1 INTRODUCTION

Background and objectives of the evaluation

Within the Treaty of Rome (1957) the EU partners agreed in Article 39 - 41 on measures to organise the common agricultural market, to stabilise the market for agricultural products and to promote the consumption of certain agricultural products. For the milk market these measures have been further specified in the Council Regulation (EEC) No 804/68 of 27 June 1968 on the common organisation of the market for milk and milk products, which enables Member States to subsidize the distribution of milk in schools. In 1977 the Council decided on Community aid for milk distribution in order to fight the general declining milk consumption. Council Regulation (EEC) No 1080/77 and Commission Regulation (EEC) No 1598/77 created the legislative framework for the "supply of milk and certain milk products at reduced prices to school children."

The corresponding implementing regulation has been reviewed, specified and supplemented several times (1983, 1993, 2000, 2008, 2009, 2011 and 2013) in the last three decades. The current regulation, Commission Regulation (EC) No 657/2008, in the consolidated version of 2011, regularises for example the beneficiaries, the eligible products, the rate of aid, the obligations of the Member States that wish to participate and the mode of payments and controls.

The EU School Milk Scheme therefore looks back on a long tradition – a tradition that had to face changes in the milk market, in consumption habits and consumer lifestyles. It can be considered as one of the oldest promotion programmes in the EU. In the beginning, it was created to balance the milk market through stimulating milk consumption. Nowadays a shift towards stimulating milk consumption as a means of healthy nutrition can be witnessed.

The EU School Milk Scheme is characterised by its history as it can be seen for example by the development of eligible products1 (Table 1).

For 30 years the decision on eligible products has focused especially on those milk products which may first of all have a remarkable impact on the market balance and second meet the consumption habits in EU Member States. Since 2008, the European Commission has strengthened the nutritional character of the scheme. The renewed versions of 2008 and 2011 cover a wider range of dairy products and cut down on added sugar. The European Commission stresses also the educational character of the programme as an instrument to fight health problems related to unbalanced and excessive food consumption2. In addition, the versions since 2008 allow for secondary schools to participate in the programme as well.

Being aware of an on-going discussion about health effects of milk consumption the following report concentrates solely on the evaluation of effectiveness, efficiency, relevance and coherence of the School Milk Scheme as a policy instrument with respect to its objectives as defined in the underlying legislation.

1 Data gathered from the Council/Commission Regulations mentioned
2 European School Milk Scheme (http://ec.europa.eu/agriculture/markets/milk/schoolmilk/index_en.htm)
Table 1: Development of eligible milk products within the School Milk Scheme

<table>
<thead>
<tr>
<th>EEC No. 1080/77</th>
<th>EEC No. 2167/83</th>
<th>EC No. 3392/93</th>
<th>EC No. 2707/2000</th>
<th>EC No. 657/2008&lt;sup&gt;3&lt;/sup&gt;</th>
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</thead>
<tbody>
<tr>
<td><strong>Raw-milk</strong></td>
<td>Heat treated whole milk and semi-skimmed milk</td>
<td>Heat treated whole milk and semi-skimmed milk</td>
<td>Heat treated milk that meets the requirements for one of the five mentioned fat contents</td>
<td>Heat treated milk including lactose free milk drink</td>
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<td><strong>Heat treated chocolate-flavoured milk</strong> (produced of whole milk or semi-skimmed milk; milk content at least 90%)</td>
<td>Heat treated chocolate-flavoured or flavoured milk (produced of whole milk or semi-skimmed milk; milk content at least 90%)</td>
<td>Heat treated chocolate-flavoured or flavoured milk (produced of the above mentioned milk categories (milk content at least 90%))</td>
<td>Heat-treated milk/lactose free milk drink with chocolate, fruit juice or flavoured, containing at least 90% by weight of the milk and containing maximum 7% of added sugar and/or honey</td>
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<tr>
<td><strong>Yoghurt (produced of whole milk)</strong></td>
<td>Yoghurt (produced of whole milk or semi-skimmed milk; milk content at least 85%) pure or with added sugar, cocoa or fruits</td>
<td>Yoghurt (produced of whole milk or semi-skimmed milk)</td>
<td>Yoghurt produced of the above mentioned milk categories</td>
<td>Flavoured and non-flavoured fermented milk products with fruit, containing at least 75% by weight of the heat treated milk or lactose free milk drink and containing maximum 7% added sugar and/or honey</td>
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<tr>
<td><strong>buttermilk</strong></td>
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<tr>
<td><strong>Fresh and processed cheese with a fat content by weight in the dry matter of at least 40%</strong></td>
<td>Fresh and processed cheese with a fat content by weight in the dry matter of at least 40%</td>
<td>Fresh and processed cheese with a fat content by weight in the dry matter of at least 40%</td>
<td>Fresh and processed cheese as well as other cheese plain or flavoured (maximum of 10% non-lactic ingredients)</td>
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<tr>
<td><strong>Other cheese with a fat content by weight in the dry matter of at least 45%</strong></td>
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<td>Other cheese with a fat content by weight in the dry matter of at least 45%</td>
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<tr>
<td><strong>Grana Padano- or Parmigiano-Reggiano-cheese</strong></td>
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<td>Grana Padano- or Parmigiano-Reggiano-cheese</td>
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<td><strong>Halloumi cheese</strong></td>
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</tbody>
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Note: For product categories listed in blue cells subsidies are obligatory. Subsidies for product categories listed in white cells depend on Member States’ decision whether they are eligible in their national programmes.

Member States are invited to adapt the list of eligible products to regional consumption habits and to apply stricter quality standards. In the school year 2011/2012 the European Union supports the SMS with subsidies of more than EUR 68 million for the distribution of almost 385,000 tons of milk (total whole milk equivalent). The estimated number of participating children in the EU reaches 20.3 million. Among the 26 participating Member States France (approx. EUR 14 million; 20% of total EU aid), Poland (approx. EUR 9.6 million; 14% of total EU aid), Romania (approx. EUR 8.3 million; 12% of total EU aid) Sweden (approx. EUR 8.9 million; 13% of total EU aid) and Germany (approx. EUR 5.6 million; 8% of total EU aid) rank on top of the recipients of aid. However, the highest per-capita consumption of school milk is noticed in Sweden, Finland, Estonia, Romania and Denmark.

According to Article 27,4 of Council Regulation (EC) No 1605/2002 on the implementing rules of the Financial Regulation, it is necessary to evaluate all results of measures that cause budgetary expenditure. Thus, with the evaluation of the implementation and impact of the School Milk Scheme the Commission’s Directorate-General for Agriculture and Rural Development contributes to meeting its evaluating obligations.

This evaluation has the objective to examine the implementation of the SMS and assess its

- **Effectiveness**: The extent to which measures can be expected to achieve the objectives of the intervention logic
- **Efficiency**: The extent to which objectives can be achieved for a given level of resources and at the lowest costs
- **Deadweight**: The effects which would have arisen even if the intervention had not taken place. A phenomenon that arises e.g. if the target variable of the policy shows very low reactions to the intervention instrument.
- **Coherence**: The extent to which the intervention does not contradict other interventions with similar objectives
- **Relevance**: The extent to which the intervention is an eligible instrument to reach the specific objectives of the intervention logic
- and **EU value added**: The extent of added value that has been accomplished by the fact that the scheme is actualised under the European Community and European legislation.

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4 Commission Regulation (EC) No 657/2008, preamble paragraph 5 and article 3,1
5 Own calculation based on the school milk statistic of the European Commission
6 Estimation by the European Commission based on reported data from the Member States. Note: The number of participants is a rough estimation. Germany for example reports an estimated number of almost 800,000 participants, although the Federal States resume a participation of approximately 2.7 million pupils. The reason for this divergence arises from the distribution frequency of the school milk. For the quantity of school milk offered in Germany 800,000 pupils will be able to receive a daily portion of school milk throughout a “standard” school year of almost 200 days. However, school milk in educational establishments is offered most often only 1-2 times per week. Since the basis for the estimation of the Member States remains unclear so far, the exact number of participants may vary.
7 Source: German Federal Ministry for Food, Agriculture and Consumer Protection (BMELV)