

# QUALITY DAIRY DELIVERS SHARED VALUE

To drive social impact through business in India, Abbott invests not just in products but in dairy farmers themselves.

Good nutrition starts with good ingredients.

When Abbott was faced with the growing demand for nutrition products in India, we needed to ensure a dependable supply of high-quality milk.

But many dairy farmers in India lacked the technical knowledge and resources to produce high-quality dairy. Joining forces with Prabhat, an Indian dairy company, and TechnoServe, the international nonprofit that supports farms and businesses in the developing world, Abbott [launched a program](#) with the potential to transform the lives of farmers and their families, and strengthen our nutrition business in an important market. Often referred to as "shared value," this approach delivers social value to dairy farming communities, and economic value to companies like Abbott. Thanks to its resounding success, the program is significantly expanding into more villages in India – which holds great potential to further expand the positive impact.

## **Sharing skills and knowledge**

The program started at the source. Abbott and our partners worked closely with farmers, providing them with the skills they needed to produce better milk, from ensuring their dairy feed is healthy, to overcoming drought and fungal contamination, to providing better care for their cows. The program also established 10 village-based milk collection centers to provide nearby access to reliable cold storage, making it easier for farmers to deliver their quality milk and get paid for it fairly.

Farmers also developed their knowledge to grow their own business through training in farm management and finance. Outreach efforts included a special focus on women, ensuring that they received the same training as men. They offered women — and still do — financial literacy training and special visits to milk collection sites and the Prabhat factory to help them better understand the business of dairy farming.

Experience has shown that investing in women has a multiplier effect on the well-being of both households and communities, so engaging women in the program was especially important.

Savita is just one of the women who participated. Through the program, she received training on both farming techniques and business practices, enabling her to produce greater quantities of quality dairy. Not only has Savita increased her family's income, she is now also able to pass what she has learned on to both her community and future generations.

## **Dramatic results for farmers**

Abbott's shared value approach is making a difference. The program results for participating farmers have been dramatic. Their production nearly doubled, and the milk had higher levels of protein, vitamins, minerals and fat — all key measures of high-quality milk. As a result, the farmers' income is more than double that of nonparticipants, while their costs have remained the same.

Participating farmers were more likely to adopt standardized dairy practices, including only selling milk from healthy animals, using steel cans to hold milk and cleaning the animals properly. Adopting these practices increased the quality and cleanliness of the milk, meeting Abbott's strict quality standards and allowing the company to source milk locally for its nutrition products in India. To date, Abbott has made a difference in the lives of more than 1,500 dairy farmers, developing an empowered, more sustainable supply chain.

The program has been a resounding success. Our partner Prabhat plans to scale up the program to reach many more farmers. Dairy farmers will have access to the knowledge and tools to be empowered partners in the milk-production process.

With this planned expansion, Abbott projects that the participating farmers will be able to supply the equivalent of 50 percent of our needed skim milk powder volume, providing real value to our nutrition business and the families who depend on our products in India.