



COMMISSION OF THE EUROPEAN COMMUNITIES

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**COMMUNICATION FROM THE COMMISSION TO THE COUNCIL**

**Action programme to promote milk consumption in the Community  
and expand the markets for milk and milk products: 1997/98 milk year**



## COMMISSION COMMUNICATION TO THE COUNCIL

### **Action programme to promote milk consumption in the Community and expand the markets for milk and milk products: 1997/98 milk year**

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#### I. SUBJECT

1. Article 1(2) of Council Regulation (EEC) No 2073/92<sup>1</sup> lists in full the measures that may be adopted by the Commission in order to promote milk consumption in the Community and expand the markets in milk and milk products.
2. Article 2 of the Regulation requires the Commission to notify the Council before 1 April of the action programme it plans for the forthcoming marketing year.
3. Article 2 of Commission Regulation (EC) No 3582/93<sup>2</sup> requires the programme to specify a choice of one or more of the measures listed in Regulation (EEC) No 2703/92, indicate the subjects to be covered by the action under these measures, give a breakdown of the amount available for financing action under the measures and set a timetable for the procedures for consideration and selection of the applications for financing.
4. This communication is in six parts:
  - summary of the results of previous campaigns,
  - strategy for the 1997/98 marketing year,
  - monitoring
  - resources for the 1997/98 campaign
  - presentation of proposals,
  - procedure for processing and selecting applications.

#### II. SUMMARY OF THE RESULTS OF THE 1994/95 CAMPAIGN

The latest reports available relate to the 1994/95 campaign. The 1995/96 campaign began in May/June 1996. The final reports will be submitted to the Commission in September/October 1997. As far as the 1996/97 campaign is concerned, the contracts were signed in June 1997 and the actions are not yet executed.

In 1994/95, five countries (Germany, Ireland, Greece, Italy and the United Kingdom) used the traditional media of the press and television. In the United Kingdom, for example, the campaign, which employed two commercials and the press in its media support, was highly successful. Milk consumption grew by 8% among infants aged up to two years and by 5% for

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<sup>1</sup> OJ No L 215, 30.7.1992, p. 67.

<sup>2</sup> OJ No L 326, 28.12.1993, p. 23.

children aged between 2 and 4 years. Economic analysis predicts future sales of an extra 7.4 million litres of milk over the next two years. Awareness of the benefits of milk has also increased substantially. In Germany, milk consumption increased by 4.1% and demand from households also increased.

Three countries (Belgium, France and Denmark) organised sporting events. Assessments suggest that these are an excellent way of drawing the attention of young people to milk. They place the product in a sporting context attractive to young people while sending a positive message about the benefits of milk. Several thousand active contacts were formed in this way and the activities were noticed in a number of daily papers and on television.

Integrated campaigns were organised in Portugal and Spain. There can be no doubt that promotional campaigns helped boost the consumption of pasteurised milk, for example by 23% in Spain during the first nine months of 1995. The campaigns included publicity, public relations and activities. The 'milk and health' week in Spain attracted 84 000 potential consumers. In Portugal, one of the three main strands was a 'milk caravan' which visited 31 beaches and established 44 500 active contacts.

The scientific information made available to all the Member States by CERIN in France is being consulted more frequently. This database, which is updated daily, is a very valuable tool for information on scientific data.

### III. STRATEGY FOR THE 1997/98 CAMPAIGN

Action in 1997/98 must fit into a comprehensive promotion strategy based on the experience of previous years.

During 1996/97, four different kinds of programmes designed to boost consumption of milk and milk products and aimed principally at young people aged between 15 and 25 are being carried out in 14 Member States. In 11 Member States (Belgium, Denmark, France, Greece, Ireland, the Netherlands, Austria, Spain, Finland, Sweden and the United Kingdom), the programmes are, wholly or in part, a continuation and development of the programmes implemented in 1994/95 and 1995/96.

With three exceptions (two of the French programmes and one of the Dutch programmes), the programmes accepted in 1996/97 are primarily targeted at young people under 25 years.

1. Traditional press and/or TV: Austria, Ireland, Greece and Italy;
2. Activities such as sport activities, Milk Days, competitions and other activities aimed at young people: Belgium, France, Germany, the Netherlands. France and Germany have reinforced their programmes by making use of the media.
3. Integrated campaigns (advertising, information, public relations, sport and/or other activities): the United Kingdom, Sweden, Finland, Portugal, Spain and Denmark.

4. Programmes aimed at providing information about the nutritional qualities of milk:  
France (two programmes) and the Netherlands.

These programmes, 100% financed by the Community, are in most cases running parallel to national campaigns financed from 'compulsory contributions' that have replaced the co-responsibility funds. In some Member States (Spain, Portugal, Italy and Greece) these contributions do not exist, hence the need to expand action closer to the market, while in others action can be targeted upstream and carry an essentially nutritional message. Great care must, however, be taken to ensure that the message transmitted is scientifically justified.

It will be easily understood that whatever its apparent economic interest a single pan-European campaign is an impossibility. A diversified strategy must therefore be formulated that respects the characteristics of the various geographical areas of consumption.

As in previous years, for the 1997/98 campaign the measures selected must fit the indications given in Article 1(2)(a) and (c) of Regulation (EEC) No 2073/92.

1. Aims

Total consumption of milk and milk products decreased slightly in 1996 (provisional results). For example, the consumption in terms of kilograms per capita decreased from 76,1 kg in 1995 to 75,4 kg in 1996. This was mainly due to the fact that the consumption of whole milk decreased by 8%. However, consumption of semi-skimmed milk and skimmed milk increased.

The average total consumption of milk and milk products in the Community in whole-milk equivalent terms have increased from 306 kg per head in 1990 to 315 kg per head in 1995. The consumption rates range from 163 kg per head in Portugal - an increase with two kg/year per head compared to the previous year - to 422 kg per head in Finland - a decrease from 430 kg per head in 1994. It should be noted that the consumption of milk products in whole milk equivalent terms in the Community between 1990 and 1995 decreased in the Netherlands, the United Kingdom, Denmark, Italy, Ireland, Austria, Finland and Sweden, whereas the consumption increased in Germany, Greece, Spain and Portugal, while remaining stable in France, Belgium and Luxembourg (Annex 1).

With reference to the European Commission's working document 'Situation and Outlook in the Dairy sector' published in May 1997, cow milk production is forecast to decrease slightly every year in the medium term - from 121,6 mio t in 1996 to around 119,4 mio t in 2001 and around 118,1 mio t in 2005.

The main aim of the 1997/98 campaign will be to increase total average consumption, i.e. to halt the decline in high-consumption Member States and boost its rise in those where consumption is low. Given the specific characteristics of the markets, these aims will be attainable by spotlighting various positive aspects of milk products, particularly their nutritional qualities.

## 2. Targets

As in previous years, the under-25s (without regard to income) will be the main target. The idea is that milk should no longer be something they are given to drink but a drink chosen by this fairly socially undifferentiated age group.

Certain specific population segments considered at high nutritional risk (pregnant women, young children, old people, immigrants) are secondary targets to whom the nutritional aspect (calcium and vitamins) is relevant.

## 3. Choice of subject

As in 1994/95, 1995/96 and 1996/97, the proposals selected will be concerned with either or both:

- *nutrition*: milk and/or milk products as a healthy food providing calcium and vitamins, the lack of which can lead to serious deficiencies,
- *a modern image for milk and the pleasure aspect*: milk and/or milk products as perfectly adapted to current consumer trends while remaining pure and natural; also as a source of pleasure chiming with current values and tastes.

Extension to milk products is permitted on condition that they are not specified: the products promoted will be liquid milk and/or all milk products.

## IV. MONITORING

Since this campaign is under indirect management, the national contracting body is responsible for monitoring the measures envisaged in the programme (Articles 7 and 8 of Regulation (EC) No 3582/93). To this end, the competent body will receive, with a view to payment, quarterly invoices accompanied by supporting documents and an interim report on performance of the contract along with a request for the balance accompanied by supporting documents, a statement summarising measures carried out and a report assessing the results achieved. The competent body must take the necessary measures to verify the accuracy of the information and documents provided and fulfilment of all contractual obligations, in particular by means of technical, administrative and accounting checks on the premises of the contracting parties and any associates they may have.

The Commission may, if necessary, carry out accounting and on-site checks on the premises of the contracting parties and any associates they may have.

## V. RESOURCES FOR THE 1997/98 CAMPAIGN

The total budget of ECU 8,765,521 in 1996/97 was used as follows:

-	Traditional media	59,8% of which:	TV	37,4%
			press	17,0%
			radio	4,9%
			others <sup>3</sup>	0,5%
-	Materials <sup>4</sup>	7,5%		
-	Traditional Public Relations	3,1%		
-	Sport activities, Milk Week etc.	19,6%		
-	Other activities <sup>5</sup>	5,7%		
-	Personnel <sup>6</sup>	3,7%		
-	Overheads	1,0%		

Compared to the 1995/96 campaign, the spending on traditional media has decreased, while especially sports and other activities have increased. In addition, the post 'personnel' has decreased. This is partly due to the fact that agencies are now executing some of the work which in the past was carried out by the contractor and thus appeared under the heading 'personnel'. Another explanation of the decrease in the post 'personnel' is that the contractor, because of budgetary constraints, has been obliged to bear the personnel costs by itself, i.e. it has not been included in the budget financed by the EC. However, the figures prove that the guidelines given in point V of the Commission communication on the 1996/97 campaign<sup>7</sup> have by and large been followed.

In 1997/98, assuming an appropriation of ECU 10 million in the 1998 budget for promotion campaigns in the milk sector, the appropriation under the headings 'personnel' and 'overhead' should be kept at a minimum so that the appropriations for the other resources can be increased. Assessments of previous campaigns indicate very good results for sports and other activities aimed at strengthening the link between milk products and attributes such as 'activity', 'energy', 'health', 'freshness' and 'fun'. In this context it is important to underline that the activity must be used as an instrument to promote milk consumption, i.e. there must be a clear connection and a natural relationship between the activity in question and milk products. The activities arranged should preferably be combined with traditional PR-activities, tastings etc. In addition, assessments of previous campaigns do indicate good results for publicity and awareness activities. As a result, the applicants are encouraged to develop programmes using sport and/or other activities (such as Milk Days) and/or publicity as a means to promote the consumption of milk products. In this respect, it should be stressed that in future publicity or promotion activities linked to mail-order sales or sales by radio or television should be excluded from financing. Point-of-sale promotions should also be treated with caution in case commercial brands are thereby favoured.

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<sup>3</sup> Internet, Billboards

<sup>4</sup> Publishing, Leaflets etc

<sup>5</sup> Database on scientific aspects of milk products, medical visits etc

<sup>6</sup> Agency fees, partly and indirectly comprising personal costs not included

<sup>7</sup> OJ No C 226, 3.8.1996, p. 9.

## VI. PRESENTATION OF PROPOSALS

Proposals must include the following sections.

1. Specification of the aims, targets and means proposed showing how they fit into the general strategy set out in II above.
2. A preliminary cost-effectiveness analysis of the proposal (as set out in the Annex to this notice)
3. The proposal shall include a detailed proposal on how the results of the programme will be assessed ex post. This description shall include information on the actions to be evaluated, the evaluation methods to be used as well as a budget. The costs for the said assessment study are to be included in the overall budget. The independent evaluator is to be selected, prior to the end of the contract, by the competent authority after prior approval by the Commission. The selection is to be made on the basis of not less than three proposals submitted by the contractor.
4. A clear and detailed budget, expressed in ECU. The budget shall contain detailed information on all the activities proposed. In the case of publicity campaigns, a provisional media plan including the foreseen coverage, the cost per spot/advertisement and the agency fees shall be presented. As far as personnel costs are concerned, the cost per hour, the number of persons working and the duration of the action shall be presented for each activity and for each category of staff. As many details as possible shall be provided regarding all other activities. For example, in the case of production of leaflets: the cost per unit and the number of units which are to be produced.
5. A commitment to convey exclusively positive messages and not to make comparisons with other products.
6. A commitment not to use publicity messages associated with the sale of products by mail-order and/or radio or television (tele-sales).
7. A commitment to submit a report assessing the results of the programme prepared by an independent body in accordance with 2 above.

The action proposed must of course conform with the provisions of Article 3(2) of Regulation (EC) No 3582/93.

## VII. PROCEDURE FOR CONSIDERING AND SELECTING APPLICATIONS

1. By the 30 September 1997, proposals, including a summary, must be submitted to the competent bodies in triplicate.



2. By the 31 October 1997, all proposals will be forwarded to the Commission in duplicate accompanied by a reasoned opinion drawn up by the competent body. This opinion will list the proposals in order of priority.
  
3. The Commission will draw up the list of proposals selected and notify the Member States. Priority will be given to projects which:
  - highlight the positive aspects ('qualities') of milk and milk products,
  - are clearly presented and include detailed descriptions of the activities proposed as well as a detailed budget expressed in ECU.
  - respect the guideline on resources in chapter V above,
  - are justified by the assessment report on previous campaigns where the body concerned took part in those campaigns.

Account will also be taken of the preference criteria set out in Article 5(3) of Regulation (EC) No 3582/93.

#### VIII. CONCLUSION

The first three years of application of Regulation (EC) No 3582/93 allowed the development of coherent programmes of sufficient diversity to reflect the specific concerns of consumers. The Commission intends to pursue this approach in 1997/98 and will endeavour to select proposals which offer the best cost-effectiveness relationship and promise the most effective synergy for durable consolidation of the European market in milk and milk products.

## ANNEX 1

### CONSUMPTION PER CAPITA OF MILK AND MILK PRODUCTS, IN WHOLE-MILK EQUIVALENT TERMS.

	1990 (in kg)	1994 (in kg)	1995 (in kg)
Germany	362	375	379
France	403	399	401
Italy	285	274	278
Netherlands	311	277	285
Belgium / Luxembourg	367	368	365
United Kingdom	308	274	283
Ireland	360	342	350
Denmark	465	405	420
Greece	189	197	202
Spain	154	170	170
Portugal	145	161	163
Sweden	358	347	405
Finland	460	430	422
Austria	351	340	334

## ANNEX II

### **COST-EFFECTIVENESS ANALYSIS**

1. Specific quantifiable aims, target population
  - Specific aims: links with general aim
  - Target population: distinguishing by aim if appropriate, specify the final beneficiaries of the spending from the Community budget and the intermediaries used.
2. Grounds of proposal
  - Need for spending from Community budget
  - Choice of action
    - \* advantages over alternative action (comparative advantages)
    - \* analysis of similar projects mounted at Community or national level
  - Main uncertainty factors affecting specific achievements of project
3. Monitoring and evaluation of project
  - Performance indicators
    - \* output indicators (measurement of activity deployed)
    - \* impact indicators (by aim pursued)
  - Details and frequency of evaluation planned
  - Assessment of results obtained.

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# DOCUMENTS

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