



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 05.11.1998
COM(1998) 632 final

COMMUNICATION FROM THE COMMISSION TO THE COUNCIL

**Action programme to promote milk consumption in the Community and export
markets for milk and milk products: 1998/99 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: 1998/99 milk year

I. SUBJECT

- (a) Article 1(2) of Council Regulation (EEC) No 2073/92¹ 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 for milk and milk products.
- (b) 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.
- (c) Article 2 of Commission Regulation (EC) No 3582/93² 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.
- (d) This communication is in five parts:
 - summary of the results of previous campaigns;
 - strategy for the 1998/99 marketing year;
 - presentation of proposals;
 - procedure for processing and selecting applications;
 - monitoring.

II. SUMMARY OF THE RESULTS OF THE 1995/96 CAMPAIGN

The latest reports available relate to the 1995/96 campaign. The 1996/97 campaign began in June 1997. The final reports will be submitted to the Commission in September/October 1998. However, some assessments are already available for the 1996/97 campaign (Germany, Greece, Spain, Portugal, the United Kingdom and Austria).

In 1996/97, most of the countries taking part in the campaign to promote milk products used the traditional media, press and television. The proportion of resources allocated to the traditional media was smaller than during the previous campaign, but the use of television was greater (this medium provides the most complete coverage of the target population). However, there was less interest in the use of press and radio, and an appreciable surge of interest in the use of new methods of communication (multimedia and Internet), and in the use of various sporting activities as a support for communication

¹ OJ L 215, 30.7.1992, p. 67.

² OJ L 326, 28.12.1993, p. 23.

and a means of unstructured consumption. This approach reinforces the change in the image of milk (young, healthy, dynamic) and in eating habits (consumption outside the family context).

Sporting events were organised in seven countries (Belgium, France, Denmark, Germany, Portugal, the United Kingdom and the Netherlands). Assessments suggest that this is an excellent way of drawing milk to the attention of young people. These events place the product in a sporting context attractive to young people and send a positive message about the benefits of milk. This approach led to several thousand sporting events being organised, with a considerable impact on press and television, and dozens of articles or reports on the new image and new consumption patterns for milk products.

By way of example, in France, the campaign involved financing sporting activities (sailing) and the concept of "dairy products=pure sensation". This campaign is the continuation of the five-year partnership between the French Sailing Federation and the milk products sector to take advantage of the success of measures to encourage consumption outside the home, in a sporting environment, thus creating an association in the minds of young people between dairy products and sailing. The measures have reached over 800 000 young people (registered members) through 4 000 sailing schools, and involved over 100 000 tasting sessions.

In Germany the campaign involved the dissemination of information on the nutritional qualities of milk through a cartoon character, Millimax, and popular sporting activities providing entertainment and tastings at each stage of the journey. Studies have shown that the media coverage (press and television) of this campaign led to considerably better results in terms of image recognition by the target group (young people up to 25, i.e. eight and a half million people) than the advertising campaigns of many trademarked products with similar features (young, natural, wholesome and dynamic). The only product to score better results was a very well-known spread (Nutella) whose campaign has been going on for the past 20 years. In quantitative terms, families with children under 18 have increased their consumption of milk products by 4 litres per head, from 191 litres per head in 1995 to 195 litres in 1996.

Spain, Germany, the United Kingdom, the Netherlands and Denmark ran integrated campaigns. These campaigns involved advertising, sporting activities, educational measures and public relations.

By way of example, in Spain the organisation of Barcelona Milk and Health Week (a whole week of exhibitions, information, discussions and tastings) reached 5 100 000 people (distribution of brochures and of teaching kits to schools and universities), and over 28 000 000 people indirectly through television (commercials). The event was attended by 60 000 people.

In Denmark, the Community promotion campaign, a continuation of the previous media advertising campaign (press, television and cinema), was highly successful. The association between the campaign slogan ("half a litre of milk a day, fit for a lifetime") and sporting activities (football schools) projected an image of milk as a young, sporting drink. Milk consumption increased by 2% in relation to the previous year. However, this

generic campaign was reinforced by other major measures (milk in schools and at sporting activities) financed by the private sector.

The promotion campaign in Ireland and Greece was based exclusively on a television campaign using the same slogans as the previous year, to ensure maximum coverage of the target population and to reinforce collective communication, while the campaign in Italy was based rather on informative television journalism after an enormously successful campaign (milk consumption in discotheques).

The campaign foresaw free samples of milk and promotional material throughout Italy. The whole campaign was backed up by bus shelter displays and radio announcements. It was enormously successful and had press and television coverage both in Italy and in other European countries (with reports in *The European* and on BBC television). The authorities in many countries have used the campaign as an example of how to combat drunkenness and reduce the number of Saturday night road accidents following an evening's dancing. The assessment study following the campaign recorded an increase in consumption of between 1% and 3%, depending on the product, which is certainly attributable to some extent to the promotion campaign.

In some countries (France and Denmark) the campaigns are run in tandem with national campaigns financed by the Member State and geared mainly to nutritional information and education, which meant that certain specific forms of promotion (sporting activities) could be given prominence in the campaigns financed by the Community.

Promotion programmes also present scientific information made available to all the Member States by the CERIN in France. This database, which is updated daily, is a very valuable tool for information on scientific data; it is being increasingly consulted by health professionals and scientists.

III. STRATEGY FOR THE 1998/99 CAMPAIGN

Action in 1998/99 must fit into a comprehensive promotion strategy based on the experience of previous years.

During 1997/98, 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 all 15 Member States. In 10 Member States (Belgium, Luxembourg, France, Greece, Ireland, the Netherlands, Austria, Finland, Sweden and the United Kingdom), the programmes are, wholly or in part, a continuation and development of the programmes implemented in 1995/96 and 1996/97.

Some of the programmes are innovative, either because they relate to a topical event (e.g. the *Salon de l'Étudiant européen* in Belgium or the Football World Cup in Denmark), or because the means used are new (e.g. the Internet, new advertising spots and new teaching materials in Spain, the Internet and travelling sports events in Germany, a new advertising spot in Austria).

With four exceptions (two of the French programmes, one of the Dutch programmes and the Italian programme), the programmes accepted in 1997/98 are primarily targeted on young people under 25.

1. Television and traditional press: Ireland, Finland, Sweden, Portugal, Spain, the Netherlands, Italy, Belgium, Denmark, Austria, France, Greece and Germany.
2. Various activities, e.g. sports (Milk Days, Milk Caravan, Junior Triathlon, sailing championship, competitions and other activities aimed at young people): Belgium, France, Germany, the Netherlands, Finland, Sweden and Denmark.
3. Integrated campaigns (advertising, information, public relations, sport and/or other activities): the United Kingdom, Germany, Spain, the Netherlands.
4. Programmes aimed mainly at providing information about the nutritional qualities of milk: France (two programmes), the Netherlands (one programme).

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. It has been observed that the national campaigns involve measures at the level of the market. In some Member States however (Spain, Portugal, Italy and Greece) the compulsory contributions do not exist, hence the need to expand action closer to the market; in others, Community 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 1998/99 campaign the measures selected must fit the indications given in Article 1(2)(a) and (c) of Regulation (EEC) No 2073/92.

1. Aims

According to the European Commission working paper on the 'Situation and Outlook in the Dairy sector' published in May 1997, cows' milk production is forecast to decrease slightly every year in the medium term - from 121.6 million tonnes in 1996 to around 119.4 million tonnes in 2001 and around 118.1 million tonnes in 2005.

Total consumption of milk and milk products is rising slightly, and provisional figures for 1997 seem to confirm a slight increase on 1996. By way of example, the average per capita consumption of liquid milk in the Member States of the EU-12 rose from 88.7 kg in 1994 to 91.6 kg in 1996.

Total liquid milk consumption was still up in 1995, when it rose by 1.7% to just under 28 million tonnes. Whole milk now accounts for only 47% of consumption; in 1986 it represented two thirds of the total, or twice as much as milk with a reduced fat content. The only clear increase in consumption is for semi-skimmed milk, while consumption of whole milk and of skimmed milk is declining from year to year.

In terms of whole milk equivalent, total average per capita consumption of milk and milk products rose from 306 kg in 1990 to 319 kg in 1996. Spain recorded the lowest national consumption figures, with a per capita average of 163 kg, 7 kg down on the previous year; the highest figures were recorded in Sweden, with an average per capita consumption of 453 kg, compared with 405 kg in 1995. Consumption of milk products in whole milk equivalent terms decreased between 1990 and 1996 in the Netherlands, the United Kingdom, Denmark, Belgium, Luxembourg and Ireland; it increased in Germany, Italy, Greece, Spain, Portugal, Austria, Finland and Sweden, and remained stable in France.

The main aim of the 1998/99 campaign will be to increase total average consumption by providing the European consumer with fuller information on the nutritional aspects, and by changing the image of milk products by enhancing the idea of a young, wholesome, natural, dynamic product, highly suitable to modern everyday life. The aim is 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 some positive aspect of milk products, particularly their nutritional qualities and their importance in disease prevention and the reduction of risk. These proposals are in addition to Community schemes for distributing milk to schoolchildren.

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, such as people exercising a sporting activity, or people 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. Themes

As in the three previous campaigns, the proposals selected for 1998/99 will be concerned with either or both of the following qualities of milk products:

- *nutritious*: milk and/or milk products are a wholesome food which can meet requirements for calcium and vitamins; insufficient milk consumption can lead to serious dietary deficiencies;
- *up-to-date and enjoyable*: milk and/or milk products are pure and natural products which nevertheless fit in perfectly with modern consumption patterns; moreover, they provide a pleasurable experience consistent with present-day values and tastes.

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

IV. RESOURCES FOR THE 1998/99 CAMPAIGN

The total budget of ECU 10 045 129 in 1997/98 was used as follows:

- Traditional media	53.71%. comprising:	- television	41.32 %
		- press	9.59 %
		- radio	2.36 %
		- other ³	0.62%
- Materials ⁴			14.06 %
- Traditional public relations			1.55 %
- Sporting activities: (Milk Caravan, Junior Triathlon, Fun Games, Milk Days, sailing and football sponsorship) etc.			19.6 %
- Other activities ⁵			0.29%
- Staff ⁶			9.67%
- Overheads			0.78%

Expenditure on traditional media as a whole has declined by comparison with the 1996/97 campaign, with the share of television increasing at the expense of the press and radio. Television provides incomparably better coverage of the target population, and the lowest technical cost per 1 000 targeted. The use of means of communication such as multimedia and Internet is making considerable progress. These new means of communication must be developed even further.

Staff costs have increased. This is due to the increase in the share of television, and the commissioning of space-purchasing agencies, and to the increase in sporting events, which are more labour-intensive in terms of organisation. However, the figures prove that the guidelines given in point V of the Commission communications on the 1996/97 campaign⁷ and the 1997/98 campaign⁸ have by and large been followed.

In 1998/99, assuming an appropriation of at least ECU 10 million in the 1999 budget for promotion campaigns in the milk sector, appropriations for staff and overheads should be kept below the level of the 1997/98 campaign, to free up resources for other items. Amounts allocated to the media should remain around 60%, and the use of new media (Internet, CD-ROMs and videoconferencing) is to be energetically encouraged. 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 'youth', 'energy', 'health', 'freshness' and 'fun' (see examples in section II). It is worth stressing in this connection that the activity concerned should be used as a means of promoting milk consumption, which means that there must be a clear and natural link between that activity and milk products, and that existing synergies at national level

³ Internet, hoardings.

⁴ Publications, leaflets, etc.

⁵ Database on scientific aspects of milk products.

⁶ Agency fees, which may include experts' fees.

⁷ OJ C 226, 3.8.1996, p. 9.

⁸ OJ C 235, 2.8.1997, p 6.

between milk products and certain sports should be used to best advantage. The activities organised should preferably be combined with traditional public relations measures, tastings, etc., and should also reach older people interested in sports. Assessments of earlier campaigns do indicate good results for advertising and awareness-raising activities. As a result, the applicants are encouraged:

- to develop programmes using sport and/or other activities (such as Milk Days) and/or advertising as a means to promote the consumption of milk products;
- and
- to concentrate advertising messages on reinforcing information on the nutritional qualities of milk products, including their contribution to disease and risk prevention.

Experience has shown that in future advertising or promotion activities linked to mail-order sales or sales by radio or television should be excluded from financing, since in such cases it is difficult to separate the commercial aspects from the generic and institutional message. Point-of-sale promotions should also be treated with caution in case commercial brands are thereby favoured.

V. 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 (see Annex II)
- 3) The proposal shall include details of proposed *ex post* assessment of the results. The description shall include information on the measures to be evaluated and the evaluation methods to be used as well as a budget. The costs of this evaluation study are to be included in the overall budget. The independent evaluator is to be selected, before the expiry 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 (see Annex III).
- 4) A clear and detailed budget, expressed in ECU. The budget shall contain detailed information on all the activities proposed. In the case of advertising campaigns, a provisional media plan including planned coverage, the cost per spot/advertisement and the agency fees shall be presented. **Under the contractor's staff costs**, the cost per hour, the number of persons working and the duration of the measure shall be presented for each activity and for each category of staff. Moreover, a clear distinction should be made between expenditure to cover contractors' costs, and the staff costs of subcontractors. As many details as possible shall be provided regarding all other planned activities. For example, in the case of production of leaflets: the cost per unit and the number of units which are to be produced. If a press conference is being organised, precise details should be given of the various expenditure headings (premises, organisation, accommodation, etc.) for the measure.

- 5) A commitment to convey exclusively positive messages and not to make comparisons with other products.
- 6) A commitment not to use advertising messages associated with the sale of products by mail order and/or radio or television (telesales).
- 7) A commitment to submit a report assessing the results of the programme prepared by an independent body on the basis of the analysis referred to in 2 above.

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

VI. PROCEDURE FOR CONSIDERING AND SELECTING APPLICATIONS

1. By 14 December 1998, proposals, including a summary, must be submitted to the competent bodies in triplicate.
2. By 14 January 1999 all proposals will be forwarded to the Commission in duplicate accompanied by a reasoned opinion drawn up by the competent body. Applications which do not comply with Regulations (EEC) No 2072/92 and (EEC) No 3582/93, and with point VI of this Communication, will be rejected by the competent body. The reasoned opinion will list the proposals in order of priority, and provide a summary budget table.
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 point 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.

VII. 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 drawn up by an independent body in accordance with a general layout and comparable methodology for each Member State, taking account of the specific features of each programme. 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.

VIII. CONCLUSION

The first four 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 and of the relevant markets. The Commission intends to pursue this approach in 1998/99 and will endeavour to select proposals which offer the best value for money and promise the most effective synergy for durable consolidation of the European market in milk and milk products.

ANNEX I

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

	1990 (in kg)	1994 (in kg)	1995 (in kg)	1996 (in kg)
Germany	362	375	379	387
France	403	399	401	403
Italy	285	274	278	295
Netherlands	311	277	285	301
BLEU	367	368	365	330
United Kingdom	308	274	283	280
Ireland	360	342	350	308
Denmark	465	405	420	396
Greece	189	197	202	197
Spain	154	170	170	163
Portugal	145	161	163	169
Sweden	358	347	405	453
Finland	460	430	422	446
Austria	351	340	334	354

ANNEX II

COST-EFFECTIVENESS ANALYSIS

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.

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 the project

MONITORING AND EVALUATION OF THE PROJECT

- Performance indicators:
 - output indicators (measurement of activity deployed)
 - impact indicators (by aim pursued)
- Details and frequency of planned evaluations
- Assessment of results

ANNEX III

1. Introduction

1.1 Evaluator

A description of the duly certified capacity of the independent body to carry out this type of study, and of its independence from the beneficiary body and other major stakeholders in the industry.

2. Evaluation methods and survey techniques

The evaluator should justify the methods chosen to assess the results of the various promotion activities.

The evaluator should demonstrate that the survey techniques have been correctly applied, and that the results obtained are valid and reliable. As far as possible, the approach should be based on panel surveys involving both a sample of beneficiaries of promotion measures and representatives of rigorously defined control groups.

2.1 Method

The report should describe the structure of the survey and show that the chosen research method results in valid information on the measures. The survey techniques should be described in detail, with a list of the questions asked (which may be presented in an annex).

Sampling should be based on a clear definition of dates and of socio-economic features, age, etc. of the population studied. The sampling unit should be adapted to the population to be studied. The sampling method should be chosen so as to guarantee the possibility of selecting a representative sample and obtaining valid statistical inferences. The relative and absolute size of the sample should be adequate to ensure conclusions that can be generalised to the whole population with a reasonable degree of reliability. There should be an analysis of the survey response rate in the light of the proportion of the target population covered.

2.2 Inferences

Any potential weakness in the method adopted should be considered. Among major sources of bias are:

- failure to reply: the evaluator should investigate whether non-respondents are likely to be systematically different from respondents;
- sorting of the sample: if rigorous sampling methods have not been applied in the course of the survey, the evaluator should consider the possibility of a sample sorting bias, and its consequences for the relevance of generalisations of the survey results to the entire population.

3. Point zero

The level of consumption before the campaign should be presented, along with the attitudes of the target group to the product and their knowledge of it at that time.

4. Results

- The level of consumption after the campaign should be presented, along with the attitudes of the target group to the product and their knowledge of it at that time by comparison with the information referred to under point 3.
- Impact of advertising campaigns: the target population and coverage should be precisely defined.
- Impact of point-of-sale activities: as far as possible, the results of surveys along with objective sales figures should be used to assess the impact of promotion at points of sale. Control groups (e.g. shops not involved in promotion measures) should be rigorously selected for purposes of comparison.
- Impact of public relations: alongside possible surveys, there should be a presentation of media coverage. Events, participants, programmes etc. should be described in detail in connection with participation in trade fairs and seminars.

5. Analysis and conclusions

The conclusions of the assessment should be confirmed by the results. The conclusions should lead to recommendations for further measures. The analysis should consider all factors other than the measures studied (e.g. changes in prices) that may have influenced the results. If results are unfavourable, the reasons should be analysed. Moreover, various ways of interpreting the unfavourable results should be proposed, along with suggestions for improving the effectiveness of the measures.

FINANCIAL STATEMENT

Date: 17 September 1998

1. BUDGET HEADING: 3800 APPROPRIATIONS: ECU 64 million

2. TITLE:
Commission Communication to the Council
Action programme to promote consumption in the Community and expand the markets for milk and milk products:
1998/99 milk year

3. LEGAL BASIS: Regulations (EEC) No 2073/92 and (EC) No 3582/93

4. AIMS:
To provide information on the results of the previous milk years and on foreseeable measures to promote the market for milk and milk products in 1998/98

5. FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS (ECU million)	CURRENT FINANCIAL YEAR (98) (ECU million)	FOLLOWING FINANCIAL YEAR (99) (ECU million)
5.0 EXPENDITURE — CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTION) - NATIONAL AUTHORITIES - OTHER			
5.1. REVENUE - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) - NATIONAL			
	2000	2001	2002
5.0.1 ESTIMATED EXPENDITURE	* p.m.		
5.1.1 ESTIMATED REVENUE			2003

5.2 METHOD OF CALCULATION:

6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET? YES/NO

6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET? YES/NO

6.2 WILL A SUPPLEMENTARY BUDGET BE NECESSARY? YES/NO

6.3 WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY? YES/NO

OBSERVATIONS:

* Promotion measures for the 1999 financial year will be financed using appropriations to be entered in heading 3800 for the 1999 financial year depending on the breakdown to be decided for the various products.
Any residual appropriations will be used for the financial year 2000.

ISSN 0254-1475

COM(98) 632 final

DOCUMENTS

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03 10 15

Catalogue number : CB-CO-98-623-EN-C

Office for Official Publications of the European Communities

L-2985 Luxembourg