

Pinar



Impact Management Case Study



Location Turkey

Sector Agriculture, Food & Beverage

BOP Stakeholders Suppliers

Total Reach 8000 milk producers



Overview

Pinar Süt is a dairy company committed to supporting the sustainability of the dairy sector and small-scale dairy farming in Turkey. Even though Turkey is one of the top 10 milk producing countries in the world¹, small-scale milk production is struggling due to mechanization and the expense of feed and modern equipment for milk production hampers small-scale farmers' chances of competing with the larger industrial players in the market.

Believing that training on quality milk production processes can help small-scale farmers overcome these challenges and remain competitive, Pinar Süt has been supporting small-scale milk producers through their project "The Future of our Milk is in Safe Hands," training farmers on animal health, animal feeding, hygiene, and sanitation. These training programs have been carried out under the direction of Pinar Institute, within the framework of the "The Future of Our Milk is in Safe Hands" project since 2014 resulting from public, university and industry cooperation."

Founded in 1973 as a subsidiary of the Yaşar Holding Food and Beverage Group, Pinar Süt has been introducing new products in the market based on the changing demands and needs of consumers across 150,000 different retail sale points, generating a revenue of over 250 million USD²

The Future of our Milk is in Safe Hands

2017-2018



32
Trainings

across



11
Cities

including



1,273
Farmers
out of which 552 women

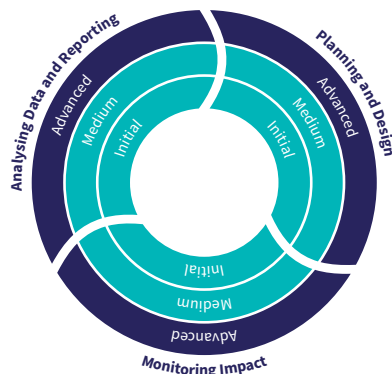
1 Food and Agriculture Organization, Status and Prospects for Smallholder Milk Production A Global Perspective (2010) Chapter 2 Global Dairy Sector: Status and Trends Retrieved from <http://www.fao.org/3/i1522e/i1522e02.pdf>
2 Pinar Süt Annual Report (2018) Retrieved from http://yatirim.pinar.com.tr/UserFiles//PNSUT_2018_ENG.pdf



Key Stakeholders

Ninety-two percent of Turkey's dairy sector is comprised of micro scale farms (fewer than 20 cows) which produce over **15 billion** liters of milk per year³. Pinar engages these smallholder dairy farmers as suppliers. These farmers depend on agriculture: **58%** of households live on livestock/dairy farming, **20%** have other agriculture practices, **11%** live on pensions and the remaining **11%** depend on wages, trade or support from family members. The overall participation of youth in milk production is relatively low as two out of every three farmers in Pinar's value chain are over **45 years old**.

3 Bor,Ö. (2014) Economics of Dairy Farming in Turkey. *International Journal of Food and Agricultural Economics*, 2(4), 49-62 Retrieved from <https://www.foodandagriculturejournal.com/vol2.no4.pp49.pdf>



Companies can have an initial, medium or advanced level of impact management capacity

1. Assessing Readiness and Capacity

Pinar has conducted several impact measurement studies over the past few years and the experience motivated the company to design a more structured approach that would allow to measure and prove its social and environmental impact.

Pinar joined BCTA's **Impact Champions Programme** to collect more detailed data that supports the company's decision-making processes, while providing concrete results that support previous field observations.

At the start of the Impact Champions Programme, Pinar was found to have an **advanced capacity** for undertaking impact measurement and management. This is because the company's senior managers are willing to dedicate time and resources for impact management. Moreover, Pinar had prior experience with using web-based tools, laptops, smartphones and Enterprise Resource Planning software. Lastly, Pinar's field staff have experience of collecting and using data for their daily operations and can allocate some time for impact management.

Pinar benefits from impact management as it allows them to:

- Build a social reputation by demonstrating social and environmental impact;
- Understand client's needs; and
- Understand market opportunities and risk.



2. Planning For Impact

I. Impact Value Chain

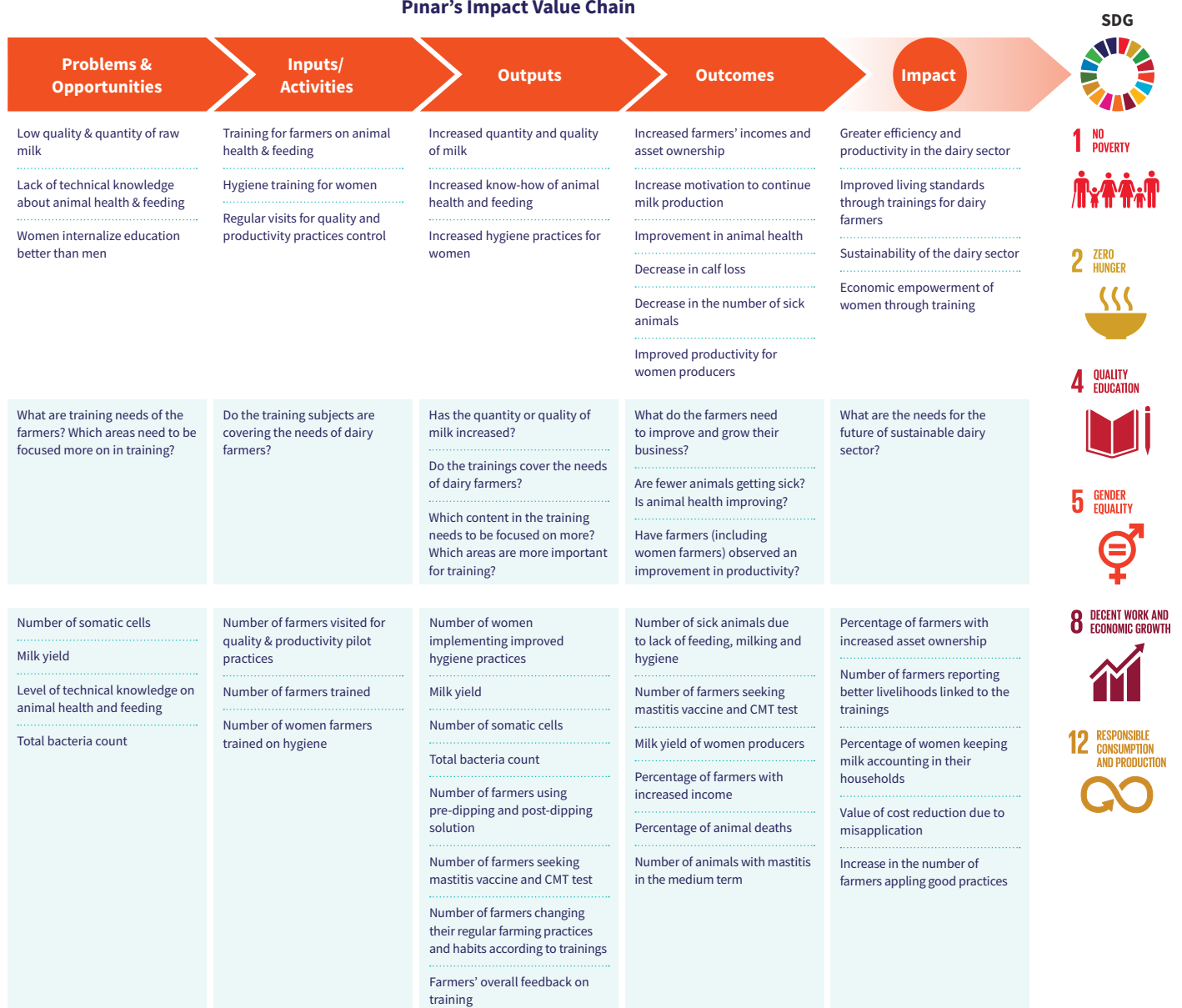
The **Impact Value Chain** is a visual map of how an organization's strategy and operations contribute to its business value and the Sustainable Development Goals (SDGs). The Impact Value Chain allows the organization to holistically understand the effects of its inclusive business activities on different groups of people and the planet. Pinar tracks its performance on its business activities and results, short and long-term outcomes and goals using the following framework:

Turkey is among the top ten milk producing countries in the world. However, the volume and quality of the milk produced by small-scale farmers is gradually decreasing as required feed and other inputs for milk production are expensive. As a result, farmers face difficulty raising enough capital to buy modern equipment, which together with lack of technical knowledge about animal health and feeding, represent a challenging constraint.

Pinar also recognizes the opportunity within the dairy sector for empowering women farmers, as they tend to internalize education practices better than male farmers.⁴

⁴ Reference to the finding of section 3

Pinar's Impact Value Chain



Considering this opportunity, Pinar conducts trainings on hygiene practices for women which can be implemented at the workplace. Furthermore, believing that training on quality milk production processes can help small-scale farmers overcome these challenges, Pinar trains farmers on animal health, animal feeding and sanitation. Alongside training farmers, Pinar ensures quality milk production by undertaking regular visits to ensure the use of productive practices.

As a result of Pinar’s activities, farmers become equipped with the necessary skills and tools to integrate better farming practices, which in turn improves milk quality production and increases know-how in animal health and feeding. After the trainings conducted on hygiene practices, women farmers adopt and integrate these learnings into their daily work tasks.

In the medium term, the higher quality milk produced will generate more sales leading to an increase in farmers’ incomes and purchasing power. After seeing their financial situation improved, farmers will be more motivated to produce milk, creating a virtuous cycle. Now that farmers have more know-how in animal practices, fewer animals will become sick and lose their unborn calves, contributing to an overall improvement in animal health. By integrating the trainings on hygiene practices in their workplace, women producers will be able to increase productivity.

In the long run, Pinar contributes to achieving greater efficiency and sustainability in the dairy sector. Pinar’s trainings lead to improved living standards for farmers as well as the empowerment of women farmers.

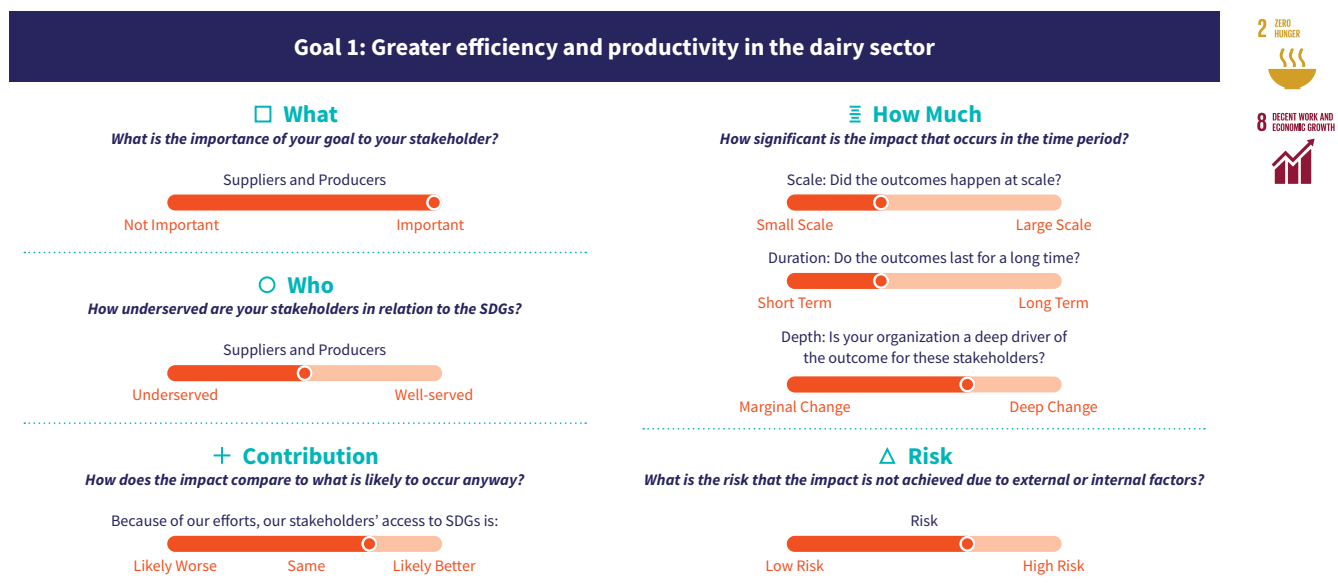
II. Understanding and Describing Impact

Business Call to Action adopts international standards on impact measurement and management with guidance from the Impact Management Project (IMP)⁵.

	tells us what outcomes the enterprise is contributing to and how important the outcomes are to stakeholders.
	tells us which stakeholders are experiencing the outcome and how underserved they were prior to the enterprise’s effect.
	tells us how many stakeholders experienced the outcome, what degree of change they experienced, and for how long they experienced the outcome.
	tells us whether an enterprise’s and/or investor’s efforts resulted in outcomes that were likely better than what would have occurred otherwise.
	tells us the likelihood that impact will be different than expected.

Pinar is contributing to four distinct outcomes: **(1) boost efficiency and productivity in the dairy sector, (2) improving farmers’ living standards, (3) promoting women’s economic empowerment and (4) guaranteeing sustainability** in the sector it operates in. Pinar mapped each goal against the five dimensions of impact to better understand its significance and to be able to better manage and communicate its impact.

⁵ The Impact Management Project (IMP) is a forum for building global consensus on how to measure and manage impact. Through a series of consultations and conventions across the world between thousands of practitioners, IMP has developed shared fundamentals on how to describe and understand impact through the lens of the 5 dimensions of impact. These 5 dimensions are: WHAT, WHO, HOW MUCH, CONTRIBUTION and RISK. More information in <https://impactmanagementproject.com/>



Goal 2: Improved living standards through trainings for dairy farmers

What

What is the importance of your goal to your stakeholder?



Who

How underserved are your stakeholders in relation to the SDGs?



+ Contribution

How does the impact compare to what is likely to occur anyway?



How Much

How significant is the impact that occurs in the time period?



Duration: Do the outcomes last for a long time?

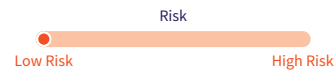


Depth: Is your organization a deep driver of the outcome for these stakeholders?



△ Risk

What is the risk that the impact is not achieved due to external or internal factors?



1 NO POVERTY



4 QUALITY EDUCATION



5 GENDER EQUALITY



Goal 3: Economic empowerment of women through training

What

What is the importance of your goal to your stakeholder?



Who

How underserved are your stakeholders in relation to the SDGs?



+ Contribution

How does the impact compare to what is likely to occur anyway?



How Much

How significant is the impact that occurs in the time period?



Duration: Do the outcomes last for a long time?

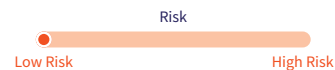


Depth: Is your organization a deep driver of the outcome for these stakeholders?



△ Risk

What is the risk that the impact is not achieved due to external or internal factors?



5 GENDER EQUALITY



Goal 4: Sustainability of the dairy sector

What

What is the importance of your goal to your stakeholder?



Who

How underserved are your stakeholders in relation to the SDGs?



+ Contribution

How does the impact compare to what is likely to occur anyway?



How Much

How significant is the impact that occurs in the time period?



Duration: Do the outcomes last for a long time?



Depth: Is your organization a deep driver of the outcome for these stakeholders?



△ Risk

What is the risk that the impact is not achieved due to external or internal factors?



8 DECENT WORK AND ECONOMIC GROWTH



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



3. Monitoring Performance⁶

□ What

Overall, Pinar trainings teach producers how to integrate more effective practices, that improve the quality of the milk, into their daily farming activities.

- **88%** of the participants think that they benefit from the trainings and find them useful
- **82%** of the participants reported that Pinar’s trainings increased their skills and capacity
- **11%** increase in agricultural productivity in pilot farms

○ Who

- **1,273** small-scale dairy farmers, including **552** women farmers
- **67%** of farmers in Pinar’s value chain are over **45 years old**
- **58%** of households live on livestock and dairy farming

≡ How Much

- While the rate of glove usage for milking before the training was approximately **26%**, after the training the number of farmers using gloves almost doubled (to **50%**)
- **90%** of the farmers said that the examples given in the training were accurate
- The percentage of milking animals with mastitis disease was reduced from **38%** to **30%** after training
- Animal feeding know-how increased from **29%** to **46%** after training

+ Contribution

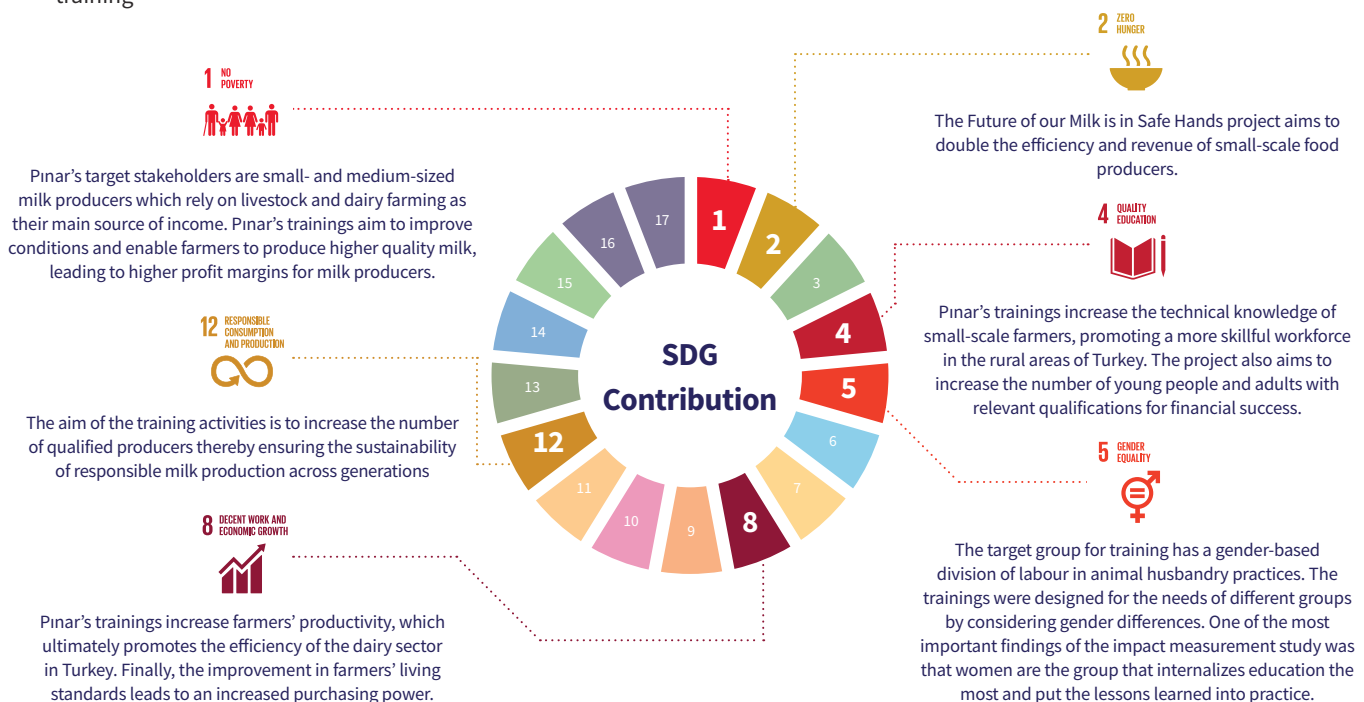
- **79%** of the participants stated that they started practicing in their own life what they had learned during trainings
- **66%** of the producers realized they were frequently using inefficient practices in animal husbandry after the training
- **20%** of the hygiene training participants stated that they started using new hygiene products

△ Risk

- Pinar’s impact is contingent on external factors that might influence the livelihoods of its farmers. The company faces a relatively high external risk since external variables such as weather conditions or animal diseases can affect the agricultural output and therefore the livelihoods of the dairy farmers.
- There is also high evidence risk as the sustainability of the dairy sector is affected by several factors which might not be directly attributed to Pinar’s trainings, raising the concerns of the direct impact Pinar has across all stakeholders
- Pinar also faces low execution risk as Pinar’s trainings can face limitations on their delivery and implementation reduce the effectiveness of trainings

⁶ Source: Adhoc Research & Consultancy, October 2018. The company’s impact measurement study was developed by a third party with the support of Dairy Unions and Cooperatives in order to avoid bias.

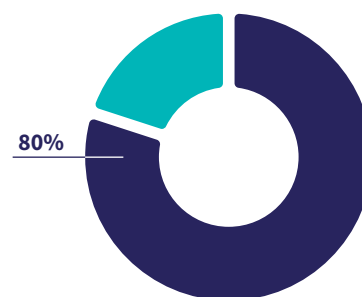
The results shown above are for the 2017-2018 period.



Lessons Learned

Pinar's impact assessment brought to light three valuable lessons that will shape the company's decision-making process:

1. Almost 80% of the participants stated that they started practicing in their own life what they have learned during Pinar's trainings, which is an indicator of how the company's trainings are having an impact on the everyday life of small-scale farmers in Turkey
2. The impact measurement study also led to the conclusion that women are the group that both internalizes education the most and put the lessons learned into practice. This important finding will drive Pinar's efforts to focus on women farmers' know-how
3. Two out of every three farmers are over 45 years old, which shows that the participation of the younger generation in milk production is at an all-time low level, raising concerns over the sustainability of the dairy sector in Turkey



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Way Forward / Next Steps

This impact assessment has provided Pinar with a better understanding of the key issues that the company should focus on.

Pinar is already creating new training content that incorporates the insights and lessons learned from undertaking impact measurement and management. One of the most important additions to the training content will be financial literacy education as Pinar found that this skill is increasingly being demanded by their farmers whom need financial knowledge to face volatile market conditions.

Finally, Pinar will also create more trainings targeting young and women farmers, as these are the demographic groups that were found to profit the most from the trainings and engaging them guarantees the sustainability of the sector.

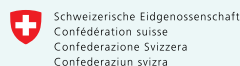
“Since we believe in science-based facts, results of this impact assessment have become our guide on focus areas and also challenges. After that process, as Pinar, we have a clearer mind-set related with dairy farming issues.”



Contact the Business Call to Action

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