

AHDB Generic Promotional Measures scheme

	<i>page</i>	
A	Background	2
	AHDB	2
	Governance	3
	Budget	4
	Government duties	4
B	The Scheme summarised	4
C	AHDB Levy	5
	Cattle and Sheep Sector	7
	Pigs Sector	7
	Cereals and Oilseeds Sector	7
	Dairy Sector	8
	Horticulture Sector	8
	Potato Sector	9
D	Compliance with State aid rules	10
	Common assessment principles	10
	Permitted measures and eligible costs	12
	Aid intensity	14
	Specific restrictions	14
	Promotions in third countries	14
	De minimis aid	14
E	The Measures	15
F	Specimens: Promotional activity and Promotional Materials	21
G	Logos	22

A. Background

1. This scheme will generically promote agricultural products for the benefit of farmers. It will run from April 2015 and will succeed part of similar scheme N 225/2009, essentially unchanged other than specifically satisfying certain requirements introduced by the revision of the Commission Guidelines on the use of agricultural state aid..
2. The UK authorities and AHDB intended that the “AHDB Promotional Measures scheme” (SA.39687) would immediately follow Scheme N 225/2009, coming into effect on 1 April 2015 or as soon thereafter as it was approved. However, its approval has been delayed. Since the Commission has not raised any ongoing questions with the UK authorities in relation to the generic promotional measures, a block exemption notification is appropriate to enable these to be undertaken.
 - 2.1. This scheme does not include promotional activities in relation to quality schemes or dependent upon product origin.
 - 2.2. This scheme will terminate on the earlier of 31 March 2021 or 31 December of the year during which the Commission approves Scheme SA.39687 (or a successor to SA.39687) and in the latter case it will be replaced by that scheme.
3. The scheme will be managed by the Agriculture and Horticulture Development Board (‘AHDB’) and funded by sector-based parafiscal levies.

❖ AHDB

4. The Agriculture and Horticulture Development Board (‘AHDB’) is a UK non-departmental public body (‘NDPB’) operating at arm’s-length from the UK Department for Food, Environment and Rural Affairs (‘Defra’).
 - 4.1. AHDB’s activities encompass the cereals and oilseeds sector in the United Kingdom, the milk, potato and horticulture sectors in Great Britain, and the English pig and English beef and lamb sectors. The promotional activities that will be administered and undertaken by AHDB under this scheme will benefit producers in these sectors. These measures are described in Part E.
 - 4.2. The activities will be funded from statutory parafiscal levies derived from those sectors. The levy system is described in Part C.
 - 4.2.1. Parafiscal levy has been used by AHDB since 2008 to assist the development of the relevant sectors, undertaking measures that would not otherwise be achieved because of the market conditions. This results from the fact that producers in these sectors, and in many cases processors too, are too small to be able to resource such areas of work themselves. Similar activities were undertaken by predecessor levy bodies.
5. Sections 87- 91, 93, 94, 96 and 97 of the Natural Environment and Rural Communities Act 2006 provided the powers to set up AHDB and to provide funding. The Agriculture and Horticulture Development Board Order 2008 (‘AHDB Order’) set up AHDB and the parafiscal levy arrangements by which its activities are funded.
 - 5.1. The AHDB Order is under review and it may be amended or replaced during the term of this scheme. The UK authorities will inform the Commission of any significant change arising therefrom affecting the operation of this scheme.
6. The activities under this scheme will be directly operated by AHDB.
 - 6.1. Article 5 of the AHDB Order allows for the establishment of such subsidiary companies as may be conducive or incidental to AHDB’s functions.
 - 6.2. AHDB’s wholly-owned ‘sector companies’ are dormant.
 - 6.3. AHDB’s wholly-owned subsidiary company (‘MLCSL’) may engage in commercial activities but these will be only a small proportion of the overall activities undertaken, and such activities will be entirely ring-fenced to prevent cross-subsidisation. Separate accounts will be kept for such activities. MLCSL will not carry out State aid activities, except where it is contracted to do so through open and transparent procurement procedures.

❖ Governance

7. The Board of AHDB consists of members appointed by the UK Government following a fair and open appointments procedure in accordance with the code of the Office of the Commissioner for Public Appointments. The legislation establishing AHDB also provides for Ministers to remove members of the Board.
- 7.1. The Board consists of a Chair, three independent members and six members representing the interests of the agricultural and horticultural sectors indicated in paragraph 4.1 above. The latter members have knowledge and experience of their particular sector and chair committees ('sector boards') that advise the Board. Members of these committees are selected through fair and open competition. The appointments procedure complies with public sector principles of good practice for appointments. Defra oversees the process.
8. AHDB has the specific purpose of meeting needs in the general interest, not having an industrial or commercial character. The scheme objectives of AHDB are therefore limited to running it in the public interest.
- 8.1. The AHDB Order defines the scope of AHDB in Article 2.
- 8.2. Article 3 of the Order specifies the purposes of AHDB. These include increasing efficiency or productivity in the industry, improving marketing in the industry, improving or developing services that such an industry provides or could provide to the community, and improving the ways in which such an industry contributes to sustainable development.
- 8.3. Schedule 1 of the Order indicates the functions of AHDB.
9. The UK Government will retain control over the disbursement of government funds as described in relevant State aid schemes.
- 9.1. The UK Government controls the expenditures of AHDB and its companies by exercising a right of approval of the business plan for all its activities. An agreement between the UK Government and AHDB ensures that the latter will act in accordance with the public sector requirements.
- 9.2. The UK Government further controls AHDB's expenditure under Article 6 of the Order, which requires the rates of levy to be approved annually by the appropriate authority.
- 9.3. As an NDPB, AHDB is required to lay consolidated Annual Reports and Accounts before Parliament. The CEO of AHDB is the Accounting Officer for AHDB; she reports to the AHDB Chair, who reports to the permanent secretary of Defra.
- 9.4. The statutory requirements for reporting to the UK Government are included in the AHDB Order. Its Article 13 states that for each financial year, AHDB must prepare an annual report on how it has discharged its functions during the year, and send a copy to the Secretary of State, the appropriate Ministers in Wales and Scotland, and the relevant department in Northern Ireland. This is then laid before the respective parliaments, enabling the UK Government to oversee AHDB's activities and expenditure. Article 14 requires AHDB to provide such information as the Government requires.
- 9.5. The UK Government has a governance framework in place, whereby AHDB agrees to act in accordance with the public sector requirements. The documentation provides a clear framework of strategic control by Government of AHDB and covers its operations, financing, accountability and control. It requires AHDB to keep the Government informed of its current activities, any planned activities and its financial situation. The framework requires the corporate and business plans to be approved by Defra.
10. The UK Government remains accountable to Parliament for the activities and performance of AHDB. It retains control over the disbursement of funds (including the state aid to be provided under this scheme). AHDB is required to spend the funds in accordance with the AHDB Order.
- 10.1. The UK Government will ensure funds have been spent correctly through controls such as the framework mentioned above.

11. Services may be provided by AHDB itself but where better value can be obtained outside AHDB, services may be procured from private sector organisations. Contracts will be awarded on the basis of market principles in line with Union procurement rules.

11.1. MLCSL is equally required to operate in the public interest and to act in accordance with public sector requirements.

❖ **Budget**

12. AHDB's total budget over a period of six years from 1 April 2015 to 31 March 2021 is approximately £420 million. It is anticipated that AHDB will spend £120 million of its budget over the six years' period on this Scheme, including on project management, and a further £25 million of its budget over that period on non-economic government duties.

12.1. The remainder of AHDB's budget will be spent on measures included in other State aid schemes (fully notified, or under a block exemption or de minimis regulation) and on activities that do not comprise State aid.

12.2. As indicated in paragraph 2.2 above, if the Commission approves Scheme SA.39687, this scheme will terminate at the end of the calendar year during which that approval occurs and the measures described in this scheme will thereafter be undertaken under that scheme.

❖ **Government duties**

13. AHDB's government duties include the collection and administration of levy. Different systems and administrative procedures will be used in each sector for collecting levy and ensuring its timely payment. The sectors are substantially different in nature, and consequently the most appropriate system for collecting levy varies between them. The systems and procedures for each sector are described in Part C.

13.1. Once levy has been collected, AHDB will determine how the money should be spent, in line with AHDB's statutory functions.

14. AHDB's government duties will be supported by the provision of corporate services, including:

- An HR facility that is responsible for staff recruitment and retention;
- The purchase, setting up and maintenance of IT systems;
- The preparation, application and monitoring of budgets in line with UK Government rules;
- General administration; and
- The provision of support to the boards and committees of AHDB.

B. The Scheme summarised

15. The aim of the Scheme, which will be administered by AHDB, is to promote agricultural products obtained from the sectors covered by the statutory levy.

15.1. The Scheme will apply to England, Wales and Scotland in the milk, horticulture and potato sector, to England, Wales, Scotland and Northern Ireland in the cereals and oilseeds sector, and to England only in (a) the pigmeat sector and (b) the beef and lamb sectors.

15.2. The scheme will be restricted to Annex I products.

16. AHDB will undertake promotional activities that will involve a variety of measures aimed at consumers, trade buyers and retailers to raise awareness of the qualities, including notably the nutritional qualities and health benefits of the products, and increase consumption.

16.1. In addition, AHDB will provide consumers, trade buyers and retailers with technical information on the products with the aim of raising consumption.

- 16.2. AHDB will undertake work in schools to promote the importance of the products from the sectors covered by the statutory levy as part of a balanced diet. Activities under this area will include the production of education packs for pupils, teachers and parents, use of consultants to communicate information to schools, and assistance with the provision of vending facilities.
17. This Scheme will replace part of approved State aid scheme N 225/2009 (SA.28346) with certain changes.
- 17.1.1. The UK authorities confirm that they have made such changes to this scheme as are required as a consequence of the adoption of the Guidelines in 2014.
- 17.1.2. All measures will comply with the Guidelines, notably:
- (a) Chapter 3 of Part I (Common assessment principles);
 - (b) Section 1.3.2 of Part II: (aid for promotion measures in favour of agricultural products).
- Compliance with those provisions is described in Section D below (Compliance with State aid rules) and is not generally repeated in relation to each measure.
- 17.2. All measures are similar to those notified and approved in relation to scheme N 225/2009 and will be undertaken in the same manner, excluding measures based upon quality schemes and taking into account changes made in accordance with paragraph 17.1.1 above.
18. All the measures in Section E below will be provided in the form of subsidised services and not through direct payments to producers, other than measures relating to competitions and events as described in paragraph 55.5(c) below. An explanation of the individual measures is set out below.
19. The names and logos of AHDB and its sectorial divisions may appear on the promotional materials. They are included in Section G below and do not refer to origin.
20. The UK authorities confirm that measures lying within Article 2 of Regulation 3/2008 will be carried out in relation to products satisfying Article 3 of that Regulation and in compliance with the principles expressed in Regulation 501/2008.
- 20.1. The measures will constitute public relations work, promotional activity, information campaigns, and impact assessments of the measures. They will not be brand-oriented or encourage the consumption of any product on the grounds of its specific origins.
- 20.2. On the Union market, the measures will include participation in events, fairs and exhibitions of national and European importance, by means of stands aimed at enhancing the image of products.
- 20.3. In third countries, the measures will include participation in events, fairs and exhibitions of international importance, by means of stands aimed at enhancing the image of products. They will also include studies of new markets and high-level trade visits.
- 20.4. AHDB has specialist knowledge of the products and markets concerned and has the resources necessary to ensure that the measures are implemented effectively.
21. Regulations 1407/2013 and 1408/2013 on *de minimis* aid will be applied in cases where the Guidelines do not permit the provision of aid under this scheme. In particular, such aid for large (i.e. non-SME) primary producers will be paid in line with Regulation 1408/2013. Aid for large businesses active in the processing and marketing of Annex I products or active in business and industry will be paid in line with Regulation 1407/2013. The regulatory conditions applicable to such use of *de minimis* aid will be respected.

C. AHDB Levy

22. The scheme will be funded by AHDB from a statutory parafiscal levy, being ring-fenced for use within the providing sector. The levy will be collected by AHDB from farmers and in

some cases from processors and dealers in the relevant geographical area in each of the sectors (beef and lamb, cereals and oilseeds, horticulture, milk, pigmeat and potatoes) for which AHDB has statutory responsibilities.

- 22.1. The rate of levy and the method of collection will vary between the sectors. The AHDB Order sets out the maximum rates of levy for each sector, as indicated below. All the revenue raised will be fully utilised to fund AHDB activities.
 - 22.1.1. AHDB will recommend a rate of levy on an annual basis at or below these maximum levels, which may be increased during the term of this scheme. The rates will be confirmed by Ministers.
 - 22.1.2. Levy rates are set taking into account the views of operators in the relevant sectors, such that they will not result in the creation of a barrier to trade or an increased price of the products. To this end, the maximum levy rate does not exceed approximately 1% of the purchase price of the product in most sectors and the actual levy is rather less than this figure.
 - 22.1.3. The levy is applied on a non-discriminatory basis and any impact on trade is compensated for by the products and the producers (and the processors/marketers) thereof benefiting from activities funded by the levy.
- 22.2. UK government departments and other public bodies may add to the money available under this scheme using funds from their general budgets.
23. The levy will not apply to imported products, except to imported livestock at the time of slaughter if and only if the animals have been in the United Kingdom for at least two months in the case of pigs and sheep, and three months in the case of cattle. This is in line with the provisions of the Union Customs Code¹.
 - 23.1. The UK authorities confirm that levy-paying importers will benefit from the scheme's measures, since these will not refer to origin and so there will be no distinction between domestic and imported products. Additionally, importers are able to benefit from numerous services provided by AHDB outside this scheme.
24. The UK authorities confirm that exporters will also benefit from the scheme's measures, since products will be promoted on export markets within the EU and in third countries. Accordingly, the exporter will benefit from increased awareness of their products on these markets. Additionally, exporters are able to benefit equally with domestic enterprises from numerous services provided by AHDB outside this scheme.
25. The levy, as used overall, will not therefore constitute prohibited discriminatory internal taxation. However, if exporters or importers can show they do receive less benefit from the activities under this scheme than operators obtaining and/or selling their products on the domestic market, AHDB will refund the levy at an appropriate rate. Alternatively, since the AHDB Order provides for a maximum rate of levy, a lower actual rate of levy can be set in relation to exports or imports.
 - 25.1. Where exporters or importers can show they receive less benefit from the activities under this scheme than those selling their products on the domestic market, AHDB will reduce or refund the levy at an appropriate rate in accordance with the principles expressed in the *Niels Nygård v Svineafgiftsfonden* (Case C-234/1999) and *Freskot AE v Elliniko Diomosio* (Case C-355/00) judgments.
 - 25.1.1. In accordance with the *Nygård* and *Freskot* judgments, the UK authorities give assurances that where exported or imported products are disadvantaged compared to domestic products placed on the relevant market, steps will be taken to refund part of the levy at an appropriate rate.

¹ Regulation (EU) No 952/2013.

- 25.1.2. Further, the levy is relatively small and therefore is compatible with the Treaty provisions on the common agricultural policy and will not undermine the common organisation of the market.
- 25.1.3. AHDB believes that all levy payers in any sector are able to benefit equitably overall from the promotional and other opportunities provided from the parafiscal levy. Indeed, the blend of benefits obtained is to a significant degree controlled by the way in which each operator selects the initiatives in which it wishes to participate, all of which are made equally available to all eligible operators.
26. Time limits are set by the AHDB Order in relation to the collection of levy, in terms of the dates when operators must register as levy payers, notify the amount of product on which levy is due and/or when the levy is to be paid. AHDB may impose a higher rate of levy on anyone who is liable to pay levy, but who has not paid in a timely manner. This will be used to cover the administration costs involved with collecting such levy.
27. Operators failing to provide AHDB with information which they are statutorily required to provide in order that the levy is properly collected, will commit an offence.
28. AHDB will carry out a regular audit of these levy arrangements.

❖ **Cattle and Sheep Sector; Pigs Sector**

29. Levies will be raised on a monthly basis on:
- pigs, cattle and sheep slaughtered in England.
 - exports of live pigs, cattle and sheep that were raised in England.
30. The levy will be based on the number of animals slaughtered or exported, and will be in two parts; the producer levy and the slaughter or export levy. The slaughterhouses or exporters will act as collection agents for the producer levy, which will be deducted from the price paid to the producer for an animal, and held on trust until it is paid to AHDB.
31. The payment of levy will be enforced by AHDB, which has the necessary powers of entry and inspection. It is an offence to obstruct any such person or to fail to produce records on demand.
32. The maximum rate of levy permitted by the AHDB Order is:

	<i>Levy Rate (£/head), payable by</i>	
	<i>Producers</i>	<i>Slaughterers and Exporters</i>
Cattle	5.25	1.75
Calves	0.50	0.50
Sheep	0.60	0.60
Pigs	1.075	0.275

❖ **Cereals and Oilseeds Sector**

33. Levy will be raised on cereals (wheat, barley, oats, rye, maize, triticale) and oilseeds (rapeseed, linseed, soyabean, sunflowerseed) grown in the United Kingdom. It will be collected from growers of cereals and oilseeds in the UK and from buyers and processors of UK-produced cereals.
34. Levy will be collected from any person in the United Kingdom who buys, from the grower, cereals or oilseeds grown in the United Kingdom. This will apply to all buyers, including other farmers purchasing the product directly as an alternative to buying from a merchant, as well as processors buying directly from farmers. Levy will be based on the weight of cereals or oilseeds bought, and will be collected at the point of purchase when the cereals or oilseeds are transferred to the buyer.

35. Any person liable to pay cereals or oilseeds levy must notify AHDB of the amount of cereal bought, processed or sold on which levy is due and/or the amount of oilseeds purchased.

❖ *Cereals*

36. Cereals bought will be notified on a quarterly basis. However, where a person has bought less than 250 tonnes or processed less than 1,000 tonnes in a year, notification may be made annually.

Grower and Buyer levy

37. The levy will be in two parts - the grower levy and the buyer levy. The grower levy will be deducted from the price the buyer pays for cereals, and it will be held by the buyer on trust for AHDB until he pays the total of the grower and buyer levies to AHDB (less 5% of the combined levy which will be retained as commission for collecting the levy).

Processor levy

38. Any person who carries out industrial processes to cereals grown in the United Kingdom will pay a processor levy. This will be based on the weight of the cereals that are to be processed, and will be collected when the processor purchases the cereals. The processor will pay the levy to AHDB on a quarterly basis.
39. Cereal processors producing animal feed will pay a lower rate of levy than standard cereals processors, because the value added to cereals when made into animal feed is lower than that added when cereals are made into food for human consumption.

❖ *Oilseeds*

40. There will only be a grower levy. This will be deducted by the buyer from the price paid to the grower for the oilseeds, and held on trust for AHDB until it is paid in full to AHDB, every six months. Buyers will not be entitled to commission for collecting the oilseeds levy.
41. Levy will not be collected from oilseed processors. There is no support in the sector for extending the levy to encompass oilseed processors.

Levy rates

42. The maximum rate of levy permitted by the AHDB Order is:
- 60 pence per tonne for cereal growers;
 - 5 pence per tonne for cereal buyers;
 - 98 pence per tonne for oilseeds growers;
 - 12 pence per tonne for cereal processors producing food for human consumption;
 - 6 pence per tonne for cereal processors producing feedingstuffs.

❖ **Dairy Sector**

43. All producers of cow's milk in Great Britain will be liable to pay a levy to AHDB, based on the volume in litres of liquid milk sold off-farm.
44. A 'direct seller' of milk is a producer who (a) produces milk and sells the liquid milk to the public from his holding or (b) treats the milk and processes it into milk products on his holding. Such producers will pay the levy on directly sold milk to AHDB, on an annual basis.
- 44.1. Purchasers of milk from a producer that is sold otherwise than by direct sale will deduct the amount of levy from the price paid for the milk, and pay this levy on a monthly basis to AHDB. Only the first such purchaser of any milk will be liable to deduct and pay levy.
45. The maximum rate of levy permitted by the AHDB Order is 0.08 pence per litre of milk.

❖ **Horticulture Sector**

46. A levy will be raised on any person or partnership in Great Britain who grows the horticultural products listed below, who sells those products or anything derived from them, and whose annual sales from those products or derivatives (adjusted to exclude certain permitted costs) are £60,000 or more.

46.1. The horticultural products on which a levy will be raised are:

- All vegetables grown in the open and sold for human consumption, including watercress but excluding potatoes.
- All soft fruit and orchard fruit including nuts but excluding varieties of cider apples and perry pears (as certified by AHDB, although none are currently certified), hops and grapes.
- All flowers whether cut or in pot, foliage, bulbs, corms, tubers and rhizomes.
- All hardy nursery stock including:
 - Fruit trees, bushes and canes, strawberries for runner production and other fruit stock for transplanting
 - Roses (including stock for budding)
 - Shrubs and hedging plants
 - Ornamental trees and trees for sale for amenity purposes
 - Perennial herbaceous plants
 - Aquatic plants
- All other nursery stock, seedlings and cuttings for propagation
- All crops grown in glasshouses and other forms of protection including pot plants, bedding plants and plants being propagated for growing elsewhere.
- All species of herbs

47. A levy will also be raised on any person who buys more than 700 litres of mushroom spawn on an annual basis and similarly on any person who buys compost containing more than 700 litres of mushroom spawn.

48. The maximum rate of levy permitted by the AHDB Order is:

- 0.75% of the adjusted sales figure for the general horticultural growers' levy;
- 20 pence per litre of agaricus spawn used or sold;
- 8 pence per litre for non-agaricus spawn used or sold.

❖ **Potato Sector**

Grower levy

49. Levy will be collected, based on the area planted, from any person or partnership that grows 3 hectares or more of potatoes in any calendar year.

50. A grower liable to pay levy must notify AHDB annually of the area planted or intended to be planted during that calendar year.

Buyer levy

51. Any person who buys 1,000 tonnes or more of potatoes grown in Great Britain (excluding seed potatoes) in a year must pay a levy based on the weight of potatoes bought ('tonnage levy'). Any person buying potatoes to sell by retail or catering establishments (including fish friers) will be excluded from paying levy unless they buy the potatoes directly from the grower.

51.1. Tonnage levy will not be payable (a) by co-operatives; or (b) on potatoes once they have been processed, except where they are processed by the producer.

52. Buyers must notify AHDB quarterly of the tonnage bought in the previous quarter.
53. The maximum rate of levy permitted by the AHDB Order is:
 - £50 per hectare for growers of potatoes;
 - £0.25 per tonne for buyers of potatoes.

D. Compliance with State aid rules

54. This scheme has been notified and will operate in compliance with the agricultural block exemption Regulation 702/2014 (ABER²), including notably in accordance with Article 24 (Aid for promotion measures in favour of agricultural products) of that Regulation. Therefore:
 - The aid will cover costs of the organisation of and participation in competitions, trade fairs and exhibitions; and of publications aimed at raising awareness of agricultural products among the wider public. Such publications will not relate to quality schemes as referred to in Article 20(2) of ABER and will not refer to any particular undertaking, brand name or origin.
 - The eligible costs and the granting of aid will comply with the restrictions laid down in Article 24(4, 5, 6) of the Regulation.
 - The aid will be available to all eligible undertakings in the area concerned, based on objectively defined conditions and the aid intensity will not exceed 100 % of the eligible costs.
- 54.1. In operating this scheme, the UK authorities will ensure that AHDB will comply with ABER and the Union Guidelines on the permissible use of State aid in the agriculture sector³.

❖ Common assessment principles

55. AHDB will apply the common assessment principles set out in Chapter 3 of Part I of the Guidelines, as required in relation to the scheme by point (452), and the UK authorities note non-exhaustively as follows:
 - 55.1. In relation to point (39):
 - (a) Improving the consumption of agricultural products is an objective of common interest that is targeted by this scheme that will achieve this through the undertaking of promotional measures;
 - (b) Because of the nature of the agriculture sector with its large proportion of SMEs, it is impracticable for such promotional measures to be undertaken by the organisations themselves;
 - (c) Using para-fiscal levy provided by those organisations to undertake promotional measures centrally by AHDB is an appropriate remedial solution;
 - (d) The undertakings concerned will be encouraged to modify their behaviour to deliver improved production to satisfy the demand stimulated by the promotional measures;
 - (e) The promotional measures will be targeted to satisfy the need. In particular, AHDB will receive advice from each relevant agricultural sector on the amount and type of promotional measures that are needed by that sector and will act accordingly;

² Commission Regulation (EU) No 702/2014 of 25 June 2014 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union (OJ L193, 1.7.2014, p.1).

³ European Union Guidelines for State aid in the agricultural and forestry sectors and in rural areas 2014 to 2020 (OJ C 204, 1.7.2014, p.1).

- (f) AHDB will take appropriate precautions to limit negative effects on the Union market so as to ensure a positive overall balance is obtained in relation to the measures within this scheme;
- (g) The promotional measures will be widely disseminated and delivered transparently in accordance with the scheme as it is approved and published by the Commission.

55.2. In relation to point (41):

- (a) The scheme does not require any beneficiary to have its headquarters or to be predominantly established in the United Kingdom;
- (b) The scheme will not be subject to any requirement that the beneficiary shall use nationally produced products or national services;
- (c) There are no research, development or innovation results under this scheme.

55.3. In relation to Section 3.1:

- (a) The scheme relates directly to the objectives set out in point (43) and satisfies the conditions in point (44). In particular, the measures concerned are within Section 1.3 (being in Section 1.3.2) of Part II of the Guidelines and therefore satisfy point (48) in relation to contributing to the objectives of rural development;
- (b) The scheme is compatible with the provisions governing the common organisation of the market and will not interfere with its proper functioning [point (50)];
- (c) AHDB believes that its operation of the scheme will not result in an adverse environmental impact [point (52)].

55.4. In relation to Section 3.2, the UK authorities believe the scheme will contribute to the correction of the market failure indicated in paragraph 55.1 above.

55.5. In relation to Section 3.3:

- (a) The aid provided under the scheme is an appropriate policy instrument by virtue of its fulfilment of the specific conditions laid down in Section 1.3.2 of Part II of the Guidelines [point (57)];
- (b) The UK authorities believe that the design of this scheme results in the least distortive mechanism in relation to trade and competition [point (59)];
- (c) The aid will be granted to the final aid beneficiaries indirectly, in kind, by means of subsidised services [points (64), (460)(a) and (461)], and will be paid to the provider of the promotion measure [point (462)]. However, in relation to measures relating to the organisation of competitions, trade fairs and exhibitions, the aid may additionally be granted through reimbursement of real costs incurred by the SME beneficiary [point (460)(b)];
- (d) AHDB will apply public procurement rules in the operation of the scheme, including respecting the principles indicated in point (65).

55.6. In relation to Section 3.4:

- (a) This scheme is deemed to have an incentive effect [points (66) and (75)(m)], since the promotion measures will comply with points (464)(b), (464)(c) and (464)(d), as appropriate;
- (b) No aid will be provided under this scheme which is based upon price, quantity, unit of production or unit of the means of production [point (67)].

55.7. In relation to Section 3.5:

- (a) As indicated above, the scheme will operate on the basis that the aid provided is limited to the minimum required to achieve its objective, taking into consideration the advice provided by the sector concerned [point (81)] and, in particular, the aid amount will not exceed the eligible costs [point (82)];

- (b) AHDB will comply with the maximum aid intensity permitted for promotional measures in compliance with Part II of the Guidelines [points (83), (84), (85), (86), (87), (464), (467), (468) and (469)];
 - (c) AHDB will comply with the rules on cumulation as set out in points (99) to (104) of the Guidelines.
- 55.8. In relation to Section 3.6:
- (a) The negative effect on competition and trade is deemed to be limited to the minimum as a consequence of the compliance of the scheme with the conditions set out in Section 1.3.2 of the Guidelines [points (108) and (113)];
 - (b) There is no investment aid to undertakings under this scheme [points (114)ff].
- 55.9. In relation to Section 3.7, the UK authorities will comply with:
- (a) the publication requirements not later than 1 July 2016 [points (128) to (131)];
 - (b) the reporting requirements set out in chapter 3 of Part III of the Guidelines [points (132), (727) and (730)].
56. The intention to comply with the common assessment principles set out in Chapter 3 of Part I of the Guidelines, including as specifically indicated in paragraph 55 above, applies to all measures under this scheme.
57. AHDB will comply with the conditions applicable to the provision of aid for promotion measures in favour of agricultural products.
58. The measures will comply with the common assessment principles, as indicated above, and with the conditions set out in Section 1.3.2 of Part II of the Guidelines [point (452)].
- ❖ **Permitted measures and eligible costs**
59. The measures consist of four groups of activities:
- (a) Organisation of competitions and organisational or participatory activities relating to trade fairs, exhibitions and similar events (see paragraph 60 below);
 - (b) The publication of factual information (see paragraph 61 below);
 - (c) The dissemination of scientific knowledge and factual information (see paragraph 62 below);
 - (d) Promotional campaigns intended to encourage economic operators or consumers to purchase agricultural products (see paragraph 63 below).
- 59.1. These activities will be carried out in compliance with points (453) and (454) and activities under point (a) above will be restricted to cases where the beneficiaries are SMEs.
- 59.2. See paragraph 55.5(c) above.
60. In relation to promotional events such as competitions, trade fairs and exhibitions:
- 60.1. The activity will be designed to inform about the characteristics of agricultural products [point (454)] and the aid will be accessible to all eligible persons and organisations in the area concerned, based on objectively defined conditions [point (464)(a)].
- 60.2. Symbolic prizes will not exceed € 1,000 per prize and per winner of a competition, and will be paid to the provider of the measure if the grant and presentation of the prize is properly demonstrated [points (463) and (464)(a)(v)].
- 60.3. If any producer group or other organisation is undertaking the provision of the measure, participation will not be subject to membership of that group or organisation and any administrative fee payable to that group or organisation will not exceed the cost of providing the measure [point (459)].
- 60.4. The eligible costs will be:
- (a) participation fees

- (b) travel costs and transportation costs for animals,
 - (c) costs of publications and websites announcing the event,
 - (d) the costs of erecting, dismantling and renting premises and stands,
 - (e) symbolic prizes for competitions as indicated and limited in paragraph 60.2 above.
61. In relation to publication of factual information about producers from a specified region or of a specified product or type of product:
- 61.1. The activity will be designed to inform about the characteristics of agricultural products [point (454)], will be neutral and will give an equal opportunity to be represented to all eligible producers [point (464)(b)].
- 61.2. If any producer group or other organisation is undertaking the provision of the measure, participation will not be subject to membership of that group or organisation and any administrative fee payable to that group or organisation will not exceed the cost of providing the measure [point (459)].
- 61.3. The eligible costs will be the cost of publication in any medium.
62. In relation to the dissemination of scientific knowledge and factual information:
- 62.1. The activity will be designed to inform about the characteristics of agricultural products [point (454)] and will relate to generic agricultural products and their nutritional benefits and suggested uses for them.
- 62.2. If any producer group or other organisation is undertaking the provision of the measure, participation will not be subject to membership of that group or organisation and any administrative fee payable to that group or organisation will not exceed the cost of providing the measure [point (459)].
- 62.3. The eligible costs will be the costs of the dissemination:
63. In relation to promotional campaigns:
- 63.1. In accordance with point (455), these campaigns will be generic in character and for the benefit of all producers of the product concerned.
- 63.2. These campaigns will satisfy the requirements of the Food Information for Consumers Regulation⁴ and specific Union labelling rules [point (456)].
- 63.3. The materials used in these campaigns will be in accordance with the specimen materials attached to this notification or subsequently submitted to the Commission during the term of this scheme [point (457)].
- 63.4. The annual budget of these campaigns will not exceed €5,000,000 [points (37)(b) and (458)].
- 63.5. If any producer group or other organisation is undertaking the provision of the measure, participation will not be subject to membership of that group or organisation and any administrative fee payable to that group or organisation will not exceed the cost of providing the measure [point (459)].
- 63.6. The eligible costs will be:
- (a) The costs of the consumer-targeted promotion campaign in any medium or at retail outlets and promotional materials distributed directly to consumers [point (464)(d)];
 - (b) Costs as above relating to campaigns targeted at economic operators to encourage the operators to participate effectively in supply chains that will provide the agricultural product to consumers [points (454) and (464)(d)].

⁴ Regulation (EU) No 1169/2011, notably those provisions previously required through reference to repealed Directive 2000/13/EC on the approximation of the laws of the Member States relating to the labelling, presentation and advertising of foodstuffs.

❖ **Aid intensity**

64. The maximum aid intensity will be 100% of the eligible costs.

❖ **Specific restrictions**

65. The promotion activities described in paragraph 61 above and the promotion campaigns described in paragraph 62 above will not mention any particular undertaking, brand name or origin.

66. The promotion campaigns described in paragraph 63 above will not be earmarked for products of one or more particular undertakings.

❖ **Promotions in third countries**

67. Promotional measures in third countries will respect the conditions laid down in Regulation 3/2008.

67.1. The aid will not be granted to particular undertakings or commercial brands.

67.2. The promotion will not risk endangering sales of products from other Member States, nor denigrate such products.

68. In relation to publicity campaigns in third countries, the UK authorities will ensure that these campaigns will comply with point (470) of the Guidelines and with the principles of Regulation 3/2008, notably Articles 1, 2, 3(2), 4, 5(2) and 6(3). In this context they will ensure in particular that:

(a) all the actions are decided in the common interest and in such a way that all the eligible beneficiaries are able to benefit from them. In addition, no publicity campaign will be organised for the benefit of an individual enterprise. The UK authorities guarantee that the messages of the campaigns are not likely to compromise the sales of the products of other Member States or to denigrate these.

(b) the actions will be the actions referred to in Article 2(1) of Regulation 3/2008; these will be able to take the forms of participation in events, fairs and exhibitions of international importance, in particular by means of stands intended to develop the image of the Community products; of new market research, necessary for enlargement of the outlets; and of commercial missions at a high level.

(c) the actions will be carried out only in relation to the products and the countries listed in Annex II to Regulation 501/2008, as established by the Commission;

(d) the actions will respect the conditions in Regulation 501/2008.

68.1. The measures will include application in relation to beef, veal and pigmeat, and foods based on these; milk products; fresh and processed fruit and vegetables; products processed from cereals; live plants and ornamental horticulture products. That is, products intended for direct consumption or for processing, for which there are existing export possibilities or new outlets in the third countries (in particular without grant of support funds). They may be typical products or quality products with increased added value.

68.2. The measures may be undertaken in Australia, Bosnia and Herzegovina, China, Croatia, India, Japan, Kosovo, Former Yugoslav Republic of Macedonia, Montenegro, New Zealand, Norway, Russia, Serbia, South Africa, South Korea, Switzerland, Turkey, Ukraine, and in the Middle East, Latin America, North Africa, North America and South-east Asia, taking account of the markets concerned.

68.3. The range of agricultural products and the territories described above will be amended in the light of any changes to the relevant Union laws.

❖ **De minimis aid**

69. AHDB may carry out measures for the benefit of large enterprises that are similar to measures contained in this scheme that are limited to cases where the beneficiaries are SMEs. In such cases, the measure will be undertaken as follows:

- (a) In relation to any large enterprise engaged in primary agricultural production, the measure will be undertaken in compliance with the agricultural *de minimis* Regulation⁵;
 - (b) In relation to any large enterprise engaged in the processing and marketing of agricultural products, the measure will be undertaken in compliance with the general *de minimis* Regulation⁶.
- 69.1. The *de minimis* aid will apply to large enterprises in relation to activities lying within point 464(a) of the Guidelines, ie in relation to competitions, trade fairs and exhibitions. It is not intended that any aid will be provided to these enterprises under this scheme under such conditions and therefore there is no opportunity for cumulation.
- 69.2. If the large enterprise undertakes primary agricultural production and the processing and marketing of agricultural products, AHDB will apply conditions to restrict the relevant aid to the relevant activities.

E. The Measures

70. AHDB will undertake and administer promotional measures that are essentially identical to measures already approved under Aid schemes N 529/2007 and N 225/2009.
71. The measures will comply with the Union Guidelines applicable to the use of State aid in the agricultural sector. In particular, they will respect the Common Assessment Principles contained in Chapter 3 of Part I of the Guidelines (see paragraph 55 above) and the specific rules relating to promotional measures contained in Section 1.3.2 of Part II of the Guidelines (see paragraphs 59-68 above).
72. Promotional campaigns taking place in third countries will be in line with the principles in Regulation 3/2008 on information provision and promotion measures and appropriately respect the conditions in Regulation 501/2008. They will not:
- (a) be granted towards individual enterprises;
 - (b) endanger sales of, or denigrate, products from other Member States;
 - (c) differ substantially from similar measures pursued within the EU.
73. The incentive effect differs between the measures in point 464(a) of the Guidelines:
- (a) In relation to competitions, AHDB undertakes initiatives targeted at (i) improving the knowledge, skills and other abilities of operators or the quality of their products; and (ii) allowing them to demonstrate these. A competition with a small prize significantly raises the level of response to such initiatives.
 - (b) In relation to trade fairs and exhibitions, operators lack the resources to create or rent premises and stands of appropriate quality, and AHDB will provide these at a preferential rate, usually as part of its own premises or stands. This provides AHDB with an increased presence as a lateral effect. AHDB also needs to promote these events, in particular those operated by itself. Similarly to above, operators' interest in attending increases if their participation is supported.

In each case, the opportunity is made available to all eligible operators and the UK authorities believe the incentive effect justifies the use of aid for such measures.

74. AHDB will participate in promotional activities funded or co-funded by the Union on the terms agreed with the Union authorities in each case. These schemes are essentially Union schemes operated and co-funded by Member States. These activities may be

⁵ Regulation (EU) No 1408/2013.

⁶ Regulation (EU) No 1407/2013.

undertaken by AHDB alone or in conjunction with other UK organisations or with organisations from other Member States or third countries.

- 74.1. AHDB will provide administrative and operational services and co-funding, complying with the Union scheme's rules and with this State aid scheme. AHDB may also undertake similar activities using its parafiscal funding alone, to complement the activities of the Union scheme; these would satisfy the conditions of this State aid scheme.
75. Individual aid awards under this scheme of €60,000 or more to beneficiaries active in primary agricultural production and such awards of €500,000 or more for beneficiaries active in the processing and marketing of agricultural products will each be published by the UK authorities in accordance with point 128(c) of the Guidelines. They do not intend to publish individual aid awards of less than €60,000 and €500,000 respectively, in line with the waivers in points 128(c)(i) and 128(c)(ii) of the Guidelines.

❖ **Generic Promotional activity and PR Work**

76. AHDB will undertake generic promotional activities (ie activities other than the Quality promotional activity described above) of products from the sectors covered by the statutory levy. The promotional activity will involve both printed and media-based material such as posters, fliers and advertisements in targeted magazines and newspapers, or internet, television, cinema and radio advertising. Promotional material will also be available at the point of sale.
77. In line with section 1.3.2 of the Guidelines, the promotional activity will be generic in nature, making no mention of the products' origin, or to specific products of one or more particular firm or firms. Examples of the types of promotional activity that AHDB will undertake are provided with this notification (see Section F below).
78. All logos will comply with the Guidelines. The names and corporate logos of AHDB and its sector divisions (see Section G below) may be included on generic promotional activity as indications of the body responsible for the activity. They will be subsidiary in relation to the overall message and will make no reference to origin.
- 78.1. The UK authorities are aware that any logo, when repeatedly used in the same context, runs the risk of becoming associated with a particular product or origin. However, use of the names and corporate logos of AHDB and its divisions in generic promotional activity ensures that levy payers see that they are getting a benefit for their money. They have minimised this risk by ensuring that those names and logos are neutral with no indication of origin.
79. There will be no mention of the origin of the products in any generic promotional activity under this part of the scheme.
80. The promotional activity will comply with other regulatory requirements, including the provisions of the Regulation on the provision of food information to consumers, and any specific labelling rules, in accordance with point (456) of the Guidelines. Further, the promotional activity will not favour specific enterprises and will not denigrate the products of other member states, in compliance with point (470) of the Guidelines.
81. The promotional activities will convey the following example messages:
- Promotional material in the red meat sector will focus on the health and nutritional aspects of consuming pork, beef and lamb as part of a balanced diet. Promotional activity material will include uses for red meat such as recipes and cooking guidance, and will highlight their convenience.
 - Promotional material in the potato sector will focus on the health and nutritional benefits of consuming potatoes. It will highlight the convenience and versatility of potatoes.
- 81.1. Other promotional messages having similar characteristics will be disseminated.

82. AHDB will produce and disseminate the promotional materials in line with the Guidelines. Where the conduct of the promotional activity is entrusted to private firms, the firm concerned will be selected applying EU procurement rules.
83. The eligible costs will be in accordance with points (464)(b, c and d) of the Guidelines:
- Production of printed materials, including advertisements, leaflets, posters, fliers, information sheets, recipe cards, wall charts, and school information packs;
 - Production of electronic information, including advertisements for radio, TV, cinema and the internet, DVDs and CD-ROMs;
 - Costs of placing printed promotional materials in newspapers and magazines, or securing promotional space, eg on advertisement hoardings;
 - Costs of securing slots for promotional activity on radio, TV, cinema or the internet;
 - Costs of placing printed fliers in newspapers and magazines and displaying material at point of sale;
 - Distribution of printed material, such as information packs to schools;
 - Hiring consultants in generic promotional activity or PR work, eg designers or consultants to assist with PR work;
 - Arranging and running presentations to assist with PR work, eg presentations in schools;;
 - Administering promotional activity and PR work.

Events

84. AHDB will hold events to induce consumers to buy agricultural products. These events may take the form of roadshows that visit locations where stakeholders will be present. The activities undertaken at the roadshows will be specifically tailored to the types of stakeholders present, and will focus on delivering messages aimed at raising consumption of the products amongst the stakeholders present. Celebrities may be asked to appear at these events and to endorse promotional materials. Promotional materials may be used on websites and provided to the media, including radio, television, newspapers and magazines. Such events may be held on an international, national, regional or local scale.
85. The events may be held in conjunction with organisations in the food chain or with national/international organisations. Partner organisations will be selected if their interests and aims for the events match those of AHDB. AHDB will plan the event in conjunction with their co-hosts, ensuring that the funding of the activities at the open day is clearly defined. This will include deciding on who will fund which particular activities. Costs will be divided and recorded accordingly.
86. The eligible costs will be in accordance with point (464) of the Guidelines:
- Hiring space at locations, eg space in shopping centres;
 - Administering, setting up and running of events;
 - Producing materials for the event, eg advertisements or printed materials;
 - Securing promotional activity space or publicity for the event in the media;
 - Involving consultants in events, eg to help run events or distribute materials;
 - Hiring celebrities to assist with the event or to endorse media-published material.

Defending Products from Adverse Publicity

87. AHDB will defend products from the sectors from adverse publicity where this threatens to impact negatively on consumers, to provide appropriate reassurance about the safety, quality or other characteristics of the product, leading to continuing consumer satisfaction and consumption of such products. The media may give negative messages about such

products, and fail to provide a balanced view of the issue concerned. Where AHDB feels that the lack of balance is faulty, and in particular where this could have a negative effect on the consumption of the product, it may join the debate and put across a balanced view of the issue. It will also act as a focal point in communicating balanced messages to the public, including via the media to ensure that consumers are properly informed.

88. The eligible costs will be in accordance with point (464) of the Guidelines:
- One-to-one contact with media;
 - Press releases;
 - Use of experts/celebrities;
 - Making spokesmen available.
89. The UK authorities note that this measure is identical to the approved equivalent measure in Aid scheme N 225/2009.

❖ ***Trade Fairs (and Export Promotion)***

90. AHDB will undertake activities to promote products from the sectors covered by the statutory levy. Activities will include export trade missions where AHDB will organise and participate in visits to countries within the EU and elsewhere to promote products covered by the statutory levy. AHDB will also assist businesses within their sectors with the overseas promotion of their products. The activities are described further as follows:

Export Trade Missions

91. AHDB will arrange export trade missions with the aim of opening new markets or improving trade relations with existing markets for products from the sectors covered by the statutory levy. AHDB representatives will travel to target markets for the export of products from the sectors covered by the statutory levy for formal or informal discussions with officials or trade representatives. They may be accompanied by officials from the UK government and/or representatives of producers, processors and others in the food supply chain. During the trade missions, delegates will provide objective technical information on the market situation and on the qualities of relevant products, through written material, discussions and presentations. Workshops may be held so that an opportunity is created for trials of products by prospective purchasers. For example, bread baking workshops would enable local processors and officials to gain knowledge of the use of wheat and of blends of wheat to make bread. Catalogues of suppliers (see below) will be provided. Local media will be used where it is deemed appropriate. Such activities will be to the benefit of all producers of the relevant products and as such there will be no selection of beneficiaries.
92. There will be opportunities for accompanying industry representatives to visit producers, processors and others in the host country to gain an understanding of the local market and the types and qualities of products that may be most suited to that market and to make contacts with prospective buyers. Such activities will benefit the individual representatives. Industry representatives will therefore be selected through appropriate selection procedures, primarily on a first-come, first-served basis, but taking into consideration also other objective factors, such as participation in any similar previous opportunity and the benefit obtained from any previous such opportunity, and geographical spread within the relevant parts of the United Kingdom. This will be in order to maximise the general benefit to producers, and resource limitations.
93. AHDB may invite officials and trade representatives from target export markets to visit the UK and tour production, processing and exporting facilities. The visit will assure the visitors about quality assurance, supply availability and other aspects of UK supply. AHDB will ensure that the visitors are aware of the existence of other establishments similar to those visited, for example, by providing them with an appropriate catalogue.

94. In addition, AHDB may hold seminars for foreign buyers where attributes of agricultural products will be discussed. Speakers will be drawn from the sectors concerned, and where the seminars are held overseas, they may be supported by UK embassies.
95. Eligible costs for the export trade missions will be the organisation of and participation in forums to share knowledge between businesses in line with point (464) of the Guidelines. In particular, these are:
 - Travel costs and participation expenses
 - Participation fees
 - Costs of publications
 - The rent of exhibition premises

Trade Fairs

96. AHDB will participate in trade fairs on both the domestic and export markets. It will use the trade fairs to promote the specific qualities of products covered by statutory levy to consumers or buyers, making use of posters or leaflets providing technical information on the products to communicate their messages. All materials used will be generic in nature and will focus on the specific qualities of the products. Speakers may be used to present technical information on specific qualities of a product. Such activities will benefit all producers of the relevant products and as such there will be no selection of beneficiaries.
97. AHDB may organise the trade fairs or organise a specific area or pavilion for the use of small and medium-sized enterprises (SMEs; as defined in Annex 1 to Regulation 702/2014). This will reduce the cost to each company of hiring exhibition space and enable more small businesses to attend trade fairs. This will be of benefit to the individual businesses taking part. The opportunity for businesses to share the pavilion will therefore be provided objectively to any SMEs wishing to participate, subject to resource and space limitations. Industry representatives will be selected through appropriate selection procedures, primarily on a first-come, first-served basis, but taking into consideration also other objective factors, such as participation in any similar previous opportunity and the benefit obtained from any previous such opportunity, and geographical spread within the relevant parts of the United Kingdom. This will be in order to maximise the general benefit to producers, and resource limitations.
98. The eligible costs will be the organisation of and participation in exhibitions and fairs in line with point (464)(a) of the Guidelines. In particular, the eligible costs will cover:
 - Costs of organising and participating in the events, including venue and equipment hire, speakers' fees and travel costs. A proportion of such costs may be charged to the beneficiary, for example in the form of a participation fee.
- 98.1. Such aid for non-SME businesses will be provided only under *de minimis* regulations.
99. The UK authorities note that this measure is identical to the approved equivalent measure in Aid scheme N 225/2009.

❖ **Catalogues**

100. AHDB will develop and maintain databases that list the variety of produce available from the UK market, and the suppliers of such produce. These databases will be used to produce objective catalogues aimed at interested parties in Member States and outside the EU, and will be made available in print and/or electronically. In line with point (464)(b), the databases and catalogues will be factual and neutral in presentation. All producers concerned will have equal opportunities to be represented in the publications.
101. The eligible costs will be in line with points (293) and (464) of the Guidelines:
 - the costs of obtaining and compiling the information (eg communicating with all potentially eligible operators and enquiring whether they are eligible and if so whether they wish to be included in catalogues)

- the costs of producing and disseminating the compiled information, electronically (eg on websites) or in hard copy (eg in the trade press, in booklets or on posters in trade fair exhibits).

102. The UK authorities note that this measure is identical to the approved equivalent measure in Aid scheme N 225/2009.

❖ ***Factual Information***

103. AHDB will provide factual information on the properties of the products covered by the statutory levy. This will be specifically aimed at consumers, and will include information on the nutritional qualities of the products, printed material on uses for the products, and the provision of educational programmes to increase understanding of the products and their role in a balanced diet.

104. The eligible costs will be in line with point (464)(b, c and d) of the Guidelines:

- Costs of obtaining and compiling the information on the properties of the products;
- Costs of producing and disseminating the compiled information, electronically or in hard copy.

Encouraging Consumption through Education and by Highlighting the Uses of Products

105. AHDB will provide educational material to the public that informs them of the specific nutritional qualities and characteristics of products from the sectors covered by the statutory levy. This will be either printed material such as wall-charts, leaflets and information sheets, or internet-based material such as websites dealing with specific issues concerning the benefits to health of consuming the products. AHDB may also use health pages in newspapers or other media to communicate information to consumers.

106. AHDB will produce materials that highlight the uses of the products covered by the statutory levy. All materials will be designed with the aim of increasing consumption. The materials will take the form of recipe cards, leaflets, fliers or posters. AHDB may produce other materials to raise consumption, such as ideas for parties or barbecues that are based on the products covered by the statutory levy. The materials will be displayed at points of sale, or in the case of cards or leaflets, as fliers in targeted magazines or newspapers. All materials will be generic in nature and will not refer to the origin of the products. Moreover, they will not directly relate to any products produced by private companies.

107. The material will be generic in nature and will not refer to the origin of the products. Moreover, the material will not directly relate to any products produced by private companies.

108. The eligible costs will be in line with point (464):

- Costs of preparing and disseminating promotional and other information materials.

Educational Programmes

109. AHDB believes that encouraging pupils to eat the products covered by statutory levy as part of a balanced diet will lead to consumption of the products in adult life, securing a lifetime of good eating habits. It will therefore undertake various programmes in schools to promote the consumption of the products covered by the statutory levy as part of a healthy lifestyle. The measures will include:

- the production and dissemination of printed material;
- the production of electronic material;
- presentations and/or events aimed at schoolchildren.

109.1. The materials produced will be generic in nature and will not refer to individual companies, brands or the origin of products.

110. AHDB will produce education packs for use in schools. These packs will tie in with the school curriculum, and will promote the consumption of products covered by the statutory levy by educating pupils on the origins and the nutritional characteristics of the products, and their role as part of a healthy balanced diet. The packs will consist of materials that are designed to appeal to the pupils, teachers and parents. The materials will include information sheets, wall-charts, materials for practical activities to develop health, fitness and knowledge of the products, educational games, DVDs and CD-ROMs.
111. In addition to producing packs specifically aimed at pupils, AHDB will produce packs for teachers. The packs will include background information on the products covered by the statutory levy as well as guidance on their nutritional qualities and their role in healthy eating. The packs will also include lesson plans and teaching resources such as equipment and ideas for cookery lessons and demonstrations, as well as ideas for holding a 'themed' day and games centred around specific products and healthy eating. The objective will be to encourage pupils to enjoy the products from the sectors covered by the statutory levy as part of a healthy balanced diet.
112. AHDB may also develop a website dedicated to developing knowledge of the products covered by the statutory levy in schools and raising uptake among pupils. The websites will link in with the pupil and teacher education packs and will include electronic games, ideas for practical activities such as growing plants or recipes that can be made in the classroom, and links to other websites. They will also include advice, support and downloadable resources for teachers.
113. AHDB may visit schools and communicate information or distribute educational material to pupils. As above, the information and material will have the aim of increasing consumption in the school age groups.
114. AHDB will produce material that school caterers can use to promote the products from the sectors covered by the statutory levy. This will include ideas for holding product 'theme days' in the school canteen, where a step-by-step guide will be produced including recipe ideas, posters and stickers. The material will link in with the school curriculum.
115. The eligible costs will be in line with point (464):
 - Production and dissemination of printed and electronic material;
 - Presentations and events aimed at schoolchildren;
 - Education packs for use in schools (information sheets, wall-charts, materials for practical activities to develop health, fitness and a knowledge of the products, educational games, DVDs and CD-ROMs);
 - Packs for teachers (lesson plans and teaching resources such as equipment and ideas for cookery lessons and demonstrations, ideas for holding a themed day and games centred around specific products and healthy eating);
 - Websites devoted to developing knowledge of products in schools and increasing uptake among pupils (electronic games, ideas for practical activities such as growing plants, or recipes that can be made in the classroom, and links to other websites);
 - Costs of visiting schools and communicating or distributing educational material to pupils and teachers;
 - Costs for materials for school caterers to promote the products, linked to the school curriculum (ideas for holding product-themed days in the school canteen, recipe ideas, posters and stickers).
116. The UK authorities note that this measure is identical to the approved equivalent measure in Aid scheme N 225/2009.

F. Specimens: Promotional activity and Promotional Materials

117. The attached specimen materials were previously provided in relation to Aid scheme SA.39687, except that the quality-related specimens are omitted.

117.1. AHDB may produce and use promotional materials similar to any of the specimens in relation to any of the agricultural sectors it supports. They can be provided in the appropriate form and language for use in relation to agricultural products obtained in any member state.

Ref.	Guidelines	Subject	Comments
G01	464(d)	Recipe booklet	Recipe booklets and nutritional information booklets that disseminate information to consumers
G02		Recipe booklet	
G03	464(c)	Myotoxin leaflet	Generic technical information
G04		Baking test results brochure	Dissemination of baking trial information
G05		Wheat specifications	Specifications enabling selection of appropriate wheat for bread and biscuits
G06	464(b)	generic export information booklet	Indicates the range of products available
G07	464(d)	Production of milk	
G08		Union co-funded generic promotion	UK report on year 3. Similar activity will continue.
G09		Recipe booklet	From the G08 activity
G10		Promotional activity	
G11		Consumer promotion stand	
G12		iPhone entry page	
G13		Potato information	Selection, nutrition, recipes
G14	454	ukp and uks logos, with specifications	Signify compliance with UK-developed technical specifications, available in all member states – see G05

118. AHDB's horticulture division and its cereals and oilseed division concentrate on technical measures. For example, AHDB promotes the use of, two technical specifications (designated 'ukp' and 'uks') that enable businesses to indicate easily whether wheat is particularly suitable for the production of bread or of biscuits. These specifications are available to any supplier or purchaser of wheat throughout the Union (indeed, globally).

G. Logos

119. AHDB anticipates that the divisional names and corporate logos shown below will in some or all cases be replaced in the near future as part of an imminent rebranding exercise. The new logos will similarly not indicate any geographical origin and will be provided to the Commission once they have been designed and agreed. Divisional names are expected to reflect the sector concerned (eg AHDB Horticulture division).

119.1. The corporate logos provided are the current logos of AHDB and its divisions, and are also used under licence by its appropriate subsidiary companies as their corporate logos. They are not used in relation to the compliance of agricultural products with

quality schemes. They are used to identify ownership or relevance of AHDB, and divisional relevance, in publications.

119.2. The divisional logos will be phased out in line with the revision of the divisional names but this will take time in practice, so the current logos will be retained within the notification. In the event that any new logos are not based on the revised terminology, as is anticipated, they will be submitted to the Commission.

119.3. The AHDB logo may be used as the circular device without the associated words (Agriculture & Horticulture Development Board).

AHDB⁷:



Beef and sheep sectors:



Cereals/oilseeds, Horticulture and Potato sectors:



Dairy sector:



Pig sector:



⁷ AHDB's divisions are presently named EBLEX (beef & sheep), HGCA (cereals & oilseeds), Horticultural Development Company (horticulture), Potato Council (potatoes), DairyCo (dairy) and BPEX (pigs). It is anticipated that they will be renamed as in brackets.