



COMMISSION OF THE EUROPEAN COMMUNITIES

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COMMUNICATION FROM THE COMMISSION TO THE COUNCIL

on the seventh campaign of measures to promote the consumption of olive oil  
within the Community for a period of three years from the beginning of 1999



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1. Article 11(6) of Regulation (EEC) No 136/66/EEC on the establishment of a common organisation of the market in oils and fats<sup>1</sup>, as last amended by Regulation (EC) No 1581/96<sup>2</sup>, forms the legal basis for the accomplishment of information measures and other measures to promote the consumption of olive oil in the Community. The budget proposed under budget line B-1-3801 amounts to 45 million ECU to fund programmes to compile and disseminate scientific knowledge, public relations and publicity programmes, surveys, technical assistance and market studies in the three new Member States under the seventh campaign to promote the consumption of olive oil in the Community. The campaign will cover three years from the beginning of 1999.
2. Article 1 of Council Regulation (EEC) No 1970/80 on general implementing rules for campaigns aimed at promoting the consumption of olive oil in the Community<sup>3</sup>, as last amended by Regulation (EEC) 1651/86<sup>4</sup>, lays down five types of Community measures to promote the consumption of olive oil: a) Dissemination of existing knowledge, in particular as regards the various qualities of olive oil; b) Market studies aimed at enlarging the olive oil market in the Community; c) Advertising and promotion campaigns to encourage the consumption of olive oil; d) Research work; e) Special reduced-price sales to certain categories of consumers. Furthermore, the implementing arrangements for establishing the detailed programme of measures envisaged, the procedure for their implementation and the criteria for selecting the proposals submitted as a part of invitations to tender, are defined by Article 4 of Commission Regulation (EEC) No 1348/81 on detailed rules for applying Council Regulation (EEC) No 1970/80 laying down general implementing rules for campaigns aimed at promoting the consumption of olive oil in the Community<sup>5</sup>, as last amended by Regulation (EEC) No 2213/86<sup>6</sup>.
3. The seventh campaign to promote the consumption of olive oil will be based on Article 1 a), b) and c) of Council Regulation (EEC) No 1970/80, i.e. dissemination of existing knowledge, in particular as regards the various qualities of olive oil, market studies aimed at enlarging the olive oil market in the Community and advertising and promotion campaigns to encourage the consumption of olive oil. The programme is divided into five parts:

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<sup>1</sup> OJ No 172, 30.9.1966, p.3025

<sup>2</sup> OJ No L 206, 16.8.1996, p.11

<sup>3</sup> OJ No L 192, 26.7.1980, p.5

<sup>4</sup> OJ No L 145, 30.5.1986, p.10

<sup>5</sup> OJ No L 134, 21.5.1981, p.17

<sup>6</sup> OJ No L 193, 16.7.1986, p.7

- (A) Collection and dissemination of scientific knowledge on the nutritional values of olive oil;
- (B) Advertising, public relations and promotion;
- (C) Surveys and evaluations;
- (D) Technical assistance;
- (E) Market studies in the three new Member States of the European Union.

4. This Communication relates to the seventh campaign of measures which the Commission plans to implement during a period of three years, commencing at the beginning of 1999.

#### **THE CURRENT CAMPAIGN (THE SIXTH OLIVE OIL CAMPAIGN)**

The current, i.e. the sixth, campaign to promote the consumption of olive oil is a biannual campaign amounting to a total of 30 MECU. Following a tender procedure, contracts were concluded with selected agencies in June/July 1996. Consequently, the contracts will expire in June/July 1998. The campaign comprises twelve Member States. The three new Member States have not been included in the campaign which officially started in 1994, before the last enlargement.

After a tender procedure, different categories of agencies were selected: One scientific institute and one European wide agency which collected and disseminated the scientific knowledge on the nutritional values of olive oil; seven agencies specialised in advertising and/or public relations; one institute with a European wide network for the evaluations and surveys; and one technical assistant for communication and cost analysis.

During the first period (June 1996-June 1997) of the sixth campaign, the consumption of olive oil has increased in all the countries involved in the campaign. The price reduction during the period has played an important part in this. The actions conducted in the framework of the EC-campaign and evaluated by an independent institute have also had a satisfactory impact and have proved to be efficient. The price factor and the promotional campaign conducted by the EC are not the only explanations of the increased consumption, but they have both contributed to the development in a positive way.

#### **THE RATIONALE FOR A SEVENTH CAMPAIGN**

In the light of the market situation which is characterised by a supply of olive oil which considerably exceeds demand, a seventh olive oil campaign would contribute to the maintenance of the balance of the market. As a consequence, the interval between the end of the sixth campaign and the launching of the seventh campaign should be minimised. This would also allow the EC to take full advantage of the investments which have been made during the previous campaigns. The results of the fifth olive oil campaign and the first period of the sixth campaign have been taken into account when developing the objective, strategy, target and budget allocation for the seventh campaign. For example, the budget for the medical information has been decreased by 15% and the promotional message will be specifically adapted to the situation in each Member State and/or region.

## **OBJECTIVE, STRATEGY AND TARGET FOR THE SEVENTH CAMPAIGN**

The objectives of the seventh campaign are 1) to develop the consumption of olive oil in the producer countries, and 2) to boost the consumption in the non-producer countries.

All 15 Member States will be involved in the triennial campaign, which, contractually, will be divided into three stages of twelve months each.

Like all promotional campaigns financed by the European Community, the olive oil campaign is to be generic and not oriented towards promoting particular trade marks or firms. The promotion of Community olive oil is to be made without reference to its country or region of origin. Comparisons with other products will not be allowed.

The messages to be conveyed are the nutritional values of the product, its unique taste and the different qualities of olive oil. Emphasis is to be put on the use of the product in cooking, in cold as well as hot dishes. The message must be adapted to the situation in terms of attitudes, knowledge and the present use of the product in each Member State.

The primary target of the campaign is consumers. The second target group comprises intermediaries between consumers and producers, such as journalists, the trade, the catering business, teachers and doctors, dieticians and nurses.

## **PLANNED MEASURES FOR THE SEVENTH CAMPAIGN**

The Commission plans to implement the following measures:

### **Title A: Collection and dissemination of scientific knowledge on the nutritional values of olive oil**

Main target: Doctors, nurses, dieticians, scientific press and the medical press.

**Title A1:** A research institute or an expert in lipids/nutrition is to collect and evaluate topical scientific material on the nutritional values on olive oil as well as to develop the scientific material produced during the sixth campaign. A selection of the material is to be compiled. Furthermore, the contractor is to examine, validate and control the material produced by the Title A2 and B-agencies. Finally, the contractor is expected to actively participate at congresses and seminars organised on a national and/or international basis.

**Title A2:** An agency will be selected for the dissemination of the material produced by the Title A1-contractor to the above mentioned target groups. The assignment will involve development of documents and press releases, organisation of press events, conferences and seminars as well as maintenance and development of the Olive Oil Medical Library Website which was created during the sixth olive oil campaign.

The Title A1 and A2-contractors should co-operate closely with the International Olive Oil Council, IOOC, which is conducting promotional programmes in third countries financed almost entirely by the EC.

**Title B: Communication measures: advertising, public relations and promotion**

Main target: consumers (B1 and B2) and intermediaries between the consumers and producers, such as journalists, the trade, the catering business and teachers (B2).

**Title B1:** Advertising campaigns comprising TV-spots, radio spots and print advertisements in journals and magazines.

**Title B2:** Public relations and promotion. The agencies selected will be responsible for setting up Olive Oil Information Centres. The role of the Olive Oil Information Centres is to inform the target groups and answer questions, mainly from consumers. Furthermore, a wide range of actions with the aim of exposing the target groups to the messages is to be developed by the selected agencies. For example, generic point-of-sales activities, press events, activities at restaurants and educational material aimed at pupils. The information developed by the Olive Oil Information Centres is to be obtainable on the Internet as well as in the form of leaflets etc.

**Title C: Surveys and evaluations**

The institute(s) selected will be responsible for the evaluation of the consumption development, the attitudes towards and knowledge about olive oil among consumers and doctors, the coverage of the publicity campaigns and the impact of selected actions executed by the contractors. The studies carried out by the Title C-contractor will permit the Commission to evaluate the results of the campaign, by comparing the situation at the beginning of the campaign with the situation at the end of the campaign.

**Title D: Technical assistance with communication**

The technical assistant to the Commission staff will provide assistance during the implementation of measures in all the countries covered by the campaign. The technical assistant must have a very good knowledge about the situation in each country in terms of consumer behaviour, marketing strategies and the media situation. The contractor will assist the Commission in co-ordinating the work executed by title A and B agencies as well as involving the olive oil industry actively in the campaign at a national level.

**Title E: Market studies in the three new Member States**

The Institute(s) selected will be responsible for market studies in the three new Member States to the EU: Finland, Sweden and Austria. The three new Member States have not been involved in the previous campaigns. The aim of the studies is to examine the present level as well as the potential development regarding the consumption, attitudes towards and knowledge about olive oil in the most important target groups, especially among the consumers and the trade.

## PROCEDURES

The contractors will be selected after a tender procedure. Three different public call for tenders will be followed in parallel: one in order to choose the contractors in the categories A, B and C above, one for the choice of the Technical assistant (Title D) and a third for the Market Studies in the three new Member States to the EU.

## FINANCING

The overall amount to be allocated to all of the aforementioned measures of the seventh olive oil campaign is ECU 45 million for the three-year campaign commencing at the beginning of 1999. An amount of ECU 15 million will be entered for this purpose under heading B1.3801 of the 1999 budget, to which the requisite commitment appropriations for funding can be charged. An amount of ECU 15 million will be foreseen under the same heading of the 2000 and the 2001 budgets.

The indicative allocation for each of the categories of measures to be undertaken during the seventh triennial campaign to promote olive oil is as follows:

	<i>1999/2001</i> <i>ECU</i>	%
A. Dissemination of scientific knowledge	4,590,000	10.2%
B. Advertising, public relations, promotion	38,925,000	86.5%
C. Surveys and evaluations	690,000	1.5%
D. Technical assistance	675.000 <sup>7</sup>	1.5%
E. Market studies in the three new M.S.	120.000 <sup>8</sup>	0.3%
<b>TOTAL</b>	<b>45,000,000</b>	

## THE ROLE OF THE OLIVE OIL INDUSTRY - CICHO (COMITE INTERPROFESSIONNEL COMMUNAUTAIRE DE L'HUILE D'OLIVE) AND THE ADVISORY COMMITTEE FOR OILS AND FATS

<sup>7</sup> A small part of the budget will be included in the 1998-budget (Technical assistance with the evaluation of tenders)

<sup>8</sup> The market studies in the three new Member States to the EU will be realised during summer 1998 and, thus, be included in the 1998-budget.

The Comité Interprofessionnel Communautaire de l'Huile d'Olive (CICHO) was officially established on 23 July 1993. The Committee has played a very useful advisory role during the sixth olive oil campaign, on a European as well as on a national level. Also during the seventh campaign, the Commission will actively seek its opinion. With a view to ensuring maximum co-ordination between the Community's promotional campaign and the various campaigns undertaken by the industry, co-ordination meetings will be organised on a European as well as a national level on a regular basis. In addition, the Commission will regularly inform the Advisory Committee for Oils and Fats about the realisation of the different phases of the campaign.

## **MISCELLANEOUS**

The Commission will ensure that the Community's financial contribution is mentioned in all promotional material produced and circulated and in connection with all events or communications related to the seventh campaign to promote the consumption of olive oil.

The Commission reserves the right to review and modify the programme in the light of the results of the global evaluation of all the agricultural promotion programmes of the EC, which will be carried out during 1998. Modifications or adjustments may also be required due to budgetary constraints or in the light of the results of the evaluation studies which are to be realised during the seventh campaign to promote the consumption of olive oil. In case of significant changes, the Council will be informed immediately.

The Commission reserves the right also to prolong the seventh campaign to promote the consumption of olive oil up to a maximum of twelve months if it is necessary in order to avoid an interruption between the seventh and eighth campaign.



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