

Statement

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"Connecting Cows, Cooperatives, Capitol Hill, and Consumers"

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NMPF Statement in Response to Allegations by the Cheese Importers Association of America

ARLINGTON, VA – Following the <u>March 29th announcement</u> that the National Milk Producers Federation (NMPF) will assume management of the REAL® Seal, the Cheese Importers Association of America (CIAA) <u>issued a news release</u> alleging that this change in management of the REAL® Seal program will violate a law requiring the imposition of fees on imported dairy products.

The CIAA release contains incorrect information and factual errors which necessitate a response from NMPF.

"It appears that the CIAA lacks full knowledge of the history, ownership, and use of the REAL® Seal program and the concerns voiced by that organization are clearly misplaced," said Jerry Kozak, President and CEO of NMPF. Kozak said the following points are important to more completely understand the issue:

- 1. The United Dairy Industry Association (UDIA), a federation of 18 state and regional dairy research promotion boards, owns the REAL® Seal and is free to license it as the organization deems appropriate. NMPF will now be managing the licensing and marketing of the REAL® Seal, but ownership of the trademark remains with UDIA. NMPF has long-standing relationships with many of the current users of the Seal, making it a natural fit to carry out the aims of the program.
- 2. UDIA is a different organization from the National Dairy Board (NDB). When U.S. dairy farmers pay their 15 cents per hundredweight promotion assessment, 10 cents goes to state and regional promotion entities affiliated with UDIA or other qualified programs, and 5 cents goes to the NDB. While the NDB and the UDIA created Dairy Management, Inc. ("DMI") through which to share staff resources and maximize organizational efficiencies, the UDIA and the NDB remain separate and distinct entities.
- 3. The 7.5 cents per hundredweight import assessment that is paid by importers for promotion purposes is directed to the national dairy promotion program operated by the NDB. The import assessment is not paid to the UDIA.

4. Legislation that established the dairy import assessment does not impose limitations on how UDIA manages its assets, including the REAL® Seal. No funds from the NDB have been or will be used for National Milk's operation of the REAL® Seal Program.

The National Milk Producers Federation, based in Arlington, VA, develops and carries out policies that advance the well being of dairy producers and the cooperatives they own. The members of NMPF's 31 cooperatives produce the majority of the U.S. milk supply, making NMPF the voice of more than 40,000 dairy producers on Capitol Hill and with government agencies. Visit www.nmpf.org for more information.