Promotion Groups Join Forces

(Continued from Page A37) in the collection of milk promotion funds from dairy producers.

The joint effort falls short of a complete merger, in part because of the laws governing the use of mandatory dairy promotion funds, but also because each group desired to retain its autonomy as independent boards.

The purpose of the joint effort is to eliminate overhead costs of both organizations through sharing staff, which has already resulted in the elimination of 10 employees, and to better coordinate efforts to achieve the goals of each organization without redundancy of promotion and research.

The joint effort is also seen as a way for the entire dairy farmer supported promotion effort to get the most impact from the funds spent attempting to maintain and increase public desire and understanding of dairy products.

In the news release, it states that the USDA announced that the plan did fall within the guidelines of the Dairy and Tobacco Adjustment Act of 1983 and the Dairy Promotion and Research Order, which are the body of laws covering the producer-driven dairy promotion and research effort.

The new organization consisting of 10 members from each of the existing boards, in effect is to function somewhat like an executive committee and make recommendations to each full board, for each board to independently review and approve.

The new board does not have the authority to dictate what the NDB approves or does.

However, it is envisioned that with board members from each organization working together and with the same staff that mutual goals will be able to be met and more importantly the combined strengths better support the effort to position fluid milk and dairy products better in marketplace.

Herman Brubaker, who is also chairman of the UDIA, and chairman of the Mid-East UDIA - a UDIA-member promotion organiarea.

Vice chairman of DMI is Robert Giacomini, from Point Reyes Station, Calif., while Robert Gaebe, of New Salem, N.D., is secretary, and Elwood Kirkpatrick, of Novi, Mich., is treasurer.

In addition to Giacomini and Gaebe, DMI board members from the NDB include David Noss, of Port Royal; Mary Cameron of Hanford, Calif.; Sylvia Hemauer, of Plymouth, Wis.; Harold Howrigan, of Fairfield, Vt.; David Krug, of Owen, Wis.; Alice Moore, of Frazeyburg, Ohio; Alvin Sherman, of Coupeville, Wash.; and John Sullivan, of Superior, Nebraska.

From the UDIA, in addition to Kirkpatrick and Brubaker, are Claude Bourbeau, of Swanton, Vt.; James Camerlo, of Florence, Colo.; Raymond Johnson, of Schaghticoke, N.Y.; Bucky Jones, of Smithdale, Miss.; Edward Nierman, of Concordia, Mo.; Bill Thornton, of Carlisle, Arizona; Lyle Tjosaas, of Kasson, Minn., and David Weitzer, of Poolesville, Md.

According to the news release, the purpose of the joint effort is to increase overall efficiency. However, a number of changes need to be made, and the already individually approved 1994 agendas of each organization have to be carried out before DMI comes into full play.

... many difficult decisions have to be made regarding individual positions. Compounding the difficulty of such decisions is the need to maintain the capability of implementing the respective 1994 work plans of botht he National Dairy Board and UDIA — a series of programs and activities that were agreed upon last year and that must be honored to their fullest."

In that light, the boards report that they expect that a transition to bring about the changes of effi-

zation in the Ohio-Pennsylvania freeing up that money to be used for promotional activities instead.

'More significant that the reduction in staff is the revised structure of the merged organization. Two staffs have achieved a blended reporting relationship which marries the strengths of both organizations.

"Business priority team (yet to be established) will be an integral part of the organization and will revolve around the business priorities of the long-range plan," according to the release.

In the meantime, the staff is to immediately start working from an organizational transition chart that uses DMI as the pivotal organization for communication and direction of acitivies with oversight from the USDA and NDB on one hand and the UDIA and its member organizations on the other.

The formation of DMI is in line with what is occuring in almost every other segment of the dairy industry.

Currently, dairy breed oranizations have been reviewing and adopting practices of sharing staff and headquarters, Dairy Herd Improvement Associations have been merging and reforming, dairy cooperatives have been doing the same.

PDPP Joins **Mid-East UDIA**

The news of DMI comes also at a time when the board of directors of the Pennsylvania Dairy Promotion Program have approved membership under the Mid-East UDIA.

As a member of Mid-East UDIA, the PDPP board then automatically becomes a member of UDIA and will have representation on that board, and the new DMI.

According to PDPP Manager Brian Ross, what it means is that for the first time, the dairy promotion industry in Pennsylvania can: access marketing and promotion information unbefore unavailable,

tie into national program materials of a quality unbefore unaffordable. and also concentrate on using its own funds and designing its own program to better serve its representative region.

"The information PDPP now has access to, I'm not sure I can put a dollar value on the information used in planning. It's invaluable.

"It gives us access to programing and market research that there's no way we could spend the money to" access as a totally independent group, Ross said.

He said anothe benefit "... is that they have some good people out there. It's a good resource.

"As a single promotion program, we don't have the money to do the market studies (that membership will now provide). If we tried, that's all we would do and we wouldn't have any money left for promotion.

When you join with everybody else in the country you can (get that information), and you need that information when you evaluate how well you're doing."

Ross compared the benefit of being tied directly into a national resource as similar to what many newspapers do when they become subscribers to international news associations, such as the Associated Press. Left to providing world news on a small town newspaper budget, without affordable news services, most newspapers would be without story coverage, since budgets wouldn't permit hiring reporters to travel abroad.

"That's the way I see it," Ross said, "it's another resource. They put programs together based on sound marketing principals and sound research. And let's face it, there's a cost to that. And if we can do it together, you're going to come out ahead."

According to Ross, each UDIA or NDB member local promotional organization will now be able to access the same type of programs. Or not.

"Each organization that's a member, they can pick and choose. what they'd like to get involved in., Each one of us will develop our own programs. We feel we need that. Not everything we do will be a DMI program, but we will have access and know what is going on.'

Up until now, dairy promotion organizations have come up with their own ideas, and some have not been as open to sharing those ideas with members of different programs. In fact, some boards and managers of promotional groups have been secretive about how much money and what percent of the budget has been allocated toward a certain promotional program.

Further, many independent promotion group programs were approved based almost solely on the basis of board member' opinions, which vary greatly in scope and depth of knowledge and understanding.

With the new program, local organizations can know what national programs are underway, what other groups are doing, have access to expensive marketing reports and surveys, and be able to create higher quality local efforts.

"We're being outspent 6:1 by other beverages. The way they approach marketing is very integrated from the national level down to the local level. We're competing with them head-tohead. What we're seeing now is a more integrated marketing approach within the dairy industry," Ross said. "It's a smarter way of doing bus-

iness. A better way of doing business."

He said the PDPP membership with Mid-EAST officially goes into effect January 1995.

"As a manager, it's paid. dividends already in knowing what's going on nationally, how it fits in. It's just laid things out a lot nicer. It really helps when doing our own programs to be able to look at what they're doing."



