

## **MINUTES**

TUESDAY, DECEMBER 17, 2013  
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 10:12 a.m.

Commissioner Strain updated the Board on the Supreme Court decision regarding the Rice Research Board and Rice Promotion Board. He stated that the lower and appellate courts ruled that the referendum for the purpose of setting aside the voluntary reimbursement for an assessment was unconstitutional as an improper delegation of legislative authority. Commissioner Strain said that the Supreme Court upheld that decision and went further, ruling that a referendum by the people for the purpose of the institution of law or a fee was an improper delegation of legislative authority under separation of powers. Commissioner Strain informed the Board that all entities including promotion and research boards are considered "suspect." He recommended that the Board ask that the first point of collection be done as a voluntary method until he can go to the legislature. He said that the 10 cents paid to the Board is credited against the 15 cents that would have to be paid to federal. Commissioner Strain stated that his office can draft a letter to go to all processors, if anyone objects all 15 cents would still need to be paid to USDA. Donnie Fisher reminded board members that co-ops can block vote.

Commissioner Strain informed the Board that the EPA has been in Louisiana for months inspecting poultry farms and racetracks. He stated that Region 6 inspected 19 dairy farms and found a number of issues. Commissioner Strain said that the EPS will be coming back and will probably inspect each dairy farm within the next two years. He stated that he met with the EPA, and they agreed that everyone needs to work together. Commissioner Strain said that instead of the EPA imposing punitive fines, they will work with the farmers.

Commissioner Strain updated board members on the status of the Farm Bill and stated that it should be picked back up in the second week of January.

### **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  
HARVEY BURFORD  
LANNY CONERLY  
DONNIE FISHER  
JERRY SIMPSON  
COMMISSIONER MIKE STRAIN, DVM

**MEMBERS ABSENT**

ROBERT SHARKEY  
SUSIE SHARKEY

**PUBLIC COMMENT**

Dr. Wayne Gauthier of the LSU AgCenter informed the Board that the dairy tax credit has been awarded for eleven months of the year so farmers will get the full credit. He stated that he will be retiring January 3, and Ross Pruitt will then be responsible for the tax credit determination.

A motion made by Commissioner Strain and second by Donnie Fisher to send a letter of thanks and commendation to Dr. Gauthier. The motion carried.

Dairy farmer Joy Womack updated the Board on activities that she has been doing in the community to promote dairy which included going into schools. She requested that the Board buy ice cream and SUDIA provide coloring books for an upcoming school event in which she will promote dairy. Mrs. Womack also informed the Board that she has been appointed to the Dairy Stabilization Board.

**APPROVAL OF MINUTES**

A motion made by Donnie Fisher and second by Paul Alford to approve the minutes of the November 4, 2013, meeting. The motion carried.

**FINANCIAL REPORTS**

Michelle Estay read the October 2013 financial report. Mrs. Estay informed the Board that audits have cost \$1,500 annually in recent years, and the three year contract has ended. She stated that the price for audits increased to \$1,920 annually.

A motion made by Donnie Fisher and second by Commissioner Strain to increase the funding allocated for audits to \$1,920 annually. The motion carried.

Mrs. Estay read the November 2013 financial report. She informed the Board that one producer/processor started paying their assessments and got caught up from June.

Donnie Fisher questioned why DFA was not showing up on the financial reports. Mrs. Estay explained that DFA was listed on the financial report as Promotion Services, and she would get with the Board's accountant to change the name.

A motion made by Donnie Fisher and second by Jerry Simpson to approve the October and November 2013 financial reports. The motion carried.

Mrs. Estay said that the Board allocated \$6,500 to do the “Cooking Up Louisiana Treasures” dairy show. She has requested that XDesign handle the show and stated that the \$6,500 would need to be added to XDesign’s budget and removed from the budget to pay “Cooking Up Louisiana Treasures” directly.

A motion made by Donnie Fisher and second by Jerry Simpson to add \$6,500 to XDesign’s budget for the “Cooking Up Louisiana Treasures” dairy show and remove that amount from the budget to pay “Cooking Up Louisiana Treasures” directly. The motion carried.

Mrs. Estay updated the Board on a potential sponsorship for a soccer tournament. She said that they were interested in presenting to the Board requesting a sponsorship of the tournament and could be put on the agenda to present.

Mrs. Estay stated that XDesign will look at the proposal from the Louisiana Radio Network and decide to recommend it or not.

### **XDESIGN ADVERTISING REPORT**

Hunter Territo of XDesign presented the revised budget which included the remaining budget items to approve, totaling \$62,000. The budget included Media Outreach Events/Programs for a total of \$16,500: Sponsorships of “Ag Days” at universities that are geared towards children (including LSU’s “Ag Magic”). This would also include sponsorships of television programming and Cox Media events such as community based sporting events where dairy farmers can educate visitors on the benefits of milk; Louisiana Dairy Farmers and Friends Support Package for a total of \$5,000: Media Kit to send out to all dairy farmers in Louisiana as well as supporters. This would include a vinyl banner, bumper stickers, t-shirt and any other appropriate promotional items. XDesign would design, produce, and send out all packages; Tiger Rag for a total of \$3,600: Sponsor the fitness tip in Tiger Rag magazine as well as digital and print ads (January thru June); Point of Purchase for a total of \$29,400: four weeks as close to June as possible, large banners (two) in each store and 452 stores across Louisiana in the sports drink aisle; Internet Ads for a total of \$2,500: Internet ads on popular cooking websites for parents and gaming websites for children to be run during June; and Contest for a total of \$5,000: TBD based on research of Louisiana teacher database.

Mr. Territo stated that the two most time sensitive items are the Tiger Rag and Point of Purchase.

Mrs. Estay stated that she will check with LDAF’s Lillie Adams regarding Ag Magic at the State Fair in Shreveport. She said that she will try getting in events for free. Mrs. Estay suggested that the \$5,000 budgeted for media kits be used for something else.

Commissioner Strain mentioned running ads on sports channels for extra time and suggested using the footage already used for the cooking show. Mrs. Estay said that the Board could get footage from SUDIA and use that as well.

Mr. Fisher suggested putting Point of Purchase ads in two aisles, possibly in different stores.

A motion made by Donnie Fisher and second by Harvey Burford to move forward with the Point of Purchase and Tiger Rag budget items. The motion carried.

### **SUDIA REPORT AND CONTRACT**

Cheryl Hayn, Rebecca Turner and Pam Romero of Louisiana DHH presented the SUDIA report. Mrs. Hayn began with the SUDIA General Manager's Report including updates on fluid milk action plan and progress; industry comprehensive revitalization strategy; re-invigorating fluid milk; McDonald's video; Live Mas; working with Milk PEP; and Feeding America. Mrs. Turner continued the presentation and updated the Board on Expanding Breakfast growing; Dairy Everywhere; Fuel Up to Play 60; bonus strategic meeting in Monroe, LA; and partnering with Action for Healthy Kids-November 14, 2013.

Pam Romero of Louisiana DHH's Nutrition Sections updated the Board on WIC, Louisiana Action for Healthy Kids and the Healthy City Initiative.

Mrs. Turner updated board members on school nurse training in Atlanta in which three Louisiana school nurses trained; Media Tour 2013; and Geaux LSU and Chocolate Milk. Mrs. Hayn completed the presentation with updates on what's in store for 2014; reaching consumers online; and "What Are You Dedicated To?-Life's Milk Moments" that makes dairy personal.

Mrs. Hayn explained the items in the SUDIA folder including financials, a copy of which was given to board members.

Mrs. Estay informed Mrs. Hayn that the "Fuel Up to Play 60" logo was used on a local grocery store circular to advertise apples. Mrs. Hayn stated that she would check into this issue.

Mrs. Estay handed out a copy of the proposed SUDIA contract to board members. She stated that the sole source letter is still being processed, and SUDIA would be inserted into the blanks on the contract when it is ready. Mrs. Estay explained the contract stating that it is a one year contract instead of three and 50 percent of the Board's assessments would continue to go to SUDIA. Some other adjustments to the contract were discussed and Mrs. Hayn expressed no objection to the changes, but would look it over better when she had more time.

A motion made by Donnie Fisher and second by Jerry Simpson to approve the proposed contract presented between the Board and SUDIA. The motion carried.

### **OTHER BUSINESS**

Mrs. Joy Womack asked that the Board pray for her husband Victor because they think he may have blockage in his heart.

### **ADJOURNMENT**

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