

U.S. DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
DAIRY PROGRAMS

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

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USDA, AMS, DAIRY PROGRAMS
PROMOTION AND RESEARCH BRANCH
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 State or regional dairy product promotion, research, or nutrition education program may request qualification of its program from the Secretary of Agriculture. Producers contributing to a qualified program (QP) may receive credit for contributions to such program pursuant to §1150.152(c) 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 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, have been active and ongoing before November 29, 1983.
- c. Be financed primarily by producers, either individually or through cooperative associations.
- 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 for refunds under its programs will be honored by forwarding to the Board or to the qualified State or regional program designated by the producer that portion of the refund equal to the amount of the credit given to the producer because of his/her participation in the program. The amount of such credit may not exceed 10 cents per hundredweight.
- 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 State or regional dairy product promotion, research, or nutrition education program(s).

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

Name: _____ Telephone No.: _____
 Add1: _____ Fax Number: _____
 Add2: _____ Email Address: _____
 City: _____ State: _____ Zip: _____

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 AND/OR COOPERATIVE ASSOCIATIONS?

Yes No

4. ARE CONTRIBUTIONS BY PRODUCERS REFUNDABLE TO SUCH PRODUCERS?

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).

_____ 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.)

(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.")	\$	_____
Current Year Income ^{1/}		
Producer Remittances		_____
Add: Payments Received from Other QPs	+	_____
Add: Payments Received from Unified Marketing Plan Equalization Fund	+	_____
Less: Payments Transferred to Other QPs	(-)	_____
Less: Payments Transferred to Unified Marketing Plan Equalization Fund	(-)	_____
Other Income Sources ^{2/}		_____
TOTAL ADJUSTED ANNUAL INCOME ^{3/}		=====

EXPENDITURES: ^{4/} (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 ^{5/}	_____	
Subtotal for AP&S		=====
Nutrition Education		_____
Nutrition Research		_____
Dairy Product Research		_____
Market and Economic Research		_____
Public and Industry Communications		_____
Unified Marketing Plan ^{6/}		_____
Administrative ^{7/}		_____
Other Expenditures ^{8/}		_____
TOTAL ANNUAL EXPENDITURES		=====
UDIA DUES ^{9/}		=====
TOTAL ANNUAL EXPENDITURES AND UDIA DUES		=====
TOTAL FUNDS AVAILABLE FOR FUTURE YEAR PROGRAMS ^{10/}	\$	=====

- 1/ 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. List funds received from and/or transferred to each QP and for the Unified Marketing Plan Equalization Fund separately.
- 2/ 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.
- 3/ 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.
- 4/ 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-).
- 5/ Examples of Other AP&S Expenditures include calcium, nonfat dry milk, "Real Seal," holiday, and multi-product advertising and promotion programs.
- 6/ Please enclose a copy of your unified marketing plan expenditure reports and supplemental documentation.
- 7/ 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.
- 8/ Examples of Other Expenditures include capital expenses, contributions to universities and other organizations, etc. Provide a schedule of expenditures.
- 9/ Report only UDIA membership dues.
- 10/ 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 are eligible to receive a refund of their contributions, I also certify that producers' 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 the Dairy Programs, AMS, 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	TITLE
SIGNATURE	DATE

Additional Instructions for Form DA-15-CG.

ITEMS 1-7

Items 1-7 must be completed as noted on form. For Item 7, if Qualified Program (QP) does not operate under a State law, please respond with Not Applicable or N/A.

NOTE for ITEMS 8-10: If line items equal zero, use a - 0 - in the appropriate space. Use numbers for all line items.

****All on-line attachments:** Please identify name of your QP in file name. Abbreviations are acceptable. On-line submissions should attach files or schedules as appropriate. The on-line menu (document activities) provides one convenient location for all attachments.

ITEM 8

SOURCES OF TOTAL ANNUAL INCOME - Includes:

- Carryover from Previous Year. The amount reported for the line item "Carryover from Previous Year" should agree with the amount reported as last year's (20__) "TOTAL FUNDS AVAILABLE FOR FUTURE YEAR PROGRAMS." This line item consists of unused, available and/or uncommitted funds as a combined total. If this amount does not match provide written explanation.
- Current Year Income. List separately sources and amounts of income in an attached Schedule of Income** by name of each remitter (responsible person) and include total producer remittances. A list of individual producers is not requested. Funds received directly from cooperative associations, other organizations, or producers should be listed separately.
- Add: Payments Received from Other QPs. All funds received from other QPs should be listed separately in an attached schedule.** This schedule should identify the QP and the total funds received.
- Add: Payments Received from Unified Marketing Plan Equalization Fund(UMPEF). All funds received from the UMPEF should be listed separately in unified marketing plan receipts and expenditures reports.
- Less: Payments Transferred to Other QPs. All funding transferred to other QPs should be listed separately in an attached Schedule.** This schedule should identify the QP and the total funds transferred.
- Add: Payments Transferred to UMPEF. All funding transferred to the UMPEF should be listed separately in unified marketing plan receipts and expenditures reports.

- Other Income Sources. Examples include total interest earned by your organization, sales of supplies and materials, refunds from overpaid expenditures, contributions from various organizations, gains on sale of property and equipment, and miscellaneous items. These items should be listed separately in an attached Schedule of Other Income.**
- Total Adjusted Annual Income. This line item equals the total of all Sources of Total Annual Income minus Payments Transferred to Other QPs/UMPEF.

EXPENDITURES - For those QPs participating in the Unified Marketing Plan (UMP), all UMP expenditures should be provided in the line entitled "Unified Marketing Plan." Local expenditures "outside" the UMP must be provided and listed accordingly. Expenditures should also include any purchases of materials from other QPs. A separate Schedule of Expenditures** by each project and corresponding project description(s) and their related costs should be included. This item includes expenditures in the categories of:

- Advertising, Promotion, and Sales (APS). List expenditures with appropriate schedules for each subcategory (Fluid Milk, Cheese, Butter, Frozen Dairy Products, Other AP&S Expenditures) on which your organization expended income. Schedules should provide, if possible, a breakout of the type of media used. Include a description of each activity and examples of locally produced items.** Please identify if you utilize advertisements or other materials created by Dairy Management Inc. (DMI), or other promotion organizations.
- Other AP&S Expenditures includes all other promotional expenses not categorized by individual product categories and includes such things as calcium, nonfat dry milk, "Real Seal," holiday, and multi-product advertising and promotion programs.
- Nutrition Education, Nutrition Research, Dairy Product, Research Market and Economic Research, Public and Industry Communications, and Administrative. List expenditures for each category, along with their appropriate Schedule of Expenditures.** Include individual project titles and descriptions for research expenditures. Unified Marketing Plan. QPs participating in the unified marketing plan may attach DMI unified marketing plan expenditure reports and supplemental information.**
- Other Expenditures. All other expenditure items not included in the specific expenditure category line items should be placed in this category on the form and identified. This category consists of capital expenses, purchase of miscellaneous materials, etc.**
- Total Annual Expenditures. This line item is the sum of all expenditure categories and subcategories.
- United Dairy Industry Association (UDIA) Dues. List only UDIA membership dues. All other monies paid to UDIA over the membership dues should be included in the appropriate line item expenditures described above.

- Total Annual Expenditures and UDIA Dues. This line item is the sum of "TOTAL ANNUAL EXPENDITURES" and "UDIA DUES."
- Total Funds Available for Future Year Programs. This line item is obtained by subtracting "TOTAL ANNUAL EXPENDITURES AND UDIA PAYMENTS" from "TOTAL ADJUSTED ANNUAL INCOME." This calculation should be done on a calendar year basis.

ITEMS 9 and 10

THE MOST RECENT ANNUAL AUDIT, COPIES OF FINANCIAL STATEMENTS, AND AUDITOR'S LETTER OF COMMENTS. These items need to be done annually.

The audit and annual report may correspond to your organization's fiscal year (identify FY) and does not need to be for calendar year 20___. If your program does not have an annual report, indicate this in the submitted materials.**

The auditing firm needs to address the following items in their audit report:

- a. Is the organization engaged in dairy product promotion, research, or nutrition education?
- b. Are the organization's activities financed primarily (more than 50 percent) by dairy producers, either individually or through cooperative associations?
- c. Does the organization use a brand name or trade name in its advertising and promotion of dairy products?
- d. Does the organization use funds for the purpose of influencing governmental policy or actions?
- e. 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?

The audit must be prepared according to either the generally accepted audit standards issued by the American Institute of Certified Public Accountants OR the Government Auditing Standards ("Yellow Book") issued by the Comptroller General of the United States.



United States
Department of
Agriculture

Marketing and
Regulatory
Programs

Agricultural
Marketing
Service

1400 Independence Ave., SW., Stop 0225
Washington, DC
20250-0225

**To Organizations That Conduct State or Regional
Dairy Product Promotion, Research, or Nutrition Education Programs**

Enclosed is an Application for Initial or Continued Qualification of State or Regional Dairy Product Promotion, Research, or Nutrition Education Program (Form DA-15-CG) for submission of program information and financial data for calendar year 2006. Please complete and return Form DA-15-CG (Attachment A), the Sur-COR-__ (Attachment C), and required enclosures by **(insert date)**, to:

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

In order for your program to continue its qualified status under the Dairy Promotion and Research Order, all pertinent information should be included when completing the application. Form DA-15-CG is available for completion on-line from the Promotion and Research Branch web page (www.ams.usda.gov/dairy/dairyprp.htm) or at the uniform resource locator on the enclosed security letter. The *Additional Instructions for Form DA-15-CG* are enclosed and have been slightly modified to include notes for on-line completion. There is no need to mail a hard copy of completed Form DA-15-CG if submitted on-line. However, Sur-COR-06 and any supporting documentation or schedules not attached during on-line submission (e.g., copy of annual report or annual audit) must be submitted by mail.

The information you provide will be aggregated with information from other qualified programs and included in USDA's "Annual Report to Congress on the National Dairy Promotion and Research Program and the National Fluid Milk Processor Promotion Program." Information from individual qualified programs will be kept confidential to the extent allowable under the Freedom of Information Act.

It is the view of the Agricultural Marketing Service, which has the oversight responsibility for all commodity research and promotion programs, that the administrative expenses for such programs should be held to the lowest level necessary for the efficient and effective operation of the program. Also, it is essential that your organization have in place internal controls which assure that funds, property, and other assets are safeguarded against fraud, waste, and unauthorized use.

Please note that the Form DA-15-CG continues to account for income and expenditures associated with the Unified Marketing Plan (UMP) coordinated through Dairy Management Inc. Only those qualified programs participating in the UMP need to include the requested information as noted on the form and described in the additional instructions.

If you have any questions regarding the attachments or their completion, please contacting the Dairy Promotion and Research Branch, at (202) 720-6909, by fax at (202) 720-0285.

Sincerely,

Deputy Administrator
Dairy Programs

Enclosures: Form DA-15-CG (Attachment A), Additional Instructions for Form DA-15-CG (Attachment B), Sur-COR-__ (Attachment C), Instructions for Completing Sur-COR-__ (Attachment D), and Security Letter

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

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State & Regional Promotion Program 20__ Expenditures on Dairy Products for the Annual Report to Congress on The National Dairy Promotion and Research Program

Organization Name: _____

Please provide quarterly expenditures spent directly by your organization in the categories listed below to the fullest extent possible. Indirect costs such as compensation costs, administrative expenses, and industry relations costs, and research costs should not be included.

Advertising expenditures for television, print, and radio should be combined, and any production costs should be included.

Non-advertising demand enhancement expenditures mean non-media based strategies aimed at selling more dairy products, such as public relations, retail and food service promotions, and nutritional education programs. Expenditures should be reported based on when the events/activities occurred rather than when payment was made to reflect when consumers were exposed to the promotion activity.

National Implementation Fund should reflect the annual amount of dollars forwarded to Dairy Management Inc. for their application towards the **Unified Marketing Plan (UMP)**. UMP dollars spent locally by your organization should be allocated to your organization's quarterly expenditures

20__ Expenditures (\$1,000)

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Fluid Milk					
-Advertising					
-Non-advertising demand enhancing expenditures					
A. Total Fluid Milk					
Cheese					
-Advertising					
-Non-advertising demand enhancing expenditures					
B. Total Cheese					
Three-A-Day Program					
-Advertising					
-Non-advertising demand enhancing expenditures					
C. Total					
All Other Dairy Products					
-Advertising					
-Non-advertising demand enhancing expenditures					
D. Total All Other Dairy Products					
Total Expenditures (A+B+C+D)					
E. National Implementation Fund	n.a.	n.a.	n.a.	n.a.	

n.a. : Quarterly expenditures are not applicable. Please provide annual total.

Questions should be addressed to Dr. Harry M. Kaiser at 607-255-1598 or hmk2@cornell.edu.

Completed forms should be returned to: USDA, AMS, Dairy Programs, Promotion and Research Branch, Stop 0233, Room 2958-S, 1400 Independence Avenue, SW., Washington, D.C. 20250-0233.

**Information and Instructions for Attachment C for State and Regional Promotion
Program 20__ Expenditures on Dairy Products For The Annual Report to Congress on
The National Dairy Promotion and Research Program**

The Dairy Production Stabilization Act of 1983, which authorized the National Dairy Promotion and Research Program and established the criteria for qualifying State and regional programs to receive up to 10 cents of the 15-cent assessment, directs the Secretary of Agriculture to provide to Congress annually an independent analysis of the effectiveness of the program. Over the past few years, the Cornell Commodity Promotion and Research Program conducted these annual independent analyses. Due to lack of historical data, most of the previous work has focused primarily on the evaluation of the national dairy advertising programs for fluid milk and cheese. Quarterly advertising expenditures at the national level were used to reflect major marketing activities for the total dairy promotion program.

To better account for all demand-enhancing activities, we are requesting certain information and expenditure data on both advertising and non-advertising promotion financed by the producer promotion program.

The enclosed form Sur-COR-__ (Attachment C) asks for expenditure information from your State or regional program directed to the promotion of dairy products. The attached form is unchanged from previous years and is broken out by fluid milk, cheese, 3-A-Day, and all other dairy product categories and requests quarterly expenditure data on advertising and non-advertising promotion activities. Recognizing that the national “3-A-Day” campaign is a major “multi-product promotion” program, we include a separate section of the survey form for this activity. For other multi-product marketing, please put them in the “all other dairy products” category.

Advertising expenditures for television, print, and radio should be combined, and any production costs should be included. Non-advertising demand-enhancing expenditures mean non-media based strategies aimed at selling more dairy products, such as public relations, retail and food service promotions, and nutritional education programs. Expenditures should be reported based on when the events/activities occurred rather than when payment was made to reflect when consumers were exposed to the promotion activity.

Please fill out the form Sur-COR-__ to the fullest extent possible. If some lines are combined, please indicate. From an analytical perspective, the more detail we can acquire—the better we will be able to estimate the benefits of those activities.

The information that you provide will be kept confidential and will be incorporated with national level data provided by Dairy Management Inc., for analytical purposes. Your State or regional program is an important part of the total national effort and affects demand and price levels both locally and nationally. Incorporating specific State and national level promotion activities are important to evaluate the total benefits these programs have for the nation’s dairy producers. Also, separating promotion into its advertising and non-advertising activities will give program managers better information as to the value of those activities.

Example Security Letter

(Attachment E)

Full Name

Address

City, State XXXXX-XXXX

You have been given security to enter an Application for Initial or Continued Qualification of State or Regional Dairy Product Promotion, Research, or Nutrition Education Program for the following organization(s):

Name of Qualified Program

The URL for this system is: <http://199.134.225.62/Dairy/Login.cfm>

Your Login is: **FNAME**

Your password is: **55NAME99**

Attach documents after submission of form. (Document Activities on the main menu)

Help Desk Phones and Hours:

Monday - Friday 8:00 AM - 4:00PM MST

970) 295-5174 (970) 295-5143 (970) 295-5168