be presented at the next meeting. He said the magazine was also interested in writing a story on the Dairy Board.

Dr. Wayne Gauthier from the LSU AgCenter informed the Board that the university has undergone severe budget cuts which have resulted in cuts to LSU faculty. He said this means he may lose his job. Dr. Gauthier said cuts will be made to Ag Economics which will impact dairy and staff at the LSU AgCenter.

OTHER BUSINESS

There was no other business.

ADJOURNMENT

No further comments were made. A motion made by Jerry Simpson and second by Bryan Stafford to adjourn. The motion carried.