

INTRODUCING MILKY BOOST

*An affordable Fortified Milk-Based
Dairy Drink for Low-Income
Consumers in Zambia*



2

ZERO
HUNGER



12

RESPONSIBLE
CONSUMPTION
AND PRODUCTION



17

PARTNERSHIPS
FOR THE GOALS



An introduction to a positive
business case that supports the
following United Nation's
Sustainable Development Goals

PARTNERS:



FUNDED BY:



Partnership Background

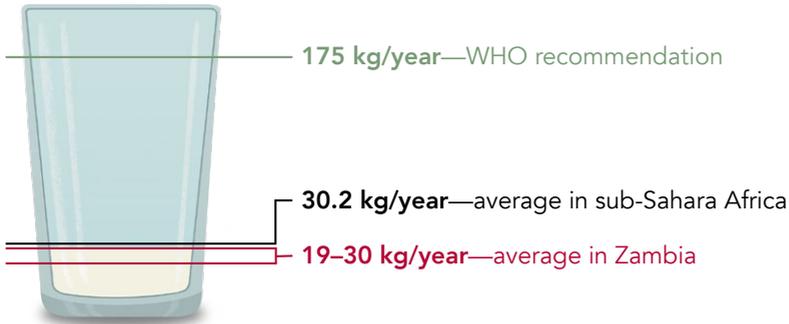
Zambia is experiencing a growing demand for dairy products, which can help to fulfill a key part of human nutrition requirements. However, many of the new dairy products on the market contain high quantities of sugar and low-quality ingredients, while intensive marketing campaigns lead the consumers to believe that the products are healthy because they contain milk. Like in many developing countries, a large part of the Zambian population suffer from micronutrient deficiencies and have limited access to nutritious and affordable foods.

To respond to this challenge, a consortium of international partners was established in 2018 between Finta Farms (Finta), Global Alliance for Improved Nutrition (GAIN), Arla Foods Ingredients (AFI), Tetra Pak Southern Africa, BASF and the Scaling-up Nutrition Business Network (SUN) in Zambia.

The project aims to serve as inspiration for other commercial, for-profit partnerships related to affordable nutrition. The project supports the following UN Sustainable Development Goals (SDGs): SDG 2 “End Hunger”, SDG 12 “Responsible Consumption and Production” and SDG 17 “Partnership for Goals”.

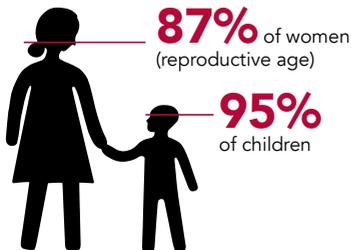
Lack of Nutrition

Milk consumption per person in Zambia



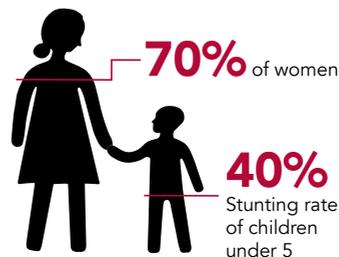
► Milk consumption in Zambia is 19–30kg/year per person, which is low for sub-Saharan Africa (average 30.2 kg/year and far below the WHO recommendation of 175 kg/year).

B12 deficiency in Zambia



► 95% of children and 87% of women of reproductive age are B12 deficient in Zambia.

Stunting for children under the age of 5 in Zambia



► The stunting rate for children under 5 is 40% and 70% of women are zinc deficient.

Market Potential

The increased production and the low consumption of dairy products represents a strong opportunity for market growth.

According to Tetra Pak, flavoured dairy-drink products show a growth rate of 10%-15% per year with of 22.8 Billion Litres sold globally in 2018.*

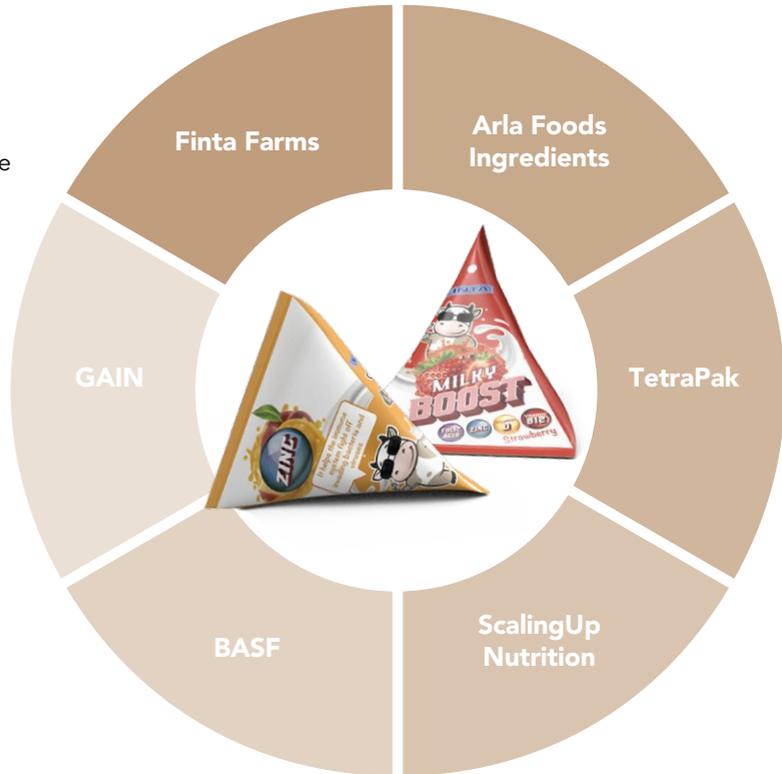
Considering the rate of growth, product acceptance by current users, and number of non-users, there is much room for further growth both in acquiring new users and in selling more servings per user.

* <https://www.researchandmarkets.com/reports/4752284/flavoured-milk-market-global-industry-trends#pos-1>



The Partnership Approach to Creating Milky Boost

► The partnership adopted a co-creation approach with each partner bringing their expertise to the table to come up with an innovative dairy-based product solution.



To come up with an innovative product solution that would address the nutrition challenge and have a positive business case multiple constraints had to be addressed:

AFFORDABILITY: The product has a price point that consumers have stated that they are willing to pay. The affordability is achieved by using specific ingredients and packaging.

EXISTING EQUIPMENT/SPARE CAPACITY: A positive for the business case—reduces the need for capital investment.

LOCAL: The product will be produced by Finta Farms, which is planning the launch for the end of 2021.

SAFE AND COMPLIANT: The product adheres to national and international regulations, which ensures that it is safe for consumers.

TASTY: The product is developed to meet local taste preferences through consumer test and feedback loops.

ASPIRATIONAL: The packaging and promotion is designed to be attractive to the target consumer by engaging a local creative agency.

CONVENIENT: The product is designed to be a convenient product that can be consumed on-the-go through a straw with no need for cooling.

NUTRITION: The added vitamins and minerals are designed to fulfill the nutritional gaps in the target population and the product adheres to the criteria set forth by the Good Food logo.



The Product Development Process

The product development process was an iterative process with several feedback loops to balance the “needs”, the “wants” and the “how”.

Bringing the “need”, “want” and “how” together through product trials and knowledge transfers

Product trials were planned as part of the product development process. This brought all partners together under the same roof, which boosted the partnership and ensured implementation of the product under local conditions.

NEEDS

Good nutrition and Food Safety

To address the micronutrient deficiencies the product is fortified with vitamins B12, Vitamin D, Zinc and Folic Acid.

The product adheres to the Good Food Logo, a front-of-pack logo from a joint initiative of the government of



Zambia and the SUN Business Network (SBN), which intends to promote the consumption of nutritious foods.

The Product is UHT treated and packaged in aseptic packaging, which increases the shelf-life of the product and makes it safe to consume.

WANTS

Finding the Right Taste

The point of departure for the product was a generic recipe for an acidified dairy-based drink. A Sensorial Mapping was conducted, and consumer insights were gathered to define the right taste profile for the adaptation of the product. Based on these insights a product profile was created that balanced the nutrition requirements and the preferred flavour profile for Zambian consumers.

HOW

To Produce Quality Products Locally

To ensure an affordable price point for low-income consumers, idle capacity of 200,000 servings/month on Finta's Tetra Classic Aseptic small pack size (200 ml) aseptic packaging line to avoid the need for additional investments.



The ingredients, production costs, packaging and distribution margins combined must lead to a **competitive and sustainable retail price for low-income consumers.**

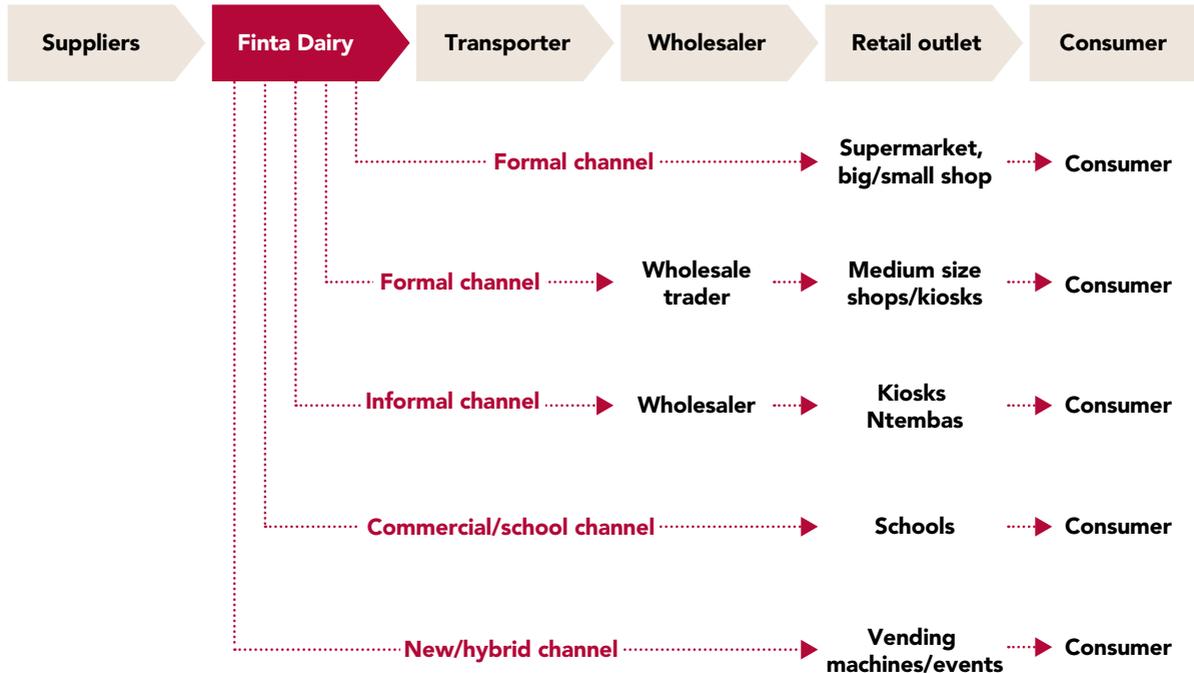
Milky Boost aims to achieve a viable business model by having a price point that is within the range of what low-income consumers in Zambia can and are willing to pay, while still securing a margin for all actors across the value chain.

Milky Boost is a scalable product solution that can be implemented and adapted to any UHT dairy plant in the world with ambitions to develop an affordable nutritious dairy-based product.



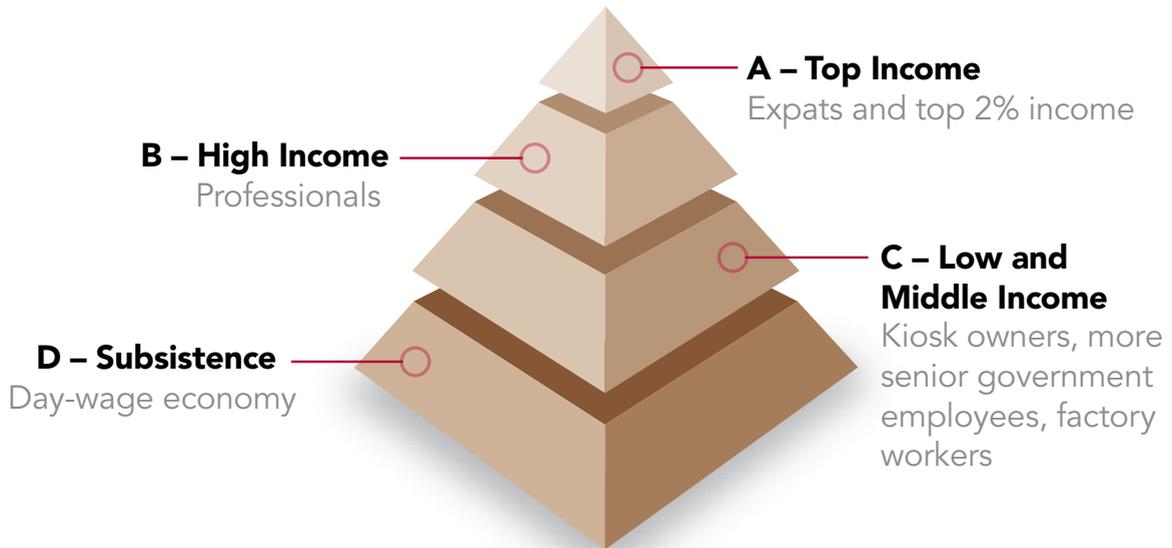
Distribution channels

As illustrated here, the project identified 5 distribution channels to reach the consumer target groups. These channels are linked to current distribution channels for the local dairy Finta.



Low- and middle-income consumers

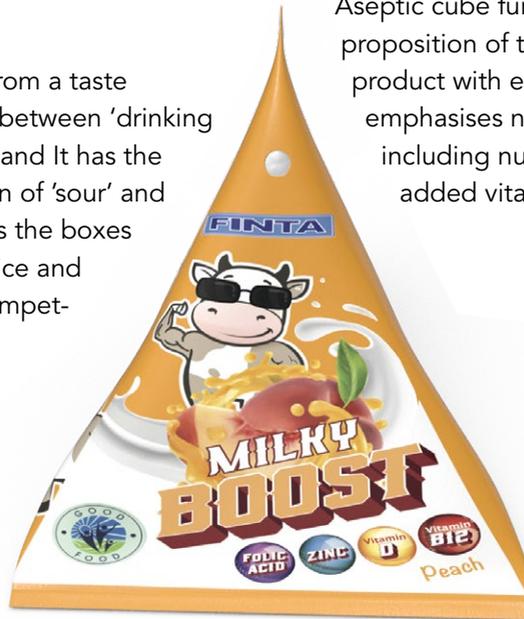
The target group for Milky Boost is middle (8-23 USD/day) and low (3-8 USD/day) income consumers equivalent to group C in the income pyramid illustrated below.



Value Proposition and Branding

'Milky Boost' is positioned as a fresh, tasty, affordable and nutritious flavoured dairy-based drink. The product is different from the (very) sweet, unhealthy milkshakes, or very expensive drinking yogurts currently available on the market.

Milky Boost is unique. From a taste perspective it might fall between 'drinking yogurt' and 'milk shake' and It has the sought-after combination of 'sour' and 'sweet'. Milky Boost ticks the boxes of affordability (sharp price and cheaper than directly competing products) and taste.



The differentiator of Milky Boost is nutrition, which especially taps into drivers for young mothers, middle-class and tuck shops at schools.

The branding of the Milky Boost Tetra Classic Aseptic cube further underpins this value proposition of the product as a tasty dairy product with extra added micronutrients. It emphasises nutrition as a differentiator by including nutrition messages about the added vitamins and mineral.



Read more about GAIN Nordic Partnership at:
<https://www.gainhealth.org/partnerships/gain-nordic-partnership>