

INTERACEITUNA

PROMOTIONAL CAMPAIGN UNITED STATES 2021 - 2023



SEVILLE, DECEMBER 2019

INDEX

- 1.** INTRODUCTION
- 2.** CONTEXT OF USA CAMPAIGN
- 3.** TABLE OLIVE IN THE USA MARKET
- 4.** OBJECTIVE
- 5.** CREATIVE APPROACH
- 6.** BUDGET
- 7.** ACTIONS TO BE DEVELOPED
- 8.** SELECTION PROCESS: PHASES
- 9.** CALENDAR AND CONTRACT CONDITIONS
- 10.** PRODUCT INFORMATION

ANNEX 1: Activity description sheet

ANNEX 2: Contract Conditions

ANNEX 3: Product Information

1. INTRODUCTION

INTERACEITUNA is an interprofessional organization of table olives, created in 2004 by all organizations representing the industry and recognized by the Ministry of Agriculture, Fisheries and Food.

Its functions include the national and international promotion of table olives. Since 2007 it has carried out promotional campaigns in over ten countries: Canada, Mexico, USA, Australia, France, United Kingdom, Russia, India, etc. The contributions of the industry, together with the collaboration of different public organizations (MAP, EU, ICEX, EXTENDA, AVANTE, etc.), have made it possible to have invested so far a figure that exceeds 20 million euros, which accredits a long experience of INTERACEITUNA in the management of funds for this type of generic campaign.

In the 2013-2016 period, consecutive promotional campaigns were conducted in the USA, having carried out activities such as: Media planning (TV, print and digital), PR events aimed at professionals and consumers (IFEC, Summer Fancy Food, Food Fete, South Beach Festival, Great Match, PLMA, Star Chef, etc.), promotional activities with schools of hospitality and restaurants (masterclasses, cooking shows, competitions, etc.) and online activities (web, recipe videos, social networks, etc.). The investment for these promotional activities was around one million euros. In 2017, a three-year campaign was launched in the United States (2017 - 2019) with a total investment of **7,418,144 euros**, of which 80% was contributed by the European Commission; and the remaining 20% by INTERACEITUNA.

The purpose of this document is to **select a promotional plan that allows the response for any uncertain situation experienced regarding the Spanish olive in the USA**. This promotional plan will be submitted to the European Commission and will be within the guidelines of Regulation 1144/2014 of October 22, regarding information and promotion of agricultural products in the internal market as well as in non-EU countries, **for the period of 2021-2023**.

2. CONTEXT OF USA CAMPAIGN

The European Commission has established a line of aid for the development of programs for the promotion of agri-food products that can be implemented both within the European Union and outside it (non-EU countries). The objective of these programs is the promotion of consumption and the improvement of knowledge of European agri-food products, including table olives.

The promotional campaign to be developed in the United States is part of this type of program, which is why **the agencies that participate in the contest must be familiar with and accept in its entirety the legislation** that governs them and which is summarized below:

- Regulation 1144/2014 of October 22, regarding information and promotion of agricultural products in the internal market as well as non-EU countries.
- Delegated Regulation 2015/1829 of April 23 that completes Regulation 1144/2014 of October 22.

- Implementation Regulation 2015/1831 of October 7 establishing provisions for Regulation 1144/2014 of October 22.

Documentation available at: <https://ec.europa.eu/chafea/agri/funding-opportunities/legal-framework>

More Info at: http://ec.europa.eu/agriculture/promotion/policy/index_en.htm

Finally, it is important to note that the contest for which this document is provided is aimed at **selecting a 3-year promotional program that will be presented to the European Commission within the guidelines of this aid line.** This implies that, although our entity has a great chance that the selected program will be approved, it may be discarded by the Commission and, therefore, not be implemented.

3. TABLE OLIVE IN THE USA MARKET

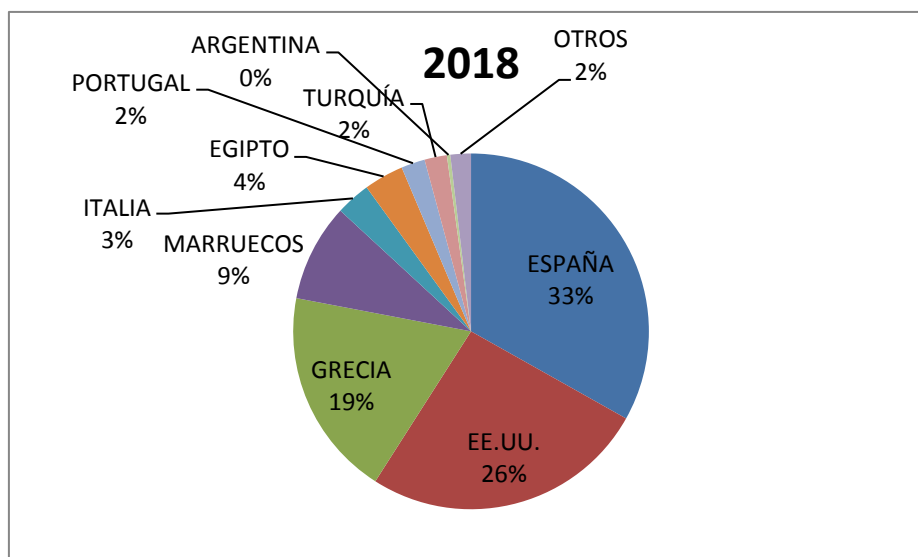
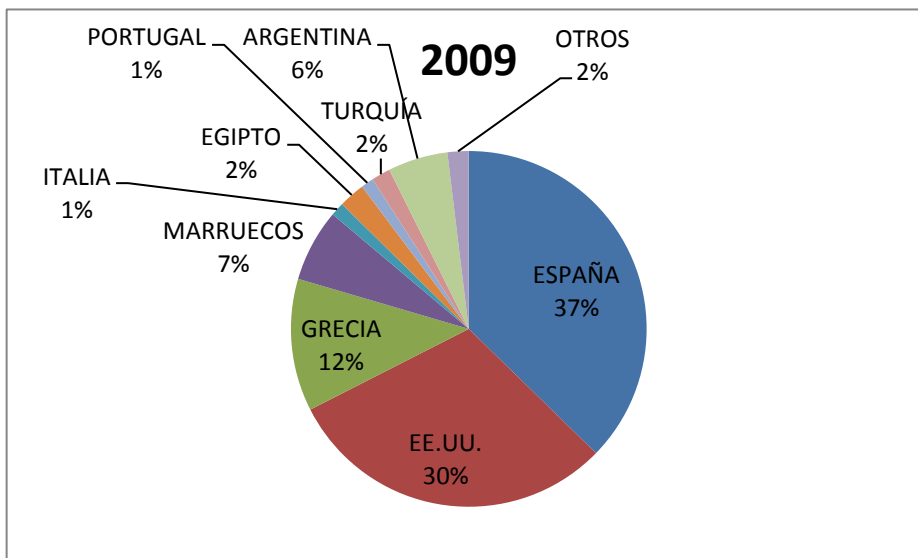
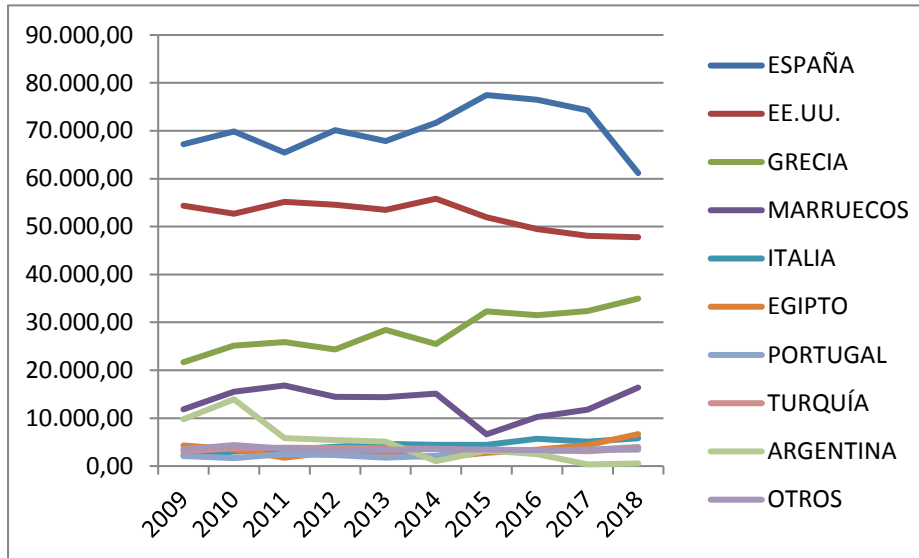
Based on data from the International Olive Council, Spain is the country that produces and exports the most table olives in the world. Spanish olives are present in more than 130 countries, with the United States being the main export destination of Spain.

On the other hand, the United States is one of the countries in the world that consumes the most olives. The USA production of table olives is around 55,000 tons (mostly in the California area) and the volume of imported olives is around 130,000 tons per year. In 2016, local production represented 26% of the market size while in 2003 it was 34%, which is attributed to the growth of imports in recent years.

Spain is the largest supplier of olives in the USA, remaining in the lead for the last 10 years (with a 55% market share) and followed a long way behind by countries such as Greece (27%), Morocco (11%), Italy (5%) or Turkey (2%). However, as imports have increased, Spain has suffered a loss of market share of 67% in 2003 to 55% in 2016 (it was 85% in the early 1990s). Other competing countries such as Greece and Italy, and Morocco to a lesser extent, are gaining market share.

Furthermore, in recent years Spanish exports of table olives to the USA have been affected by two serious incidents. On one account, since August 2017 taxes of 35% have been imposed on black olives (ripe olives) grown or processed in Spain. In another instance, since October 2019, taxes of 25% have been imposed on the main green olive items (much like the Airbus case). This implies significant changes in export volumes of table olives from Spain to the USA, which we are hoping will return to the way they were thanks to this promotional campaign.

Below are some graphs with the cumulative USA imports during the 2009-2018 period by country, as well as the market share.



4. OBJECTIVES

The first signs of uncertainty experienced regarding the Spanish olive industry in the USA have already begun to appear. In several chains of North American supermarkets, they are eliminating the name "SPANISH QUEEN OLIVES" from the front of their labels, now defining the product as "GREEK QUEEN OLIVES", as "HALKIDIKI OLIVES" or simply as "QUEEN OLIVES". For many years up until now, the concept "SPANISH QUEEN OLIVES" has always been present on the shelves, in the product labels, in the mind of the final consumer. However, in the face of taxes and the current uncertain situation of Spanish olives, distribution is beginning to eliminate these messages, so it is essential to send them a message of tranquility and trust.

What does INTERACEITUNA want to achieve with the promotion of olives in the United States?

Objectives:

- **Increase sales**
- **Slow down competition**
- **Give confidence to current distributors that the Olive of Spain continues to be sold in the USA**

5. CREATIVE APPROACH

THE CREATIVE CHALLENGE must, on one hand, build trust among USA distributors that the Spanish Olive is still being sold in the USA with total normalcy despite the taxes and, on the other hand, to praise the Spanish origin of the olives while complying with the provisions of the European regulation that governs this program (section b of point 2 of article 4 of Regulation 1144/2014):

2. Information and promotional measures must not be origin oriented. These actions will not encourage the consumption of a product solely because of its origin. However, the origin of the product may be visible as long as the following standards are respected:

b) in non-EU countries, the indication of origin can be placed at the same level as the Union's main message for the campaign.

NOTE: It is recommended to study carefully all the limitations that exist when mentioning the country of origin in the creative elements. Below is a creative example that does **NOT** meet the requirements established in the basis of the program in relation to the indication of origin and another example which does.



The logos must appear in all creative developments that are created within the framework of the campaign and always at the same level are:



CAMPAIGN FUNDED WITH THE AID
OF THE EUROPEAN UNION AND SPAIN



INFLUENCER / AMBASSADOR

The European program carried out in the USA during 2017/2019, has relied on the prestigious Spanish chef, José Andrés, to give credibility and notoriety to the messages of the campaign. His Spanish origin, his long professional career as a chef and his well-known humanitarian work make him an excellent influencer for Spain's olives. However, in light of the new program, which has a different objective, the continuation of chef José Andrés is not considered essential, since after three years of campaigning with his image in all materials, **it is considered that it is time for the spotlight be put on the product itself.** However, if the agency considers it appropriate, it can assess its inclusion in the plan, or that of another influencer, providing it is justified adequately.

6. BUDGET

The **annual** budget for the campaign will be **1,900,000 euros**. This amount must include the agency service, excluding VAT.

7. ACTIONS TO BE DEVELOPED

Taking into account the situation that the industry is going through and the budgetary limitation, the agency must propose an action program that allows the objective set out in point 4 to be achieved. To do this, you must propose and justify:

- 1. Target audience to whom the campaign should be directed.** In the case of proposing several audiences, indicate the percentages of budgets that would be allocated to each one.
- 2. Scope of action.** Despite the fact that the campaign must be national, the budget constraint forces us to focus on areas of priority.

All actions proposed for the program must be compatible with what is established in the legislation that regulates it and, in addition, they must have a sufficient degree of detail that allows its correct evaluation, **very positively valuing innovative and original actions.** For this reason, all promotional actions presented by the agency in its proposal must be done so following the model included in **ANNEX 1.**

IMPORTANT:

1. Any activity that is presented without the description and detail required by the form will **NOT** be evaluated. In addition, not all activities have to be implemented in all areas of influence, depending on the agency's strategy.
2. The campaign must **NOT** include brands of olives, Interaceituna cannot carry out commercial activities under any circumstances.
3. The **purchase of the product** must be included in the proposal budget.
4. It is mandatory that the agencies request **certifications of the prints** that are produced in the proposed digital and audiovisual campaign.

8. SELECTION PROCESS: PHASES

FIRST PHASE - EXCLUSION: it will be examined whether the companies presented have complied with article 71 of Law 9/2017, of November 8, on Public Industry Contracts. Due to this, the agencies will be asked for a signed declaration confirming their compliance with article 71 of Law 9/2017, excluding those from the selection process that do not comply with said article and do not submit the declaration.

- Exclusion criteria. Agencies will be excluded from participating in the selection process if they are involved in any of the exclusion criteria of article 71 of Law 9/2017, of November 8, on Public Industry Contracts and/or they are not up to date with payments to the Treasury and Social Security.

SECOND PHASE - SELECTION: the technical and financial capacity of the agencies will be assessed exclusively without scoring. In this phase, the following will be taken into account:

- Agency structure and personnel assigned to the project.
- Financial capability.
- Absence of conflict of interest.

NOTE: All agencies that meet these criteria, will proceed to the third and final phase.

THIRD PHASE - RULING: the project is assessed using a scoring system that is used by the European Commission to evaluate the proposals of the proposing entities:

A. European score, 20 points (threshold 14):

- Extent of compliance with the established objectives.
- European message of the campaign and adaptation to the regulations governing the program.
- Impact of the project at Union scale.

B. Technical quality of the project, 40 points (threshold 24):

- Quality and relevance of the USA market analysis.
- Global coherence of the program (strategy, messages, actions, etc.).
- Design of an appropriate action plan with respect to the objectives and strategy of the program, synergies with other market actions.
- Detailed, measurable, concrete actions over time, realistic and result oriented.
- Quality of measurement methods and indicators.

C. Quality of project management, 10 points (threshold 6):

- Project coordination and management structure.
- Quality control and risk management mechanisms.

D. Cost-effectiveness ratio, 30 points (threshold 18):

- Budget detail of the actions to be developed.
- Appropriate allocation of the budget in relation to the objectives and scope of activities, there being a balance between the type of action to be carried out and its economic amount.
- Detailed description of estimated costs and budget accuracy.
- Impacts to reach with each activity indicating their method of estimation. Unit cost of impact.

9. CALENDAR AND CONTRACT CONDITIONS

The campaign will run during the **three-year period between 03/01/2021 and 02/28/2024**. Although an initial three-year contract will be signed in which the actions will be fully defined and planned, at the end of each annuity, improvements and modifications to the initial contract may be included and will be formalized through the corresponding addendum.

Deadlines for delivery of documentation:

Companies that have declared their intention to participate may send documentation related to phases 1 (exclusion) and 2 (selection), **until January 10, at 12 noon (European Central Time / CET)**.

PHASE 1:

- Certificate or declaration that you are up to date with the tax and social security authorities.
- Signed statement confirming compliance with article 71 of Law 9/2017, of November 8, on Public Sector Contracts.

PHASE 2:

- Agency structure and personnel assigned to the project.
- Financial capability.
- Absence of conflict of interest.

Finally, the rest of the documentation related to phase 3 (ruling) will be delivered to INTERACEITUNA on **January 24, 2020, before 2pm (European Central Time / CET)**. The proposals will have to be sent in digital format to the email addresses info@interaceituna.es, promocion@interaceituna.es and marketing@interaceituna.es. For inquiries related to the contest, the contact persons will be Paula Sánchez and María Becerra (954.21.55.69 - marketing@interaceituna.es, promocion@interaceituna.es).

The rest of the contracting conditions and the requirements that the agency must meet are specified in **ANNEX 2**.

10. PRODUCT INFORMATION

ANNEX 3 includes information on the product that may be of interest for the preparation of the proposal.

ANNEX 1: DESCRIPTIVE RECORD OF THE ACTIONS TO BE DEVELOPED

- Name of activity.
- Target.
- Scope.
- Annuity.
- Description of the activity and justification.
- Direct and indirect impacts.
- Indicator and / or source for the calculation of impacts.
- Global budget of the action broken down by item.

EXAMPLE OF DESCRIPTIVE FORM OF COMPLIED ACTION

Name of activity: Media plan printed.

Target: General consumers (general press) and professionals (specialty magazines).

Scope: National. Segmentation in x strategic zones. Each year, media present in x strategic areas will be reinforced.

Annuity: Years 1, 2 and 3.

Description of activity and justification: During the 3-year duration of the program, advertisements and publicity will be placed in a series of newspapers and magazines whose readers are part of the program's target group. The placement of advertisements and publicity will allow us to impact a large number of people to whom we can deliver messages of the campaign being that we can control the information that is being published. The following table shows the planned inserts for each year:

MEDIA PLAN YEAR 1				
SUPPORT	PERIOD	PRINT RUN	FORMAT	INSERTIONS
New York Times	Weekly	xxxx	1 page Vert. Color	5
Miami Times	Weekly	xxxx	1 page Vert. Color	5
Chicago Times	Weekly	xxxx	1 page Vert. Color	5
Houston Times	Weekly	xxxx	1 page Vert. Color	10
San Franc. Times	Weekly	xxxx	1 page Vert. Color	10
Los Angeles Times	Weekly	xxxx	1 page Vert. Color	10
Washington Times	Weekly	xxxx	1 page Vert. Color	5
Philadelphia Times	Weekly	xxxx	1 page Vert. Color	5
Seattle Times	Weekly	xxxx	1 page Vert. Color	5
HORECA news	Monthly	xxxx	Publirrep. 3 p.	2
Food Industry Mag.	Monthly	xxxx	Publirrep. 3 p.	2
Restaurants news	Monthly	xxxx	8-page spread	1
TOTAL IMPACTS = XXXXXXXX				65

MEDIA PLAN YEAR 2				
SUPPORT	PERIOD	PRINT RUN	FORMAT	INSERTIONS
New York Times	Weekly	xxxx	1 page Vert. Color	10
Miami Times	Weekly	xxxx	1 page Vert. Color	10
Chicago Times	Weekly	xxxx	1 page Vert. Color	10
Houston Times	Weekly	xxxx	1 page Vert. Color	5
San Franc. Times	Weekly	xxxx	1 page Vert. Color	5
Los Angeles Times	Weekly	xxxx	1 page Vert. Color	5
Washington Times	Weekly	xxxx	1 page Vert. Color	5
Philadelphia Times	Weekly	xxxx	1 page Vert. Color	5
Seattle Times	Weekly	xxxx	1 page Vert. Color	5
HORECA news	Monthly	xxxx	Publirrep. 3 p.	2
Food Industry Mag.	Monthly	xxxx	Publirrep. 3 p.	2
Restaurants news	Monthly	xxxx	8-page spread	1
TOTAL IMPACTS = XXXXXXXX				65

MEDIA PLAN YEAR 3				
SUPPORT	PERIOD	PRINT RUN	FORMAT	INSERTIONS
New York Times	Weekly	xxxx	1 page Vert. Color	5
Miami Times	Weekly	xxxx	1 page Vert. Color	5
Chicago Times	Weekly	xxxx	1 page Vert. Color	5
Houston Times	Weekly	xxxx	1 page Vert. Color	5
San Franc. Times	Weekly	xxxx	1 page Vert. Color	5
Los Angeles Times	Weekly	xxxx	1 page Vert. Color	5
Washington Times	Weekly	xxxx	1 page Vert. Color	10
Philadelphia Times	Weekly	xxxx	1 page Vert. Color	10
Seattle Times	Weekly	xxxx	1 page Vert. Color	10
HORECA news	Monthly	xxxx	Publirrep. 3 p.	2
Food Industry Mag.	Monthly	xxxx	Publirrep. 3 p.	2
Restaurants news	Monthly	xxxx	8-page spread	1
TOTAL IMPACTS = XXXXXXXX				65

Total impacts 3 years: XXXXXXXX impacts.

Indicator and / or source for the calculation of impacts: For the estimation of the impacts to be reached, the information provided by the company Kantar Media has been taken as a reference.

ACTIVITY - PRINTED MEDIA PLAN									
	YEAR 1			YEAR 2			YEAR 3		
Budget breakdown	You	Your cost	Total	You	Your cost	Total	You	Your cost	Total
Design and creation of ads	10	500	5,000	5	500	2,500	5	500	2,500
New York Times	5	2,000	10,000	10	2,000	20,000	5	2,000	10,000
Miami Times	5	1,000	5,000	10	1,000	10,000	5	1,000	5,000
Chicago Times	5	2,000	10,000	10	2,000	20,000	5	2,000	10,000
Houston Times	10	1,000	10,000	5	1,000	5,000	5	1,000	5,000
San Franc. Times	10	2,000	20,000	5	2,000	10,000	5	2,000	10,000
Los Angeles Times	10	1,000	10,000	5	1,000	5,000	5	1,000	5,000
Washington Times	5	2,000	10,000	5	2,000	10,000	10	2,000	20,000
Philadelphia Times	5	1,000	5,000	5	1,000	5,000	10	1,000	10,000
Seattle Times	5	2,000	10,000	5	2,000	10,000	10	2,000	20,000
HORECA news	2	1,000	2,000	2	1,000	2,000	2	1,000	2,000
Food Industry Mag.	2	2,000	4,000	2	2,000	4,000	2	2,000	4,000
Restaurants news	1	1,000	1,000	1	1,000	1,000	1	1,000	1,000
SUBTOTAL		102,000			104,500			104,500	
AGENCY FEE (3%)		3,060			3,135			3,135	
TOTAL ACTIVITY		105,060			107,635			107,635	

ANNEX 2. CONTRACT CONDITIONS

The following are a series of contract conditions that the agency which decides to enter the contest must know, many of which are imposed by the regulations governing the program.

- The agency that wins the contest will have to abide by Spanish and European legislation. The norms governing the program will be binding and the agency must expressly accept them in the contract.
- The contract between the AGENCY and INTERACEITUNA will be set in euros.
- The AGENCY must have an exclusive bank account for this program whose currency is the euro. You will have to make all payments to your suppliers from this account.
- Advance payments will not be accepted, which implies that the AGENCY must have sufficient liquidity to meet its payments. The AGENCY will invoice INTERACEITUNA bimonthly.
- Before INTERACEITUNA proceeds to pay the bimonthly invoices, the AGENCY will have to contribute all invoices of its suppliers, which must coincide with the amounts billed to INTERACEITUNA. In the event that there are invoices in foreign currency, in accordance with the provisions of the regulations, the applicable exchange rate will be the second-to-last set by the ECB before the month charged to which the expense is recorded.
- In addition to the above, as a prerequisite for payment, the AGENCY will have to provide, along with a bi-monthly invoice, all the necessary vouchers and supporting documents proving the execution of the activities included in the invoice.
- **Fees related to the purchase of media may not exceed 7% while those corresponding to the execution of other activities may not exceed 13%.**
- The AGENCY will be responsible for all administrative management of the program (preparation of reports, justifications, delivery of receipts, deliveries on record, etc.). All this documentation must be provided in Spanish.
- The AGENCY will have to facilitate any type of technical or financial control carried out by the EU or by the auditors that are hired by INTERACEITUNA according to the regulations of the program.

Likewise, any proposal submitted must meet the following requirements:

- Specify the equipment assigned to the program, as well as the hours of dedication of each of them.
- Define previous experience in agri-food products promotional programs and, if applicable, their experience in the execution of European promotional programs.
- The proposal submitted must be in either Spanish or English.

ANNEX 3: PRODUCT INFORMATION

History and tradition: Olive trees have grown in Spain since the first century, forming part of the landscape and gastronomic culture of our country. Its climatic conditions and its nutrient-rich soil give the fruit an unmatched quality. Olives are part of the culture of our country and are a social food when it comes to gathering with family and friends.

Leadership and quality: Spain is a world leader in the production and export of table olives representing 22% and 40% respectively (average data for the last 5 years). This leadership is due to the hard and honest work of our farmers and the fact that we have the most modern and advanced industries in the world, which gives us high levels of food safety and control.

Extensive Spanish supply: Spain produces and exports a wide range of olives to the United States. Different varieties (Chamomile, Hojiblanca, Gordal, etc.), types (green and black) packaging (cans, glass jars, plastic, large format containers for professionals, etc.) and numerous forms of presentation (whole, boneless, sliced , seasoned, crushed, more than 80 types of fillings, etc.).

Versatility: The table olive is a very versatile food that can be consumed as a snack and also as an ingredient in numerous elaborations beyond its usual use in pizzas, salads and snacks. Because the olive is one of the few fruits that contains the four basic flavors, it can easily be integrated into other creations such as sauces, pasta, meat, fish, rice and even desserts.

Accessible product: Table olives can be found in any type of establishment displayed in many different ways. The price is affordable for any home and can be easily preserved.

Nutrition and health: Olives are the natural source of olive oil, an essential ingredient of the Mediterranean Diet. The caloric content of olives compared to other industrial snacks is 3 to 4 times lower. Olives contain plenty of nutritional elements good for health such as vitamins, minerals, oleic acid, fiber, etc.

NOTE: European regulations clearly define the requirements that must be followed in order to use messages related to nutrition and health within the framework of these promotional programs.