

Nestlé



Infant formulas advertisement

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The Company

Nestlé is a multinational packaged food company; with headquarters in Vevey, Switzerland, was founded in 1866 by Henri Nestlé and is today the world's biggest food and beverage company. It is a market leader in many product lines, including milk, chocolate, confectionary, bottled water, coffee, and pet foods.

Today Nestlé is present in different markets with the following main brands:

- **Coffee:** Nescafé, Taster's Choice, Ricoré, Ricoffy, Nespresso, Bonka, Zoégas, Loumidis
- **Water:** Nestlé Pure Life, Nestlé Aquarel, Perrier, Vittel, Contrex, S.Pellegrino, Acqua Panna, Levissima, Arrowhead, Poland Spring, Deer Park, Ozarka, Hépar, Ice Mountain, Zephyrhills
- **Other beverages:** Nestea, Nesquik, Nescau, Milo, Carnation, Libby's, Caro, Nestomalt, Nestlé
- **Shelf stable:** Nestlé, Nido, Nespray, Ninho, Carnation, Milkmaid, La Lechera, Moça, Klim, Gloria, Svelty, Molico, Nestlé Omega Plus, Bear Brand, Coffee-Mate
- **Chilled:** Nestlé, Sveltesse, La Laitière, La Lechera, Ski, Yoco, Svelty, Molico, LC1, Chiquitin
- **Ice cream:** Nestlé, Antica Gelateria del Corso, Dreyer's/Edy's, Drumstick/Extrême, Maxibon/Tandem, Mega, Mövenpick, Sin Parar/Sem Parar/Non Stop
- **Infant nutrition:** Nestlé, Nan, Lactogen, Beba, Nestogen, Cerelac, Neslac, Nestum, Guigoz, Good Start
- **Performance nutrition:** PowerBar, Pria, Musashi
- **HealthCare nutrition:** Nutren, Clinutren, Peptamen, Modulen
- **Bouillons, soups, seasonings, pasta, sauces:** Maggi, Buitoni, Thomy, Winiary, Torchin
- **Frozen foods (prepared dishes, pizzas):** Stouffer's, Lean Cuisine, Hot Pockets, Buitoni, Maggi
- **Refrigerated products (cold meat products, dough, pasta, pizzas, sauces, snacks):** Nestlé, Buitoni, Herta, Toll House
- **Chocolate, confectionery and biscuits:** Nestlé, Crunch, Cailler, Galak/Milkybar, Kit Kat, Smarties, Butterfinger, Aero, Polo
- **FoodServices and professional products:** Chef, Davigel, Minor's
- **Petcare:** Purina, Friskies, Fancy Feast, Alpo, Gourmet, Mon Petit, Felix, Dog Chow, Cat Chow, Pro Plan, Purina ONE, Beneful, Tidy Cats
- **Pharmaceutical company:** Alcon
- **Pharmaceutical and cosmetic joint ventures:** Galderma, Laboratoires innéov
- **Associated company:** L'Oréal (equity interest)¹

¹ Source: <http://www.nestle.com>

History

1866-1905

In the 1860s Henri Nestlé, a pharmacist, developed a food for babies who were unable to breastfeed. His first success was a premature infant who could not tolerate his mother's milk or any of the usual substitutes. People quickly recognized the value of the new product, after Nestlé's new formula saved the child's life, and soon, Farine Lactée Henri Nestlé was being sold in much of Europe.

1905-1918

In 1905 Nestlé merged with the Anglo-Swiss Condensed Milk Company. By the early 1900s, the company was operating factories in the United States, Britain, Germany and Spain. World War I created new demand for dairy products in the form of government contracts. By the end of the war, Nestlé's production had more than doubled.

1918-1938

After the war Government contracts dried up and consumers switched back to fresh milk. However, Nestlé's management responded quickly, streamlining operations and reducing debt. The 1920s saw Nestlé's first expansion into new products, with chocolate the Company's second most important activity.

1938-1944

Nestlé felt the effects of World War II immediately. Profits dropped from \$20 million in 1938 to \$6 million in 1939. Factories were established in developing countries, particularly Latin America. Ironically, the war helped with the introduction of the Company's newest product, Nescafé, which was a staple drink of the US military. Nestlé's production and sales rose in the wartime economy.

1944-1975

The end of World War II was the beginning of a dynamic phase for Nestlé. Growth accelerated and companies were acquired. In 1947 came the merger with Maggi seasonings and soups. Crosse & Blackwell followed in 1960, as did Findus (1963), Libby's (1971) and Stouffer's (1973). Diversification came with a shareholding in L'Oréal in 1974.

1975-1981

Nestlé's growth in the developing world partially offset a slowdown in the Company's traditional markets. Nestlé made its second venture outside the food industry by acquiring Alcon Laboratories Inc..

1981-1996

Nestlé divested a number of businesses 1980 / 1984. In 1984, Nestlé's improved bottom line allowed the Company to launch a new round of acquisitions, the most important being American food giant Carnation.

1996+

The first half of the 1990s proved to be favorable for Nestlé: trade barriers crumbled and world markets developed into more or less integrated trading areas. Since 1996 there have been acquisitions including San Pellegrino (1997), Spillers Petfoods (1998) and Ralston Purina (2002). There were two major acquisitions in North America, both in 2002: in July, Nestlé merged its U.S. ice cream business into Dreyer's, and in August, a USD 2.6 bn acquisition was announced of Chef America, Inc..²

Organization Business & Structure

Financial Highlights (In CHF as of 12/31/2005)

Total Revenue	90,155,000,000
Net Income	8,518,000,000
Total Assets	103,397,000,000
Current Assets	41,765,000,000
Current Liabilities	35,818,000,000
Long Term Debt	8,153,000,000
Stockholders' Equity	48,259,000,000

Nestlé Management


Peter BRABECK-LETMATHE
Chairman of the Board & Chief Executive Officer



Francisco CASTAÑER
Executive Vice President
Pharmaceutical and Cosmetic Products, Liaison with L'Oréal, Human Resources, Corporate Affairs



Lars OLOFSSON
Executive Vice President,
Strategic Business Units and Marketing



Werner J. BAUER
Executive Vice President
Technical, Production, Environment, Research and Development



Frits VAN DIJK
Executive Vice President Asia, Oceania, Africa and Middle East



Paul BULCKE
Executive Vice President United States of America, Canada, Latin America, Caribbean



Carlo DONATI
Executive Vice President Nestlé Waters



Luis CANTARELL
Executive Vice President Zone Europe

² <http://www.nestle.com>



Paul POLMAN
Executive Vice President
Finance, Control, Legal, Tax,
Purchasing, Export



Richard T. LAUBE
Deputy Executive Vice President,
CEO of Nestlé Nutrition



David P. FRICK
Senior Vice President, Corporate
Governance and Compliance



Chris JOHNSON
Deputy Executive Vice President
GLOBE Program, Information
Systems, Strategic Supply Chain,
eNestlé, Group Information
Security



Marc CAIRA
Deputy Executive Vice President,
Head of Foodservices Strategic
Business Division

Principal Offices

Avenue Nestle 55
Vevey, CH-1800
Switzerland³

³ <http://www.nestle.com>

Main Competitors

Friesland Coberco Dairy Foods Holding N.V. (Netherlands)

Business Summary⁴

Co. is a multinational company that develops, produces and sells a dairy products and fruit-based drinks for the consumer market, professional users, and food manufacturers. Co.'s activities are carried out by seven operating companies and corporate departments.

Products include:

INFANT FORMULA⁵

- Friso, Frisolac, Frisolac H, Frisomel, Frisomel Advance, Frisocep, Frisosoy, Frisovom, Dutch Baby, Dutch Lady, My Boy Eldosoy, My Boy Eldoplus.

COMPLEMENTARY FOODS⁶

- Frisocrem.

Financial Highlights (In EUR as of 12/31/2001)

Total Revenue	4,383,900,000
Net Income	110,200,000
Total Assets	2,597,900,000
Current Assets	1,177,900,000
Total Liabilities	1,963,700,000
Current Liabilities	1,351,400,000
Long Term Debt	453,400,000
Stockholders' Equity	634,200,000

Key Executives

Andre A. Olijslager - Pres.

Luc F.M. Dahlhaus

Principal Offices

Blankenstein 142
PE Meppel, 7943
The Netherlands

⁴ Source: Mergent Online

⁵ "Infant formula" means a breast-milk substitute formulated industrially in accordance with applicable Codex Alimentarius standards, to satisfy the normal nutritional requirements of infants up to between four and six months of age, and adapted to their physiological characteristics. Infant formula may also be prepared at home, in which case it is described as "home prepared".

⁶ "Complementary foods" more properly refers to cows milk, fruit juices, cereals, vegetables, or any other fluid, solid or semi-solid given in addition to breast-milk (or artificial milk). These are also commonly called weaning foods. Complementary foods come within the scope of the Code if they replace that part of a babies diet best fulfilled by breast-milk. In 1996 the World Health Assembly adopted resolution WHA49.15 saying that all complementary foods should not be marketed in a way that undermines exclusive and sustained breastfeeding. - <http://www.ibfan.org/>

Danone

Business Summary

Groupe Danone is the parent company of an international group of companies in the food and beverage industry. Co. operates in three lines of business: fresh dairy products, beverages and biscuits and cereal products. The fresh dairy products division offers yogurts, yogurt-style cheeses, dairy desserts and beverages. In the beverage division, products include still water, sparkling water, and soft drinks. In the biscuits division, products include cookies and other sweet snacks, crispbreads and crackers, and packaged cakes. Co.'s portfolio of brands include Danone, Badoit, Evian, Volvic, Font Vella, Aguas de Lanjaron, Salveta, Arvie, Villa del Sur, Waikiki, Italaquae, LU, Belin, and Saiwa. In France, an October 2001 national monitoring report placed Danone as the worst advertiser, well above Nestlé. These two companies together produced 72 % of all ads for babyfood in France (with 45% by Danone and 27% by Nestle). In terms of booklets and leaflets, Danone dominated again with 38% while Nestlé took 29%.

Products include:

INFANT FORMULA:

- Blédilait, Alma-Blédilait, Gallia, Actimel, Nursie.

COMPLEMENTARY FOODS:

- Blédine, Blédina cereals (8 varieties), Blédina infant juice, Blédine jarred baby food, Blédisoup, Gallia instant cereals, Phosphatine (10 varieties), Zywiec Zdroj bottled water.

Financial Highlights (In EUR as of 12/31/2004)

Total Revenue	13,700,000,000
Net Income	317,000,000
Total Assets	13,201,000,000
Current Assets	4,627,000,000
Total Liabilities	8,624,000,000
Current Liabilities	3,613,000,000
Long Term Debt	3,614,000,000
Stockholders' Equity	4,577,000,000

Key Executives

Franck Riboud - Chmn., C.E.O., Pres.

Jacques Vincent - Managing Dir.

Principal Offices

17, Boulevard Haussmann
Paris, 75009
France

Kraft Foods

Heinz (H.J.) Co. (United States) (NYS: HNZ)

Business Summary

H. J. Heinz and its subsidiaries manufacture and market a line of processed food products worldwide. Co.'s primary products include ketchup, condiments and sauces, frozen food, soups, beans and pasta meals, infant food and other processed food products. Within North America, Co.'s key trademarks include Heinz, Classico, Quality Chef Foods, Yoshida's, Catelli, Wyler's, Heinz Bell 'Orto, Bella Rossa, Chef Francisco, Dianne's, Ore-Ida, Tater Tots, Bagel Bites, Smart Ones, Poppers, Delimex, Truesoups, Alden Merrell, Escalon, PPI, Todd's, Appetizers And Inc., Nancy's and Lea & Perrins; with brands such as Jack Daniels, Weight Watchers, Boston Market and TGI Friday's are used under license. Heinz carries some infant formula and a full range of baby foods from 4 months to adult table food, from iron-fortified baby cereal to specially prepared vegetables, fruits and meats for infants, toddler meals, desserts and juices.

Products include:

INFANT FORMULA:

- Nurture Starter, Nurture Plus, Nurture Follow-on, Farley's follow-on.

COMPLEMENTARY FOODS:

- Farley's, Farex, Heinz cereals, purees and jarred foods, Heinz infant juices, Heinz All-in-One Cereal and Plasmon.

Financial Highlights (In USD as of 05/03/2006)

Total Revenue	8,643,438,000
EBITDA	1,693,746,000
Net Income	645,603,000
Total Assets	9,737,767,000
Current Assets	2,703,935,000
Total Liabilities	7,688,944,000
Current Liabilities	2,018,231,000
Long Term Debt	4,357,013,000
Stockholders' Equity	2,048,823,000

Key Executives

William R. Johnson - Chmn., Pres., C.E.O.

Arthur B. Winkleblack - Exec. V.P., C.F.O.

Principal Offices

600 Grant Street
Pittsburgh, PA 15219
United States

Ethical dilemma

Is it ethically correct to advertise breast-milk substitutes to the public?

The **International Code of Marketing of Breast-milk Substitutes**⁷ forbids virtually all forms of advertisements and marketing methods for breast-milk substitutes, especially against advertisements claiming health benefits from the substitutes. The Code also outlines the ways in which companies can communicate with mothers and health workers about their baby milk products.

As repeatedly communicated by UNICEF⁸, Nestlé violate the International Code issued by The World Health Organization⁹ and by UNICEF, which denied the possibility of promoting the use of powdered milk to feed the infants.

What is the position of companies which produce these products?

Do they really observe the regulations, marketing their products respecting all the ethical issues, or do they try to turn around the law in order to avoid legal problems? Usually when external groups accuse a business organization of unethical practices, managers of the accused organization offer a communicative response to attempt to protect their organization's public image, but still the only purpose is doing as much profit as possible, continuing to promote their product and to persuade people to buy them.

In the next pages, based on the regulations issued from WHO/UNICEF, it has been made a research of the major articles of the code and it has been analyzed the behavior of Nestlé and its competitors. In the end it has also been provided a solution and suggested some actions that the customer could take in order to constraint these company to a change.

BANNED FOR WHO:

For products within its scope the International Code bans:

- Advertising
- Free samples (unless for the purpose of professional evaluation or research)
- Contact between company representatives and pregnant women or mothers of infants and young children
- Promotion through health care facilities (e.g. no posters, no brand names on pens or writing pads, no leaflets for mothers)
- Gifts to health workers or mothers
- Labels which have pictures of babies or pictures or text which idealize the use of infant formula

⁷ The **International Code of Marketing of Breast-milk Substitutes** was established in 1981 by the general assembly of the World Health Organization (WHO). This Code, and a number of subsequent World Health Assembly resolutions, place restrictions on the marketing of breast milk substitutes, such as infant formula, to ensure that mothers are not discouraged from breastfeeding and that substitutes are used safely if needed. <http://en.wikipedia.org/>

⁸ The **United Nations Children's Fund** (or UNICEF) General Assembly was created on December 11, 1946. A voluntarily funded agency, UNICEF relies on contributions from governments and private donors. Its programmes emphasize developing community-level services to promote the health and well-being of children. <http://en.wikipedia.org/>

⁹ The **World Health Organization (WHO)** is a specialized agency of the United Nations, acting as a coordinating authority on international public health, headquartered in Geneva, Switzerland. <http://en.wikipedia.org/>

The International Code of Marketing of Breast-milk Substitutes¹⁰

Article 4. Information and education

4.2 Informational and educational materials, whether written, audio, or visual, dealing with the feeding of infants and intended to reach pregnant women and mothers of infants and young children, should include clear information on all the following points:

- **the benefits and superiority of breastfeeding;**
- **maternal nutrition, and the preparation for and maintenance of breastfeeding;**
- **the negative effect on breastfeeding of introducing partial bottle feeding;**
- **the difficulty of reversing the decision not to breastfeed;**
- **where needed, the proper use of infant formula, whether manufactured industrially or home prepared.**

Nestlé has always emphasized the superiority of breastfeeding. As far back as 1869, Henry Nestlé, the Company's own founder said:

"During the first few months, the mother's milk will always be the most natural nutriment, and every mother, able to do so, should herself suckle her child."

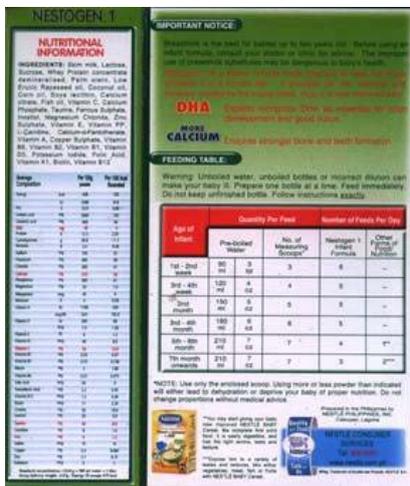
Nestlé also supports the promotion of breastfeeding. A little-known fact is that Nestlé is one of the largest private producers of breastfeeding promotional material in the world. Nestlé is also the largest private distributor of the WHO Code of Marketing of Breast-milk Substitutes in the world, having distributed tens of thousands of copies to educate both our staff and the health systems Nestlé deal with.¹¹

¹⁰ <http://www.babymilkaction.org>

¹¹ <http://www.babymilk.nestle.com>



While labels have to contain a prominent message saying 'Breast-milk is best for babies up to two years old' under existing regulations, companies undermine this with prominent messages claiming the formula contains "Brain Building Blocks" (Nestlé, right) and other health claims. The 'Important Notice' saying breast-milk is best for babies is undermined by Nestlé's additional text: "Nestogen 1 is a starter formula made specially to meet the needs of infants 0 to 6 months old. It provides all the vitamins and minerals needed by the young infant. Plus, it is now improved with: "DHA¹² – Experts recognize DHA as essential for brain development and good vision. "This is a cheaper formula for the mass market."¹³



The Blédina website “*Pas à pas, bébé grandit avec Blédina*” (step by step, baby grows up with **Blédina**) features a message from a “*Doctor in Nutrition*” who says that “*If you chose to bottle feed your baby, you know that the composition of infant formula is close to mother’s milk*”. A movie clip on the website shows a busy mother bottle feeding her baby.¹⁴



¹² DHA - Docosahexaenoic acid (commonly known as DHA; 22:6 omega-3, all-cis-docosa-4,7,10,13,16,19-hexaenoic acid, trivial name cervonic acid) is an omega-3 essential fatty acid. Chemically, DHA is a carboxylic acid with a 22-carbon chain and six cis double bonds; the first double bond is located at the third carbon from the omega end. DHA concentrations in breast milk range from 0.07% to greater than 1.0% of total fatty acids, with a mean of about 0.34%. DHA levels in breast milk are higher if a mother's diet is high in fish.

¹³ <http://www.babymilkaction.org>

¹⁴ <http://www.ibfan.org>

Article 5. The general public and mothers

5.2 Manufacturers and distributors should not provide, directly or indirectly, to pregnant women, mothers or members of their families, samples of products within the scope of this Code.

Nestlé does not provide mothers in the developing world with free samples of its infant formula products. However, Nestlé also agrees with the way many governments have implemented this Resolution, allowing donations for orphans, multiple births and disaster relief. Nestlé states that in order to reach developing world mothers who do need infant formula it leaves the recommendation of appropriate breast-milk substitutes to health professionals and for almost 20 years has stopped all promotion of infant formula to the public. This commitment to a ban on promotional activities means: no advertising, no store promotions, no price incentives, no 'milk nurses' and no educational materials mentioning infant formula. ¹⁵

Hungary 1999: Nestlé distributes free samples of a banned product



Nestlé is distributing unsolicited packs of materials in Hungary using contact details from the birth registry. A pack received by a breastfeeding mother when her child was five months old included the free sample of follow-on formula shown here. A booklet in the pack explains how to collect points from infant foods to obtain free gifts, including further formula. A letter tells the mother she has to write to Nestlé if she does not want it to pass her contact details to other companies. Nestlé has obtained the addresses of mothers from the birth registry and sent unsolicited information on its products, including a free sample of Nestlé follow-on formula Beba 2. ¹⁶

5.3 there should be no point-of-sale advertising, giving of samples, or any other promotion device to induce sales directly to the consumer at the retail level, such as special displays, discount coupons, premiums, special sales, loss leaders and tie-in sales, for products within the scope of this Code.



Heinz baby cereal is sold at a discount at a chain store in Singapore. Redeeming a coupon enters customers in the store's monthly Lucky Draw for a \$100 prize. ¹⁷



In Armenia, there are special displays of **Nan**. Posters of the blue bear logo have the slogan "Start with the best". ¹⁸

¹⁵ <http://www.babymilk.nestle.com>

¹⁶ <http://www.babymilkaction.org>

¹⁷ <http://www.ibfan.org>

¹⁸ <http://www.ibfan.org>

5.4 Manufacturers and distributors should not distribute to pregnant women or mothers of infants and young children any gifts of articles or utensils which may promote the use of breast-milk substitutes or bottle feeding.



The company distributes samples of **Nan 1** and **Lactogen 1** to mothers through Indonesian midwives. Nestlé reps then call on new mothers at home to enquire whether they are still giving their babies Nestlé products.¹⁹

Article 6. Health care systems

6.6 Donations or low-price sales to institutions or organizations of supplies of infant formula or other products within the scope of this Code, whether for use in the institutions or for distribution outside them, may be made. Such supplies should only be used or distributed for infants who have to be fed on breast-milk substitutes. If these supplies are distributed for use outside the institutions, this should be done only by the institutions or organizations concerned. Such donations or low-price sales should not be used by manufacturers or distributors as a sales inducement.

According to our Instructions, financial or material inducement to promote infant formula is not allowed.

Inexpensive items of professional utility, like measuring tapes, weighing-scales, thermometers or tongue depressors, or culturally appropriate small items are allowed. The Nestlé Instructions, issued in 1982, including a "List of materials of professional utility which may be distributed to individual health workers", were reviewed and refined in 1984 in consultation with WHO, UNICEF and the International Nestlé Boycott Committee.²⁰



In Venezuela, Nestlé distributes aprons with the company name and logo to nurses and other workers in pediatric wards.²¹

¹⁹ <http://www.ibfan.org>

²⁰ <http://www.babymilk.nestle.com>

²¹ <http://www.ibfan.org>



Posters and leaflets bearing the Frisolac brand name, packshots and the “Friso Triple Care” logo are displayed in Thai health facilities.²²

Article 7. Health workers

7.4 Samples of infant formula or other products within the scope of this Code., or of equipment or utensils for their preparation or use, should not be provided to health workers except when necessary for the purpose of professional evaluation or research at the institutional level. Health workers should not give samples of infant formula to pregnant women, mothers of infants and young children, or members of their families.

In accordance with the WHO Code, Nestlé provides samples (maximum two cans, once only) for professional evaluation when a new product or formulation is introduced, or to introduce a product range to a newly qualified doctor. We also allow samples for approved clinical trials or research. Samples must bear the mention “sample for professional evaluation” and sample distribution records must be kept.²³



In Armenia, two 450 g tins of **Alfaré hypo-allergenic formula** marked “*sample for professional evaluation*” are routinely given to each patient in a resuscitation unit. Doctors fill up request forms but no evaluation is conducted.²⁴

Article 9. Labeling

9.2 Manufacturers and distributors of infant formula should ensure that each container has a clear, conspicuous, and easily readable and understandable message printed on it (.....). Neither the container nor the label should have pictures of infants, nor should they have other pictures or text which may idealize the use of infant formula. They may, however, have graphics for easy identification of the product as a breast-milk substitute and for illustrating methods of preparation.

²² <http://www.ibfan.org>

²³ <http://www.babymilk.nestle.com>

²⁴ <http://www.ibfan.org>

The WHO Code states that it is the responsibility of health workers to advise mothers on infant feeding - first and foremost by encouraging and protecting breastfeeding, secondly by informing the mother about appropriate alternatives (advantages and disadvantages) which include instructions on how to prepare infant formula correctly. Thus Nestlé does not have any direct contact with mothers or pregnant women with respect to infant formula. The only way Nestlé "talks" directly to a mother is through the labels. The WHO Code stipulates what important information should be carried on each infant formula product. Nestlé infant formula labels are totally in line with the WHO recommendations and national regulations. e.g. All labels state: "breastfeeding is best for your baby" and include preparation instructions in the relevant local languages and also pictorially. Twenty years ago, when Nestlé developed the present concept of infant formula labels, WHO and UNICEF were consulted.²⁵



These adverts promoting food at 4 months and using health claims, continue to appear in the *Sunday Times* (New Delhi) and in women's magazines in India. Nestlé is the only baby food company to do such high-profile advertising.²⁶



In Indonesia, Frisian Flag infant formula labels encourage mixed feeding and advise that babies need foods other than breast-milk from four months.²⁷

²⁵ <http://www.babymilk.nestle.com>

²⁶ <http://www.babymilkaction.org>

²⁷ <http://www.ibfan.org>

Consequences

The Impact of Bottle-feeding: North and South²⁸

The North:

- Tests have shown that formula feeding increases the risk of asthma in children by 40% to 50%.
- Infants not breastfed have been found to be 16.7 times more likely to be diagnosed with pneumonia than exclusively breastfed babies.
- The longer a child is breastfed, the less likely it is that he or she will contract childhood cancers.
- Babies who are formula fed are more likely to develop allergies, contract infections, become obese, develop cardiovascular problems, and experience chronic disease.

The South:

- Mothers frequently have no secure access to clean drinking water.
- The most notorious infection will cause diarrhea, which can easily dehydrate a child and cause death if not properly treated. This is what causes the majority of the 1.5 million annual deaths attributed to insufficient breastfeeding.
- Poor families may be incapable of buying enough formula to keep a baby fed. This can quickly lead to malnutrition in a young infant.



Decline in breastfeeding

- Hospitals and formula: Most hospital staffs, rather than providing skilled care and assistance to new mothers, serve as unpaid representatives and advertising agents for the multimillion-dollar formula industry. They hand out "gift" packs to mothers, and simply by dispensing such "gifts," hospitals contribute to early lactation failure, for they give new mothers the impression that formula is necessary for optimal infant health.
- Knowledge deficits: A lack of information plays a major role in choosing not to breastfeed. Most mothers choose to do not breastfeed because they think that it hurts, or that it would change their figure, that it would prevent them from being able to leave their baby, or because it is old-fashioned. Thus, both lack of information and an abundance of misinformation influence infant feeding choices.
- Careerism: in developed countries mothers don't have enough time to spend with their babies. When a nanny or some other person is hired as a regular caretaker of the child, bottle-feeding becomes the preferred feeding method.

²⁸ HAROLDSCHMITT/STERN MAGAZINE In countries where the water is unsafe, a bottle fed child is up to 25 times more likely to die from diarrhea than a breast fed child

HIV/AIDS and marketing of infant formula

- HIV/AIDS can be, but is not always, transmitted through breast-milk (the rate of transmission is about 15%), and as such, many people have advocated that any mothers in areas of high prevalence should resort to artificial feeding.
- Nestlé fully supports the UNAIDS/WHO/UNICEF Collaborative Policy Statement on HIV and Infant Feeding, which states that HIV (the virus that causes AIDS) can be transmitted by breastfeeding. The Statement refers to studies, which indicate that between 25%- 33% of infants born to HIV-positive mothers are also infected, and more than one third of these babies are infected through breastfeeding.
- For many African children the risk of bottle feeding is higher than the risk of HIV mother to child transmission (MTCT). Artificial feeding should only be implemented if it is completely feasible, safe, sustainable, and affordable. In areas of high poverty, poor healthcare, and inadequate sanitation, bottle-feeding does not meet any of these criteria, and as such the decision to breastfeed must be made on a case-by-case basis. Despite this fact, Nestle can now capitalize on the anxiety surrounding breastfeeding to promote their product successfully, putting more children at risk. Many breastfeeding activists say that the formula industry is capitalizing on the HIV epidemic to promote its products in the developing world and the US papers have interpreted this as a charitable mission.
- Companies such as Nestlé which have a vested interest in mothers choosing artificial feeding in the context of HIV, undermine women's rights to truly independent and objective information on this subject. The WHA²⁹ Resolution passed in May 2001 (WHA 54.2) reaffirmed this right, stressing the need for independent research into HIV and stating that mothers should be protected from commercial influences.

²⁹ WHA - The World Health Assembly is the forum through which the World Health Organization (WHO) is governed by its 192 member states. It is the world's highest health policy setting body and is composed of health ministers from member states.

The main tasks of the World Health Assembly are to approve the WHO programme and the budget for the following biennium and to decide major policy questions.

The majority of mothers in developing countries are illiterate and cannot read the preparation instructions

- Infant formula does not come ready to use. It must be prepared. And a product which requires clean water, good sanitation, adequate family income and a literate parent to follow printed instructions cannot be properly and safely used in areas where water is contaminated, sewage runs in the streets, poverty is severe and illiteracy is high.
- Formula requires mothers to read and understand instructions for preparing the formula, yet, in many of the developing countries where infant formula is marketed, mothers can't read. Even where the mother can read her native language, in many instances she is faced with a foreign script. In Dar es Salaam, Tanzania, for example, where Nestle's Lactogen is widely marketed, a local doctor reported that the instructions were in English even though most of the women were fluent only in Swahili.
- Even where a mother can read and understand printed instructions, she is ill-equipped to follow them adequately and safely. Formula preparation requires clean water to mix with the formula. Yet boiled water is a luxury to many Third World women.
- Third World mothers often mix the formula with unclean water, and fail to sterilize the bottles. As a result, the babies drink the contaminated formula and become ill. The UN's Food and Agricultural Organization (FAO)³⁰ reported in 1977 that "under the unfavorable economic and sanitary conditions found in low income urban groups, the consequences of bottle feeding is a high prevalence of diarrhea and gastrointestinal tract infections which, coupled with frequent over-dilution of the milk, leads to increased incidence of Protein Energy Malnutrition (PEM)."

Advertisements for baby foods must not target infants younger than six months.

- Breastfeeding is an important route of antibodies from the mother to babies - providing partial immunity to a wide variety of diseases. Breastfed babies are protected, in varying degrees, from a number of illnesses, including pneumonia, botulism, bronchitis, staphylococcal infections, influenza, ear infections, and German measles. Breast-milk is accepted as the most nutritious and appropriate food for infants, providing all the nutrients required by an infant up to 6 months of age.
- The use of infant formula reduces rates of breastfeeding and therefore some of the other benefits of breastfeeding. There is evidence that breastfeeding reduces the incidence of Sudden Infant Death Syndrome or cot death, as well as other diseases such as diabetes later in life, and promotes bonding between mother and baby.
- Breastfeeding also delays the return of fertility in most women, providing a natural contraceptive, as long as she is fully breastfeeding (i.e. the baby is not weaned at all), the baby is under six months of age, and her periods have not returned. This can be particularly important for women in developing countries who may not have access to alternative forms of contraception. Inadequate birth spacing (multiple pregnancies close together) can have negative consequences for women and their babies, particularly in developing countries where adequate pre- and post-natal care may not be available.

³⁰ The Food and Agriculture Organization (FAO) was founded on 16 October 1945 in Quebec City, Quebec, Canada. FAO is a specialized agency of the United Nations that leads international efforts to defeat hunger. Serving both developed and developing countries, FAO acts as a neutral forum where all nations meet as equals to negotiate agreements and debate policy.

Conclusion

Nestlé is the biggest international manufacturer of food with plants in more than 80 countries and a business of roughly 52 billion dollars. Some of Nestlé's business practices are controversial, especially the manner in which baby milk has been marketed in developing countries, which led to the Nestlé boycott.

With his publicity budget of nearly 8 billion dollars, Nestlé has a remarkable advantage on women who naturally produce milk for their infants and who don't have a "fortune" to invest to promote the goodness of their product.

Ignoring the advices of The World Health Organization which recommend the usage of complementary food after the first six months of the infant, Nestlé products are tagged as usable after two weeks. The labels don't provide clear information and, sometimes, in languages that the mothers are not able to understand.

The use of powdered milk, in substitution of breast-milk, distributed for free in hospitals during the first days of breastfeeding, causes to the infant rejection to the breast-milk. This has caused and causes the death of a high number of children during the first months of life, since in the third world powdered milk is made with noxious water. The World Health Organization (WHO) estimates that 1.5 million infants die as a result of diarrhea every year because they are not breastfed. Despite this, companies continue to promote artificial feeding in ways that undermine breastfeeding. UNICEF accuses more than 1.000.000 infant deaths a year in the South of the World because they are no longer fed with breast-milk.

Issues/Solutions

The challenge is to educate and encourage mothers to exclusively breastfeed their baby during the first 6 months of life, and breastfeed along with the introduction of complementary food, for as long as possible. Because infant mortality is actually highest after 6 months of age efforts to improve complementary feeding practices are equally important.

The production of breastfeeding substitutes, instead of being a source of business, should only be aimed to solve difficult situations. Not all mothers are able to feed their babies on breast-milk alone for 6 months, or, for various reasons, they choose not to. There are cases when babies are "at risk" (e.g. low birth weight, premature or when the mother has died) and may need supplements to compensate for this. These babies are more "at risk," than healthy, breastfed babies.

Infant formula is the best nutritional alternative for those babies who are not breastfed. Most women in developing countries do not buy infant formula. They feed their babies inferior traditional substitutes like whole cow's milk, tea, rice water, cornstarch water³¹ or cassava flour³² and water. Such substitutes can be dangerous because they lack the required nutritional content and/or balance.

³¹ Cornstarch, or cornflour, is the starch of the maize grain, commonly known as corn. It is also ground from the endosperm, or white heart, of the corn kernel. - <http://en.wikipedia.org/>

³² The cassava or manioc (*Manihot esculenta*) is a woody shrub of the Euphorbiaceae (spurge family) that is extensively cultivated as an annual crop in tropical and subtropical regions for its edible starchy tuberous root, a major source of carbohydrate.

Thus every mother has the right to choose what she feels is best for herself and her baby on the basis of objective information and advice from a qualified health professional, feeding the child with breast-milk substitutes should not be an option which every mother can select. In developed countries it is too easy to go to the supermarket and buy infant formula. In developing countries the majority of the mothers are illiterate and not always have the necessary knowledge and instruments to judge what it's better for their children, and a wrong decision could damage the infant. I think that companies which produce breast-milk substitutes should not be allowed to promote and to sell their products directly to the public, in supermarkets, or through health services. The best way to solve all the ethical problems, like the diminution of the breastfeeding and the wrong way to use the powdered milk in Africa, would be to allow people to buy breast-milk substitute only in pharmacies and only under medical prescription.

Strategies

In response to a marketing abuse remained widespread within the industry, a coalition of health, religious, labor and citizen's groups organized a worldwide boycott of Nestlé, the largest infant formula company. In addition, many countries have imposed marketing restrictions on Nestlé and other infant formula companies.

The Nestlé boycott is a boycott launched on July 4, 1977 in the United States against the Swiss based Nestlé Corporation. It soon spread rapidly outside the United States, particularly in Europe. It was prompted by concern about the company's marketing of breast-milk substitutes (infant formula), particularly in Third World countries, which campaigners claim contributes to the unnecessary death and suffering of babies, largely among the poor.

The boycott is now coordinated by the International Nestlé Boycott Committee, the secretariat for which is the UK group Baby Milk Action. Company practices are monitored by the International Baby Food Action Network (IBFAN), which consists of more than 200 groups in over 100 countries.

In November 2000 the European Parliament invited IBFAN, UNICEF and Nestlé to present evidence to a Public Hearing before the Development and Cooperation Committee. Evidence was presented by the IBFAN group from Pakistan and UNICEF's legal officer commented on Nestlé's failure to bring its policies into line with the World Health Assembly Resolutions. Nestlé declined an invitation to attend, though it sent a representative of the auditing company it had commissioned to produce a report on its Pakistan operation.

In parallel with the boycott, campaigners work for implementation of the Code and Resolutions in legislation and claim that 60 countries have now introduced laws implementing most or all of the provisions.

Many hundreds of European universities, colleges and schools, including over 200 in the United Kingdom, have banned the sale of Nestlé products from their shops and vending machines.

Results

- Result of the Nestlé boycott is a change in the Nestlé policy of promotion. All general advertising has been stopped, "milk nurses" no longer promote to mothers, distribution of samples to the public has been stopped (although controversy continues over the practice of sampling to hospitals), and labels are being redesigned to conform to the requirements of the WHO Code. The Nestlé company has issued instructions to its personnel which implement Nestlé's interpretation of the provisions of the WHO Code, and has formed an Audit Commission composed of persons outside the company to receive complaints about the company's practices with regard to infant formula.
- Violations of certain provisions of the WHO code continue to be reported. The most serious violations are the provision of samples to hospitals (which they often then distribute to mothers), outdated labels still appearing on cans in many countries, and some promotions to doctors and other health professionals either through gift items or by uniformed nurses employed by the company.
- In summary, the principal goals of the Nestlé boycott have been achieved as regards the Nestlé company, and significant progress has been made both with other companies and the primary public health organization at the international level. The question is whether this is the appropriate time to end the boycott and pursue other strategies for securing continuing implementation of the WHO Code on infant formula marketing.

