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## NAD Refers Advertising Claims by The a2 Milk Company for Further Review After Company Declines to Participate in NAD Proceeding

*New York, NY – Oct. 23, 2018 –* The National Advertising Division has referred advertising claims made by The a2 Milk Company (a2MC) for its a2 Milk product to the Federal Trade Commission (FTC) for further review, after the advertiser declined to participate in a review of its advertising claims, including claims that its product is "Easier on digestion" and "May help some avoid discomfort."

NAD is an investigative unit of the advertising industry's system of self-regulation. It is administered by the Council of Better Business Bureau.

The claims at issue were initially challenged by the National Milk Producers Federation (NMPF). The challenger maintained that a2MC falsely promises consumers that its product is "easier on digestion" as compared to conventional milk, and that consumers can "avoid digestive discomfort" and will "feel the difference." The challenger also stated that a2MC falsely claims that conventional milk is likely to induce "painful bloating, wind, cramps, [gut] inflammation" and other uncomfortable symptoms.

According to NMPF, the research underlying a2MC's claims contains errors in study design, methodology, and population selection and is unreliable and clinically insignificant.

The challenger argued that a2MC's health claims and the scientific theory underlying its claims are unsupported and that the insufficiency of a2MC's evidence has been acknowledged by governmental regulators including the European Food Safety Authority (EFSA), Food Standards Australia New Zealand (FSANZ), and the New Zealand Food Standards Authority (NZFSA).

The advertiser declined to participate in the NAD proceeding and asked NAD to administratively close the matter.

The advertiser noted that the California Department of Food and Agriculture, Milk and Dairy Food Safety Branch (CDFA), reviewed the advertiser's substantiation for core claims critiqued in the NMPF's Complaint and found that the claims appearing on the a2 Milk label complied with Title 21 of the Code of Federal Regulations and the California Food and Agriculture Code. a2MC further asserted that the claim, "Love milk again" is puffery. Further, the advertiser maintained that NMPF's challenge selectively presents incomplete and outdated research and observations made without the benefit of recent research, including irrelevant references to foreign regulatory review of prior unrelated claims.

NAD acknowledged the advertiser's position, but noted that in light of the advertiser's decision against participating in the self-regulatory forum, NAD has referred the matter to the FTC.

Note: A recommendation by NAD to modify or discontinue a claim is not a finding of wrongdoing and an advertiser's voluntary discontinuance or modification of claims should not be construed as an admission of impropriety. It is the policy of NAD not to endorse any company, product, or service. Decisions finding that advertising claims have been substantiated should not be construed as endorsements.

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**About Advertising Industry Self-Regulation:** The Advertising Self-Regulatory Council establishes the policies and procedures for advertising industry self-regulation, including the National Advertising Division (NAD), Children's Advertising Review Unit (CARU), National Advertising Review Board (NARB), Electronic Retailing Self-Regulation Program (ERSP) and Online Interest-Based Advertising Accountability Program (Accountability Program.) The self-regulatory system is administered by the Council of Better Business Bureaus.

Self-regulation is good for consumers. The self-regulatory system monitors the marketplace, holds advertisers responsible for their claims and practices and tracks emerging issues and trends. Self-regulation is good for advertisers. Rigorous review serves to encourage consumer trust; the self-regulatory system offers an expert, cost-efficient, meaningful alternative to litigation and provides a framework for the development of a self-regulatory solution to emerging issues.

To learn more about supporting advertising industry self-regulation, please visit us at: <u>www.asrcreviews.org</u>.