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**UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL MARKETING SERVICE  
DAIRY PROGRAM**

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**2016 APPLICATION FOR QUALIFICATION OF  
DAIRY PRODUCT PROMOTION, RESEARCH, OR  
NUTRITION EDUCATION PROGRAMS**

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**Application Contents:**

- I. Deputy Administrator's Letter
- II. Attachment A – Form DA-15-CG
- III. Attachment B – Additional Instructions for Form DA-15-CG
- IV. Attachment C – Useful Links

February 10, 2016

TO: State, Regional and Importer Qualified Dairy Product  
Promotion, Research, or Nutrition Education Programs

FROM: Dana H. Coale  
Deputy Administrator  
Agricultural Marketing Service – Dairy Program

SUBJECT: Application for Continued Qualification of Dairy Product Promotion, Research,  
or Nutrition Education Programs as provided by the Dairy Promotion and  
Research Order (7 CFR 1150.101 et seq.)

Enclosed is an Application Package for Continued Qualification of Dairy Product Promotion, Research, or Nutrition Education Programs (Form DA-15-CG) for submission of program information and financial data for calendar year 2015. Please complete and return Form DA-15-CG (Attachment A) and required enclosures by **April 30, 2016** to:

AGRICULTURE MARKETING SERVICE – DAIRY PROGRAM  
PROMOTION, RESEARCH & PLANNING DIVISION  
1400 INDEPENDENCE AVENUE, SW  
ROOM 2958, STOP 0233  
WASHINGTON, D.C. 20250-0233

Form DA-15-CG is also available for download at <http://www.ams.usda.gov/resources/da15-cg>.

In order for your program to continue its qualified status under the Dairy Promotion and Research Order, Qualified Program submissions should include annual reports, CPA audits, financial statements, and other supporting materials when completing the application. Qualified Programs should deliver certification packages and supporting documents via email to [john.galbraith@ams.usda.gov](mailto:john.galbraith@ams.usda.gov) or by postal delivery.

Survey form Sur-TAMU-15 is discontinued. We will be utilizing aggregated information from your Form DA-15-CG submissions in its place. The information you provide will be aggregated with information from other Qualified Programs and included in the Department of Agriculture'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 for your organization to have in place internal controls which assure the funds, property, and other assets are safeguarded against fraud, waste, and unauthorized use.

Please note that 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 contact John Galbraith ([john.galbraith@ams.usda.gov](mailto:john.galbraith@ams.usda.gov)) of the Promotion, Research, and Planning Division at (202) 720-6909, or by fax at (202) 720-0285.

Sincerely,



Dana H. Coale  
Deputy Administrator  
Dairy Program

Enclosures: Form DA-15-CG (Attachment A)  
Additional Instructions for Form DA-15-CG (Attachment B)  
Useful Links (Attachment C)

UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL MARKETING SERVICE  
DAIRY PROGRAM

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 PROGRAM  
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:

- Be engaged in dairy product promotion, research, or nutrition education activities that are intended to increase consumption of milk and dairy products generally.
- 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.
- Be financed primarily by producers, either individually or through cooperative associations, or for importer programs, be financed primarily by importers.
- 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.
- 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.
- Not use program funds for the purpose of influencing governmental policy or action.

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

1. CURRENT NAME AND ADDRESS OF ORGANIZATION (COMPLETE MAILING ADDRESS):

Name: \_\_\_\_\_ Telephone No.: \_\_\_\_\_  
Address: \_\_\_\_\_ Fax Number: \_\_\_\_\_  
Address: \_\_\_\_\_ Email Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

2. DOES YOUR ORGANIZATION CONDUCT OR FUND A DAIRY PRODUCT: (CHECK 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 ADVERTIZING 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:

(REFERENCE THE 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 (Provide total income for each line item. Separately, attach a schedule of income and/or your accounting system for all sources of current year income. List each separate source and amount of income. DO NOT list individual producers or importers. List funds received from and transferred to each QP and for the Unified Marketing Plan Equalization Fund separately.)

PRODUCER REMITTANCES .....

ADD: PAYMENTS RECEIVED FROM OTHER QPS .....

+

ADD: PAYMENTS RECEIVED FROM UNIFIED MARKETING PLAN EQUALIZATION FUND .....

+

SUBTRACT: PAYMENTS TRANSFERRED TO OTHER QPS .....

(-)

SUBTRACT: PAYMENTS TRANSFERRED TO UNIFIED MARKETING PLAN EQUALIZATION FUND .....

(-)

OTHER INCOME SOURCES .....

**TOTAL ADJUSTED ANNUAL INCOME** <sup>8.1/</sup> .....

\$

**EXPENDITURES:**

(Provide total expenditures spent directly by your organization for each line item. Separately, attach a schedule of expenses and/or your accounting system reports for each expenditure category, including a project description(s) and related costs. If no funds were spent in a line item, indicate zero.)

ADVERTISING, PROMOTION, AND SALES (AP&S) EXPENDITURES FOR:

FLUID MILK AP&S .....

CHEESE AP&S .....

BUTTER AP&S .....

FROZEN DAIRY PRODUCTS AP&S .....

OTHER AND MULTI-PRODUCT AP&S EXPENDITURES .....

**SUBTOTAL FOR AP&S** .....

=

NUTRITION EDUCATION EXPENDITURES .....

NUTRITION RESEARCH .....

DAIRY PRODUCT RESEARCH .....

MARKET AND ECONOMIC RESEARCH .....

PUBLIC AND INDUSTRY COMMUNICATIONS .....

UNIFIED MARKETING PLAN .....

ADMINISTRATIVE <sup>8.2/</sup> .....

OTHER EXPENDITURES .....

**TOTAL ANNUAL EXPENDITURES** .....

UDIA MEMBERSHIP DUES (Only) .....

**TOTAL ANNUAL EXPENDITURES AND UDIA DUES** .....

**TOTAL FUNDS AVAILABLE FOR FUTURE YEAR PROGRAMS** <sup>8.3/</sup> .....

\$

<sup>8.1/</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>8.2/</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>8.3/</sup> Total Funds Available for Future Year Programs equals Total Annual Expenditures and UDIA dues subtracted from Total Adjusted Annual Income.

9. HAVE YOU PROVIDED YOUR ANNUAL AUDIT? IF NOT, EXPLAIN WHY.

Yes ☐ No ☐

10. HAVE YOU PROVIDED YOUR ANNUAL REPORT?

Yes ☐ No ☐

11. PROVIDE YOUR AUDITOR'S LETTER OF COMMENTS THAT ADDRESSES THE FIVE CRITERIA (ITEMS A-E) OF THE ACCOMPANYING GUIDANCE FOR FORM DA-15-CG.

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

TITLE

SIGNATURE

DATE

## **ATTACHMENT B – 2016 ADDITIONAL INSTRUCTIONS FOR FORM DA-15-CG**

**PURPOSE:** The Dairy Promotion and Research Order (Dairy Order) provides that dairy farmers can receive a credit up to 10 cents, against the 15-cent per hundredweight national assessment, and dairy importers can receive up to 2.5 cents against the 7.5 cent per hundredweight or equivalent thereof, for contributions to Qualified State, Regional or Importer Organizations that Conduct Dairy Product Promotion, Research, or Nutrition Education Programs (Qualified Programs). Qualified Programs must apply for continued qualification on an annual basis in order to utilize these funds and for dairy producers and dairy importers to continue to receive the credit. The objective of the application process for Qualified Program Certification is program integrity and compliance with the Dairy Act, Dairy Order, State and other applicable regulations.

### **DA-15-CG INSTRUCTIONS:**

Please complete and return Form DA-15-CG (Attachment A) and supporting documents by **April 30, 2016**. A fillable Form DA-15-CG is available for download at <http://www.ams.usda.gov/resources/dal5-cg>.

Programs may deliver certification packages and supporting documents via email to [john.galbraith@ams.usda.gov](mailto:john.galbraith@ams.usda.gov) or by postal delivery.

Agriculture Marketing Service – Dairy Program  
Promotion, Research & Planning Division  
1400 Independence Avenue, SW  
Room 2958, Stop 0233  
Washington, D.C. 20250-0233

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

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

### **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 (2014) "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 a written explanation.

- **Current Year Income.** List separate sources and amounts of income in an attached Schedule of Income. A list of individual producers/importers is not requested. Funds received directly from cooperative associations, other organizations, or producers/importers 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, 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.

#### **ITEM 8 – EXPENDITURES:**

For 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. List 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, 10 and 11 - Required Copies of Annual Audit, 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 2015. If your program does not have an annual report, indicate this in the submitted materials.

The auditing firm must address the following five items in a letter to USDA or 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; or except for importer programs, be financed primarily by importers.
- 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 funds, property, and other assets are safeguarded against fraud, waste, and unauthorized use?

QPs which are State Governmental Agencies should have their Audit and Compliance Department address the five items in a letter to USDA or in their audit report.

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.

**Promotion, Research and Education Material Examples:** All advertising, promotion, research and education materials must be developed in accordance with the Dairy Act, Dairy Order and USDA policies and guidelines including USDA's MyPlate, the U.S. Dietary Guidelines for Americans, the Nutritional Labeling and Education Act, and Federal Trade Commission's policies and regulations.

If you have any questions regarding the 2016 application package, please contact John Galbraith ([john.galbraith@ams.usda.gov](mailto:john.galbraith@ams.usda.gov)) of the Promotion, Research, and Planning Division at (202) 720-6909, or by fax at (202) 720-0285, or by mail:

Agriculture Marketing Service – Dairy Program  
Promotion, Research & Planning Division  
1400 Independence Avenue, SW  
Room 2958, Stop 0233  
Washington, D.C. 20250-0233

## **ATTACHMENT C – USEFUL LINKS**

U.S. Department of Agriculture – Choose My Plate: <http://www.choosemyplate.gov/>

U.S. Department of Agriculture – “2015 - 2020 Dietary Guidelines”:  
<http://www.cnpp.usda.gov/2015-2020-dietary-guidelines-americans>

U.S. Department of Agriculture – National Agriculture Library Food and Nutrition Information Center: <http://fnic.nal.usda.gov/>

U.S. Federal Trade Commission – Green Guides for Environmental Claims:  
<https://www.ftc.gov/sites/default/files/attachments/press-releases/ftc-issues-revised-green-guides/greenguidessummary.pdf>

U.S. Federal Trade Commission – Online Advertising “.com Disclosures” Guidelines:  
<https://www.ftc.gov/sites/default/files/attachments/press-releases/ftc-staff-revises-online-advertising-disclosure-guidelines/130312dotcomdisclosures.pdf>

U.S. Food and Drug Administration – Labeling & Nutrition Guidance Documents & Regulatory Information:  
<http://www.fda.gov/Food/GuidanceRegulation/GuidanceDocumentsRegulatoryInformation/LabelingNutrition>