

MINUTES

MONDAY, NOVEMBER 4, 2013
LOUISIANA DAIRY INDUSTRY PROMOTION BOARD MEETING
5825 FLORIDA BOULEVARD
VETERANS MEMORIAL AUDITORIUM
BATON ROUGE, LA

CALL TO ORDER

Chairman Lanny Conerly called the meeting to order at 10:03 a.m.

ROLL CALL

LDIPB Assistant Director Rebecca Riecke called the roll.

DECLARATION OF A QUORUM

The presence of a quorum was declared by Chairman Conerly.

MEMBERS PRESENT

PAUL ALFORD
HARVEY BURFORD
LANNY CONERLY
ROBERT SHARKEY
SUSIE SHARKEY
COMMISSIONER MIKE STRAIN, DVM (JOINED THE MEETING AFTER ROLL CALL -
LDIPB DIRECTOR MICHELLE ESTAY SERVED AS DESIGNEE AFTER
COMMISSIONER STRAIN HAD TO LEAVE THE MEETING)

MEMBERS ABSENT

DONNIE FISHER
JERRY SIMPSON

PUBLIC COMMENT

There was no public comment.

APPROVAL OF MINUTES

A motion made by Paul Alford and second by Harvey Burford to approve the minutes of the September 5, 2013, meeting. The motion carried.

Commissioner Mike Strain, DVM and LDIPB Director Michelle Estay joined the meeting. Commissioner Strain informed the Board of the recent Supreme Court decision on October 15 regarding the Rice Research and Rice Promotion Boards which said that the premise for their assessment based upon referendum given permission by the legislature is unconstitutional. Commission Strain said that the constitutional authority for this and other boards' assessments is in legal terms considered suspect which means it will stand until challenged or until he determines that it is unconstitutional and the assessments will no longer be collected. He stated that this board differs from some since federal law requires 15 cents to be collected. The producers are still required to pay the full 15 cents in the absence of state law. The

Board currently collects 10 cents, which assessment payers are given credit for toward the federal 15 cents. Commissioner Strain informed the Board that he is addressing the situation where local payments could continue through voluntary means since LDIPB is a certified qualified program or legislative corrective measures could be considered as well. He said that in regards to the SUDIA contract, he is not comfortable signing a one or three year contract at this point and if there were one, there has to be modifications.

Dr. Wayne Gauthier of the LSU AgCenter inquired whether collectors would still be required to contribute 15 cents to the promotion program. Commissioner Strain explained that due to federal law, the 15 cent assessment would still be mandatory. He and Mrs. Estay gave a clarification as to how the 15 cents is sent to national and the credit given based on payments to the Board.

The Commissioner confirmed to Gerald Simmons of the Louisiana Dairy Products Association that if the ruling stands, the 15 cents must still be paid.

Commissioner Strain stated that the proposed SUDIA contract would need to be modified from past drafted language. Chairman Conerly said that the Board would then need to meet again in about a month to vote on the contract content.

A motion made by Susie Sharkey and second by Paul Alford to enter into a one year contract with SUDIA once the final language is decided upon. The motion carried.

FINANCIAL REPORTS

Michelle Estay read the June, July, August and September 2013 financial reports. She explained that the June and July 2013 financial reports were not approved at the last meeting due to a \$9,003.65 adjustment that had to be made and confirmation of accuracy of such an adjustment was researched by an LDAF internal auditor.

Mrs. Estay informed the Board that the National Dairy Promotion and Research Board is sending out certified notices to processors that are not paying their assessments. She also stated that the Department's Management and Finance Office has changed the way the financial reports are processed which will leave less room for error.

A motion made by Harvey Burford and second by Robert Sharkey to approve the June, July, August and September 2013 financial reports. The motion carried.

XDESIGN ADVERTISING REPORT

Hunter Territo and Christine Kennedy of XDesign updated board members on promotional and advertising efforts. Mrs. Estay stated that the dairy t-shirts were very popular at the Washington Parish Fair, and they all sold out except for a few children's sizes. Mr. Territo said that several people saw the Facebook t-shirt contest, but not many people commented (a little under 15). He suggested having a giveaway for future contests to get a better response. Mr. Territo said that the "Name the Cow" contest received a huge response. He informed the Board that their Facebook page and website have been updated. He said that "Lucy Anna" was the name chosen for the Board's mascot. Mr. Territo stated that he could send out a formal announcement of naming the mascot to teachers if he could get the e-mail list.

Mrs. Estay suggested doing an essay contest instead of a recipe contest in the schools. She said that she would research the legal issues on getting a sponsor for a giveaway. Board members were in favor of this essay contest.

Mr. Territo presented the online advertising campaign which will run March, April, May and June and make approximately 1,500,000 impressions. He said that advertising will be done on websites for adults and youth located just in Louisiana, and the ads will be different for adults and children. Mr. Territo proposed to start building the creative for the ads and present it at the next meeting. Mrs. Sharkey asked about the Board being involved in more events like Radio Disney that was done in the past. Mrs. Estay stated that she will research one event a month in which the Board can participate. Dairy farmer Joy Womack informed board members that she speaks at events to promote dairy in Zachary. Mrs. Estay said that funds could be put into buying promotional items for events. She stated that the online ads could be used to promote these events. Mr. Territo suggested cutting the budget in half for digital advertising to \$7,500 and address how the remaining \$7,500 would be spent at the next meeting.

Mrs. Estay called upon Neal Gladner of Louisiana Network to present his proposal to the Board. Mr. Gladner informed board members of an advertising opportunity with the "Tiger Rag" which is a sports paper and is available online. He discussed the concept, provided information about "Tiger Rag," program elements-print and program elements-digital and summarized the proposal. Mr. Gladner said that the cost would be \$600 per month and would total \$7,200 to run from January through December 2014. He said the advertising would include rebranding of their recruiting page in each issue with the Board's logo and placement of a dairy fitness tip at the bottom of that page in every issue. Mr. Gladner stated that the advertising would also include logo placement on the recruiting blogs for all three major sports, plus a rotating "tower" ad on the "Tiger Rag" website. Mr. Territo said that if the Board decides to do the "Tiger Rag" website, it does not have to advertise online with ESPN.

Mr. Territo updated the Board on the point of purchase results. He said that the dollar sales increased 5.49%, the volume sales increased 7.59%, and the promotions were in 246 stores. He proposed that the Board do a "Take-One" point of purchase promotion with a store count of 921. Mr. Territo said that the cost would be \$42,000 and it would run May 19 through June 15 with 16,410,830 total impressions. He stated that this promotion would be located in the cookie aisle with the percent aisle shopped being 53.18%. Mr. Conerly stated that he would like to continue with the point of purchase banners. Mrs. Estay said that she would like to see another option for the next meeting. Dr. Gauthier suggested mailing bumper stickers to all dairy farmers to give out. Mrs. Estay stated that 2' x 6' signs could be given to all 146 dairy farmers to display and would cost \$25 apiece for a total of \$3,650. Mr. Sharkey suggested moving half of the funds allocated to digital advertising to design an ad (creative). Mrs. Sharkey recommended waiting completely to decide on the advertising ideas proposed and see what the ad agency presents at the next meeting.

SUDIA REPORT

Cheryl Hayn, Terry Charles and Rebecca Turner presented the SUDIA report. Mrs. Hayn began with the SUDIA General Manager's Report including updates on the mission and direction; fluid milk action plan and progress; re-invigorating fluid milk; and 2014 program highlights. Mrs. Charles continued the presentation and updated the Board on Fuel Up to Play

60; new expanding breakfast schools; Yo-To-Go!; Coolers for Coaches growing; and World School Milk Day. Mrs. Turner concluded the presentation with updates on Nutrition Affairs in Lafayette, American Academy of Pediatrics (September 2013); dairy messages in health professionals' inbox weekly; media tour 2013; what's coming; www.southeastdairy.org display ads expanding Dedicated to Dairy; community outreach; Thanksgiving promotions; media and events update; and Louisiana Farm Bureau partnership.

Mrs. Hayn informed the Board that she is following up with milk haulers regarding the tanker decals that are still not installed. She stated that SUDIA could partner with the Board on putting fiberglass cows in children's museums. Mrs. Hayn said that there are five of these museums in the state and a fiberglass cow would cost approximately \$7,000.

Mrs. Hayn presented SUDIA's September 2013 financial report and 2013 revised budget, copies of which were given to board members.

Mrs. Hayn stated that Terry Charles will start working part-time for SUDIA in the southeast part of the state and that she is looking for a person for schools in the rest of the state. She said that another SUDIA staff member would handle industry relations. Mrs. Estay inquired if the part-time positions would be continuous, and Mrs. Hayn confirmed that the two part-time positions will stay the same. Mrs. Estay asked if there are goals set for the state staff regarding the number of schools contacted, and Mrs. Hayn said that there are. Ms. Estay asked if the state could still be covered only having part-time staffing. Mrs. Estay asked to explain what a typical week of duties were for staff. Mrs. Charles stated that her duties vary from week to week.

OTHER BUSINESS

There was no other business.

ADJOURNMENT

No further comments were made. A motion made by Paul Alford and second by Harvey Burford to adjourn. The motion carried.