

The Dairy Board has two standing committees. The Finance and Administration Committee is made up of the Dairy Board officers and appointments by the Dairy Board Chair. The Dairy Board Treasurer is the Chair of this committee. The committee elects a Vice-Chair. The full Dairy Board serves as the Executive Committee. The remaining committees for the Dairy Board are joint program committees and are formed as explained below.

auditor's report for 1999 is in **Appendix D-1**.  
Board's approved budgets and a comparison of program funding by function for 1996-2000. An independent USDA's oversight and evaluation expenses for 1995-1999 are in **Appendix C-2**. **Appendix C-3** displays the Dairy limitation required by the Dairy Order. The actual income and expenses for 1995-1999 are in **Appendix C-1**. assessments and interest. The Dairy Board administrative budget continued to be within the 5-percent-of-revenue previous fiscal years. The Dairy Board revised budget for 2000 projects total revenue of \$81.6 million from than the Dairy Board budget of \$87.1 million for that period. Additional funding came from reserve funds from Total Dairy Board actual revenue for 1999 was \$81.2 million, including assessments and interest. This was lower

Board's regions is in **Appendix B-1**.  
Chair, Treasurer, and Secretary. Current Dairy Board members are in **Appendix A-1**, and a map of the Dairy and represent one of 13 regions in the 48 contiguous States. Dairy Board members elect four officers: Chair, Vice- and by other means as determined by the Secretary (7 CFR 1150.133(a)). Dairy Board members serve 3-year terms) makes the appointments from nominations submitted by producer organizations, general farm organizations, The Secretary of Agriculture (Secretary) appoints 36 dairy farmers to administer the Dairy Board. The Secretary

programs.  
approving budgets. Its dairy farmer board of directors administers these plans and monitors the results of the administering the Dairy Promotion and Research Order (Dairy Order), developing plans and programs, and foreign markets for fluid milk and dairy products produced in the United States. The Dairy Board is responsible for The mission of the Dairy Board is to coordinate a promotion and research program that expands domestic and

### National Dairy Promotion and Research Board

In 1999, the National Dairy Promotion and Research Board (Dairy Board) and the National Fluid Milk Processor Promotion Board (Fluid Milk Board) continued to develop programs together to expand the human consumption of milk in fluid form. While each promotion program has many unique activities, the two programs successfully completed integration of the fluid milk programs in 1999.

### THE DAIRY PROMOTION PROGRAMS

### CHAPTER 1

Author: USDA

~~Study 1 2003 2000~~

2000 Report

USDA Report to Congress on the National Dairy Promotion and Research Program - Study 1 2003 2000  
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The committees for program activities are comprised of board members from both the Dairy Board and UDIA Boards. The Dairy Board and UDIA Boards separately must approve the DMI budget and annual plan before they can be implemented. In 1997, a three-year domestic and export marketing plan was developed and approved separately by these joint Boards (for implementation in 1998, 1999 and 2000). The results and budgets for this three-year plan have been and will continue to be reviewed by the boards annually for revision as needed.

In 1999, the DMI Board consisted of 12 dairy farmers from the Dairy Board and 12 dairy farmers from the UDIA Board. The Dairy Board officers were automatically appointed to the DMI Board, and the Dairy Board Chair appointed the remaining Dairy Board representatives to DMI. Each board passed a motion in August 1999 to authorize an amendment to the articles of incorporation of DMI to expand the DMI board size beginning in 2001. This DMI Board will be comprised of all Dairy Board and UDIA Board members. The initial DMI structure whereby a smaller group oversaw the Dairy Board/UDIA relationship is no longer necessary.

Since January 1, 1995, the Dairy Board and UDIA have conducted their marketing plans and programs through DMI. DMI facilitates the integration of producer promotion funds through a joint process of planning and program implementation so that the programs on the national, state, and local level work together. The goals of DMI are to reduce administrative costs, to have a larger impact on the consumer, and to be better able to drive demand that will increase human consumption of milk and dairy products through partnered programs and initiatives that can create a significant positive impact.

DMI funds 1- to 3- year research projects that support marketing efforts. Six Dairy Foods Research Centers and two Nutrition Institutes provide much of the research. Their locations and the research objectives are listed in **Appendix F-1**. Additionally, lists of DMI's dairy foods and nutrition projects are contained in **Appendices F-2 and F-3**, respectively. Universities throughout the U.S. compete for these research contracts.

In March 1994, the Dairy Board approved the creation of Dairy Management Inc.<sup>TM</sup> (DMI). DMI is a joint undertaking between the Dairy Board and the United Dairy Industry Association (UDIA). DMI merged the staffs of the Dairy Board and UDIA to manage the Dairy Board programs as well as the American Dairy Association<sup>®</sup> and National Dairy Council<sup>®</sup> throughout the 48 contiguous United States. UDIA is a federation of 20 of the 64 active Qualified Programs under the direction of a board of directors. DMI is a merger of the two separate program and administrative staffs into a single staff that serves both boards. The DMI staff is structured into support groups. The domestic marketing operations group supported advertising, publicity, and promotion activities. The communications group provided outlets for news about dairy through its media contacts as well as communication regarding the checkoff to producers and the rest of the dairy industry. The nutrition education program continued to reach students in the second and fourth grades while school food programs reached all students entering the cafeteria. The planning, research and state/regional relations group provided analysis of domestic and foreign marketplaces, program effectiveness, consumption patterns, and consumer perceptions for effective program planning. The export implementation, and measurement. The export group served as a resource for U.S. dairy exporters to improve export capabilities of U.S. dairy companies. Dairy foods and nutrition research provides the support for long-term product, ingredient, and nutrition research. Research areas examined new nutritional attributes as well as the improvement of functional and quality aspects of dairy products.

**CHEESE**

The joint Dairy Board and UDIA Board committee structure provides the framework for DMI program activities. The Dairy Board and UDIA Board Chairs assign their respective board members to the following joint program committees: Cheese, Communications and Technology, Export and Nonfat Dry Milk and Whey, and Fluid Milk. Each committee elects a Chair and a Vice-Chair. The joint committees and the DMI staff are responsible for setting program priorities, planning activities and projects, and evaluating results. The Dairy Board and UDIA Board review and approve DMI activities. During 1999, the Dairy Board and UDIA Board met jointly once in San Antonio, Texas; Boise, Idaho; Nashville, Tennessee; and twice in Chicago, Illinois. In addition, each board member receives frequent programming and planning updates in the mail.

Website [www.dairyinfo.com](http://www.dairyinfo.com) provides up-to-date information about the dairy checkoff program, industry news, and also provides links to other local, State, and regional promotion organizations and activities. The following information describes the activities for each program committee during 1999. **Appendix E-1** contains the DMI and Dairy Board contracts for projects reviewed by USDA during 1999.

The DMI umbrella cheese campaign "Behold the power of Cheese™" continued to promote cheese directly toward two types of cheese consumers - cheese "Cravers" and cheese "Enhancers." Cheese "Cravers" eat cheese primarily as-is, directly out of the package or off the block, and have cheese as an important component of their food consumption routine. Cheese "Enhancers" have equally positive attitudes toward cheese, but their consumption primarily takes the form of cheese as an ingredient in family meal preparation. The DMI cheese advertising campaign was recognized for creative excellence. The campaign has received numerous awards, including best TV commercial in the London International Advertising Awards Dairy Products category and best TV spot in the Food category of the Chicago International Film Festival. The cheese campaign will undergo a tagline change in early 2000 to "Ah, the power of Cheese™." **Table 1-1** contains a listing of DMI's 1999 cheese advertising executions.

**TABLE 1-1 1999 Dairy Management Inc. Cheese Advertising**

Television	Pratt	Wedding Cake	Radio
Santa			Santa
Ice Fishing	Smile		
Squeeze	Dunk		
Clay People	Scratch 'n Sniff		
Moon			

SOURCE: Dairy Management Inc.

The cheese marketing effort also included major summer and winter national retail co-marketing programs, which were implemented in supermarkets representing 60% of U.S. retail grocery sales volume. For the

two programs, DMI provided retailer-customized television and in-store sampling, which were combined with the retailer's own advertising and merchandising support to drive cheese sales.

In food service, DMI continued to implement trade advertising and public relations campaigns to keep cheese top-of-mind with restaurant operators. DMI also worked closely with selected restaurant chains, including Wendy's, Pizza Hut, Shoney's, Denny's, and Bannigan's, to drive cheese volume and ensure that cheese was prominently displayed in menu items. For example, after jointly test marketing a Cheddar Lover's Bacon Cheeseburger sandwich with Wendy's, the product was launched nationally in May 1999. According to Wendy's, it was their most successful new sandwich promotion in the past six years. The promotion resulted in over 2.25 million pounds of increased cheese sales during the promotion period.

DMI also executed a comprehensive product publicity program for cheese in 1999. Cheese publicity highlights included the continued success of the "Behold the power of Cheese" advertising campaign. And, for the fourth consecutive year, DMI partnered with Mr. Food to execute a new program called the "Mr. Food's Mega-Cheese Recipe Contest." Mr. Food demonstrated the grand-prize winning recipe on his nationally syndicated television show, which reached over 10 million viewers. Other cheese publicity highlights included "Trick or Cheese!" and "The Great American Cheese Block" program. "The Great American Cheese Block" program featured cheese-snacking events at three high-profile NCAA football games, and encouraged Americans nationwide to remember cheese when planning menus for game-day parties. Also completed were the "Close-Up with Cheese," a program which spotlighted handcrafted artisanal cheeses and the "Breakfast for Any Occasion" program, which encouraged consumers to create a cheese-friendly breakfast for special occasions. The American Dairy Association, whose programs are managed by DMI, sponsors [www.ilovecheese.com](http://www.ilovecheese.com). This website provides cheese lovers a wealth of cheese information such as recipes, a "Cheese Bytes" e-mail newsletter, and sections that feature famous chefs, recipes, and serving ideas.

DMI's product research activities for cheese during 1999 continued to focus on three primary areas:

1. Understanding and controlling the development of cheese flavor and taste with both lower fat and full fat varieties.
2. Understanding and controlling physical properties which affect the functionality of prioritized varieties of cheeses.
3. Developing and providing information that enhances the position of natural and processed cheeses against competitive imitation cheese types.

Consumers receive mixed messages through the media about the nutritional values and benefits of food. DMI worked to provide consumers with education and information based on sound nutritional science and communicated the value of dairy products to consumers, as well as health professionals and educators.

DMI also worked to inform dairy farmers about how their assessment dollars were being used. DMI continued to use its system of communicating to dairy producers and other industry audiences through publications (such as the annual report, joint newsletters with state and regional dairy promotion groups, and dairy cooperative check staffers), dairy industry events (including major trade shows and producer meetings) and media relations (including press releases, feature placements, and farm broadcast interviews). Members of the Dairy Board also were trained as "Dairy Ambassadors" to further deliver consistent messages about the dairy promotion program to dairy producers and other industry audiences. In an effort to support the American Butter Industry, DMI launched a simple butter awareness-building public relations effort. This included quarterly mailings to food editors in the nation's top 500 daily newspapers. This effort also helped spawn creation of the new butter website [www.butterisbest.com](http://www.butterisbest.com). The website includes current cooking trends and ideas, butter recipes and links to other butter-related sites.

DMI's Chair, CEO and board members participated in meetings with dairy cooperatives, industry associations, processors and with other groups throughout the country. Another activity of the Communications and Technology committee was the issues management program. The objective of this program was to identify, monitor and manage key issues that may influence consumers' perceptions of dairy products. DMI coordinated its issues management activities with Qualified Programs, as well as other dairy and agricultural groups. DMI worked with these groups to bring forth sound, science-based information to deal with consumer issues. Also, a Dairy Reputation Management program is an industry-wide effort that interacts with the Issues Management, Industry Relations and Dairy Image Programs to establish a proactive program to reinforce the positive attributes of dairy and dairy farmers in the minds of consumers. Reputation Management workshops were held in 1999. As part of this effort, DMI provided communications training to state and regional dairy promotion organization staffs to communicate consistent dairy messages to target audiences.

Farmer-funded research continued to demonstrate that dairy products are a necessary food component in the diet of all people throughout the life cycle. Research continues to focus on colon cancer and other diseases that may see decreases in occurrence as a result of consuming dairy foods. Additionally, ongoing nutrition research is uncovering the potential benefits of dairy food consumption in reducing obesity. Transfer of these research outcomes has enhanced the image of the healthfulness of dairy foods by many health professional organizations, which continue to endorse the role of dairy foods in a healthy diet. Product research also addresses safety and quality issues as well as continues to examine new milkfat-based ingredients and to provide technical support to the marketing of these ingredients.

## EXPORT and NONFAT DRY MILK and WHEY

DNI's export enhancement program is implemented by the U.S. Dairy Export Council (USDEC). USDEC receives primary funding from three sources: DNI, USDA's Foreign Agricultural Service (FAS), and membership dues from approximately 70 dairy cooperatives, exporters, and suppliers. In 1999, USDEC received \$5,955,277 from DNI, \$3,352,990 from two FAS programs, and \$622,000 from membership dues. This total, \$9.9 million dollars, is the highest-level ever employed by USDEC. The most significant funding increase for USDEC was from FAS, which totaled approximately \$1.42 million dollars. The FAS program is a cost-sharing program that supports commodity groups in promotion of their commodities in foreign markets.

USDEC currently has offices in Mexico City, Tokyo, Seoul, Hong Kong, Shanghai, Bangkok, and Sao Paulo. Activities in Mexico concentrated on whey, milk powders, ice cream, and cheese; in Japan, cheese and whey proteins and derivatives; in Korea, cheese and whey proteins and derivatives; in China, whey proteins and derivatives and skim milk powder; and in other Southeast Asian markets, skim milk powder and whey proteins and derivatives. The programs were carried out through supermarket and food service trade missions, retail sampling, quarterly trade newsletters, booths at trade fairs, and seminars about American dairy products presented to the press, end-users and food distributors. In the summer of 1999, USDEC tested a marketing program in Japan promoting American cream cheese. This program resulted in a 175 percent increase in cream cheese sales for the U.S.

USDEC continued working to improve the export capabilities of domestic dairy companies. A comprehensive series of export reference manuals was developed that provided up-to-date information on market conditions, global regulations, and procedures for export. USDEC provided opportunities for domestic suppliers of dairy products to meet potential importers through reverse trade missions. The reverse trade missions brought dairy product importers and users from South America and Asia to the United States to tour dairy processing facilities and to meet domestic dairy product suppliers. Additionally, [www.usdec.org](http://www.usdec.org) provides information for the public as well as other information for its members.

Nonfat dry milk and whey efforts were delivered through advertising, public relations, trade shows, and the website [www.dairyindustry.com](http://www.dairyindustry.com). The advertising theme "Do it with Dairy" was utilized throughout all activities. A quarterly newsletter "Dairy Dimensions" focused on developments in dairy technology research. The public relations efforts targeted leading trade publications for the food manufacturer. White papers and new brochures also were used in the effort to expand the use of nonfat dry milk and whey in manufactured products.

Research on nonfat dry milk and whey concentrated on functionality, quality, packaging, and new applications. In addition, the application laboratory for nonfat dry milk at California Polytechnic State University and the whey application laboratory at the University of Wisconsin Center for Dairy Research continued to provide technical assistance to both those that produce the ingredients and those that use the ingredients in finished products.

***FLUID MILK***

Information on integrated fluid milk advertising, promotions, public relations, school food service, strategic thinking, and other activities that include DMI, State and regional organizations and the Fluid Milk Board, is detailed in the national fluid milk integrated program summary in this chapter.

## Qualified State or Regional Dairy Product Promotion, Research, or Nutrition Education Programs

Qualified Programs are certified annually by the Secretary. To receive certification, the Qualified Program must: (1) conduct activities that are intended to increase human consumption of milk and dairy products generally; (2) have been active and ongoing before passage of the Dairy Act, except for programs operated under the laws of the United States or any State; (3) be primarily financed by producers, either individually or through cooperative associations; (4) not use a private brand or trade name in its advertising and promotion of dairy products (unless approved by the Dairy Board and USDA); and (5) not use program funds for the purpose of influencing governmental policy or action (7 CFR 1150.153). A list of the 64 active programs is provided in **Appendix G**.

The aggregate revenue from the producers' 15-cent per hundredweight assessment directed to the Qualified Programs in 1999 was \$163.2 million (approximately 10 cents out of the 15 cents assessment). The Qualified Programs manage State or regional dairy product promotion, research, or nutrition education programs (**Tables 1-2 and 1-3**).

Some of these Qualified Programs participate in cooperative efforts conducted and coordinated by other Qualified Programs and/or other organizations such as DMI, the Dairy Board, U/DIA, and the dairy promotion organization composed of the State programs for California, Oregon, Wisconsin, and Washington (COWW). Their goal in combining funding and coordinating projects is to produce more effective and efficient management of producers' promotion dollars through larger, broad-based projects. For example, U/DIA coordinates programs and resources for 20 federation members and their affiliated units and nationally through DMI.



**TABLE 1-3 Qualified Programs Advertising Expenditures: 1998 and 1999**

	1998		1999	
	(in \$000's)	(%)	(in \$000's)	(%)
<b>ADVERTISING PROGRAMS</b>				
Fluid Milk	48,620	[45.5%]	49,371	[45.9%]
Cheese	50,488	[47.2%]	50,964	[47.4%]
Butter	1,025	[1.0%]	133	[0.1%]
Frozen Dairy Products	270	[0.2%]	138	[0.1%]
Other <sup>1</sup>	6,553	[6.1%]	6,969	[6.5%]
<b>Total</b>	<b>106,906</b>	<b>100.0%</b>	<b>107,575</b>	<b>100.0%</b>

<sup>1</sup>Includes "Real Seal" holiday, multi-product, calcium, evaporated milk, food service, product donations at State fairs and other events, and contributions for displays or promotional events.

SOURCE: Aggregate income and expenditure data reported by the 64 active Qualified Programs to USDA.

**TABLE 1-2 Qualified Programs Income and Expenditures: 1998 and 1999**

	1998		1999	
	(in \$000's)	(%)	(in \$000's)	(%)
<b>INCOME</b>				
Carryover from Previous Years	38,543		42,591	
Product Refinances	159,750		163,228	
Payments Transferred from Other Qualified Programs <sup>2</sup>	57,984		54,415	
Payments Transferred to Other Qualified Programs <sup>2</sup>	(60,071)		(55,109)	
Other <sup>3</sup>	4,869		4,625	
<b>Total Adjusted Annual Income</b>	<b>201,075</b>		<b>209,760</b>	
<b>EXPENDITURES</b>				
General & Administrative	7,626	[4.8%]	7,695	[4.8%]
Advertising & Sales Promotion	106,906	[67.5%]	107,575	[66.8%]
Dairy Foods & Nutrition Research	5,348	[3.0%]	5,137	[3.1%]
Dairy Foods & Industry Communications	10,095	[6.4%]	12,876	[8.0%]
Nutrition Education	22,460	[14.2%]	23,263	[14.5%]
Market & Economic Research	3,349	[2.1%]	1,725	[1.1%]
Other <sup>4</sup>	2,564	[1.6%]	2,790	[1.7%]
<b>Total Annual Expenditures</b>	<b>158,347</b>	<b>100.0%</b>	<b>161,161</b>	<b>100.0%</b>
<b>Total Available for Future Year Programs</b>	<b>40,176</b>		<b>48,599</b>	

<sup>1</sup>Differences are due to audit adjustments and varying accounting periods.

<sup>2</sup>Payments transferred between Qualified Programs differ due to different accounting methods and accounting periods.

<sup>3</sup>Includes interest, income from processors and handlers, sales of supplies and materials, contributions, and rental income.

<sup>4</sup>Includes capital expenses and contributions to universities and other organizations.

SOURCE: Aggregate income and expenditure data reported by the 64 active Qualified Programs to USDA.

## National Fluid Milk Processor Promotion Board

The Fluid Milk Board, as authorized in the Fluid Milk Promotion Act of 1990 (Fluid Milk Act), administers a fluid milk promotion and consumer education program that is funded by fluid milk processors. The program is designed to strengthen the position of the milk industry in the marketplace and to maintain and expand markets and uses for fluid milk products in the 48 contiguous States and the District of Columbia.

The Secretary of Agriculture appoints 20 members to the Fluid Milk Board. Fifteen members are fluid milk processors who each represent a geographical region, and five are at-large members. Of the five at-large members, at least three must be fluid milk processors and at least one must be from the general public. Three fluid milk processors and two public members serve as at-large members of the current Fluid Milk Board. The members of the Fluid Milk Board serve 3-year terms and are eligible to be appointed to two consecutive terms. Current Fluid Milk Board members are listed in **Appendix A-2**. A map of the Fluid Milk Board regions is shown in **Appendix B-2**.

The Fluid Milk Board elects four officers: Chair, Vice-Chair, Secretary, and Treasurer. Fluid Milk Board members are assigned by the Chair to the following committees: Advertising, Finance, Medical and Scientific, Promotions, Public Relations, and Strategic Thinking. The program committees are responsible for setting program priorities, planning activities and projects, and evaluating results. The Finance Committee reviews all program authorization requests for funding sufficiency, the Fluid Milk Board's independent financial audit, and the work of the accounting firm. The Fluid Milk Board met four times during its 1999 fiscal year (January - December 1999) in the following cities: Naples, Florida; Newport Beach, California; Keystone, Colorado; and Dallas, Texas.

The Fluid Milk Program is funded by a 20-cent per hundredweight assessment on fluid milk products processed and marketed commercially in consumer-type packages in the 48 contiguous United States and the District of Columbia. The program exempts from assessment those processors who process and market 500,000 pounds or less of fluid milk products each month. Collections generated \$109 million in 1999. The Fluid Milk Order requires the Fluid Milk Board to return 80 percent of the funds received from California processors to the California fluid milk processor promotion program. For 1999, the amount returned to California from the assessments was approximately \$10 million. The California fluid milk processor promotion program uses the funds to continue its promotion activities, which include the got milk?® advertising campaign.

The actual income and expenses for 1996-1999 are in **Appendix C-4**. The Fluid Milk Board's administrative expenses continued to be within the 5-percent-of-assessments limitation required by the Fluid Milk Order. USDA's oversight and evaluation expenses for 1993-1999 are in **Appendix C-5**. **Appendix C-6** contains the Fluid Milk Board's approved budgets for 1996-2000. **Appendix D-2** contains independent auditor's reports for the periods July 1, 1998, through December 31, 1998, and January 1, 1999, through December 31, 1999.

The following summarizes Fluid Milk Board activities for the period of January 1999 through December 1999. The previous Report to Congress presented the Fluid Milk Board activities for July 1998 through December 1998.

The Fluid Milk Board has established a Medical Advisory Board (MAB) comprised of academic, medical and health care professionals with expertise relevant to the health benefits of fluid milk. The MAB provided guidance to the Fluid Milk Board's development of key nutritional and health messages for consumers and health professionals. The MAB also reviewed nutrition and health messages for accuracy. The MAB members assisted the Fluid Milk Board in forging relationships with health organizations such as the American Heart Association, the National Osteoporosis Foundation, the American College of Obstetricians and Gynecologists, and the National Medical Association. They also appeared as medical professionals in the media, providing science-based statements supporting the health benefits of milk.

The medical and scientific activities of the Fluid Milk Board also included preparing press materials and acting as spokespersons on breaking research with relevance to fluid milk. The Fluid Milk Board created consumer and health professional materials to explain this research. The Dietary Approaches to Stop Hypertension (DASH) diet continues to be a major focus of activity. Research on the DASH diet shows that by eating a diet rich in nonfat or lowfat dairy products and fruits and vegetables many people can reduce their blood pressure with or without medication. In addition to the development of the "Reduce Your Risk" brochure and press materials about DASH diets, the Fluid Milk Board has created a brochure entitled "The Diet-Blood Pressure Connection."

The Fluid Milk Board created a "Chocolate Milk Pediatrician Outreach" kit to dispel myths about chocolate milk, as well as highlight the importance of milk in children's diets. The kits were mailed to 10,000 pediatricians nationwide and were made available on the producer/processor hotline. The Board also developed a "Cut Calories, Not Calcium" brochure to encourage consumers to adopt a healthy lifestyle plan.

## ***MEDICAL AND SCIENTIFIC***

The activities of the Fluid Milk Board for advertising, promotions, public relations, school food service, and strategic thinking are incorporated in the National Fluid Milk Integrated Program summary that follows this section.

## National Fluid Milk Integrated Program

The Fluid Milk Board and DMI began an integrated marketing effort in 1998 and successfully completed the transition to total integration for their fluid milk programs in January 1999. The funding level totaled approximately \$186 million in 1999, with \$80.8 million from DMI and State and regional organizations and about \$106 million from the Fluid Milk Board. The integrated plan is research-based, message-focused, and jointly managed.

The purpose of the jointly funded integrated program is to positively change the attitudes and purchase behavior of the country regarding fluid milk. Many communication avenues were used to accomplish this purpose, including television and print advertising, public relations, promotions, and others. The target audience includes kids 6 to 11, teen girls and boys 12 to 17, college men and women 18 to 21, men 25 to 34, and moms/women 25 to 49.

In 1999, the Fluid Milk Board and DMI successfully merged the "got milk?" tagline with the Milk Mustache in print advertising. The jointly funded Milk Mustache/got milk?® advertising campaign provides the basis for not only the advertising activities but also the other program delivery methods.

A description of the 1999 integrated program activities for the Fluid Milk Board and DMI follows.

## ADVERTISING

During the first half of 1999, DMI continued the "got milk?" campaign for both kids and adults. The kids commercials were developed by DMI, and the adult commercials continued to be developed by the California Milk Processor Advisory Board. The adult commercials feature a deprivation-based message that uses humor to show situations where people are desperate for milk.

In October 1999, the first integrated television advertising created by producers and processors was launched. This effort included three new television commercials, "Milk Carton Guy" and "Old Guys," were teen/adult commercials and "Super Mario," a popular video game character, was developed for kids. All of the new and subsequent commercials from the integrated effort will highlight specific, relevant, health-benefit messages about milk and its nutrient package. A complete listing of the 1999 fluid milk television advertising is in **Table 1-4**.

Total television advertising expenditures on each target audience were as follows: adult - \$21.76 million, kids - \$10.82 million, and Hispanic - \$1.33 million.

The integrated program was also able to generate media-driven promotions from the magazines that are used to extend the campaign. These promotions were created to add a consumption-driven element to the advertising program. Successful promotions included the Hearst "Read to Me" Multi-Book Program, the "Best Milk Recipes in America" contest in Meredith Company magazines, Life "Goes to the Movies" in Life magazine, People 400 in People Magazine Almanac, the Scholar Athletic Milk Mustache of the Year Award (SAMMY), and "Good Sport" Award. The SAMMY and Good Sport awards are advertised in Sports Illustrated, USA Today, ESPN Magazine, and Sports Illustrated for Kids.

In addition to television media, the integrated program continued fluid milk print advertising through the creation of the Milk Mustache/got milk?® campaign. The campaign used celebrity advertising in over 150 magazines, outdoor billboards, and other print vehicles to address messages on osteoporosis, growth, calcium, and nutrition. The Fluid Milk Act and Fluid Milk Order state that the advertising coverage in each of the Board's regions is to be proportionate to funds collected from each such region. The integrated program used outdoor billboards and regional magazines to fulfill this requirement. Table 1-5 contains a complete listing of the 1999 fluid milk print advertisements.

The integrated program also continued "Moment ads" that work around special events and create an awareness of milk. One such Milk Mustache/got milk?® ad featured winners of the 1999 "Special Olympics."

TABLE 1-4 1999 Fluid Milk Television Advertising

SOURCES: Dairy Management Inc. (*Indicates new integrated program commitments)	
Kids Television	Bessie
	Brownie Taster
	Lost Milk in Arabia
	Monster Trapping
	Super Mario®
Adult Television	Ballad
	Drysdale Cafe
	Letter Home
	Patrol Car
	Animal Cracker
	Hall of Mirrors
	Paws
	Santa
	Milk Carton Guy®
	Old Guys*
Hispanic Television	New Mother
	I Don't Know (Nese)
	Generation 5
	Memories 1
	Memories 2
	Telephone TV

The Fluid Milk Board and DMI conduct promotions to increase fluid milk traffic in retail outlets. The promotions work to get more milk into the refrigerator and to increase consumption out of the refrigerator. The promotions work with partners to increase the appeal of the program. The promotions typically include money-back offers, free milk, or a premium giveaway. The integrated program also created and distributed a Milk Mustache celebrity calendar with money-saving coupons for promotional partners and nutritional messages on milk. The calendars were available for free in over 15,000 supermarkets with the purchase of two gallons of milk. The celebrity calendar event is estimated to have moved 7,165,620 two-gallon purchase transactions nationally.

**PROMOTIONS**

SOURCE: Fluid Milk Board		
Theme	Target	Celebrity
Active	Men	Super Bowl Ad
Calcium	Girls	Joshua Jackson
Active	Men/Boys	John Elway
Strong Bones	Women	Garfield
Active	Men/Boys	Patrick Ewing
Calcium	Women/Men	Frasier
Growth	Girls	Back Street Boys
Mom (9 essential nutrients)	Women/Hispanic, Moms & Parents	Melanie Griffith
Chocolate Milk	Women/Hispanic	Rugrats
Active	Men/Boys	Mark McGwire
Low-fat	Hispanic	Tony Hawk
Active	Men/Boys	Daisy Fuentes
Hispanic	Hispanic	Oscar De La Hoya
Calcium	Men/Boys	Jeff Gordon
Lactose Intolerance	Women/Men	Whoopi Goldberg
Strong Bones	Women/Men	Rebecca Romijn
Osteoporosis	Girls	Jennifer Love Hewitt
Mom (9 essential nutrients)	Women/Men	Scrubbers
Active	Women/Girls	WNBA Players
Calcium	Women/Men	Kenneth
Active	Boys/Kids	Spider-Man
Osteoporosis	Women/Men	Austin Powers
Active	Women/Men	Special Olympics
Calcium	Women/Men	Calcium Summit
Chocolate Milk	Women/Men	KISS
Calcium	Girls/Kids	Britney Spears
Active	Boys/Kids	Hulk
Active	Men/Boys	Stone Cold Steve Austin
Osteoporosis	Women/Men	Alex Trebek
Active	Women/Girls	Venus & Serena Williams
Osteoporosis	Women	Tracey Ullman
Active	Men	Curly
Active	Men/Boys	Chris Chandler
Active	Men	Terrill Davis
Active	Women/Girls/Kids	Mia Hamm

TABLE 1-5 1999 Fluid Milk Print Advertising

## **PUBLIC RELATIONS**

The Fluid Milk Board and DMI worked with State and regional organizations to get their promotions extended at the local level. Processors and Qualified Programs obtain the Fluid Milk Board's promotional, advertising, and public relations materials from the Processor Hotline at 1-800-945-MILK (6455).

The public relations programs continued to focus on the nutritional benefits of milk and its consumption. A wide variety of initiatives were implemented to reach specific target audiences. The Fluid Milk Board and DMI's "Cartons for Computers" program continues to work with school food service departments to increase milk consumption in school cafeterias with more than 5,000 schools participating. The integrated "Crash Course on Calcium" curriculum provided high school teachers with a video, poster, and teaching guide that helped to show the importance of calcium consumption through milk to prevent the possible onset of osteoporosis and stress fractures. Subsequent "Crash Course" program evaluation showed that the number of teens who reported drinking milk every day increased by 11 percent, while the number of teens who drink soft drinks every day dropped. In addition, the "Mommy Do" program emphasized the impact of parental role modeling in promoting good milk-drinking habits by increasing awareness about the health benefits associated with milk and the importance of adequate calcium intake.

Another integrated campaign, the "Cruise For Calcium" tour, which is designed to help educate Americans about the important health benefits of drinking milk, added a heart healthy tent which provided free blood pressure tests. The 129-city tour also provided free osteoporosis risk assessments and bone density testing for individuals at risk of developing osteoporosis.

The Fluid Milk Board and the National Dairy Council<sup>1</sup> jointly sponsored the first-ever Calcium Summit focused on establishing a public health strategy to optimize the calcium intake of Americans to help improve health and reduce the risk of chronic disease. Nearly 250 representatives from national health and nutritional organizations participated.

The Fluid Milk Board and DMI also launched a new lactose intolerance initiative with emphasis on minority outreach to offer simple ways for consumers to include milk and dairy products in their diets. As part of this initiative to educate consumers about the facts on lactose intolerance, the Board featured Whoopi Goldberg in a milk mustache ad and developed the brochure entitled "The Lowdown on Lactose Intolerance - Making the Most of Milk." The brochure was also inserted in the current Spanish brochure entitled "Leche, La Mejor Opcion Para Su Familia" (Milk, A Smart Choice for Your Family).

Brochures and other information on milk were made available to consumers through the integrated consumer hotlines: in English at 1-800-WHY-MILK (1-800-949-6455); in Spanish at 1-888-LECHE-SI (1-888-532-4374); and on the integrated website at [www.whymilk.com](http://www.whymilk.com).

The Fluid Milk Strategic Thinking Initiative (FMSTI) is a joint effort of the Fluid Milk Board, DMI, the Milk Industry Foundation, processors, and suppliers. This ongoing effort was established to address barriers to fluid milk consumption not targeted by the advertising, promotion, and public relations activities of the Fluid Milk Board and DMI. In 1998, the Task Force began a series of research projects on how to improve fluid milk sales in five priority areas including vending, home-meal replacement, nutraceuticals, convenience stores, and food service. The FMSTI is focusing on increasing and expanding the availability of milk in these marketing channels. The results of research released during 1999 are discussed below.

The research reports released during 1999 identify barriers and offer ideas for increasing milk sales in the areas of vending, food service, convenience stores, and the home-meal replacement category. The vending research results indicated that milk sales through vending channels only represent 1.4% of total food vending sales. However, the report identified opportunities for increased milk sales through vending machines in several markets.

Research findings in the areas of home-meal replacement, school food service, and convenience stores identified opportunities and obstacles associated with expanding the availability of milk in these marketing channels. For example, the school food service research indicated that milk is nearly 100% available in food service but accounts for only 3 percent of total food service beverage sales. The reports indicate that by increasing milk's availability and promoting flavored single-serve and new single packaging containers the industry could help capture a portion of this largely untapped market.

### SCHOOL FOOD SERVICE

The National Dairy Council® (NDC), whose programs are managed by DMI, and the Fluid Milk Board work with school food service professionals to raise the awareness of the need for school food service participants to understand the importance of having milk and dairy products as a part of a healthy lifestyle. Concentration on cold milk efforts included temperature kits, information on milk coolers and "Cold is Cool!" a milk handling workshop for school foodservice staff. The integrated milk program was extended into schools through posters and promotions. Reaching kids through the classroom with various programs was the focus of the nutrition education efforts. "Chef Combo's Fantastic Adventures" was placed in 76% of pre-school kindergarten sites nationally. "Pyramid Cafe" and "Pyramid Explorations," targeted to second and fourth grades, reach 8.2 million kids annually with milk and dairy health messages.

The websites [www.familyfoodzone.com](http://www.familyfoodzone.com) and [www.nutritionexplorations.org](http://www.nutritionexplorations.org) are parent and teacher targeted websites providing nutrition and dairy information. The NDC website, [www.nationaldairyCouncil.org](http://www.nationaldairyCouncil.org), won a bronze medal from the World Wide Web 1999 Health Awards. WWW Health Awards recognizes sites based upon their content and creativity.



**OTHER RESEARCH**

Milk-related nutrition and product research was conducted in the following areas:

1. The role of milk and milk products in the prevention of colon cancer and reduction of blood pressure.
2. Improvement of texture and whiteness of fat-free milk.
3. Demonstration of milk consumption by teens to meet their calcium needs without adversely affecting weight.
4. The role of milk and calcium in the diet of kids and moms.
5. Technology for the development of milk-based products as carriers of probiotics and nutraceuticals.