



ANDREW M. CUOMO
Governor

RICHARD A. BALL
Commissioner

2017 Dairy Promotion Order Annual Report

The Division of Milk Control and Dairy Services is responsible for the administration of the New York State Dairy Promotion Order (NYS DPO). The NYSDPO was proposed and approved by a referendum vote by NY Dairy Producers to promote the consumption of New York milk and dairy products. The NYSDPO collects an assessment of 10 cents per hundredweight of all milk produced in New York State. This is an offset to NY dairy producers from their obligation to the national Dairy Promotion Program assessment of 15 cents per hundredweight. An Advisory Board (*Dairy Promotion Advisory Board*) that is comprised of New York State dairy producers advises and recommends to the Commissioner of Agriculture and Markets how these funds are spent, with the overall goals of:

- Encouraging the consumption of milk and dairy products by acquainting consumers and others with the advantages and economy of using more of such products,
- Protecting the health and welfare of consumers by assuring an adequate supply of milk and dairy products,
- Providing for research programs designed to develop new and improved dairy products,
- Providing for research programs designed to acquaint consumers and the public generally with the effects of the use of milk and dairy products on the health of such consumers.

In the United States, although per capita consumption of all dairy products is increasing, the per capita consumption of fluid milk products is declining.

Per Capita Consumption (pounds) of Fluid Milk and Dairy Products

	2012	2013	2014	2015	2016	% Change 2012-2016
Fluid Milk Consumption	170	165	159	156	154	-9.4%
Dairy Product Consumption (Including Fluid)	615	607	616	630	646	+5.0%

The regulations require that an annual report be prepared each year for the benefit of the producers. Specifically, this report “shall contain information on the promotion programs carried on during the preceding year, expenditure of funds for each program and such other information as may be of benefit to producers.”

On April 24, 2017 the Commissioner appointed ten (10) members of the Dairy Promotion Order Advisory Board for a three-year term 2017-2020. Newly appointed members are Mr. Larry Bailey (Fort Ann, NY), Mike Nolan (Cambridge, NY) and Ms. Barbara Hanselman (Bloomville, NY). A list of the board members is attached.

For the 2017 marketing year, the NYS Dairy Promotion Order collected just over \$15.3 million. From these funds, the Advisory Board recommended contracting for promotion, research and administrative programs in the amount of \$14.7 million. The table below illustrates these allocations and compares them to the national program.

	NYS DPO	Relative %	National Dairy Promotion	Relative %
Promotion	13,133,225	89%	192,758,000	88%
Research	1,337,143	9%	11,888,000	5%
Administration	234,016	2%	10,867,000	5%
Other	0		4,148,000	2%
Total	14,704,384	100%	219,661,000	100%

PROMOTIONAL CONTRACTS FOR 2017 CALENDAR YEAR

American Dairy Association and Dairy Council (ADADC) www.americandairy.com (\$10,815,975) – This organization markets and communicates to consumers of the nutritional benefits of dairy products and the importance of the dairy industry to our economy.

ADADC works on behalf of New York dairy farmers to build demand, sales and consumer trust in dairy products and dairy farmers. ADADC is dairy farmer-directed and implements local programs to drive milk and dairy sales at retail outlets and in schools, along with outreach to environmental organizations. The organization also conducts consumer education about dairy through events, traditional and social media, and in collaboration with health professionals through National Dairy Council®. In 2016, the dairy farmer leadership of ADADC joined with two other dairy checkoff-funded organizations in the northeast, Mid-Atlantic Dairy Association and Pennsylvania Dairy Promotion Program, to consolidate promotion efforts under the umbrella of American Dairy Association North East (ADA North East). ADA North East works closely with Dairy Management Inc.™, the national dairy checkoff organization, to support nutrition research, national partnerships and developing export markets for dairy to bring a fully integrated promotion program to the region.

ADADC Key Program Areas:

YOUTH PROGRAMS

- **Youth Nutrition Programs** enhance school meal opportunities to maintain and increase milk and dairy sales in schools. ADADC's Breakfast in the Classroom program has reached 159,577 additional New York State students daily in 2017. More than 1,800 New York State schools participated in the annual Milk Temperature Survey indicating that milk is being served between 35-40°F.
- **Fuel Up to Play 60**, the dairy checkoff partnership with the National Football League to promote healthy eating, including milk, cheese and yogurt along with 60 minutes of physical activity each day, is active in more than 17,200 schools in the ADA North East territory. Twenty additional schools engaged in the program in New York State in 2017. Fuel Up to Play 60 helps us to gain access to schools and school decision-makers that allow us to implement strategies to optimize dairy sales in schools. Our Breakfast After the Bell program has increased yogurt sales by 205 percent in 53 targeted school districts by adding yogurt smoothies or parfaits to menus. The cheese program increased sales by 34 percent in 46 school districts. We also secured FUTP60 side panels on Byrne Dairy and Upstate Farms half-pints milk containers.
- **Breakfast After the Bell:** In New York City alone, Breakfast in the Classroom reached an additional 169,544 students. That equates to 127,158 half-pints of milk (65,347 pounds of milk) sold. Also, an additional 208,126 students began eating breakfast through the Breakfast after the Bell program.
- ADADC participated in six on-going major events in New York State including "Be the Change" forums in New York schools. We activated Fuel Up to Play 60 student ambassadors and adult program advisors to serve as dairy advocates in schools. \$270,000 was obtained in non-checkoff dollars for FUTP60 programming.
- **Strategic Partnerships:** ADADC works with strategic groups like Share Our Strength and New York City Coalition Against Hunger, in addition to leading New York school meal coalitions to obtain additional resources and in-kind support to implement core dairy optimization programs. We also coordinated efforts with National School Breakfast Week and collaborated on the breakfast and lunch mandates in New York City.
- **Wellness:** ADADC is vigorous in providing program-specific materials, science-based research and staff assistance to help schools transition to a healthy school environment that includes dairy as a key part of wellness. We sent direct mailers to 1,600 school districts on regulatory change to include 1% flavored milk, in addition to a direct mail campaign to support Breakfast After the Bell in New York City. We also helped develop educational materials about farm environmental practices related to water use through Young Minds Inspired, to create a free educational outreach program for teachers. The program materials were distributed to 52,500 second to fourth grade teachers in 10,500 schools in the ADA North East territory, including all New York schools. The program has been downloaded more than 5,500 times.

- Showing school administrators the connection between good nutrition and student academic achievement helps encourage these leaders to implement school feeding programs – such as Breakfast After the Bell – that boost dairy product sales. In 2017 ADADC convened the leadership of some of the largest school districts in the region – including New York City – for the Interstate Leadership Learning Exchange.
- **Outreach:** ADADC has used industry trade shows, educational sessions and trade publications to garner assistance for growth and expansion of our programs. We participated in New York School Nutrition Association conferences and the New York City Elementary and Middle School Principals Association Conference to tout the benefits of milk and dairy foods in schools.

INTEGRATED MARKETING COMMUNICATIONS

- **Integrated Marketing Communications** programs work to bolster the image of dairy farmers and dairy foods by developing relationships with consumers that generate advocacy for dairy farmers, dairy farms and dairy products through increased quality media placements. In 2017, 115 million media impressions were secured, with 656 media placements in New York State.
- **Website:** A new website was launched in 2017 and we increased our online presence through daily postings and paid digital advertising on our social media platforms. Website traffic increased by 18.5 percent, online impressions by 22 percent, and social engagement by 33 percent over 2016.
- **Nutrition:** To increase dairy consumption and emphasize nutritional and health benefits of milk and priority-dairy products, ADADC secured support for Breakfast After the Bell and flavored milk in schools from the region's top 10 health professional partners. Support letters were written by five key New York health organizations (New York State Academy of Nutrition and Dietetics, National Medical Association Region 1, American Academy of Pediatrics, New York State Academy of Family Physicians, and New York State Association of School Nurses) supporting Breakfast after the Bell and four supporting flavored milk.
- **Sports:** Through ADADC's sports marketing programs we reached 412,000 collegiate and high school athletes and 8,422 coaches in 2017 with the Refuel with Chocolate Milk message. Chocolate milk is the official beverage for several sports in the New York State Public High School Athletic Association Championships and the Public Schools Athletic League championships. ADADC actively worked with New York dairy processors and manufacturers to donate product to support these events.
- **Speakers:** ADADC maintains a list of speakers from the bureau of health and nutrition professionals including registered and retail dietitians and school health professionals to advocate for dairy in child nutrition, food insecurity and lactose intolerance. More than two dozen health professionals were used to promote dairy to athletic associations, retail, social media and editorial responses. Health professional consumer communications racked up 491 social media posts, 20 blogs and shared messaging at 17 events.
- **Influencers:** ADADC galvanized key influencers like health professionals, professional and amateur athletes, and school administrative professionals to support school milk programs like Fuel Up to Play 60, Breakfast After the Bell, Breakfast in the Classroom, Refuel with Chocolate milk, and flavored milk in schools. Staff health professionals hosted and/or participated in a farm tour at Fulper Farms with the Greater New York Dietetic Association, the Healthy Choices for Children Conference in New York City, a tour of Great Lakes Cheese plant and Murcrest Dairy with Price Chopper registered dietitians, and a food bloggers tour to Yancy's Fancy Cheese and Noblehurst Dairy, among others.

RETAIL MARKETING

- Nearly 80 percent of all milk is sold at retail stores, where it competes for sales with more than 60,000 different beverages for a place in the customer's shopping cart. ADADC's retail marketing strategy brings attention to the dairy aisle through the Dairy Aisle Reinvention (DAR) program to engage shoppers to spend more time in the dairy aisle and purchase more dairy products. Dairy Aisle Reinvention improves hygiene and presentation conditions in the dairy cases to increase sales. In total in 2017, 160 new stores benefited from the DAR program, including 66 stores in New York.
- Program additions to New York stores in 2017 consisted of yogurt dividers in 241 stores, cheese pushers in 19 stores and two new farm-to-table campaigns to connect shoppers with local dairy farm

families in Tops and ShopRite. Through its Retail Marketing and Merchandizing Program, ADA North East conducted 1,500 store audits per quarter, with 653 specifically in New York. Retail also included quarterly chain-wide merchandising efforts to include protein snacking, quart yogurt programs and shelf strips for shredded cheese in New York stores.

INDUSTRY RELATIONS

- **Communication:** ADADC communicates regularly with dairy farmers about the various programs and activities they fund through their dairy checkoff investment. We send a quarterly direct-mail newsletter sent to all New York dairy farmers, and three monthly electronic updates to dairy checkoff leadership, key dairy farmer leaders and industry representatives. We attend dairy cooperative and farm organization meetings to provide program updates, provide a monthly news page to *Lancaster Farming* newspaper in cooperation with New England Dairy Promotion Board, and regularly supply articles to dairy cooperative and farm organization publications, such as Upstate Niagara Cooperative e-newsletter, and dairy trade press.
- **Consumer interest** in how and where their food comes from continues to grow. In 2017, ADADC trained 65 dairy farmer spokespersons with Driving Dairy Discussions, a program developed by ADA North East to provide tools and tips to prepare farmers to have positive and effective conversations with consumers about the dairy industry. DairyFAN (Dairy Food Advocacy Network) is our social media advocacy program that helps farmers learn to effectively share stories of farm life and how milk is produced. DairyFAN has 43 active members, including 35 from New York, who made 55,274 impressions on Facebook and Instagram and had 404,044 impressions on Twitter. We also expanded the Dairy Farmer Speakers Bureau to New York in 2017 with five New York farmers participating. The Dairy Farmer Speakers Bureau provides training and resources to farmers to give presentations to local groups. Regionwide, the 47 members gave 81 presentations and reach 3,156 consumers with dairy messaging.
- **Social Media:** ADA North East works to bolster dairy's image with consumers and media by placing stories in top media markets. In 2017, ADADC placed a total of 17 stories in the Top 100 New York media markets of New York City/New Jersey, Buffalo, Albany, Rochester, Syracuse and the at-risk areas of Auburn/Cayuga County and Batavia/York/Geneseo.
- **Dairy Princesses:** Ninety percent of dairy princesses in New York reached base requirements for the incentive program. Twenty-five percent participated with FUTP60 and recruited three schools that reached "Touchdown" status, which means they completed the six required steps that include healthy eating and physical activities to earn prizes and rewards.
- **Core Crisis:** ADADC's Core Crisis Team developed a core crisis plan to be in a state of readiness and is prepared to assess and respond to a crisis or emerging issue within two hours of notification. The plan was tested with a full-staff crisis drill. Our staff meets quarterly with the New York Issues Management Team and our internal team meets monthly to stay prepared to issues affecting dairy.
- **Environment:** ADADC works with environment-focused organizations to bridge understanding and trust of dairy farmers' environmental stewardship. We developed and implemented the Partners for Healthy Watersheds initiative in the Owasco Lake area in conjunction with Northeast Dairy Producers Association, New York Farm Bureau and New York Animal Agriculture Coalition. The multi-faceted campaign included radio and print advertising, social and digital media and public forums in the Owasco Lake region.
- **Coalition:** We also worked with the Upper Susquehanna Coalition to participate in the Upper Susquehanna Watershed Forum and with SUNY-ESF (State University of New York College of Environment, Science and Forestry) to host professors and students at dairy farm tours in New York.

New England Dairy Promotion Board (NEDPB) www.newenglanddairycouncil.org (\$1,858,500) – This organization promotes consumption of milk in New England, where New York produced milk is marketed.

- Promoted nutrition through the 'Fuel up to Play 60' program. This is a comprehensive child nutrition and fitness initiative in partnership with the National Football League and National Dairy Council.
- Operated programs related to nutrition marketing and public affairs on behalf of dairy farmers to build dairy advocates through communications and relationships.

- Maintained consumer communications by a variety of communication and marketing vehicles including social media, traditional media, newsletters, and events to build trust and advocacy among consumers and other stakeholders that help protect and grow dairy sales and demand.
- Operated integrated communication programs including the production of an annual report and funding of individual volunteer / producer-led state groups and preparation of communication materials to producers in our region at various meetings.

Milk for Health on the Niagara Frontier (MFH) (\$458,750)

Maintained marketing efforts including production and airing television and radio ads, school presentations and county fairs. Published advertisements and stadium signage at major sport events including the Buffalo Bills and at local college basketball and football games.

Research Projects, Cornell University (2015-16) www.foodscience.cals.cornell.edu/research (\$1,337,143) Milk Quality Improvement Program (MQIP)

Through MQIP's core voluntary shelf life program, raw milk and finished product samples from New York State fluid milk processing plants were collected and tested twice a year. Resulting data is used to monitor fluid milk quality trends and provide rapid feedback on suggested milk quality improvements; data is also used to determine fluid milk quality award winner honored at the New York State Fair, providing positive publicity for the high-quality fluid milk products produced in New York State. This program also included efforts to offer dairy related workshops throughout New York state and supported new dairy processors in their efforts to produce high quality milk and dairy products.

MQIP Supplementary Projects:

- Development of tools to control fungal contamination of dairy products. This project is developing improved tools for detecting the sources of spoilage yeast and molds in dairy products. This will not only reduce the risk of dairy spoilage and associated negative press, but also will provide improved tools that can differentiate whether ingredients, the processing plant environment or on-farm sources (raw milk) represent the sources responsible for contamination.
- Development of a predictive tool to aid in production of extended shelf life fluid milk products. This project is developing an initial predictive tool to reduce fluid milk spoilage in order to provide fluid milk products that can compete better with other beverages. These tools will allow for comparisons between different intervention methods.
- Development and assessment of new tools for raw milk and finished product testing. This project is evaluating and optimizing different approaches for their ability to characterize raw milk and selected finished dairy products in order to make these improved tools available to producers and processors in NY state.

North East Dairy Food Research Center (NEDFRC)

- Manufacture of ice cream by dense gas expansion. A new prototype for making ice cream on-demand was developed and tested. It used high pressure carbon dioxide as the cryogenic fluid to flash freeze liquid ice cream mix and other liquids. It is currently being evaluated by industry for commercial applications.
- Impact of milk protein based ingredients from microfiltration on sensory and physical properties of shelf-stable beverages. This project created a matrix of 60 beverages with a range of fat, protein, and casein proportions to identify an objective and sensory measure of color, viscosity, and flavor characteristics. The data from this research can be used to optimize dairy based high protein beverage formulations to meet consumer needs.
- Transfer of technology for the NEDFRC. This project provided technical support to companies implementing ultrafiltration and microfiltration processes to produce milk based dairy ingredients. The project also implemented a data management method for evaluation of cheese manufacturing performance in two New York State cheese factories and others are interested.

- Preparation of minimally astringent whey protein-based beverages. This project focused on the mitigation of astringency in whey protein beverages. The project has successfully prepared beverages fortified with whey protein isolate (WPI) with a drastic improvement in astringency.
- Lactose Oxidase – Novel lactose-driven activation of the Lactoperoxidase system for improved dairy product shelf-life. This research has shown that the natural enzyme, lactose oxidase, can be used as an inhibitor of common dairy spoilage organisms in fluid milk.
- Distribution of spores and vegetative bacteria between the skim and cream phases in milk. The effect of centrifugation on partitioning of bacteria and somatic cells was studied using a laboratory centrifuge, using both whole raw milk and whole raw milk inoculated with a high concentration of bacterial spores. Centrifugation lowered the concentration of bacteria and somatic cells in the skim milk.
- **Special Supplement, Building research capacity in dairy foods processing.** This project funded a faculty member to conduct research in dairy fermentation. The goals of this project are to improve dairy fermentation processes, develop new and modified fermented dairy products, and provide technology transfer to fermented dairy products in the New York State dairy industry.

Dairy Promotion Advisory Board Members (May 1, 2017 – April 30, 2020)

Larry Bailey, Fort Ann, NY (*DFA Seat*)

Barbara Hanselman, Bloomville, NY (*At-large Seat*)

David (Skip) E. Hardie, Groton, NY, (*New York Farm Bureau Seat*)

Jason Kehl, Strykersville, NY (*Niagara Frontier Cooperative Bargaining Agency Seat*)

LouAnne King, Waddington, NY (*At-large Seat*)

John Mueller, Clifton Springs, NY (*Rochester Cooperative Milk Producers' Bargaining Agency Inc. Seat*)

Kim Nelson, West Winfield, NY (*At-large Seat*)

Christopher Noble, Pavilion, NY (*At-large Seat*)

Mike Nolan, Cambridge, NY (*Agri Mark Inc. Seat*)

Carroll Wade, Jasper, NY (*NYS Grange Seat*)

Dairy Promotion Advisory Board Member Meetings* Held in 2017:

March 24	Holiday Inn	441 Electronics Pkwy.	Liverpool, New York, 13088
May 19	Cornell University	Stocking Hall, rm. 148	Ithaca, New York, 14853
July 6	Holiday Inn	441 Electronics Pkwy.	Liverpool, New York, 13088
August 7	Holiday Inn	441 Electronics Pkwy.	Liverpool, New York, 13088
October 12	Hampton Inn	1305 Buckley Road	Syracuse, New York, 13212
December 1	Hampton Inn	1305 Buckley Road	Syracuse, New York, 13212

*Note: * Such meetings are open to the public*