

# MAINE STATE LEGISLATURE

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MAINE DAIRY PROMOTION BOARD

2015

Report to the  
Joint Standing Committee  
on  
Agriculture, Conservation and  
Forestry under the  
Government Evaluation Act

Maine Dairy Promotion Board's  
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*A. Authorizing State law and federal law*

**Maine Dairy Promotion Board**

The Maine Dairy Promotion Board (MDPB) was established "to promote the prosperity and welfare of this State and of the dairy industry of the State by fostering promotional, education, advertising and research programs of the dairy industry" Title 7, c.604, § 2993

The Maine Dairy Promotion Board had its genesis in the 1953 Maine Milk Tax Committee statutes. These have been amended periodically to more adequately finance a promotional program for Maine-produced milk. Under the reorganization act passed by the 105th Legislature, the Maine Dairy Promotion Board became incorporated within the Department of Agriculture. In 1983 the National Dairy Promotion and Research Board was established (Public Law 98-18-, November 29, 1983) as part of a comprehensive strategy to reduce milk supplies and increase consumption of milk and dairy products. The purpose of this Board is to establish a coordinated program of promotion designed to strengthen the dairy industry's position in the marketplace, to maintain and expanded domestic and foreign dairy markets, and increase uses for fluid milk and dairy products produced in the United States. This national program of promotion, research and nutrition education is financed by a mandatory assessment of 15 cents per hundredweight on all milk marketed in the United States. Producers can receive a credit of up to 10 cents per hundredweight (cwt.) for payments made to qualified state and regional promotion programs. Both the Maine Dairy Promotion Board (MDPB) and the Maine Dairy and Nutrition Council (MD&NC) are qualified programs. Qualified Programs are certified, annually by the United States Department of Agriculture's Secretary of Agriculture. To receive certification, the Qualified Program must (1) conduct activities that are intended to increase human consumption of milk and dairy products generally; (2) have been active and ongoing before the passage of the Dairy Promotion and Research Act, except for programs operated under the laws of the United States or any State; (3) be primarily financed by producers; (4) not use a private brand or trade name in its advertising; and not use program funds for the purpose of influencing governmental policy or action. Maine dairy checkoff fees by State statute and federal law credit ten cents per hundredweight (cwt) of the fee to Maine's qualified program, the Maine Dairy Promotion Board. Eight cents per hundredweight is used by the Maine Dairy Promotion Board for dairy product promotion, education and media messaging and the other two cents goes to the Maine Dairy and Nutrition Council for nutrition education

research activities. In 1996 the Maine Dairy Promotion Board became a Public Instrumentality of the State of Maine 7 MRSA § 2992-A.

### **Organization of Board**

A.

The MDPB and the MD&NC are grassroots organizations. The Maine Dairy Promotion Board consists of four dairy producers, appointed by producers a group in Maine, the remaining Board seat is an appointment of the Commissioner of Agriculture, Conservation and Forestry or his/her designee. No more than two dairy producers on the Board may be appointed for the same marketing organization. Members of the Board are appointed to serve a four-year term, and may be reappointed to serve one more consecutive four-year term.

B. *Programs (1) (2) (3)*

### **National Dairy Promotion and Research Board**

The mission of the National Dairy Promotion and Research Board is to coordinate promotion and research programs that expand domestic and foreign markets for fluid milk and dairy products produced in the United States. The Dairy Board is responsible for administering the Dairy Promotion and Research Order (Dairy Order) developing plans and programs and approving budgets. Its dairy farmer board of directors oversees these plans and monitors the results of the programs. National Dairy Promotion and Research Board is the recipient of five (05) cents of the fifteen (.15) cents dairy checkoff assessment.

### **United Dairy Industry Association**

Maine Dairy Promotion Board (MDPB) is a member of the United Dairy Industry Association™ (UDIA), a federation of qualified state and regional promotion and dairy councils programs throughout the country. UDIA is not a direct recipient of national checkoff funds. It extends its effectiveness through specific programming that is funded by its members who identify a need. Maine Dairy Promotion Board has a board member that serves as a UDIA Director.

### **Dairy Management Inc.™ (DMI)**

Since January of 1995, the National Dairy Board and UDIA have conducted their marketing and education plans and programs through Dairy Management Inc.™ DMI was created by a merger of the staff of the National Dairy Board and UDIA to manage National Dairy Board programs as well as National Dairy Council® and American Dairy Association® throughout the United States.

American Dairy Association® is the advertising and marketing service division and develops point of sale and other materials that are placed in selected markets and with target audiences.

DMI's purpose is to facilitate the integration of producer promotion funds through a joint process of planning and program implementation so the programs on the international, national, regional, state, and local levels work together to implement a market-driven plan that will invest resources in a strategic manner and provide the best possible economic advantage to dairy producers. The goals of DMI are to reduce administrative costs, to have a larger impact on consumers, and to be better able to drive demand that will increase human consumption of milk and dairy products. The

DMI Board consists of board members from both National Dairy Board and UDIA Board. The joint National Dairy Board and UDIA Board Committee structure provides the framework for DMI program activities, and as an affiliated unit, for the Maine Dairy Promotion Board contingent on the Maine Dairy Promotion Board's approval. Our priority areas are organized around Fluid Milk, Child Nutrition and Fitness, Consumer Confidence Communications, and Industry Communication & Relations. Base programming is in the arenas of; School Marketing, Foodservice/Dairy Optimization, Sustainability in Nutrition Affairs and Nutrition Research, Industry Communications and Relations.

### **School Marketing**

Dairy Optimization-, Expanding Breakfast, dairy vending program, School Breakfast grant, cafeteria and nutrition related posters and materials.

### **Foodservice/Dairy Optimization**

Introduces more dairy products and new dairy products in quick serve restaurants. Develop new dairy related menu items with national partners such as McDonald's, Quaker Oats Company, Dominos, etc.

### **Communications/Nutrition Affairs**

The Great American Milk Drive is a collaborative effort with the Milk Processors Education Program (MilkPEP) to encourage contribution of dairy products and fluid milk to food banks and pantries and to bring awareness of the number of children in the US that are food insecure.

"3-A-Day of Dairy" The Dietary Guidelines and MyPyramid recommend three servings of dairy per day. The goal of this program is to ensure that dairy is recognized as a food to encourage among public health leaders and health professionals and demonstrated improved diet quality by meeting consumption recommendations.

### **Nutrition Research**

Develop the scientific basis for new marketing claims for dairy. Reinforce the benefits of flavored milk as a replenishment drink following exercise and to provide science and regulatory guidance to the fluid milk helping stimulate innovation of value added fluid milk products. probiotics, science communications and extended shelf-life milk, etc.

### **Industry Image and Relations**

Program goals are two-fold: Maintain and build awareness of support for dairy promotion among dairy producers and the dairy industry; and maintain and build public confidence in dairy products, dairy producers and the dairy industry.

For detail descriptions of goals, programs strategies and implementation, target audience, evaluation methods, and key changes from prior year see "Plan Narrative" (Summary of the Unified Marketing Plan) (attachment 1).

*C. Organizational Structure, position count, job classifications, and organizational flow chart.*

Organization structure of the Maine Dairy Promotion Board has been addressed under *A. Organization of Board.*

There are **four full time employees** employed by the Maine Milk Program (Maine Dairy Promotion Board/Maine Dairy and Nutrition Council)

One Executive Director

Two Program Managers

One Office Manager

Duties of employees are shared between the Maine Dairy Promotion Board and the Maine Dairy and Nutrition Council. Salaries are distributed equally between the two programs.

Job descriptions and organizational flow chart are attached. (attachments 2 and 3).

*D. Compliance*

The Maine Dairy Promotion Board complies with federal and state health and safety laws. Attached is a copy of our workers' compensation insurance declaration page (attachment 4) the Maine Dairy Promotion Board posts in a visible place on a bulletin board in the office, Maine Human Rights information, Employee Assistance Program information, Bureau of Labor information and Workers' Compensation information. Employees are covered under the State of Maine's group health, dental, and life insurance plans. Board members are covered while on Board business in their own vehicle under the organization's insurance policy up to the amount of the Maine Tort coverage.

*E. Financial summary-* Please see attached financial information for Maine Dairy Promotion Board. (attachments 5,6,7,8,9)

Income & Expenses Summary

USDA Financial report from form DA 15-R

Letter of Continued Qualification of State or Regional Dairy Product Promotion, Research or Nutrition Education Program

External Audit- General Purpose Financial Statements

Internal Financial Statement ending Dec 30, 2014

*F. Regulatory Agenda-* The Maine Dairy Promotion Board has no regulatory authority.

*G. Area where organization has coordinated its effort with other organizations/ agencies in achieving program objectives.*

The Maine Dairy Promotion Board cooperates and collaborates with the other State/Regional(S/Rs) dairy checkoff units throughout the United States, including Dairy Management Inc and the Milk Processors Education Program. The Maine Dairy Promotion Board has coordinated and collaborated with Maine Agriculture In The Classroom, Maine Department of Agriculture, , Maine Dairy Industry Association, Maine Department of Education, Maine School Food Service Association, Maine Dietetic Association, Maine Association of Family & Consumer Sciences, University of Maine Cooperative Extension Service, dairy cooperatives, various radio and TV stations, Maine milk processing companies, as well as other community, state and national organizations.

#### *H. Constituencies served by the program*

The Maine Dairy Promotion Board and its staff make their programs, media materials, and education and research materials available to all Maine citizens. For the year 2015 our nationally designated target market is millennials and children up to the age of fourteen. Our nationally designated target market can changes from year to year depending on priority areas, cooperation and collaboration with the Milk Processors Education Program, and dairy farmer generated priority needs.

#### *I. Efforts by the agency or program regarding the use of alternative delivery systems.*

Maine Dairy Promotion Board has consolidated their media messaging efforts; by using locally developed radio and TV spots thus savings thousands of dollars in creative costs and negotiating local buys with local staff, thus saving the cost of hiring an agency. The Maine Dairy Promotion Board has also partnered with Maine Dept of Agriculture, Maine Dairy Industry Association, and various Maine dairy processors for June Dairy Month public relations events ,and in addition Hannaford's for the Great American Milk Drive. The Board at times partners with New England Dairy Promotion Board, when appropriate, for retail programs with major grocery retail chains in Maine, thus saving the Maine Dairy Promotion Board from assuming the entire cost of a retail program. DMI and its affiliated network of state and regional promotion units are an example of utilizing an integrated approach to marketing, where the most cost efficient methods are used for program delivery.

#### *J. Emerging issues for the agency or program in the coming years.*

The Maine Dairy Promotion Board participates in the strategic thinking plan for DMI which plans, develops responses and materials focusing on emerging issues for the dairy industry. Product innovation and meeting the unmet demand for dairy products are major initiatives, as well as the export and import markets and their effects on the domestic markets for dairy. Food service and consumer concerns include issues of milk quality, packaging, choices, and the issue of competitive beverages. Sustainability, animal care and dairy farming practices are becoming increasingly critical issues with consumers and thus for the dairy industry. Dairy utilization and new innovations of dairy products are ongoing concerns. DMI and its affiliated units are constantly thinking and planning, not just a year ahead but five years, to be as prepared as possible for events impacting the dairy industry in Maine, nationally, as well as world wide.

*K. Information specifically requested by the committee*

No specific information has been requested by the Committee.

*L. Comparison of any related federal laws and regulations to state laws governing the Agency or program and the rules implemented by the agency or program.*

The Board was created in 1953 in Maine statutes as the Milk Tax Committee, Title 36, Chapter 707 later becoming the Maine Dairy Promotion Board, Title 7 Chapter 604. The federal dairy checkoff law was created by the Dairy Production Stabilization Act of 1983. However since our Maine dairy checkoff law was in place prior to 1983, when the federal dairy checkoff law came into being, we are allowed to keep ten cents of the fifteen cents required by the 1983 dairy checkoff assessment in the State of Maine for local dairy promotion activities. If the federal law is over turned, our state law, according to USDA-AMS, still would be in force as it was in place prior to 1983. If dairy producers are granted an exemption from the federal dairy checkoff assessment, such as the organic exemption, it does not exempted dairy producers from Maine's ten cents dairy checkoff assessment, only the five (.05) that is assessed by National Dairy and Research Board.

*M. Agency policies for collecting, managing and using personal information over the internet and nonelectronically, information on the agency's implementation of information technologies and an evaluation of the agency's adherence to the fair information practice principles of notice, choice, access, integrity and enforcement;*

The Maine Dairy Promotion Board does not collect, manage, or use personal information over the internet. Collection of any personal information is done with the individual's knowledge and consent and only in conjunction with its use for required employment records or benefits. Personal information collected such as employment eligibility verification, designation of beneficiary and letters of commendation, or other personal information collected in the administration of personnel policies are with the employee's knowledge, awareness of why the information is being collected, considered confidential and accessible only by the specific employee or a confidential employee. Personal information is not disclosed, made available or used other than for the purposes mentioned above and only with the employees consent or by the authority of law.

Information regarding fair hiring practices, processes for dealing with harassment, unfair labor practices, workers right to know, employment termination, whistle blowers, and family leave policies, etc. are posted on a bulletin board in a highly visible central location in our office. (Addressed under D. Compliance)

The Maine Dairy Promotion Board's information technology system is password protected with each computer networked within our office and the network is also password protected. The network and each individual computer

are equipped with spy ware and anti-virus software. The whole network is backed up daily by our network server. We also have emergency backup in case of power failures as the building has a backup generator.

N. *A list of reports, applications and other similar paperwork required to be filled with the agency by the public*

The Maine Dairy Promotion Board has no public filings requirements.

O. *A list of reports required by the Legislature to be prepared for submission by the agency or independent agency.*

The Maine Dairy Promotion Board's *Rules and Regulations* document requires submission of the organization's annual audit to the Maine Legislature, which has been done annually.

Under Title 3, Chapter 35 §956 "Each agency and independent agency shall prepare and submit to the Legislature through the committee of jurisdiction a program evaluation report by a date specified by the committee" As an organization created by state statutes the Maine Dairy Promotion Board is submitting a report to the Joint Standing Committee on Agriculture, Conservation and Forestry.

P. *A copy of the single page list of organizational units and programs within each organizational unit required pursuant to section 955 subsection 1 placed at the front of the report and*

An index of the Unified Marketing Plan provides a listing of the programs.

Q. *Identification of provisions contained in the agency's or independent agency's enabling or authorizing statutes that may require legislative review to determine the necessity of amendment to align the statutes with federal law, other state law or decisions of the United States Supreme Court or the Supreme Judicial Court.*

At this time the Maine Dairy Promotion Board statutes do not necessitate amendment.

# Attachments 1

## **Listing of Programs of the Unified Marketing Plan**

**Page 1- United States Dairy Export Council; Exports, Ingredients and Globalization**- Very limited tactical activities in Maine by Maine Dairy Promotion Board; Maine is not a dairy export state.

**Page 4- Fluid Milk**- Tactical activities implemented in Maine by Maine Dairy Promotion Board and Maine Dairy & Nutrition Council.

**Page 6- Industry-Wide Consumer Confidence**-The majority of tactical activities implemented in Maine by Maine Dairy Promotion Board.

**Page 8- Marketplace Partnerships**-Tactical activities implemented in Maine by the Maine Dairy Promotion Board.

**Page 10-Schools and Community Engagement**-The majority of tactical activities implemented in Maine by Maine Dairy & Nutrition Council.

**Page 12-Sustainability**-Tactical activities implemented in Maine by Maine Dairy Promotion Board.

**Page 15-Worldwide Nutrition and Innovation Leadership**-Tactical activities are implemented in Maine by Maine Dairy & Nutrition Council

# Plan Narrative for Export Market Growth

## U.S. Dairy Export Council: Exports, Ingredients and Globalization

### Overview

**Current environment:** The United States occupies a unique role in global dairy trade. Among its many notable characteristics and assets is its ability to provide a source of new milk that is desired by global brands to serve a burgeoning international middle class. Yet, its market share, practices and policies have often reflected a time when the U.S. dairy industry was more isolated with smaller scale production, and simpler consumer and processing needs.

For a quarter century, U.S. dairy suppliers have partnered with DMI and the checkoff through the U.S. Dairy Export Council (USDEC) to service international demand for U.S. dairy products globally and ingredients domestically. USDEC programs have succeeded in identifying industry vulnerabilities and opportunities, anticipating the paths to address them, and delivering services that accelerate the industry's ability to benefit from a globalized environment. Exports now represent nearly 15 percent of U.S. milk production compared with less than six percent a decade ago.

**Future opportunity:** Despite cyclical market challenges that could well persist into 2016, a broader range of U.S. dairy exporters are staking out a long-term, strong and sustainable position as globally consistent suppliers.

With an increasing number of trade and regulatory threats, and formidable competition from existing and emerging suppliers, USDEC will continue to work with U.S. dairy exporters to achieve this vision and pursue opportunities for growth that benefit its member-exporters and dairy-farmer funders.

### Purpose

Help develop a U.S. dairy industry that grows its global market share by efficiently and consistently meeting customer needs.

**Benefit to dairy farmers:** USDEC services increase and defend near- and medium-term global sales of U.S. ingredients and dairy product exports, while improving the longer-term competitiveness of U.S. supplies. These programs also help the industry identify the many political and economic factors that drive global trade and maximize members' ability to persevere through the market. USDEC leverages and amplifies its dairy farmer investment through the strategic and tactical collaboration of its diverse membership base of 122 processors, trading companies and affiliated supporters.

Since DMI founded it in 1995, USDEC and its committed member-suppliers have helped grow exports to an average annual growth of 9 percent per year by value, and 8 percent per year by volume. Even with a difficult market environment in 2015, export sales on a milk equivalent basis will increase about 12 billion pounds vs. 2009.

In addition, USDEC's partnership with industry and USDA's Foreign Agricultural Service generates additional, direct funding of about \$7 million annually with tens of millions more in leveraged activity.

### **Goals**

- Help U.S. suppliers enter and remain in international markets.
- Provide tools for U.S. dairy suppliers to use to supplement their own export and domestic (i.e. ingredient only) sales efforts.
- Develop and defend the international integrity and reputation of U.S. dairy products.

### **Strategies**

- Develop and maintain favorable regulatory and trade policies through trade policy and market access programs.
  - Policy examples include the anticipated implementation of the Trans-Pacific Partnership in 2016 and negotiations of the Transatlantic Trade and Investment Partnership, as well as achievement of science-based, globally-accepted food safety standards, especially in China and other key export markets.
- Deliver services to assist member company efforts.
  - USDEC will continue to provide market research for U.S. suppliers, and consultative marketing services, market entry and promotion assistance to spur customer interest in the ever-expanding U.S. dairy product portfolio.
- Develop the United States as a globally consistent supplier.
  - Through the globalization program of the Innovation Center for U.S. Dairy, USDEC and industry leaders will continue work to enhance risk management tools to mitigate volatility and customer-centric programs to improve traceability, and product and processing standards.
- Protect industry integrity and reputation.
  - U.S. Dairy (primarily business-to-business) image marketing and issues and crisis preparedness, particularly in China and Asia for the latter
- Maintain USDEC as a viable membership organization
  - Dynamic membership meetings and information exchanges with actionable insights that maintain, grow and activate the industry in support of exports.
- Evaluate and report performance regularly to stakeholders
  - Third-party evaluations of key programs and activities to ensure that USDEC programs are providing the maximum benefit to members

## Key Changes from Prior Year

- **Market Access and Documentation:** Refresh and continue to expand USDEC's U.S. Dairy Exporter Guide to include greater information about information about evolving import regulations and requirements, as well as steady expansion of "Testopedia" to provide more information on test methods used by importing countries.
- **International Representation:** Extend training and shifting of international office staff resources to anticipate and resolve market access issues
- **Product and Market Research:** Provide actionable insights, including application work, with a continued growing focus on cheese, ingredients for cheese making and emerging volume markets for innovative ingredients and fresh.
- **Image Marketing:** Greater direct amplification of "Why U.S. Dairy" global positioning platform to international customers (and indirectly through member messaging) to differentiate the industry's qualities as a preferred supplier, through an expanded digital footprint via additional microsites in Chinese, Korean and Japanese.
- **Member Communications:** Based on empirical evaluations, improve delivery and format of member communications to ensure members rapidly receive actionable insights critical to their commercial success.

## Plan Narrative for Fluid Milk

### Overview

**Current environment:** Fluid milk consumption and sales continue to drop, and fundamental change in the category is needed to stem this decades-long decline. A number of significant factors negatively impact sales – including the current state of milk packaging, innovation, marketing/brands, out-of-home availability, and an aging plant infrastructure at the processing end of the industry.

As a result, amidst the more than 60,000 beverage choices available today, milk has not kept up its relevance to consumers' lives.

**Future opportunity:** Because of the fluid milk category's critical importance to dairy farmers, DMI is working with a broad group of industry companies to execute a comprehensive revitalization strategy that will change fluid milk forever. This strategy aims to reinvent the milk experience for consumers and, in doing so, halt sales declines and begin to stimulate growth.

### Purpose

Be a catalyst for consumer-relevant, growing (in overall sales and volume) and profitable milk and milk-based beverage segments. These milk-based segments will effectively compete in the broader beverage category with relevant brands and meaningful innovation.

**Benefit to dairy farmers:** Creating growing, profitable, consumer-relevant milk and milk-based beverage segments will help ensure is a home for the milk farmers produce (especially Class I). Further, efforts will lead to modern and innovative products that will continue to compete in the important beverage category and meet consumer needs.

### Goals

- Increase sales.
- Create a healthy and sustainable business model for milk and milk-based beverages.

### Strategies

- Incent infrastructure investment in modern plants and processing (e.g., ESL and UHT Aseptic) to support consumer-focused innovation.
  - This includes working with partners committed to this investment to ensure a development of a new business model and pipeline of innovation (products, packages, and communications).

- Stimulate beverage companies (outside of the traditional fluid milk industry) to explore opportunities to invest in, develop, and commercialize milk and milk-based beverage products.
- Enhance the consumer perception of milk and milk-based beverages via consumer confidence communications efforts. This includes:
  - Validating and promoting new consumer benefits, addressing perceived negatives, and activating credible third parties to address key issues and barriers (including lactose intolerance).
  - Working with partners and empowering “brands to be brands” by providing consumer confidence messages, best practices, training, and key consumer insights.
- Deliver enabling technology and insights that uncover and support the growth of fluid milk and milk-based beverages.
  - This includes improving fluid milk quality (e.g., UHT, aseptic, ESL processing), driving lactose-free product adoption in marketplace (including new science where needed), and understanding opportunities, barriers and consumer needs for key growth targets (e.g., Boomers, Millennials, others).
- Expand existing and create new distribution channels.
  - Continue to build out-of-home availability and relevance, especially at foodservice and schools.
  - Explore and educate industry on emerging channels (e.g., online grocery).
  - Enlist partners to test fluid milk opportunities [e.g., Fuel Up to Play 60 milk in retail and at schools, foodservice pilots (e.g. lunch menu expansion)].
  - Pursue other key growth channel opportunities (e.g., food security/hunger, export, universities).

### **Key Changes from Prior Year**

Based on learnings and experience, this plan represents:

- **A clearer focus:** The center of the “bullseye” is to work with partners willing to invest in infrastructure.
- **More specificity:** Strategies further detailed in “other strategies,” which are based on partner and industry needs, to revitalize the fluid milk and milk-based beverage segments.

# Plan Narrative for Industry-Wide Consumer Confidence

## Overview

**Current environment:** Today's consumers are increasingly interested not only in the foods they consume, but also in where that food comes from and how it is produced. Further, as social media is quickly becoming the primary source of information, consumers increasingly trust and look for information from people who are "just like them" with shared interests and values. Traditional means of communication alone are no longer sufficient to ensure that dairy effectively engages with its customers.

**Future opportunity:** Dairy has a great story to share and relationships with critical stakeholders to activate and further amplify dairy's voice. Through Industry-Wide Consumer Confidence efforts, we will inspire and lead the entire dairy value chain to embrace the new era of consumer engagement. We will develop compelling and relevant content, based on consumer and product insights, that will spark conversations and activate others to share our vision that dairy is a primary driver of "where good comes from."

## Purpose

**People trust dairy as essential to their lives.** This means that consumers view dairy as an indispensable part of their lives, and are advocates for farmers, the products and the industry.

**Benefit to dairy farmers:** Connecting consumers to where their food comes and strengthening their trust in dairy products, farmers and companies is essential for growing sales in today's market and in protecting the industry's freedom to operate.

## Goals

- **Listen** – Understand consumer beliefs and behavior to ensure that dairy engages in conversations and topics that are relevant to consumers
- **Align** – Engage the broader industry around consumer-relevant, compelling content that is supported through stories, proof points and other persuasive information
- **Activate** – Inspire industry, thought leaders and consumers to communicate on behalf of dairy and embrace the "where good comes from" dairy message

## Strategies

- Engage Stakeholders
  - Foster co-ownership of industry-wide consumer confidence throughout the entire dairy value chain, including dairy farmers, companies, suppliers, health professionals and other thought leaders, "mommy" bloggers, culinary leaders, and third-party experts.

- Expand Dairy's Digital Hub as a way for advocates to gather compelling content, share success stories and engage others.
- Integrate consumer confidence into other key checkoff partnerships and programs, specifically Fuel Up to Play 60, GENYOUth Foundation and community engagement efforts, marketplace partners and fluid milk partners, government MOU partners, and National Dairy Council.
- Participate in key farmer, health and wellness partner and other industry meetings.
- Create Awareness and Inspire Advocates
  - Earn a leadership role in conversations happening around consumer-relevant priorities.
  - Create a "where good comes from/dairygood" publishing platform through which we and stakeholders can identify, contribute and distribute compelling content throughout social media properties, websites and other vehicles.
    - Special content opportunities include ongoing efforts to support *The Dairy Good Cookbook*, schools and community engagement efforts, dairy's role in a more sustainable food system and NDC-led health and wellness efforts.
    - Conduct ongoing social and traditional media monitoring and analysis to further capitalize on planned and real-time content.
- Build and Maintain Credibility
  - Ensure transparency, authenticity and consistency over time.
  - Conduct communications and other training programs with farmers, industry and other stakeholders.
  - Establish branded content partnerships to extend reach and influence.
  - Support industry-wide initiatives to advance proof points that support Consumer Confidence (e.g., National Dairy FARM program).
  - Develop and implement industry-wide issues management and crisis preparedness efforts, including regional industry and staff crisis drills.
  - Incorporate consumer confidence approach into thought leader communications (see Worldwide Nutrition and Innovation Leadership priority)

### **Key Changes from Prior Year**

- **Continued integration and coordination:** As the checkoff enters its fourth year of Consumer Confidence communications and planning, DMI continues to integrate its entire communications function and focus its activities on those areas that are compelling, tangible and contemporary with consumers and other critical stakeholders.

## Plan Narrative for Marketplace Partnerships

### Overview

**Current environment:** Nearly half of consumer food dollars are spent “away from home,” and this number has doubled over the last 60 years. Many households have all adults working outside the home, and Americans have less time to prepare food – making restaurants a popular option for dine-in or carry out.

Since 2009, DMI has worked closely with some of the most influential foodservice chains in the world to ensure that dairy products are featured throughout partners’ innovative menus and marketing programs. The checkoff invests in a few, carefully selected partners who have a catalytic impact in the marketplace, and are committed to work with the dairy industry to achieve mutually beneficial goals. The partnerships have driven significant incremental dairy sales and have supported consumer trust in dairy.

These partners also have led to marketing and product innovation. DMI’s focus is primarily on foodservice strategic partnerships because the Quick Service Restaurant Channel is responsible for 79 percent of all consumer traffic in foodservice. These foodservice partners also look to aggressively grow internationally, and thus offer a venue to deliver export growth for U.S. dairy.

In 2013 we entered into a partnership with the Quaker Oats Company - our first formal consumer packaged goods partnership - which also has supported consumer trust and sales.

**Future opportunity:** DMI’s partners have significant consumer reach. McDonald’s alone serves 27 million people per day in the United States. The checkoff team will lead partner collaboration on key dairy industry consumer confidence priorities, including dairy’s role in the diet, food safety, animal care and sustainability.

Further, the team will optimize communication opportunities for mutual benefit by activating partners to amplify DMI assets, leveraging and amplifying partner assets, and providing counsel to partners on building consumer confidence messages into their communication strategies and tactics.

We also will collaborate with USDEC to begin to lay out a plan for expanding our successful domestic partnerships by following these partners into global markets.

### Purpose

We form multiyear partnerships with strategically selected marketplace leaders in the food industry to successfully drive sales and trust through innovation and consumer confidence in dairy.

**Benefit to dairy farmers:** Dairy is front and center with partners due to DMI's strategic positioning and smart resource investment with them. By forming several long-term, trusting relationships with successful and influential industry food providers, we have driven incremental dairy sales and innovation. DMI reaches deeply into these partner organizations and several checkoff employees lead significant projects at their sites, an approach that has not been replicated by other food categories. DMI will continue this approach and take it to an even higher level of success and influence over the next several years.

### **Goals**

- Drive dairy sales.
- Drive innovation in dairy.
- Engage partners in consumer confidence.

### **Strategies**

- Accelerate new dairy based product and marketing innovation.
- Activate partner resources to drive consumer confidence in dairy.

### **Key Changes from Prior Year**

- **Deepen the connection:** Strengthen coordination and integration between DMI functional experts and partner cross-functional teams.
- **Increase focus on consumer confidence:** Build relationships among DMI and partner communications staffs, and specific activities to activate consumer messaging as part of annual partner business plans.
- **Expansion:** Build and expand the successful domestic foodservice model to international markets to increase dairy exports.

## Plan Narrative for Schools and Community Engagement

### Overview

**Current environment:** In 2015, National Dairy Council celebrated its 100<sup>th</sup> year of farmer commitment to the health and wellness of our nations' youth. After completing the fifth full school year nationally with the checkoff created Fuel Up To Play 60 (FUTP 60) program, DMI continues to have more than 73,000 schools enrolled in the program, reaching more than 38 million students – making FUTP 60 one of the most influential and successful school health and wellness programs in the country.

More importantly, national and local checkoff staff have proven the program's impact on changing school environments, engaging adults, and changing youth health and wellness behavior in schools. In fact more than 13 million students are eating healthier because of the program, and more than 2 million more students are eating breakfast at school each day.

**Future Opportunity:** The checkoff needs to leverage its credibility from the FUTP 60 program, and our support among health professionals and thought leader advocates, as a platform to reach out from our strong position among youth in schools to the surrounding community.

Our vision is to build lifelong consumer trust, loyalty and advocacy, encourage support and co-investment from community stakeholders, establish belief in dairy nutrition and sustainability among youth, and tell our dairy farm family story as good stewards of our dairy products, our land, and of the health and wellness of our communities.

### Purpose

To maintain dairy farmers' long-standing commitment to youth and schools and build upon this base to create a larger platform for community health and stewardship.

#### **Benefit to dairy farmers:**

- Enhance dairy's position in nutrition guidance to maintain our position on the school feeding line where fluid milk must be offered (and taken more than 80 percent of the time) with each meal served.
- Increase access to dairy in schools by continually improving the total experience and expand the presence of milk, cheese and yogurt across all eating occasions.
  - Increase school breakfast participation to leverage the learning connection.
- Build loyalty among youth by communicating a broader story of where their food comes from and why they should consume dairy.
- Strengthen dairy's place in the community as good stewards and responsible citizens to maintain and strengthen consumer confidence.
- Broaden non-checkoff support for programs to achieve deeper activation and sustainability.

## Goals

- Optimize healthful dairy product availability and experience at school, and within the community.
- Establish lifelong dairy values in...
  - Health and wellness
  - Responsible, sustainable food production
- Support positive positioning for dairy in nutrition guidance.

## Strategies

- Convene and lead a community-based platform.
- Engage, empower and impact youth – in schools and beyond.
- Recruit and engage adults in and around the school to deepen program activation.
- Maintain our gatekeeper role in youth wellness and school access.
- Leverage third party credibility for dairy.
- Maximize dairy products, taste, access and occasions.
- Raise funds and resources from non-check-off sources to sustain and extend activities.

## Key Changes from Prior Year

- **Deeper activation of FUTP 60 and expansion of eating occasions:** National and local dairy checkoff organizations have focused efforts for the last five-plus years to establish FUTP 60 within the school building; staff will continue to push for deeper activation of the program activities in enrolled schools, including increased participation in school breakfast and expansion to summer feeding and supper.
- **Stakeholder engagement and community support:** The most significant changes over the next five years will be expanding the youth wellness platform to enlist more stakeholders and community support. This includes efforts to convene and lead engagement in the effort to empower youth at schools and beyond where appropriate; and broaden the checkoff's health and wellness messaging to include responsible and sustainable food production and helping to address hunger that will help connect schools and students to agriculture and dairy farming.

## Plan Narrative for Sustainability

### Overview

**Current environment:** Innovations and farmer ingenuity over the last century have led to significant efficiencies and the ability to provide more milk using fewer resources. Compared to 1944, producing a gallon of milk requires 90 percent less land and 65 percent less water, and has a 63 percent lower carbon footprint. These efficiencies are due to improvements in dairy cow nutrition, comfort, health, and breeding.

But, the challenges we face today related to our food system are complex and inter-connected, requiring “whole-system thinking” and increased communication and transparency of farmers’ commitment to stewardship and sustainability. Increasingly consumers, customers, government, and stakeholders are expecting the dairy industry to demonstrate progress and commitment to sustainably meeting food demands within a resource-constrained food system.

Dairy farmers, through the Innovation Center for U.S. Dairy, have led a credible and collaborative process to address these demands and opportunities, including working with the 114 companies through a collaborative approach as well as with Field to Market, Global Dairy Agenda for Action and the Dairy Sustainability Framework, the World Wildlife Fund, Ensave, and USDA in strategic partnerships.

Science-based resources developed by and for the dairy industry help the industry identify benchmark and communicate continuous improvement to build trust with customers and consumers that dairy products are responsibly produced.

**Future opportunity:** The need for industries to benchmark and demonstrate continuous improvement and commitment to sustainability will only continue to grow:

- As rising global food demand puts pressure on yields, price, and increasingly-scarce land and water resources, there will be more demands by stakeholders on what the dairy industry is doing. (The 2015 drought in California is a good foreshadowing of likely future media and stakeholder concerns.)
- Major brands and retailers, including Walmart, McDonald’s, Starbucks, Kroger, and General Mills, are establishing sustainable supply chain goals and initiatives.
- Alignment of what sustainable food systems encompass, including environmentally sound, economically viable and socially responsible food production puts focus on additional areas of concern, beyond just the environment, for consumers including animal care, antibiotics, hormones, and other production practices.

Dairy is well-positioned to meet these demands, having established science-based tools and its role as a credible leader in food and agriculture sustainability.

## Purpose

Our purpose is to drive trust and sales in dairy through improved sustainability using best available science, information and actions.

## Goal

Advance dairy's long-standing commitment to sustainability through research, resources and continuous improvement that deliver triple bottom line results - economic, environmental and societal.

## Strategies

Our primary strategy is to develop and facilitate scientific knowledge, resources, and relationships to catalyze continuous improvement in sustainability across the dairy value chain. The secondary strategies and objectives to accomplish this include:

- Develop and interpret scientific knowledge and insights for informed business decisions and enhanced consumer trust.
  - Gather and organize information and knowledge on sustainability.
  - Analyze the information and interpret it to gain knowledge and insights.
  - Disseminate the knowledge and insights to internal and external partners.
  - Improve scientific dialogue and collaboration across the dairy supply chain.
- Facilitate the development of tools and resources to catalyze economic, environmental and social improvements across the dairy value chain.
  - Coordinate and support industry-driven efforts to develop a common definition for sustainable dairy in the U.S. market.
  - Equip the dairy value chain with tools and resources to set baselines of environmental impacts, identify improvement opportunities and enable continuous improvement.
  - Equip the dairy value chain with tools and resources to report progress and meet the expectations of customers and consumers.
- Educate and empower key stakeholders, creating advocates and support for sustainability programs, throughout the dairy value chain and beyond.
  - Convene member organizations to share knowledge, collaborate on issues affecting the industry at large, and accelerate progress towards our common sustainability goals.
  - Engage key partners to develop collaborative strategies to support industry priorities.
  - Integrate and promote sustainability initiatives, both internally and externally.

## Key Changes from Prior Year

- **Advance scientific knowledge and insights:** Share scientific knowledge and insights to focus on additional research to support Sustainable Nutrition communications, and increase integration and coordination with Nutrition and Product Research on a coordinated research agenda for USDA.

- **Support industry action:** Focus our role as a catalyst and facilitator for industry action through integration and collaboration with other sustainability initiatives, such as Field to Market, the Dairy Sustainability Framework and the US Roundtable for Sustainable Beef; and support the harmonization and alignment of sustainability indicators and metrics across the dairy industry and broader agriculture supply chain.
- **Engage the marketplace:** Marketplace brands and retailers will be engaged more broadly, and include coordination with National Milk Producers Federation on animal care outreach and other sustainability topics for a more comprehensive outreach strategy and approach.

# Plan Narrative for Worldwide Nutrition and Innovation Leadership

## Overview

**Current environment:** Dairy foods are among nature's most perfect foods, providing great taste, nutritional value and important health benefits. However, this view is not held by all. From proponents of plant-based diets to health professionals concerned about obesity to consumers with changing lifestyles and needs, there are many reasons the dairy industry needs to be proactive in addressing health and wellbeing trends.

This is critical to dairy foods maintaining relevance with consumers and their place in dietary recommendations. Dairy farmers have long been dedicated to investing in sound science that triggers innovation and establishes dairy's importance in the diet. Through the National Dairy Council, dairy farmers also have established relationships with leading health and nutrition thought leaders helping those leaders recognize and embrace dairy's benefits.

In addition, industry partnerships, both domestically and globally, have encouraged alignment on key issues, increased pre-competitive R&D investment in dairy, and faster activation of new knowledge and technologies. These efforts have earned dairy farmers recognition as being leaders in research and important public-private partnerships.

**Future opportunity:** Meeting the growing challenges and opportunities for building sales and trust in dairy will require continued investment in:

- Product innovation that fuels future dairy growth through new products and ingredients with enhanced functionality.
- New nutrition science that describes why dairy consumption is essential for health and well-being and meeting today's health challenges.
- Building trust among influential scientists, health professionals and thought leaders.
- In the face of reduced government investment in research and land-grant institutions, efforts will be required to assure development of a future workforce of dairy scientists and leaders.

## Purpose

The purpose of the worldwide nutrition and innovation leadership priority is to ensure that all people consume dairy because it's liked, trusted and the benefits of consumption are indispensable to health and well-being.

**Benefit to dairy farmers:** Investment in research and partnerships elevates health positioning of dairy, helps protect dairy in dietary recommendations, identifies new consumer benefits that catalyze innovation for new dairy-based foods and beverages, improves the quality and performance of milk and milk ingredients, drives exports, and increases the use of dairy co-products that create more opportunities to deliver consumer relevant, good tasting and safe products.

## Goal

Strengthen dairy's marketplace position and recognized value in a healthy diet.

## Strategies

- Invest in research partnerships that catalyze health positioning and innovation for dairy.
  - Build scientific evidence for the benefits of three or more servings of dairy in recommended dietary patterns for improving public health.
  - Build scientific evidence for dairy as an essential nutritional component of sustainable food systems.
  - Accelerate milk and dairy beverage innovation and quality improvement.
- Strengthen the needed infrastructure to assure future dairy science leadership and workforce.
  - Support, leverage and enhance Dairy Center research, application and training programs so industry will be better prepared to innovate and address unmet consumer demands for dairy.
  - Work with the Dairy Centers and other university-based agriculture science programs to provide a viable education and training ground for the next generation work force.
- Convene and activate industry and others to accelerate core research and education objectives.
  - Develop the knowledge base that will help the U.S. milk powder industry consistently meet global customer specifications.
  - Develop value-added ingredients from milk and milk fractions, and improve the functionality of milk protein ingredients.
  - Mitigate risk of food safety incidents through training, targeted research and activation of technical insights through industry partners.
- Engage key third parties and thought leaders to translate, align and activate science with emotionally-compelling support for dairy.
  - Continue targeted partnerships with leading health and wellness partners, and integrate consumer confidence strategies within the nutrition affairs environment.
  - Share expertise about the nutrition environment (including Dietary Guidelines for Americans/nutrition guidance) and science-based resources with key stakeholders.

## Key Changes from Prior Year

- **Increase understanding of dietary patterns:** Nutrition research will place greater emphasis on understanding the role for dairy in healthy dietary patterns, particularly the Mediterranean dietary pattern.
- **Build research pipeline:** Further build a pipeline of research that establishes dairy's nutritional value relative to environmental impact to grow advocacy for the inclusion of dairy in sustainable food systems.
- **Dietary guidance:** Place a nutrition research emphasis on birth to 2 age-group, as this will become a primary consideration for 2020 dietary guidelines.

- **Cheese and dairy ingredient research:** Product research will continue research that supports the growth in cheese and high quality dairy ingredients for export.
- **Support milk and dairy beverage innovation:** Product research will place greater emphasis on research that accelerates milk and dairy beverage innovation and fluid milk quality improvement.
- **Advance food safety research:** Increase product research and training efforts focused on food safety, particularly to mitigate listeria risks, in partnership with the Innovation Center food safety committee.

# Attachments 2&3

# Organizational Chart



## MAINE DAIRY PROMOTION BOARD

### **Board of Directors**

(Four dairy farmers plus the Commissioner of the Maine Dept of Agriculture, Conservation and Forestry or their designee.)

### **Executive Director**

Cheryl Beyeler, CFCS

**School Marketing Programs  
Manager**  
Catherine Hoffmann, MS RD

**Communications/ Nutrition  
Affairs Manager**  
Jami Badershall

**Office Manager**  
Meredith Fahey

MAINE DAIRY PROMOTION BOARD/ MAINE DAIRY & NUTRITION COUNCIL

EXECUTIVE DIRECTOR

Areas of Responsibilities:

Chief administrative officer, business manager, personnel manager, BOD relations, 3-Every Day of Dairy, multi-media messaging, industry relations, issues management, crisis communications (industry component), retail programs, local programs, DMI relations, liaison to other S/Rs, other commodity promotion organizations, state and federal government.

Determines and sets priorities for the Unified Marketing Plan (UMP) execution in Maine, and establishes program priorities for professional staff.

Executes the Board of Directors' (BODs') policies and programs subject to their oversight.

Manages BOD meetings to report on execution of the plan of work, local work, prepares annual budget, and conducts BOD business.

As time and budget permit attends Dairy Management Inc. (DMI) Senior Management/Senior Leaders Team meetings for planning and program review, may serve on DMI priority committees

Develops and executes local plan of work, implementing the Unified Marketing Plan to achieve agreed upon goals per membership agreement.

Evaluates local programs to measure effectiveness in marketing dairy products in Maine compatible with the Unified Marketing Plan, and determines local implementation and/ or termination of program(s).

Acts as assistant treasurer responsible for bookkeeping, accounting, budgets, fiscal controls, collection of fees, investment opportunities, and grant applications, financial reports required by BOD, USDA, and DMI.

Acts as personnel manager, developing and administering BOD approved personnel policies to meet requirements of state and federal laws, evaluates employee benefits packages for recommendations to BOD, completes salary survey and recommends compensation schedule to BOD, hires, trains, supervises, evaluates staff. Terminates employment of staff if needed.

Consults with attorney when necessary to interpret applicable dairy industry legislation, laws, amending personnel policies, and organization rules and regulations as needed with BOD oversight.

Represents organizations for contractual services or letters of agreement for contracted services such as audits, media programs, office suite lease, computer training services and other services as needed.

Maintain positive relationships and communications with dairy producers, cooperatives and processors through one-to-one contacts, trade shows, press releases, annual report, and program presentations to dairy industry groups.

Manage emerging issues and crisis communications on farm/dairy related issues such as animal health, environment, and product safety.

Qualifications:

BS/BA degree in Education, Business Administration or Nutrition with 10 years experience in progressively responsible administrative positions. Experience in nutrition education and/or marketing, communications preferred. Knowledge of dairy industry desirable.

## MAINE DAIRY & NUTRITION COUNCIL / MAINE DAIRY PROMOTION BOARD

### SCHOOL MARKETING PROGRAMS MANAGER

Area of Responsibility: Classroom nutrition education programs, preschool programs, school food service programs, other school programs, other nutrition education programs

Manages and executes the local extension of the nutrition marketing plan developed jointly by DMI and the local SIR organizations and approved by the Maine Boards of Directors.

Plans, manages and implements locally developed nutrition marketing programs approved by the Maine Boards of Directors.

Collaborates with personnel from other priority areas and coordinates with national, state and local key leaders in complementary programs to facilitate successful execution of the school and nutrition marketing plan. Attends DMI planning/program conferences and may serve on program development teams.

Serves as a liaison for the local S/R program with organizations and government agencies with missions related to school student health, nutrition education and school food service initiatives.

Plans and implements public relations campaigns related to school nutrition and school food service programs

Estimates budget for program areas and is responsible for maintaining expenses within board approved parameters

Communicates activity/issues to Executive Director at least weekly and reports on plan execution to joint board at each meeting

Qualifications: B.S. /B.A. degree in nutrition, home economics or education with corresponding credential R. D., C.F. C.S., or professional teaching certificate in the field of specialization as issued by the State of Maine and 2 years of related professional work experience.

# Maine Dairy Promotion Board/Maine Dairy & Nutrition Council

## Communications and Nutrition Affairs Manager

**Overall Accountability:** Lead the communications execution of all Unified Marketing Plan (UMP) activities of Maine Dairy Promotion Board/Maine Dairy & Nutrition Council to positively position dairy and dairy products and their benefits with health professional and consumers.

Manages and executes the local extension of the communication/nutrition affairs marketing programs developed jointly by Dairy Management Inc. and the local S/R organizations and approved by the Maine Joint Board of Directors.

Plans, manages and implements locally developed dairy nutrition marketing programs approved by the Maine Joint Board of Directors.

Serves as a liaison for the local S/R program with local health professional organizations, and other communications professionals from other S/Rs and Dairy Management Inc.

Plans and implements public relations/social media communications and campaigns related to positioning dairy and dairy products in a positive position with consumers.

Estimates budget for communications and nutrition affairs program areas and is responsible for maintaining expenses within Board approved parameters.

Plans, manages and implements all social media for the local S/R organizations.

Attends Dairy Management Inc. Communications meetings and training and other DMI meetings as needed. May serve on DMI program development teams.

Communicates activities/issues with Executive Director at least weekly and reports on Unified Marketing Plan execution to the Joint Board of Directors at each Joint Board meeting.

### Qualifications:

Bachelor's Degree in communications, public relations, journalism or a related field from an accredited college or university

- At least 3- 5 years of experience in communications, public relations, food marketing, or a combination of equivalent education and experience.
- Familiarity with dairy industry and/or agriculture desirable, human nutrition knowledge a plus.
- Proven record of leadership in relevant organizations.
- Highly developed written, oral, and social media communication skills.
- Experience in grant writing and fund raising a plus

MAINE DAIRY PROMOTION BOARD/MAINE DAIRY & NUTRITION COUNCIL

**OFFICE MANAGER**

**Areas of Responsibility:**

Administrative and Accounting functions.

Answer all incoming telephone calls, receive all mail and deliveries, forwarding both to the appropriate individual within the organization, signing for shipments and taking messages whenever necessary.

Perform daily back up and manage software updates on computer network, troubleshoot computer problems and interact with outside technical support staff when necessary.

Place orders to maintain an inventory of nutrition education materials, promotional items and administrative supplies.

Mail out the agenda for and record the minutes of the Joint Board of Director's meetings. Maintain records of current B.O.D. members, contact information and term limits.

Perform the daily responsibilities of Accounts Receivable, Accounts Payable, Customer Service, Payroll and Human Resources.

Maintain financial records utilizing Excel spreadsheets and QuickBooks computerized accounting system.

Reconcile all bank statements on a monthly basis.

Prepare financial statements as required or requested by the Joint Board of Directors and/or the Executive Director.

Provide assistance and information to outside auditing firm personnel as required to complete annual audit of financial records.

Process nutrition education material orders and requests for dairy promotion items. Package goods for shipment and coordinate shipment of items cost effectively.

Provide administrative support to the Executive Director and other members of the Professional Staff.

**Qualifications:**

High School Diploma with a minimum of 5 years experience working in an office environment in a supervisory capacity, performing computerized accounting and administrative functions or an Associates Degree in Business Administration with a minimum of 3 years experience working in an office environment performing computerized accounting and administrative functions. The ideal candidate should be responsible, organized, and flexible; possess the ability, sound judgment and skills necessary to make decisions and work independently without immediate supervision.

# Attachments 4



DEC Page Attachment(s)

Policy Number 1810043002  
 Insured MAINE DAIRY PROMOTION BOARD  
 Policy Period From 2015/06/30 To 2016/06/30

EXTENSION SCHEDULE

Loc	Classifications	Code No	Premium Basis Total Estimated Annual Remuneration	Rate Per \$100 of Remunera- tion	Estimated Annual Premium
001	CLERICAL OFFICE EMPLOYEES NOC	8810	76,595	0.42	322
001	SALESPERSONS-OUTSIDE	8742	154,020	0.55	847

OTHER PREMIUM CHARGES SCHEDULE

Description	Premium
15% LOSS FREE DISCOUNT	187-
TERRORISM RISK INS PGM REAUTHORIZATION ACT (TRIPRA)	35
CATASTROPHE (OTHER THAN CERTIFIED ACTS OF TERRORISM)	35
EMPLOYMENT PRACTICES LIABILITY	190

SCHEDULE OF FORMS & ENDORSEMENTS

EM 00 00 01 (Ed. 01-93)	EM 00 00 04 (Ed. 01-93)	WC 99 04 01 (Ed. 12-09)
ENDORSMT A (Ed. 07-10)	WC 00 00 00 B (Ed. 07-11)	WC 00 04 04 (Ed. 04-84)
WC 00 04 06 (Ed. 08-84)	WC 18 06 01 (Ed. 04-84)	WC 18 06 04 (Ed. 05-88)
WC 18 06 06 (Ed. 08-99)	WC 00 04 19 (Ed. 01-01)	WC 18 06 07 A (Ed. 07-11)
WC 00 04 22 B (Ed. 01-15)	WC 00 04 21 D (Ed. 01-15)	EPL00 00 01 (Ed. 02-08)
EPL00 00 02 (Ed. 11-07)	WC 99 04 03 (Ed. 07-11)	WC 99 06 38 (Ed. 03-13)

LOCATION SCHEDULE

Covered Locations  
 001 333 CONY ROAD AUGUSTA, ME 04330

Attachments 5,6,7,8,9

**Maine Dairy Promotion Board**  
**Income & Expense Summary**  
**2005 - 2014**

		2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
	<b>Bal. Carried Forward from Previous Yr.</b>	<b>\$134,142</b>	<b>\$215,670</b>	<b>\$233,774</b>	<b>\$239,830</b>	<b>\$267,356</b>	<b>\$293,361</b>	<b>\$241,553</b>	<b>\$202,219</b>	<b>\$184,321</b>	<b>\$135,163</b>
<b>INCOME</b>											
<b>Nat'l Checkoff:</b>	Maine Producer Milk Pounds 10¢/cwt.	598,390	605,476	610,980	596,007	585,028	594,022	602,539	587,104	570,585	590,961
	Transfer 2¢/cwt. to MDNC	(118,796)	(121,504)	(123,214)	(117,663)	(116,995)	(129,256)	(120,471)	(116,817)	(114,117)	(118,192)
	Transfer to NEDPB	(10,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(50,000)	(50,000)
	Nat'l Supplemental Funding	65,000	-	-	-	-	-	-	-	-	16,100
<b>Other:</b>	Verification Fee from NDB	25	25	25	25	25	25	25	25	25	25
	Interest Income	370	503	478	850	1,864	3,504	4,012	3,310	1,821	-
	MEMIC Dividend	173	168	130	107	88	78	111	87	95	40
	<b>Net Current Year Income</b>	<b>\$535,162</b>	<b>\$459,668</b>	<b>\$463,399</b>	<b>\$454,326</b>	<b>\$445,010</b>	<b>\$443,373</b>	<b>\$461,216</b>	<b>\$448,709</b>	<b>\$408,409</b>	<b>\$438,933</b>
	<b>Total Current Income &amp; Carryover</b>	<b>\$669,304</b>	<b>\$675,338</b>	<b>\$697,174</b>	<b>\$694,156</b>	<b>\$712,366</b>	<b>\$736,734</b>	<b>\$702,769</b>	<b>\$650,928</b>	<b>\$592,730</b>	<b>\$574,096</b>
<b>EXPENSE</b>											
	<b>UDIA Membership Dues</b>	<b>103,167</b>	<b>81,333</b>	<b>59,500</b>	<b>58,500</b>						
	<b>UMP National Implementation Fee</b>	<b>146,869</b>	<b>171,745</b>	<b>136,000</b>	<b>95,000</b>	<b>42,550</b>	<b>85,100</b>	<b>85,100</b>	<b>85,100</b>	<b>85,100</b>	<b>85,108</b>
<b>UMP Programs:</b>	<b>Integrated Communications/Media</b>	<b>14,608</b>	<b>22,888</b>	<b>19,075</b>	<b>19,935</b>	<b>41,485</b>	<b>54,493</b>	<b>26,770</b>	<b>50,927</b>	<b>60,274</b>	<b>73,427</b>
	<b>Black Bear Sports Partnership</b>	<b>4,750</b>	<b>4,750</b>	<b>-</b>	<b>9,500</b>	<b>-</b>	<b>15,751</b>	<b>6,269</b>	<b>4,672</b>	<b>-</b>	<b>-</b>
	<b>School Programs/Grants/FUTP60</b>	<b>60,742</b>	<b>49,582</b>	<b>79,960</b>	<b>72,993</b>	<b>134,001</b>	<b>59,779</b>	<b>26,634</b>	<b>32,263</b>	<b>22,770</b>	<b>24,077</b>
	<b>Child Nutrition/Health &amp; Wellness Ed</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,736</b>	<b>2,820</b>	<b>24,265</b>	<b>9,493</b>	<b>7,005</b>	<b>49</b>
	<b>Industry Image &amp; Producer Relations</b>	<b>24,289</b>	<b>23,252</b>	<b>28,701</b>	<b>27,192</b>	<b>19,369</b>	<b>17,576</b>	<b>17,780</b>	<b>14,326</b>	<b>9,614</b>	<b>13,815</b>
	<b>UMP Programs Total</b>	<b>\$114,389</b>	<b>\$100,472</b>	<b>\$127,736</b>	<b>\$129,620</b>	<b>\$198,591</b>	<b>\$150,419</b>	<b>\$101,718</b>	<b>\$111,681</b>	<b>\$ 99,663</b>	<b>\$111,368</b>
	<b>Total Implementation, Dues &amp; Programs</b>	<b>\$364,425</b>	<b>\$353,550</b>	<b>\$323,236</b>	<b>\$284,120</b>	<b>\$300,641</b>	<b>\$295,019</b>	<b>\$246,318</b>	<b>\$256,281</b>	<b>\$244,263</b>	<b>\$254,976</b>
<b>Core Costs:</b>	<b>Administration</b>	<b>2,360</b>	<b>2,566</b>	<b>2,673</b>	<b>2,257</b>	<b>3,055</b>	<b>3,102</b>	<b>3,248</b>	<b>2,757</b>	<b>3,009</b>	<b>3,105</b>
	<b>Overhead</b>	<b>30,209</b>	<b>32,893</b>	<b>29,311</b>	<b>26,790</b>	<b>25,512</b>	<b>27,836</b>	<b>26,805</b>	<b>23,334</b>	<b>17,207</b>	<b>17,065</b>
	<b>Personnel</b>	<b>157,495</b>	<b>152,185</b>	<b>126,284</b>	<b>147,215</b>	<b>143,329</b>	<b>143,323</b>	<b>134,148</b>	<b>127,943</b>	<b>123,981</b>	<b>114,630</b>
	<b>CORE COST TOTAL</b>	<b>\$190,064</b>	<b>\$187,645</b>	<b>\$158,269</b>	<b>\$176,263</b>	<b>\$171,897</b>	<b>\$174,260</b>	<b>\$164,202</b>	<b>\$154,034</b>	<b>\$144,197</b>	<b>\$134,799</b>
	<b>TOTAL EXPENSE</b>	<b>\$554,489</b>	<b>\$541,195</b>	<b>\$481,504</b>	<b>\$460,382</b>	<b>\$472,537</b>	<b>\$469,279</b>	<b>\$410,520</b>	<b>\$410,315</b>	<b>\$388,459</b>	<b>\$389,775</b>
	<b>NET INCOME</b>	<b>\$114,815</b>	<b>\$134,143</b>	<b>\$215,670</b>	<b>\$233,774</b>	<b>\$239,829</b>	<b>\$267,455</b>	<b>\$292,249</b>	<b>\$240,613</b>	<b>\$204,271</b>	<b>\$184,321</b>



1400 Independence Avenue, SW.  
Room 2958-S, STOP 0233  
Washington, DC 20250-0233

October 19, 2015

Ms. Cheryl L. Beyeler  
Maine Dairy Promotion Board  
333 Cony Road  
Augusta, Maine 04330

Dear Ms. Beyeler:

Thank you for your cooperation in completing the "Application for Initial or Continued Qualification of Dairy Product Promotion, Research or Nutrition Education Program" with financial data and program information for 2014. We have approved your application for continued qualification. Milk producers may continue to receive credit against the 15-cent per hundredweight assessment due to the National Dairy Promotion and Research Board when contributing to your program. Your reported financial data will be aggregated with data from other qualified programs for the 2015 Report to Congress on the Dairy Promotion Programs.

Please send us information on any organizational structure, or address changes in your program, including mergers or other types of consolidation, as they occur. If there are changes in your sources of annual income, use of annual income, forms of advertising or promotion, or any changes that may affect your program's qualification, please notify us promptly.

We will provide the application for initial and continued qualification of Dairy Product Promotion, Research or Nutrition Education Program in February 2015. Please visit 'Dairy - Qualified Programs' at [www.ams.usda.gov](http://www.ams.usda.gov) for program information updates. If you have any questions, please contact John Galbraith of the Promotion, Research and Planning Division at 202-720-6909 or by email: [John.Galbraith@ams.usda.gov](mailto:John.Galbraith@ams.usda.gov).

Sincerely,

A handwritten signature in black ink that reads "Whitney A. Rick". The signature is written in a cursive, flowing style.

Whitney A. Rick  
Director, Promotion, Research & Planning Division  
Dairy Programs

UNITED STATES DEPARTMENT OF AGRICULTURE  
 AGRICULTURAL MARKETING SERVICE  
 DAIRY PROGRAMS

APPLICATION FOR INITIAL OR CONTINUED QUALIFICATION OF  
 DAIRY PRODUCT PROMOTION, RESEARCH,  
 OR NUTRITION EDUCATION PROGRAM  
 (Under Dairy Production Stabilization Act of 1983)

*According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0581-0093. The time required to complete this information collection is estimated to average 3 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.*

*The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.)*

USDA, AMS, DAIRY PROGRAMS  
 PROMOTION, RESEARCH AND PLANNING DIVISION  
 STOP 0233, ROOM 2958-S  
 1400 INDEPENDENCE AVENUE, SW  
 WASHINGTON, D.C. 20250-0233

*Information is collected in order to determine initial or continued qualification of dairy product promotion, research or nutrition education programs (7 CFR 1150.153). Application is voluntary but qualification is necessary to receive a benefit. Information from organizations is held confidential in the manner set forth in 7 CFR 1150.173, except for any release required under the Freedom of Information Act.*

The Dairy Promotion and Research Order (7 CFR 1150.101 *et seq.*) provides in §1150.153 that any organization that conducts a dairy product promotion, research, or nutrition education program may request qualification of its program from the Secretary of Agriculture. Producers or importers contributing to a qualified program (QP) may receive credit for contributions to such program pursuant to §1150.152 of the Order. To be eligible for initial or continued qualification, the program must:

- a. Be engaged in dairy product promotion, research, or nutrition education activities that are intended to increase consumption of milk and dairy products generally.
- b. Except for programs operated under the laws of the United States or any State, and except for importer programs, have been active and ongoing before November 29, 1983.
- c. Be financed primarily by producers, either individually or through cooperative associations, or for importer programs, be financed primarily by importers.
- d. Not use a brand or trade name in its advertising and promotion of dairy products unless approved by the National Dairy Promotion and Research Board and the Secretary.
- e. Certify to the Secretary that any requests from producers or importers for refunds under its programs will be honored by forwarding to the Board or to the qualified program designated by the producer or importer that portion of the refund equal to the amount of the credit given to the producer or importer because of his/her participation in the program. The amount of such credit may not exceed 10 cents per hundredweight for a producer and 2.5 cents per hundredweight or equivalent thereof, for an importer.
- f. Not use program funds for the purpose of influencing governmental policy or action.

If additional space is required, provide an additional attachment identified by item number.

The following information is to be submitted by each organization requesting initial or continued qualification of its dairy product promotion, research, or nutrition education program(s).

1. CURRENT NAME AND ADDRESS OF ORGANIZATION (Complete Mailing Address)

Name: Maine Dairy Promotion Board Telephone No.: (207) 287-3621  
 Address: 333 Cony Road Fax Number: (207) 287-7161  
 Address: \_\_\_\_\_ Email Address: info@drinkmainemilk.org  
 City: Augusta State: Maine Zip: 04330

2. DOES YOUR ORGANIZATION CONDUCT OR FUND A DAIRY PRODUCT: (Answer All That Apply)

A. Promotion Program?  B. Research Program?  C. Nutrition Education Program?

3. IS YOUR ORGANIZATION PRIMARILY FINANCED (50% OR MORE) DIRECTLY BY PRODUCERS, COOPERATIVE ASSOCIATIONS AND/OR IMPORTERS?

Yes  No

4. ARE CONTRIBUTIONS BY PRODUCERS OR IMPORTERS REFUNDABLE TO SUCH PRODUCERS OR IMPORTERS?

Yes  No

5. DOES YOUR PROGRAM UTILIZE A BRAND OR TRADE NAME IN ITS ADVERTISING AND PROMOTION OF DAIRY PRODUCTS?

Yes  No

6. DOES YOUR ORGANIZATION USE PROGRAM FUNDS FOR THE PURPOSE OF INFLUENCING GOVERNMENTAL POLICY OR ACTION?

Yes  No

7. IF YOUR PROGRAM OPERATES UNDER STATE LAW, WHAT IS THE MANDATORY ASSESSMENT RATE PER HUNDREDWEIGHT UNDER THAT PROGRAM?

PLEASE LIST THE AMOUNT OF THE STATE ASSESSMENT OR N/A (NOT APPLICABLE). 10 CENTS PER HUNDREDWEIGHT

8. PROVIDE THE FOLLOWING INFORMATION ON ANNUAL INCOME AND EXPENDITURES FOR THE CALENDAR YEAR ENDING  
(SEE ACCOMPANYING ADDITIONAL INSTRUCTIONS FOR FORM DA-15-CG.)

2014  
(YEAR)

**SOURCES OF TOTAL ANNUAL INCOME:**

Carryover from Previous Year (This should be the same as last year's reported "Total Funds Available for Future Year Programs.")	\$	80,402.00
Current Year Income <sup>§.1/</sup>		
Producer Remittances		598,390.00
Add: Payments Received from Other QPs	+	25.00
Add: Payments Received from Unified Marketing Plan Equalization Fund	+	65,000.00
Less: Payments Transferred to Other QPs	(-)	275,664.00
Less: Payments Transferred to Unified Marketing Plan Equalization Fund	(-)	
Other Income Sources <sup>§.2/</sup>		543.00
<b>TOTAL ADJUSTED ANNUAL INCOME <sup>§.3/</sup></b>		<b>468,696.00</b>

**EXPENDITURES: <sup>§.4/</sup> (Provide total expenditures spent directly by your organization for each line item)**

Advertising, Promotion, and Sales (AP&S)		
Fluid Milk		
Cheese		
Butter		
Frozen Dairy Products		
Other AP&S Expenditures <sup>§.5/</sup>		
Subtotal for AP&S		65,493.00
Nutrition Education		
Nutrition Research		
Dairy Product Research		
Market and Economic Research		
Public and Industry Communications		24,969.00
Unified Marketing Plan <sup>§.6/</sup>		203,088.00
Administrative <sup>§.7/</sup>		10,903.00
Other Expenditures <sup>§.8/</sup>		
<b>TOTAL ANNUAL EXPENDITURES</b>		<b>304,453.00</b>
<b>UDIA DUES <sup>§.9/</sup></b>		<b>103,167.00</b>
<b>TOTAL ANNUAL EXPENDITURES AND UDIA DUES</b>		<b>407,620.00</b>
<b>TOTAL FUNDS AVAILABLE FOR FUTURE YEAR PROGRAMS <sup>§.10/</sup></b>	\$	<b>61,076.00</b>

- <sup>§.1/</sup> Please provide a schedule of income for all sources of current year income. List each separate source and amount of income by name of remitter. **DO NOT** list individual producers or importers. List funds received from and/or transferred to each QP and for the Unified Marketing Plan Equalization Fund separately.
- <sup>§.2/</sup> Examples of Other Income Sources include: total interest earned by your organization; income from processors, handlers, sales of supplies and materials; refunds from overpaid expenditures; contributions from various organizations; gains on the sale of property and equipment; and miscellaneous items. These items should be listed separately on the attached schedule of income.
- <sup>§.3/</sup> Total Adjusted Annual Income equals the total of all Sources of Income minus Payments Transferred to Other QPs and/or the Unified Marketing Plan Equalization Fund.
- <sup>§.4/</sup> For each line item expenditure, enclose a schedule of expenses by project or program area, including a project description(s) and related costs. If no funds were spent in a line item, indicate zero (-0-).
- <sup>§.5/</sup> Examples of Other AP&S Expenditures include calcium, nonfat dry milk, holiday, and multi-product advertising and promotion programs.
- <sup>§.6/</sup> Please enclose a copy of your unified marketing plan expenditure reports and supplemental documentation.
- <sup>§.7/</sup> Section 1150.151 (a) of the Order states that the administrative expenses incurred by the National Dairy Board shall not exceed 5 percent of the projected revenue of that fiscal year. In this regard, we urge you to keep the administrative expenses of your organization to a minimum.
- <sup>§.8/</sup> Examples of Other Expenditures include capital expenses, contributions to universities and other organizations, etc. Provide a schedule of expenditures.
- <sup>§.9/</sup> Report only UDIA membership dues.
- <sup>§.10/</sup> Total Funds Available for Future Year Programs equals Total Annual Expenditures and UDIA dues subtracted from Total Adjusted Annual Income.

9. **PROVIDE YOUR ANNUAL AUDIT**, INCLUDING THE AUDITOR'S LETTER OF COMMENTS THAT ADDRESSES THE **FIVE CRITERIA (ITEMS A-E)** FOUND ON PAGE 3 OF THE ACCOMPANYING ADDITIONAL INSTRUCTIONS FOR FORM DA-15-CG.

10. PROVIDE A COPY OF YOUR MOST RECENT ANNUAL REPORT AND SUPPORTING DOCUMENTS.

I hereby certify that the information provided above is true, complete, and correct to the best of my knowledge. If producers or importers are eligible to receive a refund of their contributions, I also certify that the producer's or importer's refund requests will be handled in accordance with the Order. The Secretary of Agriculture may examine our books, records, files, and facilities to verify any of the information submitted and may procure other information to verify this organization's eligibility for qualification.

I agree to notify AMS, Dairy Programs of any changes in our organizational structure, including merger or other types of consolidation; changes that may affect our program's continued qualification (see items 2 through 6); or if our program is discontinued.

NAME Cheryl L. Beyeler	TITLE Executive Director
SIGNATURE <i>Cheryl L. Beyeler</i>	DATE <i>April 23, 2015</i>



1400 Independence Avenue, SW.  
Room 2958-S, STOP 0233  
Washington, DC 20250-0233

December 16, 2013

Ms. Cheryl Beyeler  
Maine Dairy Promotion Board  
333 Cony Road  
Augusta, ME 04330

Dear Ms. Beyeler:

Thank you for your cooperation in completing the "Application for Initial or Continued Qualification of Dairy Product Promotion, Research or Nutrition Education Program" with financial data and program information for 2012. We have approved your application for continued qualification. Milk producers may continue to receive credit against the 15-cent per hundredweight assessment due to the National Dairy Promotion and Research Board when contributing to your program. Your reported financial data will be aggregated with data from other qualified programs for the 2013 Report to Congress on the Dairy Promotion Programs.

Please send us information on any organizational structure, or address changes in your program, including mergers or other types of consolidation, as they occur. If there are changes in your sources of annual income, use of annual income, forms of advertising or promotion, or any changes that may affect your program's qualification, please notify us promptly.

We will provide the application for initial and continued qualification of Dairy Product Promotion, Research or Nutrition Education Program in February, 2014. Please visit 'Dairy - Qualified Programs' at [www.ams.usda.gov](http://www.ams.usda.gov) for program information updates. If you have any questions, please contact John Galbraith of the Promotion, Research and Planning Division at 202-720-6909 or by email: [John.Galbraith@ams.usda.gov](mailto:John.Galbraith@ams.usda.gov).

Sincerely,

A handwritten signature in cursive script that reads "Whitney A. Rick".

Whitney A. Rick  
Director, Promotion, Research & Planning Division  
Dairy Programs

UNITED STATES DEPARTMENT OF AGRICULTURE  
 AGRICULTURAL MARKETING SERVICE  
 DAIRY PROGRAMS

APPLICATION FOR INITIAL OR CONTINUED QUALIFICATION OF  
 DAIRY PRODUCT PROMOTION, RESEARCH,  
 OR NUTRITION EDUCATION PROGRAM  
 (Under Dairy Production Stabilization Act of 1983)

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0581-0093. The time required to complete this information collection is estimated to average 3 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.)

USDA, AMS, DAIRY PROGRAMS  
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Information is collected in order to determine initial or continued qualification of dairy product promotion, research or nutrition education programs (7 CFR 1150.153). Application is voluntary but qualification is necessary to receive a benefit. Information from organizations is held confidential in the manner set forth in 7 CFR 1150.173, except for any release required under the Freedom of Information Act.

The Dairy Promotion and Research Order (7 CFR 1150.101 *et seq.*) provides in §1150.153 that any organization that conducts a dairy product promotion, research, or nutrition education program may request qualification of its program from the Secretary of Agriculture. Producers or importers contributing to a qualified program (QP) may receive credit for contributions to such program pursuant to §1150.152 of the Order. To be eligible for initial or continued qualification, the program must:

- a. Be engaged in dairy product promotion, research, or nutrition education activities that are intended to increase consumption of milk and dairy products generally.
- b. Except for programs operated under the laws of the United States or any State, and except for importer programs, have been active and ongoing before November 29, 1983.
- c. Be financed primarily by producers, either individually or through cooperative associations, or for importer programs, be financed primarily by importers.
- d. Not use a brand or trade name in its advertising and promotion of dairy products unless approved by the National Dairy Promotion and Research Board and the Secretary.
- e. Certify to the Secretary that any requests from producers or importers for refunds under its programs will be honored by forwarding to the Board or to the qualified program designated by the producer or importer that portion of the refund equal to the amount of the credit given to the producer or importer because of his/her participation in the program. The amount of such credit may not exceed 10 cents per hundredweight for a producer and 2.5 cents per hundredweight or equivalent thereof, for an importer.
- f. Not use program funds for the purpose of influencing governmental policy or action.

If additional space is required, provide an additional attachment identified by item number.

The following information is to be submitted by each organization requesting initial or continued qualification of its dairy product promotion, research, or nutrition education program(s).

1. CURRENT NAME AND ADDRESS OF ORGANIZATION (Complete Mailing Address)

Name: Maine Dairy Promotion Board Telephone No: (207) 287-3621  
 Address: 333 Corn Road Fax Number: (207) 287-7161  
 Address: \_\_\_\_\_ Email Address: \_\_\_\_\_  
 City: Augusta State: ME Zip: 04330

2. DOES YOUR ORGANIZATION CONDUCT OR FUND A DAIRY PRODUCT? (Answer All That Apply)

- A. Promotion Program?  B. Research Program?  C. Nutrition Education Program?

3. IS YOUR ORGANIZATION PRIMARILY FINANCED (50% OR MORE) DIRECTLY BY PRODUCERS, COOPERATIVE ASSOCIATIONS AND/OR IMPORTERS?

Yes  No

4. ARE CONTRIBUTIONS BY PRODUCERS OR IMPORTERS REFUNDABLE TO SUCH PRODUCERS OR IMPORTERS?

Yes  No

5. DOES YOUR PROGRAM UTILIZE A BRAND OR TRADE NAME IN ITS ADVERTISING AND PROMOTION OF DAIRY PRODUCTS?

Yes  No

6. DOES YOUR ORGANIZATION USE PROGRAM FUNDS FOR THE PURPOSE OF INFLUENCING GOVERNMENTAL POLICY OR ACTION?

Yes  No

7. IF YOUR PROGRAM OPERATES UNDER STATE LAW, WHAT IS THE MANDATORY ASSESSMENT RATE PER HUNDREDWEIGHT UNDER THAT PROGRAM?

PLEASE LIST THE AMOUNT OF THE STATE ASSESSMENT OR N/A (NOT APPLICABLE). 10 CENTS PER HUNDREDWEIGHT

8. PROVIDE THE FOLLOWING INFORMATION ON ANNUAL INCOME AND EXPENDITURES FOR THE CALENDAR YEAR ENDING (SEE ACCOMPANYING ADDITIONAL INSTRUCTIONS FOR FORM DA-15-CG.)

2013  
(YEAR)

**SOURCES OF TOTAL ANNUAL INCOME:**

Carryover from Previous Year (This should be the same as last year's reported "Total Funds Available for Future Year Programs.") .....	\$	243,235
Current Year Income <sup>1/</sup>		
Producer Remittances .....		605,476
Add: Payments Received from Other QPs .....	+	25.00
Add: Payments Received from Unified Marketing Plan Equalization Fund .....	+	
Less: Payments Transferred to Other QPs .....	(-)	146,504
Less: Payments Transferred to Unified Marketing Plan Equalization Fund .....	(-)	
Other Income Sources <sup>2/</sup> .....		671
<b>TOTAL ADJUSTED ANNUAL INCOME <sup>3/</sup></b> .....		<b>702,903</b>

**EXPENDITURES: <sup>4/</sup>** (Provide total expenditures spent directly by your organization for each line item)

Advertising, Promotion, and Sales (AP&S)		
Fluid Milk .....		
Cheese .....		
Butter .....		
Frozen Dairy Products .....		
Other AP&S Expenditures <sup>5/</sup> .....		
Subtotal for AP&S .....		
Nutrition Education .....		
Nutrition Research .....		
Dairy Product Research .....		
Market and Economic Research .....		
Public and Industry Communications .....		
Unified Marketing Plan <sup>6/</sup> .....		91,615
Administrative <sup>7/</sup> .....		493,688
Other Expenditures <sup>8/</sup> .....		25,897
<b>TOTAL ANNUAL EXPENDITURES</b> .....		<b>541,194</b>
UDIA DUES <sup>9/</sup> .....		81,333
<b>TOTAL ANNUAL EXPENDITURES AND UDIA DUES</b> .....		<b>622,527</b>
<b>TOTAL FUNDS AVAILABLE FOR FUTURE YEAR PROGRAMS <sup>10/</sup></b> .....	\$	<b>80,376</b>

- <sup>1/</sup> Please provide a schedule of income for all sources of current year income. List each separate source and amount of income by name of remitter. **DO NOT** list individual producers or importers. List funds received from and/or transferred to each QP and for the Unified Marketing Plan Equalization Fund separately.
- <sup>2/</sup> Examples of Other Income Sources include: total interest earned by your organization; income from processors, handlers, sales of supplies and materials; refunds from overpaid expenditures; contributions from various organizations; gains on the sale of property and equipment; and miscellaneous items. These items should be listed separately on the attached schedule of income.
- <sup>3/</sup> Total Adjusted Annual Income equals the total of all Sources of Income minus Payments Transferred to Other QPs and/or the Unified Marketing Plan Equalization Fund.
- <sup>4/</sup> For each line item expenditure, enclose a schedule of expenses by project or program area, including a project description(s) and related costs. If no funds were spent in a line item, indicate zero (-0-).
- <sup>5/</sup> Examples of Other AP&S Expenditures include calcium, nonfat dry milk, holiday, and multi-product advertising and promotion programs.
- <sup>6/</sup> Please enclose a copy of your unified marketing plan expenditure reports and supplemental documentation.
- <sup>7/</sup> Section 1150.151 (a) of the Order states that the administrative expenses incurred by the National Dairy Board shall not exceed 5 percent of the projected revenue of that fiscal year. In this regard, we urge you to keep the administrative expenses of your organization to a minimum.
- <sup>8/</sup> Examples of Other Expenditures include capital expenses, contributions to universities and other organizations, etc. Provide a schedule of expenditures.
- <sup>9/</sup> Report only UDIA membership dues.
- <sup>10/</sup> Total Funds Available for Future Year Programs equals Total Annual Expenditures and UDIA dues subtracted from Total Adjusted Annual Income.

9. **PROVIDE YOUR ANNUAL AUDIT**, INCLUDING THE AUDITOR'S LETTER OF COMMENTS THAT ADDRESSES THE **FIVE** CRITERIA (ITEMS A-E) FOUND ON PAGE 3 OF THE ACCOMPANYING ADDITIONAL INSTRUCTIONS FOR FORM DA-15-CG.

10. PROVIDE A COPY OF YOUR MOST RECENT ANNUAL REPORT.

I hereby certify that the information provided above is true, complete, and correct to the best of my knowledge. If producers or importers are eligible to receive a refund of their contributions, I also certify that the producer's or importer's refund requests will be handled in accordance with the Order. The Secretary of Agriculture may examine our books, records, files, and facilities to verify any of the information submitted and may procure other information to verify this organization's eligibility for qualification.

I agree to notify AMS, Dairy Programs of any changes in our organizational structure, including merger or other types of consolidation; changes that may affect our program's continued qualification (see items 2 through 6); or if our program is discontinued.

NAME Cheryl L. Beyeler	TITLE Executive Director
SIGNATURE Cheryl L. Beyeler	DATE April 2014



**AUSTIN ASSOCIATES**  
CERTIFIED PUBLIC ACCOUNTANTS

March 11, 2015

To the Board of Directors  
Maine Dairy Promotion Board

Additional information has been requested in connection with our audit, for the year ended December 31, 2014, of the Maine Dairy Promotion Board.

Our responses to questions posed by the USDA Dairy Division are as follows:

1. Is the Organization engaged in dairy product promotion, research or nutrition education? **YES**
2. Are the Organization's activities financed primarily (more than 50%) by dairy producers, either individually or through cooperative association? **YES**
3. Does the Organization use a brand name or trade name in its advertising and promotion of dairy products? **NO**
4. Does the Organization use funds for the purpose of influencing the governmental policy or actions? **NO**
5. Does the Organization have in place internal controls that provide reasonable assurance that funds, property and other assets are safeguarded against fraud, waste and unauthorized use? **YES**

Please contact us if we can be of further assistance in this matter.

AUSTIN ASSOCIATES, P.A.  
Certified Public Accountants

**Maine Dairy Promotion Board**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Year Ended December 31, 2014**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Totals</u>
<b>Operating Revenue</b>			
Milk tax	\$ 479,594	\$ -	\$ 479,594
Supplemental funding		65,000	65,000
Interest income	370	-	370
Other income	198	-	198
Net assets released from restrictions	<u>45,000</u>	<u>(45,000)</u>	<u>-</u>
Total revenues	525,162	20,000	545,162
<b>Operating Expenses</b>			
Advertising	187,555	-	187,555
Salaries	106,103	-	106,103
Registration fees and dues	103,287	-	103,287
Payroll taxes and employee benefits	50,722	-	50,722
Promotional activities and supplies	76,461	-	76,461
Professional fees	7,284	-	7,284
Board of Director's expenses	7,241	-	7,241
Travel expenses	4	-	4
Rent	19,255	-	19,255
Communications	1,393	-	1,393
Office supplies	735	-	735
Equipment purchase and repair	820	-	820
Depreciation	2,473	-	2,473
Educational seminars	669	-	669
Miscellaneous	81	-	81
Postage	228	-	228
Insurance	<u>178</u>	<u>-</u>	<u>178</u>
Total operating expenses	<u>564,489</u>	<u>-</u>	<u>564,489</u>
<b>Change in Net Position</b>	(39,327)	20,000	(19,327)
<b>Total Net Position, January 1, 2014</b>	<u>134,142</u>	<u>-</u>	<u>134,142</u>
<b>Total Net Position, December 31, 2014</b>	<u>\$ 94,815</u>	<u>\$ 20,000</u>	<u>\$ 114,815</u>

The accompanying notes are an integral part of these statements.



**Maine Dairy Promotion Board**  
**Statement of Net Position**  
**December 31, 2014**

**ASSETS**

**Current Assets**

Cash	\$ 8,621
Certificates of Deposit	89,207
Milk tax receivable	51,987
Due from Maine Dairy and Nutrition Council	<u>1,759</u>
Total current assets	151,574

**Non-Current Assets**

Equipment	32,856
Less - Accumulated depreciation	<u>29,204</u>
Total non-current assets	<u>3,652</u>

**Total Assets** \$ 155,226

**LIABILITIES AND NET POSITION**

**Current Liabilities**

Accounts payable	\$ 8,450
Accrued payroll	3,288
Accrued vacation	<u>28,674</u>
Total liabilities	40,412

**Net Position**

Unrestricted	91,162
Net investment in capital assets	3,652
Restricted net assets	<u>20,000</u>
Total net position	<u>114,814</u>

**Total Liabilities and Net Position** \$ 155,226





**AUSTIN ASSOCIATES**  
CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS**

March 11, 2015

To the Board of Directors  
Maine Dairy Promotion Board

**Independent Auditor's Report**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the business-type activities of Maine Dairy Promotion Board, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated March 11, 2015.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Maine Dairy Promotion Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Maine Dairy Promotion Board's internal control. Accordingly, we do not express an opinion on the effectiveness of Maine Dairy Promotion Board's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Maine Dairy Promotion Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Austin Associates, PA*

AUSTIN ASSOCIATES, P.A.  
Certified Public Accountants



<b>Maine Dairy Promotion Board</b>			
<b>Audited Financial Statement</b>			
<b>December 31, 2014</b>			
		<b>2014</b>	<b>2014</b>
		<b>Audited</b>	<b>Budget</b>
	<b>Balance Carried Forward from Previous Year (audited)</b>	<b>\$ 134,142</b>	<b>\$ 150,000</b>
<b>REVENUE</b>			
	Checkoff: Maine Producer Milk Pounds	598,390	597,000
	Transfer to Another QP (MDNC)	(118,796)	(119,400)
	Transfer to Another QP (NEDPB)	(10,000)	(10,000)
	Supplemental Funding: Deficit Funding (DMI)	65,000	65,000
	Other: Verification Fee (NDB)	25	25
	MEMIC Dividend	173	0
	Interest Income	370	350
	<b>Current Year Income</b>	<b>\$ 535,162</b>	<b>\$ 532,975</b>
	<b>Total Current Income &amp; Carryover</b>	<b>\$ 669,304</b>	<b>\$ 682,975</b>
<b>EXPENSE</b>			
	<b>UMP National Program Funding Commitment</b>	<b>\$ 146,869</b>	<b>\$ 151,500</b>
	<b>UMP Programs</b>		
	<b>Fuel Up to Play 60</b>		
	NFL Assets Management	7,002	10,000
	In-School kits/elements	261	300
	National Events	3,500	3,500
	Youth Engagement (online/offline)	1,100	1,100
	School Stakeholders Engagement (on-line/off-line)	1,450	1,450
	Integrated Communications (Black Bear)	4,750	4,750
	On-line/Off-line Communications	1,498	1,500
	S/R Communications, Tools, Training & Resources	361	1,200
	Fundraising / IR producer engagement	0	750
	Dairy Optimization Grants (Deficit Funds)	35,572	35,000
	FUTP60 Rewards	9,999	10,000
	<b>Total Fuel Up to Play 60</b>	<b>\$ 65,492</b>	<b>\$ 69,550</b>
	<b>H &amp; W / Optimize Dairy</b>		
	Coolers for Coaches/Refuel w/choc milk (Deficit Funds)	10,000	\$ 30,000
	<b>Integrated Communications</b>		
	Multi Media Messaging	10,039	\$ 10,000
	<b>Industry Image &amp; Relations</b>		
	Producer Relations & Communications	2,348	8,000
	Board Relations	7,241	7,250
	Issues Management	428	2,000
	Crisis Preparedness	0	5,000
	Dairy Farmer Image	6,513	10,000
	- Multi Media Messaging	4,569	0
	- Social Media Tracking Service	1,500	0
	Social Media Training	0	3,500
	Industry Relations/Travel	6,258	6,000
	<b>Total Industry Image &amp; Relations</b>	<b>\$ 28,858</b>	<b>\$ 41,750</b>
	<b>Total UMP Programs</b>	<b>\$ 114,389</b>	<b>\$ 151,300</b>
	<b>Total UMP Programs &amp; National Commitment</b>	<b>\$ 261,258</b>	<b>\$ 302,800</b>

<b>Maine Dairy Promotion Board</b>			
<b>Audited Financial Statement</b>			
<b>December 31, 2014</b>			
		<b>2014</b>	<b>2014</b>
		<b>Audited</b>	<b>Budget</b>
<b>CORE COSTS</b>			
<b>Administration:</b>	Communications (phone/fax/internet)	1,393	1,700
	Miscellaneous Exp.	0	50
	Office Supplies	735	1,000
	Postage & Shipping	228	250
	Travel	4	50
<b>Overhead:</b>	Audit	6,000	6,100
	Bank Service Charges	78	85
	Computer Equip/Software Upgrades	521	1,000
	Computer Tech Support/Online Backup	688	850
	Depreciation	2,473	-
	Legal	0	250
	Liability Insurance	178	200
	Maintenance/Repairs	0	50
	Memberships (agency)	120	110
	Payroll Service	541	550
	Postage Machine Rental/Maint.	299	300
	Rent	13,000	13,000
	UDIA Dues	103,167	103,166
	Vehicle Lease	6,255	6,500
	Website Maintenance	55	500
<b>Personnel:</b>	Dental Insurance	630	650
	FUTA Tax	1,680	1,680
	Health Insurance	18,633	18,700
	Life Insurance	777	770
	Medicare Tax	1,013	1,045
	Professional Dues & Memberships	320	325
	Retiree Health Insurance	5,693	5,700
	Retirement Contributions	21,548	21,220
	Salaries	106,103	104,100
	Staff Development	170	300
	Training & Seminars	180	250
	Worker's Comp Insurance	748	800
	<b>Total Core Cost</b>	<b>\$ 293,231</b>	<b>\$ 291,251</b>
	<b>Total Expense</b>	<b>\$ 554,489</b>	<b>\$ 594,051</b>
	<b>Net Income</b>	<b>\$ 114,815</b>	
	<b>Less Board Mandated Reserve</b>	<b>\$ (50,000)</b>	
	<b>Less Restricted Income (Deficit Funds)</b>	<b>\$ (20,000)</b>	
	<b>Total Unrestricted Income</b>	<b>\$ 44,815</b>	
	<b>Projected Balance Carried forward to 1/01/15</b>		<b>\$ 88,924</b>