

What are university beverage pouring rights contracts?

A university's beverage pouring rights contract is not just an ordinary procurement or purchasing contract. Rather, these contracts typically restrict nearly all beverage sales on campus to those produced by a single company, almost always Coca-Cola or PepsiCo. The contracts also give that company the right to use the university's name and logo or other branding in marketing and selling its products. The considerable health and environmental harms of sugary drinks, which make up the bulk of the beverages promoted by these contracts, are well-documented.^{1,2}

Contracts typically include:³

- **Sales requirements**

- Financial incentives to the university to sell more product, particularly sugary drinks, and penalties if volume goals are not met.⁴ For instance, a university may need to purchase (and thus sell) a minimum number of cases of beverages to receive sponsorship money.
- Requirements for a minimum number of company-owned vending machines.



- **Product mix and placement requirements**

- Beverage company control of product mix and placement (e.g., eye-level).
- Some contracts require that specific sugary drinks are made available everywhere beverages are served.



- **Pricing requirements**

- Annual price increases that can make beverages more expensive on campus than off campus.

- **Marketing and promotion stipulations**

- Campus must actively engage in marketing programs for the company's products.⁵
- University must allow co-branding – products and advertising that contain both the beverage company logo and the university's logo, colors or other symbols.⁴
- A soda brand is designated the "official beverage" or "official soda" of the university and "official sponsor" of sports teams.⁴
- Company's products displayed and used in all athletic areas; student athletes must use branded containers, even when drinking water.
- Some contracts include marketing to children through sponsorship of summer camps and other youth programs.⁶
- Messaging that associates unhealthy, environmentally unsustainable brands and products with health and sustainability.

- **Duration requirements**

- Contracts often up to ten years long, with penalties for early termination.

- **Compensation to the university**

- Funds for athletic scholarships, campus programming and student groups.
- In-kind products and branded merchandise for athletics, student groups, and staff.⁴
- Such compensation is typically less than 1% of the total campus budget but may be a large part of the budget for a specific program.



Alternatives for campus beverage provision:

- **Support healthy beverage initiatives**
 - Develop drinking water infrastructure, including adequate number of water bottle filling stations.
 - Place water bottle filling stations wherever foods or beverages are sold on campus.
 - Promote tap water as the official campus beverage.
 - Provide university-branded, reusable stainless steel water bottles free or at a subsidized price.
 - Work with local water utility to ensure high palatability of tap water, reducing need for point-of-use treatment for water aesthetics.
- **Use a mix of smaller or locally headquartered beverage companies that meet desired criteria, such as,**
 - A healthier and more up-to-date product mix that reflects campus preferences.
 - Use of beverage dispensers for refillable vessels, in place of single-use containers.
 - Ethical business practices, including marketing and lobbying practices.
 - Business ownership reflecting community diversity.
 - Businesses focused on sustainable products and practices.

Tap water is environmentally friendly

Tap water paired with refillable stainless steel water bottles, as compared with the average of all beverages sold on a campus, can reduce climate impact by 95%, freshwater use by 98%, and plastic pollution by 99%.²



The University of California Research Consortium on Beverages and Health includes faculty from every UC campus working to provide California legislators and communities with the science base for policy to decrease consumption of sugary drinks and increase consumption of water and other healthy beverages.

University of California Research Consortium on Beverages and Health • Bringing Science to Policy

- Find our entire factsheet series at <https://npi.ucanr.edu/Resources/UCRCBH/> •
- For more information contact: ceahecht@ucanr.edu •

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- ⁵ Grossman ER, Greenthal E, Marx K, Ruffin M, Lucas S, Benjamin-Neelon SE. 2022. Are Students Paid to Market Sugar-Sweetened Beverages to Peers? A Review of University Pouring Rights Contracts. *Child Obes* 18, 533–539.
- ⁶ Marx K, Greenthal E, Ribakove S, et al. 2021. Marketing of sugar-sweetened beverages to youth through U.S. University pouring rights contracts. *Prevent Med Rep* 101688

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