

MINUTES

THURSDAY, JUNE 30, 2016
LOUISIANA DAIRY INDUSTRY PROMOTION BOARD MEETING
5825 FLORIDA BOULEVARD
LDAF 2ND FLOOR CONFERENCE ROOM
BATON ROUGE, LA

CALL TO ORDER

Chairman Susie Sharkey called the meeting to order at 10:33 a.m.

ROLL CALL

LDIPB Director Michelle Estay called the roll.

DECLARATION OF A QUORUM

The presence of a quorum was declared by Chairman Sharkey.

MEMBERS PRESENT

MACK BROWN
KENNETH RAY GILL
ROBERT SHARKEY
SUSIE SHARKEY
JERRY SIMPSON
MICHELLE ESTAY – DESIGNEE FOR COMMISSIONER MIKE STRAIN, DVM

MEMBERS ABSENT

HARVEY BURFORD
DONNIE FISHER

PUBLIC COMMENT

There was no public comment.

APPROVAL OF MINUTES

A motion made by Mack Brown and second by Robert Sharkey to approve the minutes of the February 29, 2016, meeting. The motion carried.

FINANCIAL REPORTS

Michelle Estay read the February through May 2016 financial reports. She informed the Board that the savings account was closed and that money was deposited into the checking account. Mrs. Estay stated that the Board's annual audit was just completed. LDAF Agro-Consumer Services Assistant Commissioner Benjy Rayburn asked Mrs. Estay if the Board could have a two-year audit instead of every year. She said that LDAF's Office of Management and Finance advised her that the audit must be done annually, but she would check again to be sure.

Chairman Sharkey asked if everyone has been paying the assessments. Mrs. Estay said that one producer-processor has not been paying, but they are working with national on getting caught up and will mail us a check. Chairman Sharkey asked how the Board finds out about new producer-processors that should be paying the assessment, and Mrs. Estay explained that she finds out by word-of-mouth. Mrs. Estay said that she will check with the Dairy Stabilization Board to see if they can notify the Board when a permit is added in the future if they are aware of this activity.

A motion made by Robert Sharkey and second by Mack Brown to approve the February through May 2016 financial reports. The motion carried.

FY 2017 PROPOSED BUDGET

Mrs. Estay reviewed the 2016-2017 Budget Discussion Data handout. She stated that the outstanding bills total \$24,158.83 and anticipated assessments total \$47,763.00 (half to SUDIA). Mrs. Estay explained that estimated activity through June includes current revenues of \$101,324.34; anticipated revenues of \$47,763.00; LDAF administrative expenses of \$1,432.89; SUDIA expenses of \$23,881.50; and outstanding bills of \$24,158.83 for a total of \$99,614.12. She informed board members that the savings account was closed and the \$66,586.01 that was in there was put into the checking account in April. Mrs. Estay said that \$15,000.00 was transferred in January to cover expenses, and the estimated year activity left in checking is \$18,028.11. She informed the Board that there was an estimated budget loss of \$4,854.81 for the year which is less than previous years. Mrs. Estay said that she did not order any promotional supplies this year because there were enough on hand from the previous year which is one reason the Board did not need to go into savings as much. She suggested reducing Garrison Advertising's budget from \$100,000.00 to \$90,000.00 and estimated that by doing that the Board would go over budget by approximately \$5,000.00 for the 2017 year.

Mack Brown stated that the \$3,000.00 budgeted for Dairy Days may be too high and board members suggested lowering it to \$2,000.00 instead.

A motion made by Jerry Simpson and second by Kenneth Ray Gill to reduce the budget for the 2016-2017 Dairy Days from \$3,000.00 to \$2,000.00 and reduce the budget for FFA from \$1,500.00 to \$1,000.00. The motion carried.

Mrs. Estay recommended removing the \$250.00 budgeted for LEAFCS because it has not been requested in the past few years. She said that the booth rental at the Washington Parish Fair increased from \$875.00 to \$900.00.

A motion made by Kenneth Ray Gill and second by Jerry Simpson to increase the Washington Parish Fair budget from \$875.00 to \$900.00 and remove the \$250 budgeted for LEAFCS. The motion carried.

Mrs. Estay explained that with the reductions and increasing the budget for the Washington Parish Fair and removing the amount budgeted for LEAFCS would mean the Board

would go into savings by about \$2,500.00. She said that the Board still needs to vote if they want to reduce the amount budgeted for Garrison Advertising.

A motion made by Robert Sharkey and second by Kenneth Ray Gill to reduce the amount budgeted for Garrison Advertising from \$100,000.00 to \$90,000.00. The motion carried.

Mrs. Estay explained that the amount budgeted for SUDIA is \$111,000.00, but should be lower because the assessments are not as much as they previously were so less money will be paid to SUDIA. She suggested reducing the amount budgeted for SUDIA to \$105,000.00.

A motion made by Robert Sharkey and second by Jerry Simpson to reduce the amount budgeted for SUDIA from \$111,000.00 to \$105,000.00. The motion carried.

Mrs. Estay stated that the Board will have a net loss of \$3,500.00 based on her estimates, but may only be \$1,500.00 if everything in the budget stays the same as last year except for the cuts that were just voted on.

A motion made by Mack Brown and second by Jerry Simpson to approve the 2016-2017 budget as amended. The motion carried.

GARRISON ADVERTISING REPORT

Steve Helmke of Garrison Advertising presented the advertising report. Mr. Helmke updated the Board on the 2015/2016 campaign including t-shirts at the Washington Parish Free Fair; LSU Dads & Daughters Program; LSU Baseball Junior Announcer; and May/June outdoor billboards. He informed board members that they are under budget for the 2015/2016 marketing campaign: \$16,837.00 was budgeted for t-shirts, and \$14,434.00 was actually spent; \$7,913.00 was budgeted for graphic design, strategy and project management, and \$4,973.00 was actually spent; \$22,000.00 was budgeted for outdoor billboards, and \$21,939.00 was actually spent; \$26,625.00 was budgeted for LSU Baseball Junior Announcer sponsorship which matches the amount actually spent; and \$26,625.00 was budgeted for LSU Dads & Daughters which matches the amount actually spent. Mr. Helmke stated that \$93,711.00 of the \$100,000.00 budget was expended which was over \$6,000.00 under budget.

Mr. Helmke presented the 2016/2017 campaign budget with the following budgeted items: \$15,000.00 for t-shirts; \$26,625.00 for the LSU Baseball Junior Announcer sponsorship; \$26,625.00 for LSU Dads & Daughters; \$7,000.00 (estimated) for graphic design, strategy and project management; and an amount to be determined for grocery store promotional graphics for a total budget of \$75,250.00.

Mr. Helmke stated that the 2016/2017 advertising campaign includes promoting milk in stores. He informed the Board that this budget is yet to be determined, and he will research point-of-sale options to present to them at a later date.

A motion made by Mack Brown and second by Kenneth Ray Gill to approve the Garrison Advertising 2016/2017 campaign budget as presented for \$75,250 with the budget for grocery store promotional graphics to be determined at a later date. The motion carried.

SUDIA REPORT

Cheryl Hayn and Stephanie Yow presented the SUDIA report. They updated board members on the following: Dairy Checkoff works! – more sales/more trust; Fairlife having a strong 2015 performance; Live Real Farms in test market; catalytic impact; Great American Milk Drive; MILK2MYPLATE; Olympic sponsorship; retail/consumer promotion “Raise a Glass, Build a Champion”; per capita domestic consumption of dairy rising; some bright spots within milk; whole milk continuing to exhibit strong growth; dairy fat research making impact; proactive approach to building consumer confidence; Louisiana being Dedicated to Dairy; Dedicated to Dairy farm filming; TWILA (This Week in Louisiana Agriculture); June Dairy Month; and SUDIA offering lactose intolerance culinary workshop – Chef Folse.

Chairman Sharkey said that it would be beneficial if Mrs. Estay attends SUDIA’s summer board meeting that will take place July 24-26 in Lexington, Kentucky.

A motion made by Mack Brown and second by Kenneth Ray Gill to send Director Michelle Estay to the SUDIA summer board meeting in Lexington, Kentucky. The motion carried.

Mrs. Yow continued the presentation with updates on the following: Louisiana advocates speaking out for us; dairy everywhere in Louisiana schools; more expanding breakfast programs; Fuel Greatness breakfast campaign; Milk @ Every Meal Program; summer feeding promotion being an opportunity for more milk; Saints Supporting FUTP60; Louisiana 4-H partnership; educating key leaders about dairy; student athletes refueling with chocolate milk; Coolers for Coaches growing athletes; and upcoming events.

A motion made by Mack Brown and second by Robert Sharkey to approve the SUDIA report. The motion carried.

OTHER BUSINESS

Gerald Simmons of Louisiana Dairy Products Association stood up and informed the Board that the state legislature met for five months this year and the sale of raw milk was defeated again. He said that Senator Eric LaFleur will re-introduce a raw milk bill next year, and there will be a great deal of money to come in promoting it. Mrs. Estay explained that if board members speak to anyone about this issue, they must do so as individuals and not as representatives of the Board, the Board doesn’t participate in any type of lobbying.

Mrs. Estay informed the Board that the dairy tax credit is still in place and both quarters qualify so far this year.

John Ramer with the Louisiana Department of Health notified the Board that Matt Ewing has retired and he has taken his place.

Gerald Simmons informed the Board that there will be a one dollar per month water meter assessment for the Department of Health & Hospitals inspection program that will go into effect January 1, 2017. He said that this will allow all employees lost at the parish level doing inspection work to be rehired. Mr. Ramer said some of that money may be going to the Safe Drinking Water Program and milk inspections.

PUBLIC COMMENT

There was no public comment.

ADJOURNMENT

No further comments were made. A motion made by Robert Sharkey and second by Kenneth Ray Gill to adjourn. The motion carried.