

Danone Dairy Contracts

Critical transitions:



Innovation: Supply chain innovations

Geographic focus: North America, Europe

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Danone is one of the largest dairy producers in the world, working with over 140,000 farmers to produce 8 billion litres of fresh milk each year.¹³⁹ Danone seeks to empower the next generation of farmers by offering long-term contracts that can span multiple generations, with prices evolving in accordance with production costs rather than market conditions. This price management stabilises profit margins for farmers and mitigates the effects of market price volatility on farmers’ incomes. A more stable income enables farmers to invest in regenerative and sustainable farming practices.

In 2018, 24 percent of Danone’s milk produced by its farmers came from long-term contracts, up from 19 percent in 2017.¹⁴⁰ In Europe, long-term contracts have been established with 40 percent of farmers.

Stakeholders:

Danone; dairy farmers

Status:

● Operational