

A close-up photograph of milk being poured from a glass pitcher into a clear glass. The milk is captured mid-pour, creating a thick, white stream that falls into the glass, causing some splashing and foam at the bottom. The background is a solid, deep blue color.

How Does MilkPEP Benefit the Industry?

MilkPEP
Milk Processor Education Program

got milk?

MilkPEP Essentials

As a member of the MilkPEP Board of Directors, you may be asked general questions about the program by colleagues, employees, customers and friends. This booklet can help with some basic answers. If you receive questions from the media or you want assistance at any time with questions about MilkPEP, please contact the MilkPEP Processor Hotline at 1-800-945-MILK (6455).

MilkPEP History

Why and How did MilkPEP get started?

U.S. per capita consumption of milk began to decline slowly and steadily around 1960, due primarily to increased marketing efforts by soft drinks and the changing lifestyles of Americans. In the early 1990s, the Milk Industry Foundation (MIF) conducted extensive research on why people continued to move away from drinking milk. The results served as the basis for launching MilkPEP, and can be broken into two key areas:

- 1. Milk carried some negative perceptions:** People thought milk was just for kids, was fattening, was not exciting, only went with fattening foods like cookies and cake, etc.; and,
- 2. Milk had many product and distribution problems:** It had unexciting and inconvenient packaging, wasn't available in many locations, and didn't have enough variety in flavors, styles, etc.

The research also revealed that:

- **People still had a very high respect for the nutritional benefits of milk, especially calcium,**
- But it was clear that **milk had a tired image**, and therefore was steadily losing market share to more contemporary beverages like sodas, sports drinks and ready-to-drink teas.

Recognizing this, processors saw the need to develop a program that would significantly improve milk's image, effectively communicate milk's many nutritional benefits and identify for the entire milk processing industry ways to expand distribution, improve packaging and develop new flavors. Now, 10 years later, we have seen enormous change with the industry's successful image program (the National Milk Mustache "got milk?" Campaign), as well as significant progress in re-tooling our industry to be a competitive player in the world of beverages with expanded distribution, new packaging, flavors and products.

Facts About MilkPEP

- MilkPEP is a commodity “check-off” program authorized by an act of Congress in 1990. The act authorized the collection of assessments from milk processors and the formation of a board of directors to manage the program. Milk processors passed a referendum supporting the program in 1993, USDA appointed the first board in 1994, and the first “milk mustache” ads began running in print in January 1995.
- MilkPEP is funded through a 20-cent/hundredweight assessment on all U.S. fluid milk processors that package at least 3 million pounds of Class I milk a month. The resulting annual budget is about \$100 million.
- There are about 12 check-off programs assisting in promotion for U.S. agricultural products, from cotton to beef, each authorized by its own congressional act, each with its own requirements and specifications. Dairy Management Inc. (DMI) is funded by a separate dairy producer check-off passed by Congress in 1983. This program assesses dairy farmers 15 cents/hundredweight of milk sold to handlers to promote all dairy products, not just milk.
- Federal law requires that the United States Department of Agriculture (USDA) oversee the activities and messages used by the program. It also requires USDA to ensure the orderly collection of funds and make certain that these funds are spent in the way designated by the MilkPEP board. Federal monies are not used to fund MilkPEP, which is entirely funded by the milk companies paying into the program. And, while USDA oversees all activities, their time spent on administration is compensated by MilkPEP.

MilkPEP Goals and Objectives

Processors created MilkPEP to help them increase the sales of fluid milk products in the United States. The strategy for achieving this goal is refined each year by the board and staff, and has evolved significantly since the program’s inception in 1994. A key to MilkPEP’s mission is to use its limited funds strategically to reach the audiences that are most likely to drink more milk. All strategies, programs and messages are researched and tested on a regular basis.

MilkPEP's current program objectives and strategies are as follows:

To improve the potential for increasing milk consumption nationally by:

1. Educating key targets such as moms about milk's role in weight loss;
2. Communicating milk's compelling nutritional benefits to teens and moms;
3. Establishing flavored milk as a fun and delicious drink to be considered among the top beverage choices among teens;
4. Providing opportunities for processors to leverage the national program for the purpose of strengthening their local branding efforts;
5. Providing programs to accelerate sales at retail;
6. Identifying areas offering the greatest growth potential and developing programs that make it easy for processors to realize these opportunities;
7. Minimizing any potential damage caused by anti-dairy advocates.

Program Operations

MilkPEP is a fully integrated program that uses advertising, public relations and promotions. The National Milk Mustache "got milk?" print and TV ads are some of the most recognized, award-winning and highly rated for effectiveness of all advertising campaigns. In public relations, programs like the Milk Mustache Mobile and the NBA Rookie of the Year program garner billions of positive media impressions a year for milk. And promotions give regular boosts to milk sales in retail outlets.

In addition to these marketing efforts, MilkPEP explores new market opportunities through the Fluid Milk Strategic Thinking Initiative (FMSTI). FMSTI helped the industry explore and embrace new single-serve packaging and is identifying sales opportunities through school milk improvements, product development, vending, foodservice, and other areas.

For more details on these programs, see the MilkPEP Annual Report and issues of MilkSplash, which can be found on-line at www.milkpep.org.

How Does MilkPEP Benefit the Industry?

Since January 1995 when the first milk mustache ad ran, MilkPEP has helped the industry improve its stature as a competitive player in the beverage marketplace. Here are a few ways MilkPEP continues to make a difference. For more details, see the MilkPEP Annual Report which can be found on-line at www.milkpep.org.

- First and foremost, MilkPEP is the industry's only marketing tool solely devoted to promoting fluid milk to America's consumers nationally. It is essential in the industry's fight to maintain share of stomach against strong national beverage brands such as Coke, Pepsi, Tropicana, Minute Maid, Gatorade, Aquafina, Dasani and others.
- The National Milk Mustache "got milk?" Campaign has improved the image of milk among kids, teens and adults, and has increased the awareness of milk's health benefits among these key audiences.
- Though significantly outspent by virtually every beverage category and most large national beverage brands, the National Milk Mustache "got milk?" Campaign has more recognition than any competitive beverage campaign.
- USDA reported in 2003 that milk sales would be 4.3% lower annually without the generic milk promotion efforts.
- MilkPEP's efforts through its Fluid Milk Strategic Thinking Initiative have brought positive change and innovation to the industry. Advancing the industry's acceptance of plastic single-serve containers, encouraging the whitening of fat-free milk, identifying opportunities in schools, vending, foodservice and other channels of distribution are all examples where MilkPEP has made a big difference.
- MilkPEP has brought effective promotion activity to retail grocery channels where previously there had been none. In fact, MilkPEP's flavored milk feature incentive programs often generate double-digit sales increases and encourage retailers to more frequently promote milk on their own.
- By extending the power of national programs and strong media partnerships, MilkPEP provides attractive opportunities for processors to effectively promote and sample their products in their local markets. Examples include MilkPEP's annual Milk Mustache Mobile Tour, NBA Rookie of the Year and Disney sponsorships.
- Because MilkPEP places hundreds of positive milk stories in the press each year, 8 out of 10 stories about milk today are positive where 7 out of 10 were negative prior to 1995. Annually the campaign generates nearly two billion media impressions for milk.

- MilkPEP communicates breaking science on the health benefits of milk and calcium, and works with its Medical Advisory Board to provide milk companies with the most compelling messages for spreading the word on milk and good health.
- MilkPEP effectively defends milk from anti-dairy and animal rights activists by providing the media with sound scientific facts that refute false sensationalist stories. MilkPEP and DMI together respond quickly and effectively on such issues as milk safety, lactose intolerance, and rBST to name a few.

Key Messages

MilkPEP uses numerous message sets depending on the occasion and the audience. These are some of the key messages about milk:

- **Drinking three glasses of milk each day enables people to meet their daily calcium recommendations and may help reduce the risk of chronic health problems such as osteoporosis, hypertension and obesity**
 - Drinking 24 ounces of lowfat or fat-free milk every 24 hours as part of a reduced-calorie weight loss plan can help you lose more weight by burning more fat than cutting calories alone.
 - Three out of four Americans don't get enough calcium, so they're not helping to protect their bones.
 - Drinking milk helps prevent osteoporosis, which currently affects 28 million Americans (one in five of those are male).
 - Milk is one of the best, simplest and most delicious sources of calcium and an excellent source of vitamin D, which helps your body absorb the calcium.
 - Milk's benefits go beyond calcium – milk provides a great-tasting, convenient package of nine essential nutrients.

- **The National Milk Mustache “got milk?” Campaign is addressing the nation’s calcium crisis**
 - The campaign was created to educate Americans about the health benefits of drinking milk.
 - The campaign has dramatically and positively changed the image of milk and influenced behavior.
 - The campaign has helped slow a 30-year decline in milk consumption, and recent data indicates that milk consumption is up among important audiences like teens.
- **We’re waging a battle for America’s health**
 - Milk competes with less nutritious beverages like soft drinks, juice drinks and sports drinks in a crowded marketplace.
 - The soft drink companies outspend us four to one, while the juice industry outspends the milk industry by two to one in advertising and promotional support.
 - Teens now drink twice as much soda as milk and this is impacting their health.
- **Milk is doctor recommended**
 - Milk’s role in a nutritious diet has long been established and lauded by the nutrition and science community, including the American Academy of Pediatrics, the American Dietetic Association, the National Institutes of Health, the U.S. Department of Agriculture, the National Osteoporosis Foundation, and many other reputable health organizations.

Additional Support for the Key Campaign Messages

- **The Calcium Crisis**
 - Nearly nine out of 10 women and almost seven out of 10 men don’t get the recommended daily amount of calcium – 1,000 mg or about three glasses of milk. Kids aren’t getting enough calcium either. Almost 90 percent of teenage girls are not consuming the calcium they need – at least 1,300 mg every day.

- The teen years are critical bone-building years and teens need calcium to help reach their maximum height and help their bones be as strong as they can be.
 - Bones continue to grow in density and strength until about age 35.
 - In this country, 28 million Americans are affected by the bone-thinning disease osteoporosis and about one in four adults – or 50 million people – have high blood pressure, which is a major cause of heart disease and stroke. Adequate calcium intake can help prevent both of these diseases.
- **The Campaign**
 - The campaign has dramatically improved the image of milk. Research shows that compared to when the campaign started, Americans now think milk is healthier and more popular.
 - The National Milk Mustache “got milk?” Campaign is a multi-faceted consumer education effort that includes partnerships with major health organizations like the National Osteoporosis Foundation and the American Heart Association and in-school education programs. The campaign reaches out to moms and teens. We reach different audiences in a variety of ways, from putting milk on the training table for teens and encouraging moms to make milk part of their weight loss routines, to taking the message across the country with our Milk Mustache Mobiles.
- **Milk and Weight Loss**
 - Drinking 24 ounces of lowfat or fat-free milk every 24 hours as part of a reduced-calorie weight loss plan can help you lose more weight by burning more fat than cutting calories alone.
 - The mix of essential nutrients found in milk, including calcium and protein, appear to improve the body's ability to burn fat.
 - There's no substitution for milk. Studies suggest that milk may be twice as effective at burning fat compared to calcium supplements or fortified foods.
 - Drinking milk when dieting may make it easier for you to lose weight. Milk is one of the best and most convenient sources of calcium which studies show may help increase fat loss.

- **Lactose intolerance doesn't mean dairy intolerance**

- Lactose intolerance is a matter of degree. Most people with lactose intolerance can still drink milk as long as it is consumed with meals instead of on an empty stomach.
- Recent studies indicate that people who have trouble digesting lactose can drink up to two cups of milk a day when consumed with meals.
- Lactose-free milk provides everyone an opportunity to enjoy milk's great taste and many nutritional benefits.

- **Other Kid/Teen-Focused Messages**

- Teenage girls are missing out on milk; 40% drink less than one glass per day, yet four glasses are recommended per day to help meet calcium needs.
- During the teen years nearly half of all bone is formed and about 15% of your adult height is added.
- About 30% of kids age 1-5 do not get enough calcium in their diets.
- Nearly nine out of 10 teenage girls and almost seven out of 10 teenage boys fail to get enough calcium in their diets. Teenagers need 1,300 mg of calcium per day, the equivalent of at least four 8-ounce servings of milk.
- A study published in 2002 in the *Journal of the American Dietetic Association* showed that teens who drink flavored milk drink fewer soft drinks and juice drinks and have an overall better nutritional profile.
- Milk processors are now providing great-tasting flavored milk in grab and go packages that kids love – making it easy for them to get their milk.

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