

研究報告

Yogurt for Expanding Opportunities — Initiative of Grameen Danone Foods —

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Abstract

Bangladesh has made significant progress in the area of human development for the last three decades. According to the human development index (HDI), Bangladesh's HDI increased from 0.347 in 1975 to 0.547 in 2005. However the country's HDI rank in 2005 was 140 out of 177 countries. Forty-eight percent of children under the age of five were underweight. They also lack access to healthy living conditions.

In order to make the environment surrounding children healthier in rural Bangladesh, Grameen Danone Foods Ltd. launched the production of yogurt in 2006. The mission is to reduce poverty by providing a unique proximity business model that will provide daily healthy nutrition to the poor.

This report first presents an overview of Grameen Danone Foods Ltd., and then, through fieldwork, examines how the lives of rural people have been improved by its activities.

1. Introduction

Bangladesh has made significant progress in the area of human development for the last three decades. These achievements can be captured by the human development index (HDI). HDI measures the enhancement of people's quality of life through expanding opportunities. This is achieved by enhancing basic capabilities, such as the level of health, education and purchasing power. As can be seen from Table 1, Bangladesh HDI increased from 0.347 in 1975 to 0.547 in 2005. However it is the second lowest in South Asia, and the country's HDI rank in 2005 was 140 out of 177 countries ⁽¹⁾. The index of underweight children under the age of five, which is one of the key indexes to monitor human development, shows 48 percent (see Table 2). They also lack access to healthy living conditions. This figure indicates that Bangladeshi children under the age of five are in the poorest health not only in South Asia but also in the whole world ⁽¹⁾.

In order to make the environment surrounding children healthier in rural Bangladesh, the Grameen Bank, Nobel Peace Laureate 2006, proposed to form a joint venture food enterprise between the Grameen Group and the French food company Groupe Danone. In 2006, a joint company called Grameen Danone Foods Ltd. launched the production of yogurt in the Bogra district, 230 kilometers north of the capital, Dhaka (see Fig. 1). The mission is to reduce poverty by providing a unique proximity business model that will provide daily healthy nutrition to the poor ⁽²⁾.

This report first presents an overview of Grameen Danone Foods Ltd., and then, through fieldwork, examines how the lives of rural people have been improved by its activities.

2. Overview of Grameen Danone Foods Ltd.

2.1 Social Business Enterprise

Grameen Danone Foods Ltd. (hereinafter Grameen Danone) was established as a social business enterprise, which is neither charity nor a regular business but aims explicitly at social goals through business activities ⁽³⁾.

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Table 1 Human Development Index Trends in South Asia. ⁽¹⁾

	1975	1980	1985	1990	1995	2000	2005
Iran (Islamic Republic of)	0.571	0.578	0.615	0.653	0.693	0.722	0.759
Sri Lanka	0.619	0.656	0.683	0.702	0.721	0.731	0.743
Maldives	-	-	-	-	-	-	0.741
India	0.419	0.450	0.487	0.521	0.551	0.578	0.619
Bhutan	-	-	-	-	-	-	0.579
Pakistan	0.367	0.394	0.427	0.467	0.497	0.516	0.551
Bangladesh	0.347	0.365	0.392	0.422	0.453	0.511	0.547
Nepal	0.301	0.338	0.380	0.427	0.469	0.502	0.534

Table 2 Underweight Children (Under Age 5). ⁽¹⁾ (%)

Iran (Islamic Republic of)	11
Sri Lanka	29
Maldives	30
India	47
Bhutan	19
Pakistan	38
Bangladesh	48
Nepal	48

Muhammad Yunus, the founder of the Grameen Bank and winner of Nobel Peace Prize in 2006 along with the Grameen Bank, advocates that a social business enterprise should be at non-loss and non-dividend to be self-sustaining and create surplus for expansion ⁽⁴⁾. Under this principle, Grameen Danone was undertaken by Groupe Danon of France and the Grameen Group, namely Grameen Byabosha Bikash (Business Promotion), Grameen Kalyan (Welfare), Grameen Shakti (Energy) and Grameen Telecom. Grameen Danone is registered under Companies Act of Bangladesh, and its ownership is 50:50.

2.2 Main Objectives

Grameen Danone highlights four main objectives ⁽²⁾.

1) To offer a product with high nutritional value. Grameen Danone produces a yogurt named Shokti Doi (Yogurt for Power) which contains vitamin A, iron, zinc, iodine and other micronutrients. The price of each 80 gram cup is five taka (seven US cents), and a single cup fulfills 30 percent of children's daily nutritional requirements.



Fig. 1 Location of Bogra.

2) To create jobs. Grameen Danone also aims to help reduce poverty by buying the main ingredients of yogurt, such as milk and date molasses, from local producers, providing plant jobs and involving communities in marketing.

3) To protect the environment. The plant is operated by solar and biogas energy. Yogurt packages are recyclable and made using poly lactic acid which is created from corn starch (see Fig. 2).

4) To be economically viable. Grameen Danone is a company which implements a social mission based on a business model.



Fig. 2 Environment-friendly Package. ⁽²⁾

2.3 Current Operation ⁽²⁾

The total cost of building the Grameen Danone plant is lower than a standard Danone one. The plant size is very small with a surface area of 500 square meters (see Fig. 3). The plant optimizes the local resources. Where possible, it uses little high-tech machines so that relatively unskilled employees can operate them easily. Most of the equipment, such as the boiler, air compressor, refrigeration equipment, gas generator, effluent treatment station, is bought locally. Production capacity is 3000 kilograms per day. Table 3 shows the current operation.



Fig. 3 Grameen Danone Plant.

Table 3 Current Operation.

First Plant	At Bogra
Inauguration	On November 7, 2006
Plant Size	Small (surface area of 500 m ²)
Present Product / Brand	Yogurt / Shokti Doi
Production Capacity	3000 kg / Day
Price of Product	5 taka / 80 gm Cup

2.4 Distribution System

Bangladesh is a country of insufficient energy supply, where the spread of electricity on the grid is slow, and only 30 percent of the population has access to it ⁽³⁾. Therefore, most of the households in the rural areas are not equipped with refrigerators.

Under these circumstances, a unique distribution system is organized ⁽²⁾. Door-to-door salespeople called Grameen Ladies (see Fig. 4), who are also borrowers of the Grameen Bank, and small shops are engaged in the selling process. To deliver yogurts in cool conditions, they put them in the ice box on rickshaw vans (see Fig. 5) and carry them to Grameen Ladies and shops within five kilometers of the plant. After receiving their yogurts, Grameen Ladies carry them in the insulated blue bag given to them by Grameen Danone, and make door-to-door sales.



Fig. 4 Grameen Ladies.



Fig. 5 Rickshaw Van.

2.4 Workshop on Product's Nutritional Value

The marketing strategy as well as the distribution system is tailored to the local context. Yogurt is popular among Bangladeshis, but is usually not fortified. Yogurt is considered as not a nutritional supplement but a sweet. Therefore, Grameen Danone holds workshops to create awareness that Shokti Doi has the nutritional value and it makes everyone, especially children, grow strong⁽⁵⁾. Fig. 6 shows a traditional yogurt in a big clay cup. It costs between 100 and 180 taka per kilogram in Dhaka, which is much more expensive than Shokti Doi.



Fig. 6 Traditional Yogurt.

3. Impacts of Yogurt on the People

Fieldwork was conducted at the Grameen Danone plant, Mazhira branch of the Grameen Bank (see Fig. 7), Center number 65, the place for weekly meetings called "center" (see Fig. 8), and Bejora village in Bogra in March of 2008. Findings are as follows.



Fig. 7 Mazhira Branch of Grameen Bank.



Fig. 8 Place for Weekly Meetings Called "Center".

- 1) As can be seen from Table 4, Grameen Danone divides villages in Bogra into three blocks and assigns one block to each of three sales managers. Three sales managers organize a total of 54 Grameen Ladies and arrange one Grameen Lady per 1000 villagers. Each block deals in 1000 cups per day and sells them to Grameen Ladies. Grameen Danone fixes the allocation of cups for Grameen Ladies. There are three types: 50 cups, 100 cups and 200 cups per day.
- 2) Most of Grameen Ladies are those who have some experience in door-to-door sales.
- 3) Grameen Ladies can get one taka per cup as a commission and are supposed to save 30 percent of this one taka. After one month, they can withdraw their savings from their bank account freely. One Grameen Lady in white sari in Fig. 4 makes door-to-door sales five days a week and sells out 100 cups per day. She can earn 2000 taka per month besides her income by regular business activities. She mentioned that it did not take a long time to sell out yogurts and the best selling spots were by the school gates as well as at the "center" (see Fig. 9).
- 4) Local shops can get 0.5 taka per cup as a commission.
- 5) As mentioned above (2.4), yogurt is a sort of sweet for Bangladeshi. To build awareness of the nutritional value of Shokti Doi, the bankers of Mazhira branch continuously explain its nutritional value and the importance of a balanced diet at weekly meetings. Grameen borrowers I met in Bogra mentioned that after tasting Shokti Doi they became aware of the differences in quality between Shokti Doi and the traditional yogurts. They tried to give their family members, especially children, two cups per week.

6) There are some male Grameen borrowers who bought rickshaw vans with small loans called microcredit provided by the Grameen Bank and started a yogurt delivery business.

4. Conclusion

The production of yogurt by Grameen Danone has improved people’s quality of life in Bogra. First, local people including Grameen borrowers have already started new jobs or expanded business opportunities as well as gotten employment opportunities (Fig. 10). Second, the nutritional value of Shokti Doi has been promoted among local people. Grameen Danone has been successful in creating awareness of the nutritional value of Shokti Doi among Grameen borrowers through both the workshops and the weekly meetings at the centers. This enlightenment activity is based on the Grameen Bank’s practical experience in these three decades. Village people have enjoyed health benefits from Shokti Doi by this activity. That is to say, Shokti Doi has the function of grass-roots nutrition education.

Therefore, it is suggested that Grameen Danone plays an important role in human development in terms of viable economic activities and grass-roots nutrition education. However its nutritional impact from the point of view of nutrition science has not been studied yet. As a social business enterprise, Grameen Danone has accountability for its scientific impact. This will be a theme for research in the future.

Table 4 Sales Performance by Grameen Ladies.

	Sales Manager (n)	Grameen Lady (n)	Sales Performance / Block	Type of Allocation of Cups / Day	
				Type	/Day
Block A	1	20	1000 cups/day		
Block B	1	18	1000 cups/day	1	50 cups
Block C	1	16	1000 cups/day	2	100 cups
Total	3	54	3000 cups/day	3	200 cups



Fig. 9 Grameen Borrowers and a Grameen Lady.

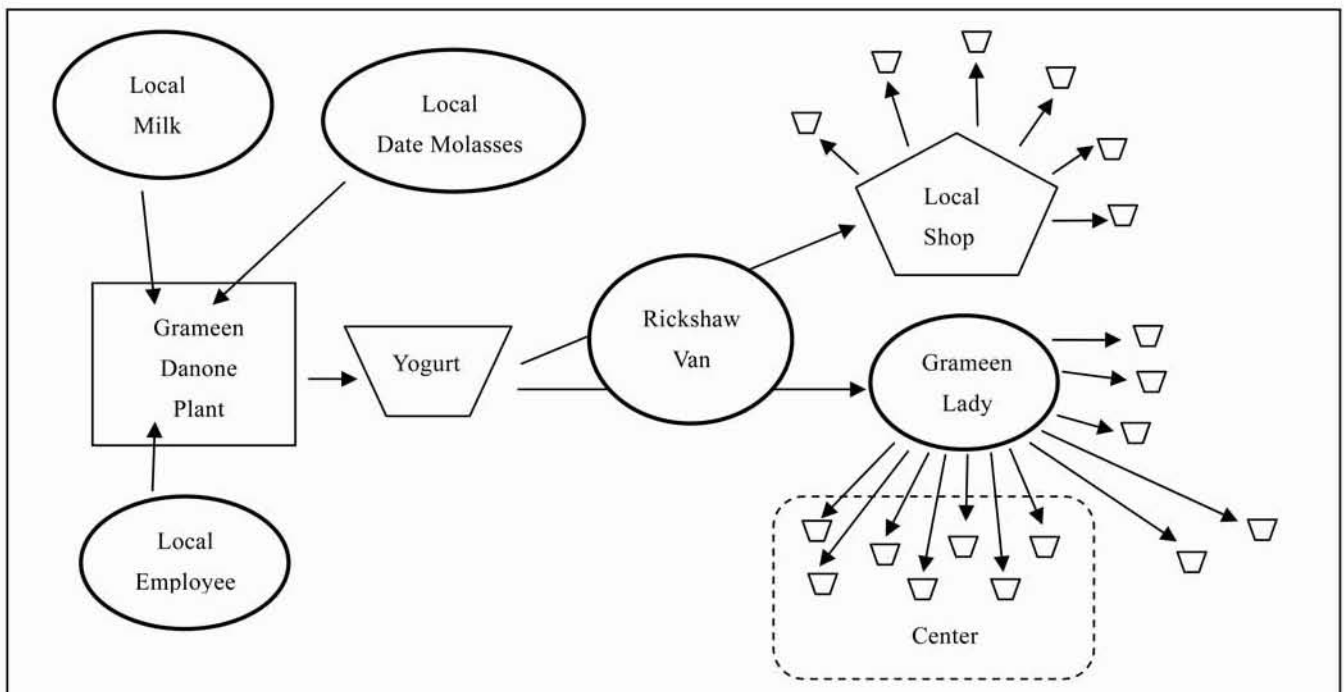


Fig. 10 Expanding Income Generative Opportunities.

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