Food Researched: Milk
Focus of Research: US Milk Marketing
Name: Amber Bushey

Title
The History, Targets, and Obstacles of Modern Milk Marketing in the US

Objectives
One of the objectives for this report is to provide a brief overview of the organizations responsible for modern US dairy marketing, specifically fluid milk marketing. The goal of this report is to make dairy marketing more transparent, in the hopes of gaining a greater understanding for who specifically is funding certain advertising campaigns. A secondary goal is to provide an understanding of what demographics are typically targeted by these marketing campaigns and how these audiences are targeted. Finally, this report’s third objective is to provide insight into the developing goals of US milk marketing campaigns by looking at recent dairy promotions.

Summary of Findings

Legislative Origins of Modern US Milk Marketing

Milk marketing has a long history in the US, but modern marketing of US milk can essentially be traced to the Dairy Production Stabilization Act of 1983 (known as the Dairy Act). This legislation created a national producer program under the supervision of the US Department of Agriculture (USDA) for dairy product promotion, research, and nutrition education, with the goal being to increase consumption of all dairy products. The Dairy Act created the National Dairy Promotion and Research Board (NDB), which administers the program on behalf of dairy farmers. This program is funded by dairy farmers, who pay a mandatory 15-cent per hundred pound (otherwise known as hundredweight) assessment on all milk produced. Farmers can choose, however, to contribute up to 10 of their total 15 cents per hundredweight to a qualified state or regional dairy product promotion program (USDA Ag., 2010a). In 2009, the NDB collected $93.8 million from the 15-cent per hundredweight producer assessment, and qualified regional programs collected $190 million (USDA, 2011, p. 1).

The second piece of important legislation on milk advertising was the Fluid Milk Promotion Act of 1990 (called the Fluid Milk Order). This order established a national fluid milk processor promotion program specifically for fluid milk—as opposed to the Dairy Act, which promotes a variety of dairy products under USDA
supervision. The Fluid Milk Order created the National Fluid Milk Processor Promotion Board, which serves the same purpose for milk processors as the NDB serves for dairy farmers. Processors marketing over 3 million pounds of fluid milk per month pay a mandatory 20-cent per hundredweight assessment on fluid milk processed to fund this processor promotion program (USDA Ag., 2010b). In 2009, the program generated $108.2 million, but $10.2 million of this total was returned to the California Milk Processor Board (CMPB) (USDA, 2011, p. 2). This is because in the Fluid Milk Order, it is stipulated that 80 percent of the funds received from California must be returned to the CMPB to conduct its own advertising campaigns. The significance of this stipulation will be explained later in the section on the Got Milk? advertising campaign.

While there is a large amount of overlap in the marketing campaigns of the Dairy Board (NDB) and the Fluid Milk Board, each plays a slightly different role in dairy advertising. Other than the fact that the Fluid Milk Board is responsible for specifically promoting fluid milk, the two boards have slightly different marketing goals. The Dairy Board focuses more on expanding markets for dairy product consumption by looking for new partnerships to promote dairy (USDA Econ., 1997). An example of this was the 2009 partnership with Dominos Pizza, resulting in the creation of the American Legends pizza line (USDA, 2011). With the help of a $12 million marketing campaign courtesy of the NDB, Dominos introduced a new pizza line just before the 2009 Super Bowl that consisted of six specialty pizzas featuring “forty percent more cheese” (See Figure 1) (Moss, 2010, p.1). This is a clear example of the Dairy Board’s goal of expanding the market for dairy products.

The Fluid Milk Board, however, focuses more on educating Americans on the health benefits of milk consumption. An example of this kind of educational Fluid Milk Board campaign was the Body By Milk® campaign in 2009, which encouraged drinking a glass of low-fat milk after exercise for “muscle recovery and rehydration” (See Figure 2) (USDA, 2011, p. 2).

Though the Fluid Milk Board and NDB are separate organizations, both are overseen by and report to the USDA. It is also the role of the USDA to select board members, so its power is not simply managerial in nature.

The Got Milk?® Campaign: A Snapshot of Milk Advertising

The Got Milk? campaign is one of the most famous milk marketing campaigns ever created, with over 90% awareness in the US (Got Milk, 2012). As such, it is an excellent case to show how milk marketing is funded and how the organizations described in the previous section interact with each other.

The first Got Milk? ad was aired on October 24, 1993, after being created for the California Milk Processor Board. The ad was immensely popular, winning awards at both the Cannes International Advertising Festival and the Clio Awards in 1994. By 1995, the slogan had been licensed to dairy boards across the US, including the Milk Processor Education Program (MilkPEP), which is responsible for the Got Milk? ads featuring celebrities and athletes sporting milk mustaches.
When analyzing the Got Milk? campaign, it is important to note how the campaign was originally funded. In the Fluid Milk Order, there is a specific clause that states that the Fluid Milk Board will be forced to give back 80 percent of the funds provided by California milk processors to the processor boards of California, primarily the CMPB (USDA, 2008). Such clauses do not exist for any other state in the Fluid Milk Order, indicating that the California milk processors must hold an inordinate amount of power within the National Fluid Milk Processor Board. This is probably due to the fact that California has twice the number of members in the NDB as any other single region in the US (USDA, 2011).

The example of the Got Milk? campaign shows how the marketing system is set up for the dairy industry. A majority of the money provided by dairy farmers and milk processors is channeled back to regional boards who create advertisements for their region; these advertisements—if they prove to be popular—can then be licensed to dairy boards across the country.

Marketing Targets

While official reports from the USDA on the current marketing strategies of the NDB and Fluid Milk Board are still pending, the report on the targeted audiences in 2009 reveals the strategies used to entice certain demographics. In the report, three specific targets of milk marketing campaigns are introduced, along with examples of the advertisements used to attract them into buying milk products.

The first category of buyers introduced is mothers. It is clear from the report that the goal in targeting mothers is to sell milk as a health drink. Campaign slogans like “Nature’s Wellness Drink” and “Drink Well, Live Well” all promote milk as a “naturally nutrient-rich beverage that offer[s] consumers many health benefits in a one package” (USDA, 2011, p. 18). Images of supermodel moms and female athletes all help to promote the idea of milk as the drink of choice for strong, healthy, attractive moms.

The second audience focused on in 2009 was the Hispanic population. No doubt in response to the growing Hispanic population in the US, the Fluid Milk Board partnered with Venezuelan fashion designer Carolina Herrera to focus on the theme of “bienestar” (or wellness) (USDA, 2011, p. 21). The Fluid Milk Board also tweaked several of its other campaigns to appeal to a Hispanic audience. ‘Chocolate Milk: The Official Drink of Halloween’ was changed to refer to Dia de los Muertos or Day of the Dead. It is important to note, though, that there was also a heavy emphasis on mothers within the Hispanic community. This emphasis is important because it relates to the final, and most prominent marketing target: teens and younger children.

The emphasis on children and teens is clearly the most important audience for the Fluid Milk Board. The function of the emphasis on mothers in the first two target groups, as stated by the USDA, is to reinforce “the ability for a mom to act as a role model milk drinker for her kids” (USDA, 2011, p. 19). This indicates that even the emphasis on other target groups is intended to target children. Huge amounts of
resources are spent on this single target group in the hopes of creating a lifetime consumer of milk and other dairy products. These campaigns target children of all ages with an emphasis on healthy nutritional choices and exercise. The teen fitness program 'Get Fit By Finals' rewarded teens for “increasing their daily movement and choosing low-fat or fat-free milk in place of sugary sodas” by entering them to win prizes like a VIP trip to the NBA finals (See Figure 3) (USDA, 2011, p. 19). Such programs surreptitiously imply that milk is a health food in the hopes of connecting milk consumption with the current fight against childhood obesity. While the debate on the nutritional value of milk is not the subject of this report, it should be noted that the dairy industry has a history of exaggerating the nutritional value of its products, specifically when it comes to marketing to children (Nestle, 2006).

Current Trends in Milk Marketing

The final section of this report is dedicated to the analysis of current developments in milk advertisements, with the goal being to shed light on the newest obstacle the dairy industry is facing and how the industry is responding to it. The most recent hurdle facing the industry today is the growing popularity of 'alternative’ milk products, particularly soymilk. The dairy industry seems to be taking an aggressive stance against these alternatives, differentiating products like soymilk and almond milk from ‘real milk.’ According to the Got Milk? website, “Real milk comes from cows,” and if it does not, it is “udderly ridiculous” (Got Milk, 2012).

Puns aside, this strategy of separating the ‘real milk’ from the pretenders is found, not just in national campaigns, but regional ones. The California Milk Advisory Board’s website is titled “Real California Milk” and the word ‘real’ pops up in numerous other ads and websites associated with the milk industry (See Figure 4) (Real California Milk, 2012). In the process of casting milk as the more natural option, current milk marketing tactics are also implying that alternative milk products are unnatural. A short interactive video on CMPB’s website (see Figure 5 for a screen shot) shows two high school students attempting an elaborate chemistry experiment in order to make “imitation milk” which is described as soymilk, coconut milk, and almond milk (Got Milk, 2012). By looking at these new marketing tactics, it appears that the milk industry has honed in on a new adversary: alternative milk products.

Conclusion

By looking at the milk industry’s marketing strategies, one can determine the industry’s main target audience, its opponents, and even its organizational structure. Though the marketing of dairy products has existed for decades, modern marketing techniques were officially adopted with the passage of the Dairy Act and the Fluid Milk Order. By looking in depth at the stipulations in these two pieces of
legislation, it becomes obvious that the USDA holds an extensive amount of management power over the marketing strategies of milk producers and processors; however, the ability to reroute funds back to regional dairy boards has allowed for greater freedom on the part of dairy farmers to determine where their mandatory payments are placed. This freedom was exemplified in the origins of the Got Milk? campaign and continues to exist in regional marketing campaigns across the US.
Appendix

Figure 1: Dominos Pizza ‘American Legends’ Advertisement (Moss, 2010)

Figure 2: Body by Milk Campaign (USDA, 2011)

Figure 3: Get Fit by Finals Campaign (USDA, 2011)
Figure 4: Real Milk Comes from Cows Campaign (\textit{Got Milk}, 2012)

Figure 5: Imitation Milk Campaign (\textit{Got Milk}, 2012)
Sources


