How Nestle Applied Shared Value Creation in Agriculture Sector to achieve Sustainable Agriculture and Make more Profit «Nestle Model»

Ishak KHERCHI ^{1♦}, Mohamed FELLAGUE ², Samira Ahlem HADDOU ³

¹ Doctor, Associate professor B, Hasiba Benbouali University of Chlef (Algeria)
e-mail: i.kherchi@univ-chlef.dz

² Doctor, Associate professor A, Hasiba Benbouali University of Chlef (Algeria)
e-mail: mohamed.fellag@gmail.com

³ Doctor, Associate professor B, Hasiba Benbouali University of Chlef (Algeria)
e-mail: ahlamhaddou@gmail.com

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Abstract:

This paper explains how Nestlé used the shared value concept to make agriculture more sustainable and achieve more profit by creating business value. We use a case study approach based on qualitative research to investigate shared value in achieving sustainable agriculture. We analyzed Nestlé programs in rural development, environmental sustainability, and the Water field. We found that applying the shared value concept by nestle makes agriculture more sustainable and leads to business value.

Keywords: Sustainable Agriculture, Shared Value Creation, Business Value, Environmental Value, Social value.

JEL Classification: M14, Q01, Q56.

ملخص:

تشرح هذه الورقة كيف استخدمت نستله مفهوم القيمة المشتركة لجعل الزراعة أكثر استدامة وتحقيق المزيد من الأرباح من خلال خلق قيمة أعمال. استنادا إلى البحث النوعي ، استخدمنا طريقة دراسة الحالة لاستكشاف فكرة القيمة المشتركة في تحقيق الزراعة المستدامة. قمنا بتحليل برامج نستله في ثلاثة مجالات: التنمية الريفية والاستدامة البيئية ومجال المياه. وجدنا أن تطبيق مفهوم القيمة المشتركة بواسطة شركة نستله يجعل الزراعة أكثر استدامة ويؤدي إلى قيمة تجارية.

♦ Corresponding author : Ishak KHERCHI, e-mail : i.kherchi@univ-chlef.dz

الكلمات المفتاحية: الزراعة المستدامة، خلق القيمة المشتركة، قيمة الأعمال، القيمة البيئية، القيمة الاجتماعية.

تصنيف JEL : M14, Q01, Q56.

1. Introduction

Nestlé has provided food and nutrition products for over one hundred and thirty years. However, its Agriculture sector business is characterized by a growing demand for food, an increase in water scarcity, and poor farmers, especially in rear areas. So Nestlé is needed to improve farmers living standers, environmental protection, and water use.

To solve these problems and make agriculture more sustainable, Nestlé needs to ensure that agriculture sustainability is profitable, based on the fact that most companies invest in an area that yields profit.

We are wondering if there is any role for Nestlé in solving these problems by using the Shared value concept, in other terms making the agriculture sector more sustainable and achieving more profit and business value for Nestlé.

The fundamental problem of this study is related to the way Nestlé achieved sustainable agriculture and business value using the shared value concept, so the question is:

How does Nestlé apply the shared value concept to make agriculture more sustainable and make more profit?

2. Shared value creation and sustainable agriculture

2.1. Sustainability and sustainable agriculture

Sustainability is "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (WCED, 1987, p43), while Sustainable agriculture has been described as an umbrella term encompassing several ideological approaches to agriculture (Gips, 1988) including organic farming, biological agriculture, alternative agriculture, ecological agriculture, low-input agriculture, biodynamic agriculture, regenerative agriculture, permaculture and agroecology (Hansen.J. W 1996, p120)

2.2. Sustainable agriculture and Environmental sustainability

Environmental sustainability "seeks to improve human welfare by protecting the sources of raw materials used for human needs and ensuring that the sinks for human wastes are not exceeded, to prevent harm to humans" (Moldan, Šková. & Hák, 2012, p5). Sustainable agriculture is a set of management strategies addressing the main societal concerns about food quality or environmental protection (Francis, Sander & Martin, 1987, p12).

2.3. Sustainable agriculture and Shared value

Sustainable agriculture aims to meet society's food and textile needs in the present without compromising the ability of future generations to meet their own needs (<http://asi.ucdavis.edu/programs/sarep/about/what-is-sustainable-agriculture>, 01/02/2018). While Shared value, According to Porter and Kramer, can be defined as policies and operating practices that enhance a company's competitiveness while advancing the economic and social conditions in the communities in which it operates (Porter & Kramer, 2011, p6).

We considered shared value as an umbrella for all previous related concepts; Sustainability, sustainable agriculture, and environmental sustainability. We also consider creating shared value as a new concept to invest in environmental and social needs to achieve sustainability and make business and social value simultaneously.

3. Three steps to create shared value:

Shared value can be created by reconceiving products and services to meet societal demands, redefining productivity in the value chain, and Enabling local cluster development:

3.1. Reconceiving products and markets

Reconceiving value propositions and markets requires companies to view their offerings as value propositions in the marketplace context, as opposed to standalone goods and services (McIntosh, Sheppy & Zuliani JD, 2016).

This also refers to identifying the growing unmet need in society, the need for improvements in help for the ageing, healthcare, housing, nutrition, financial opportunities, and the environment. These needs can be a source of opportunities that businesses today with confidence can pursue in search of growth. The main reasons for this are that after decades of work revolving around analyzing, manufacturing, and meeting demand, many businesses have lost focus and track of what customers need (Goitom, 2015).

Society's needs and this is what raises the demand for these products. At the same time, redefining productivity in the value chain saves energy, water, and cost. It creates value for society and business, enabling local cluster development, which helps provide infrastructure around creating shared value.

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4. Research methodology

We used qualitative research, which can be defined as an approach that seeks to describe, decode and translate phenomena in terms of meaning rather than frequency. Qualitative research allows the researcher to gather information and do an in-depth

exploration of issues and therefore follows a less structured format with fewer respondents than quantitative methods (Bellenger, Bernhardt & Goldtucker, 1989, p13).

Furthermore, qualitative research uses words, sentences, and paragraphs rather than numbers. Unlike the quantitative methods used to test a theory and make generalizations about populations, qualitative methods gather deep and rich information.

Summarized the advantages of qualitative research as follows: (sen, 2011, p4)

- A method enabling the researcher to understand and explain the personal experiences of individuals.

- Emphasizes people's understanding and interpretations and can be used for very narrow and holistic studies examining a situation's totality.

- Allows the researcher to experience research issues from a participant's perspective.

- Uses a combination of techniques and may even invent methods to provide a broad understanding of a social situation and tends to focus on human interest issues that are meaningful to everyday managers.

This qualitative research approach is appropriate for our study because this kind of study requires much information and a high understanding of the situations, initiatives in sustainable agriculture, and social activities of Nestlé company. In addition, there is a lack of studies and research on creating social, environmental, and business impacts.

Within the qualitative research, we use a case study approach to investigate shared value in achieving sustainable agriculture. We aim to provide a theoretical and practical contribution to enhance our understanding of shared value creation in sustainable agriculture.

We collect data and information based on Nestle reports, online meetings through Skype with nestle managers, and observations; the authors analyze a single case study of Nestlé company. The objective is to show how the shared value concept is applied to reach sustainable agriculture.

5. Creating shared value in the agriculture sector (Nestlé model)

5.1 Who is Nestlé?

Nestlé is a Swiss transnational food and drink company headquartered in Vevey, Vaud, Switzerland. It has been the largest food company in the world, measured by revenues and other metrics, for 2014, 2015, and 2016. It ranked No. 33 on the 2016 edition of the Forbes Global 2000 list of the largest public companies. Nestlé's products include baby food, medical food, bottled water, breakfast cereals, coffee and tea, confectionery, dairy products, ice cream, frozen food, pet foods, and snacks. Twenty-nine of Nestlé's brands have annual sales of over 1.1 US\$ billion, including Nespresso, Nescafé, Kit Kat, Smarties, Nesquik, Stouffer's, Vittel, and Maggi. Nestlé has 447 factories, operates in 194 countries, and employs

around 339,000 people. It is one of the principal shareholders of L'Oreal, the world's largest cosmetics company <http://www.nestle.com/aboutus> (16/02/2019).

5.2 Nestlé approaches to create shared value

5.2.1 Reconceiving products and markets

At a global level, Nestlé has prioritized product innovation for improved health and nutrition, reformulating over 6,500 products over the past decade. Over 75% of Nestlé's product portfolio now exceeds the company's World Health Organization-inspired nutrition criteria. Product reformulations range from fortifying products to meet geographic-specific nutritional deficiencies, such as iodine, iron, calcium, and vitamins in Latin America, to reducing sodium or fat content. Furthermore, Nestlé's CEO announced in 2012 that the company would accelerate its plan to meet its public nutritional commitments. These commitments establish plans to increase the nutritional value of all of Nestlé's products, comply with high nutritional standards for all infant products, and promote children's nutritional education and healthy living at the global level (www.sharedvalue.org/ 18/02/2019)

5.2.2 Redefining productivity in the value chain

Nestlé helped more than 63,000 farmers in coffee-producing countries to improve the quality of their products and boost productivity. Working with farmers to increase productivity through loans, technology, knowledge transfer, agronomists' support, and improving and focusing our industrial capacity to produce higher value-added food products locally helps the region's communities realize their growth potential. At the same time, it increases Nestlé's productivity in the value chain and helps ensure access to high-quality crops for Nestlé's business (Nestlé report, 2014, p6).

5.2.3 Enabling local cluster development

Nestlé built clusters in which its new procurement practices were far more effective. Nestlé set out to build agricultural, technical, financial, and logistical firms and capabilities in each region, to further support efficiency and high-quality local production. Nestlé led efforts to increase access to agricultural inputs such as seeds, fertilizers, and irrigation equipment. It also strengthens regional coops by providing financing, shared wet milling facilities for producing higher quality beans, and educating farmers with the latest farming techniques. Nestlé also partnered with Rainforest Alliance, a leading international NGO, to teach farmers more sustainable practices (Nestlé Creating Shared Value Report, 2011, p124).

We see that Nestlé followed the three steps to create shared value by reconceiving 75% of Nestlé's product portfolio; it also redefined productivity in the value chain by helping more than 63,000 farmers in coffee-producing countries and by doing that, Nestlé improved

its productivity. Nestlé also enabled local cluster development through partnerships leading international NGOs to teach farmers more sustainable practices.

5.3 Nestlé Programs to create shared value

5.3.1 Creating shared value in the Water field

Nestlé followed 31 programs: clean drinking water project, Watershed conservation, and biodiversity protection, Safe Drinking Water Facilities, Investing in water-efficient factories, treating wastewater, and promoting water stewardship (Skype and telephone calls with Nestlé responsible 22/01/2019).

Responsible water stewardship is critical to the future of Nestlé's business, and we are helping to facilitate the sustainable management of water catchments. To make it more straightforward, Nestlé provides three programs in the United Kingdom and Spain as follows:

5.3.1.1 Promoting water stewardship at Nestlé's Douala factory

-Program description

The business sector operates across a comprehensive value chain, uniquely positioned to both respect and promote the need for safe water and adequate sanitation. Members of the World Business Council for Sustainable Development (WBCSD) have developed a public pledge where participating companies agree to deliver access to safe water, sanitation, and hygiene (WASH) for all employees working in premises under direct company control within three years in 2014. We completed a Water Resources Review (WRR) at our Douala factory in Cameroon, where we produce Maggi soup bases Nestlé (Full report 2015, p4). Nestlé used the World Business Council for Sustainable Development's WASH self-assessment tool to examine access to water, sanitation, and hygiene for more than 500 employees, vendors, and visitors to the site. The factory satisfactorily met the pledge's overall compliance levels, and we have developed an action plan to tackle the few improvement issues it highlighted (www.nestle.com, 22/02/2019).

- Value to society and the environment

Twenty-five signatories (including Nestlé) have adopted the WASH Pledge, and interest has accelerated over the past 12 months. Existing signatories are from 15 business sectors and represent operations in Western Europe, Eastern Europe, the United States, Asia, and the Middle East. Over the past year, we have helped to promote the value of the pledge to the business community through public platforms and participation in peer-to-peer dialogues, including on World Toilet Day and at the WASH session of the UN-Water Annual Zaragoza Conference in January 2015(www.nestle.com, 23/02/2019).

- Value to Nestlé

Nestlé was one of the first signatories to sign up for the pledge, as we believe that it demonstrates how we deliver on our Corporate Business Principles and on putting our people first. Through the WASH Pledge, 339 456 employees from Nestlé are ensured access to safe water, sanitation, and hygiene (www.nestle.com, 24/02/2019).

5.3.1.2 Treating wastewater with bio-digestion in the United Kingdom

Nestlé's Fawdon confectionery factory in the UK invested CHF 4.9 million in an anaerobic digestion system, completed in September 2014. The system uses natural biological digestion processes to convert solid and liquid sewage waste into clean water and methane gas. The facility will save 1000 tonnes of carbon dioxide annually, cut solid waste by 4000 kg daily, and reduce effluent discharges by 95% (Nestlé Full report, 2014, p4).

-Value to Nestlé

Nestlé has achieved strong water efficiency across Nestlé's operations over recent years. In addition to saving and using water more efficiently, in the case of the Nestlé factory in Fawdon, this represents financial savings of 380 000 CHF in effluent charges and 600 000 CHF in electricity charges (Nestlé report, 2014, p1).

- Improving water efficiency at La Penilla in Spain

The project began in 2011 when Nestlé's factory manager brought together a multidisciplinary team of employees to identify opportunities for reducing water use. Since then, Nestlé has modified the water flow regulation through our milk evaporators, and it now uses 1 million m3 less water every year, the equivalent of 400 Olympic swimming pools. The factory has installed three new cooling towers with a more efficient closed refrigeration loop system that recycles water, which delivered a 25% reduction in water use during the first half of 2013 (Full Report, 2013, p184).

-Value to society

The project has also improved awareness of the benefits of water stewardship among our employees, creating positive behavioural change for the long term (www.nestle.com 25/02/2019).

-Value to Nestlé

Nestle has achieved substantial improvements in water efficiency in recent years against many competing priorities and will continue to do so. Despite a steady increase in Nestlé manufacturing production over the past ten years, we have steadily decreased our water use. In 2013, Nestlé implemented 171 programs in its factories to reduce and reuse water sources, saving 3.6 million m3 of water. Nestlé has reduced direct water withdrawals in every product category and achieved an overall reduction per ton of the product of 33.3%

since 2005. Nestlé wants to go further and has targeted a 40% reduction of direct water withdrawals by 2015 (Full Report, 2013, p185).

5.3.2 Creating shared value in rural development:

The raw ingredients and materials we need for our products are sourced from millions of farmers across the globe. We work with them and other suppliers to support sustainable development in the rural areas where their farms are located.

Nestlé followed 62 programs to create shared value in rural development; we only provide two programs in China and Venezuela (Nestlé summary report, p17).

5.3.2.1 Developing the dairy farming sector in China

Nestlé built its factory in Shuangcheng, China, in 1987. In 2012, having recognized a need to improve the sustainability of our milk supply chain, we committed to establishing the Nestlé Dairy Farming Institute (www.nestle.com, 27/02/2019).

Helping farmers increase their knowledge and skills is a crucial area of Nestlé's rural development strategy. By adopting best practices, farmers can improve productivity, trading relations, and cost control. The Institute consists of three demonstration dairy farms. Farm owners and workers attend training sessions to improve farm management skills, learn how to use the latest technology, and gain practical experience in expanding their businesses (Skype and telephone calls with Nestlé responsible 22/02/2019).

In 2014, the Institute launched training programs covering dairy farm management and cow breeding.

5.3.2.2 Agriculture sustainability and value creation for society

As more people than ever move away to urban areas, Nestlé faces an ageing global farming population. We would like to see rural areas that are attractive to live, work and invest in, so Nestlé puts the farmer at the centre of what we do by supporting farming as a business and as a livelihood of choice that offers an attractive income and opportunities for societal advancement (storage.nestle.com, 27/02/2019).

5.3.2.3 Value to Nestlé

Nestlé has a considerable stake in rural communities worldwide, sourcing agricultural raw materials from millions of farmers globally. These farmers are essential to the ongoing success of our business, but the global farming population is ageing, and more people are moving away to urban areas(www.nestle.com, 27/02/2019). The Nestlé Rural Development Framework helps align business activities with local development priorities. In addition to helping farmers access financial assistance, our Agripreneurship model provides a training pipeline for farmers to develop their skills (www.nestle.com, 27/02/2019).

Nestlé is one of the world's biggest chocolate producers, operating in more than 32 countries, and it has always been essential to help tackle challenges facing the cocoa

industry. These include poor living and working conditions, poor quality cocoa harvests, and declining cocoa production (www.nestle.com, 27/02/2019).

5.3.3 Nestlé Cocoa Plan in Venezuela

In Venezuela, Nestlé has faced several challenges in securing a reliable supply of some of the world's finest cocoa; these range from a decline in the quality of native cocoa plants to the limited appeal of agricultural work to the younger generation. However, through the Nestlé Cocoa Plan, we are helping to make cocoa production a livelihood of choice – one that leads to higher incomes and improved social conditions (www.nestle.com, 07/03/2019).

Six hundred farmers across the country's three central cocoa-producing regions are currently involved in the Nestlé Cocoa Plan. Furthermore, since 2008, Nestlé Venezuela staff has made almost 6130 visits to their farms, distributing high-quality plantlets and organic fertilizers, offering technical assistance, and providing training in good agricultural practices such as pruning (Nestlé summary report, 2014, p18).

5.3.3.1 Sustainable Agricultural and value creation

Through training in better agricultural and environmental practices, distributing high-yield plants, and supply chain traceability, we can improve the profitability of Nestlé suppliers and help secure a long-term supply of high-quality cocoa for our business. While addressing the issues surrounding children and women in the supply chain leads to better social conditions. Globally, against an objective to train 25 000 cocoa farmers, we trained 45 833 cocoa farmers in better agricultural practices in 2014, using various methods – including farmer field schools and farmer business training – to help improve farm profitability (www.nestle.com, 07/03/2019).

5.3.3.2 Value to Nestlé

Through the Nestlé Cocoa Plan, we aim to help cocoa farmers operate productive and profitable farms that respect the environment and provide a good quality of life. This ensures a sustainable supply of good-quality cocoa for Nestlé (www.nestle.com, 07/03/2019).

5.4 Environmental sustainability by applying shared value Creation:

Nestlé is committed to environmentally sustainable business practices at all stages – making the right choices to protect the future and help Nestlé optimize its environmental performance. Nestlé applies a life-cycle assessment approach. Nestlé followed 56 programs in the field of environmental sustainability to commit to environmentally sustainable business practices at all stages – making the right choices to protect the future and help Nestlé optimize its environmental performance. Nestlé applies a life-cycle assessment

approach. We only provide two programs in Switzerland and the United Kingdom as follows: (www.nestle.com, 07/03/2019)

5.4.1 eTrucks help green urban deliveries in Switzerland:

To help reduce its CO₂ emissions and environmental footprint, in 2012, Nestlé launched the world's first 100% electric vehicles for frozen distribution across Switzerland. The two groundbreaking e-trucks used by Nestlé Switzerland to deliver its frozen products and significantly lower CO₂ emissions (by 95%) while maintaining the highest standards of food quality using Green electricity will also be part of the equation. Nestlé has installed several thousand square meters of photovoltaic panels on several of its Swiss administrative buildings, providing enough energy to run the equivalent of 30 electric trucks for a whole year (www.nestle.com, 07/03/2019).

- Creation of sustainable value for the environment and society

By investing in the latest technologies to reduce the environmental impact of product transportation and optimize delivery routes, Nestlé is using fewer resources and significantly lowering its CO₂ emissions. This helps keep the environment cleaner for everyone. Using eTrucks is also lowering noise pollution (www.nestle.com, 07/03/2019).

- Value to Nestlé

Reducing resources required to deliver its products safely helps Nestlé save time, energy, and costs. By involving employees in the solution, Nestlé is also creating a more rewarding work environment for its people (www.nestle.com, 07/03/2019).

5.4.2 Achieving Zero Waste to Landfill in the United Kingdom

By the end of 2012, half of our 14 UK factories had been externally verified as sending zero waste to landfills, starting with Girvan in Scotland, and Dalston, in Cumbria, which both achieved this status in 2010, five years ahead of the target. In other factories, waste has already been significantly reduced, bringing reductions in energy consumption and transportation requirements. Note: 'Zero Waste' excludes a minimum amount of hazardous waste sent to specialist processing sites that ensure its safest disposal (www.nestle.com, 07/03/2019).

-Value to Nestle, society, and the environment:

As a result of our Zero waste initiative: (www.nestle.com, 07/03/2019).

- Nestlé now taking fewer resources and energy from nature, protecting the environment

- Less waste means a cleaner environment for everyone

- Donating fit-for-consumption food to Fare Share from our surplus helps feed homeless, disadvantaged, and vulnerable people across the UK Value to Nestlé

- In reducing our waste, we have improved efficiency and lowered costs

- All staff has been trained in our waste strategy – skills that will bring business benefits for many years to come
- Using recovered materials has helped lower costs and reduce our resource and energy consumption.

5.4.3 Nespresso AAA Sustainable Quality Program

Worldwide demand for coffee continues to grow, and our coffee businesses are focused on ensuring that supplies in the long term can meet increasing consumption on a sustainable footing. However, the challenges we face include volatile prices, declining yields, and intense competition for raw materials – with coffee growing being challenged by alternative crops considered by growers as better commercial prospects (Nestlé full report, 2013, p151).

Launched in 2003, in collaboration with the Rainforest Alliance, the Nespresso AAA Sustainable Quality™ Program seeks to protect the highest quality coffees required for Nespresso Grands Crus while improving sustainable farming practices and enhancing farmer welfare (www.nespresso.com, 27/02/2019).

-Agricultural value creation

By establishing long-term relationships with more than 62,500 farmers in eight countries, a network of 248 dedicated sourcing staff work closely with farmers on the ground, encouraging sustainable farming practices, improving quality, and optimizing farm productivity, as a result, securing farmers' livelihoods through higher net incomes (www.nestle.com, 27/02/2019).

By the end of 2013, 290,000 hectares of farmland were under our active sustainable management program, helping Nespresso successfully meet its commitment to source 80% of its coffee through its AAA Sustainable Quality™ Program. Having reached 84%, Nespresso is now looking to source 100% coffee through the AAA Program (Nestlé full report, 2013, p155).

As a result, the program has been extended to include economic and social development projects for farming families and communities in Ethiopia and Kenya to double the amount of coffee sourced from the two countries by 2020. Nespresso is also planning to revive coffee production in South Sudan through a partnership with the NGO Techno Serve, which specializes in developing business solutions to poverty (www.nestle-nespresso.com, 27/02/2019).

5.4.4 Improving the environmental performance of packaging in Thailand:

To create shared value, Nestlé followed a program called "Improving the environmental performance of packaging "in Thailand. This program achieved environmental sustainability leads to business value.

-Programme description

We have renovated the packaging for our Maggi dipping sauce bottles in Thailand by reducing the amount of plastic used in the bottles and caps, optimizing shipping cases, and replacing the paper label with PET shrink film. This has generated an annual net saving of 64 tonnes of plastic and 43 tons of paper and board (Nestle full report, 2014, p166).

-Value to society and the environment

Packaging design can contribute to environmental performance across the product life cycle. Over-packing can result in waste, while not packaging a product exposes it to damage or contamination, resulting in food waste. Therefore, finding the right balance can be challenging, but with impactful results (www.nestle.com, 27/02/2019).

-Value to Nestlé

Towards our global commitment to improving the environmental performance of our packaging, we avoided the use of 45 805 tons of packaging material by weight in 2014. This is equivalent to a cost saving of CHF 77.4 million in 2014. We have committed to avoid using at least 100 000 tonnes of packaging material over the next three years to 2017. Overall, the cumulative amount of packaging we have avoided since 1991 is more than 710 000 tonnes, saving CHF 1 261 million in packaging costs. The environmental benefits are also significant: over the last five years, we have avoided over 481 000 tonnes of CO₂eq – equivalent to taking more than 104 000 cars off the road for a year (Nestlé full report, 2014, p166).

5.4.5 Cocoa Farm School in Mexico:

To create shared value, nestle followed a program called "Cocoa Farm School in Mexico. " This program achieved environmental sustainability leads to business value (www.nestle.com, 12/03/2019).

- Program description

In 2010, Nestlé México started the Cocoa Plan, which included a component called the Farm School model. Farm schools are a training scheme for farmers where the classroom is the cocoa plantation, and farmers can learn by practising the different technical aspects of cultivating the crop. The model consists of more than ten subjects with sessions every 15 days(www.nestle.com, 12/03/2019).

-Sustainable Value for agriculture and farmers

So far, more than 130 farmers have participated in the Farm Schools in Tabasco and Chiapas. Due to their participation, farmers have learned how to control the Monilia disease; some have even doubled their production (www.nestle.com, 12/03/2019).

-Value to Nestlé

Local cocoa production has started to increase gradually. Farmers participating in the Farm School model have formed more than five cooperatives that they supply directly to Nestlé under the Cocoa Plan (www.nestle.com, 12/03/2019).

5.4.6 Sustainable Agriculture Coffee Initiative

- Program description

A critical step in post-harvesting is transforming freshly harvested cherries into dry beans. This can be achieved by drying the cherries in the sun or by wet processing, but wet processing often consumes unnecessary amounts of water. To improve water management in local coffee production, Nestlé Mexico's "Ecological Milling" Initiative works with the government, coffee exporters, mills, local farmers, and coffee equipment companies to reduce water use (Skype and telephone calls with Nestlé responsible 26/03/2019).

The Mexican government has also promoted the initiative to others in the Mexican coffee milling industry.

- Sustainable Agriculture and Value to society

Under the Sustainable Agriculture Initiative of Nestlé (SAIN), our approach to promoting the principles and practice of sustainable agriculture among suppliers and producers, we have also collaborated with the National Forest and Agricultural Research Institute (INIFAP) for more than 25 years. With the installation of an experimental laboratory for somatic embryogenesis an effective propagation technique – in Rosario Izapa, Chiapas, our partnership has resulted in the production of high-quality coffee beans and attracted international sponsorship (Skype and telephone calls with Nestlé responsible 26/03/2019).

Nestlé's program of assistance also includes support for the Micro-Region Supporting Program. This government initiative helps the poorest 250 municipalities in the country by focusing our training program on 1,500 coffee growers from 60 communities in Tezonapa, one of the country's poorest locations, and establishing the Centro Comunitario Nestlé, in alliance with the Fondopara Niños de México, to offer complimentary education, health, and dentistry services to more than 1,000 children of local farmers (Skype and telephone calls with Nestlé responsible 26/03/2019).

6. Conclusion

This paper has clearly shown that creating shared value is an umbrella for sustainability, environmental sustainability, and agriculture sustainability. Shared value

creation allows for agriculture sustainability through, Environmental sustainability, rural development, and the Water field.

This study has shown the way Nestlé applied the shared value concept. By reconceiving products and services to meet societal demands, redefining value chain productivity, and enabling local cluster development, these activities and initiatives lead to sustainable agriculture.

In addition, Nestlé followed a set of programs and worked with farmers to improve their input, output, and incomes. This lead to higher production and sustainable agriculture and, at the same time, creates more business value for Nestlé. In other terms, value is gained by Nestlé, farmers, and the environment.

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