

A photograph of a man with a beard and a straw hat, looking directly at the camera. Behind him is a large herd of zebu cattle with prominent white horns. The scene is set outdoors with green trees in the background.

# Shared Value at Elanco

*Empowering  
Small-Scale Farming  
Communities and Enabling  
Better Livelihoods*

Our purpose-driven business:  
The learnings from East Africa Growth Accelerator  
(EAGA) and our NEW initiative, Managing Animal  
Health and Acaricides for a Better Africa (MAHABA)

**Elanco**

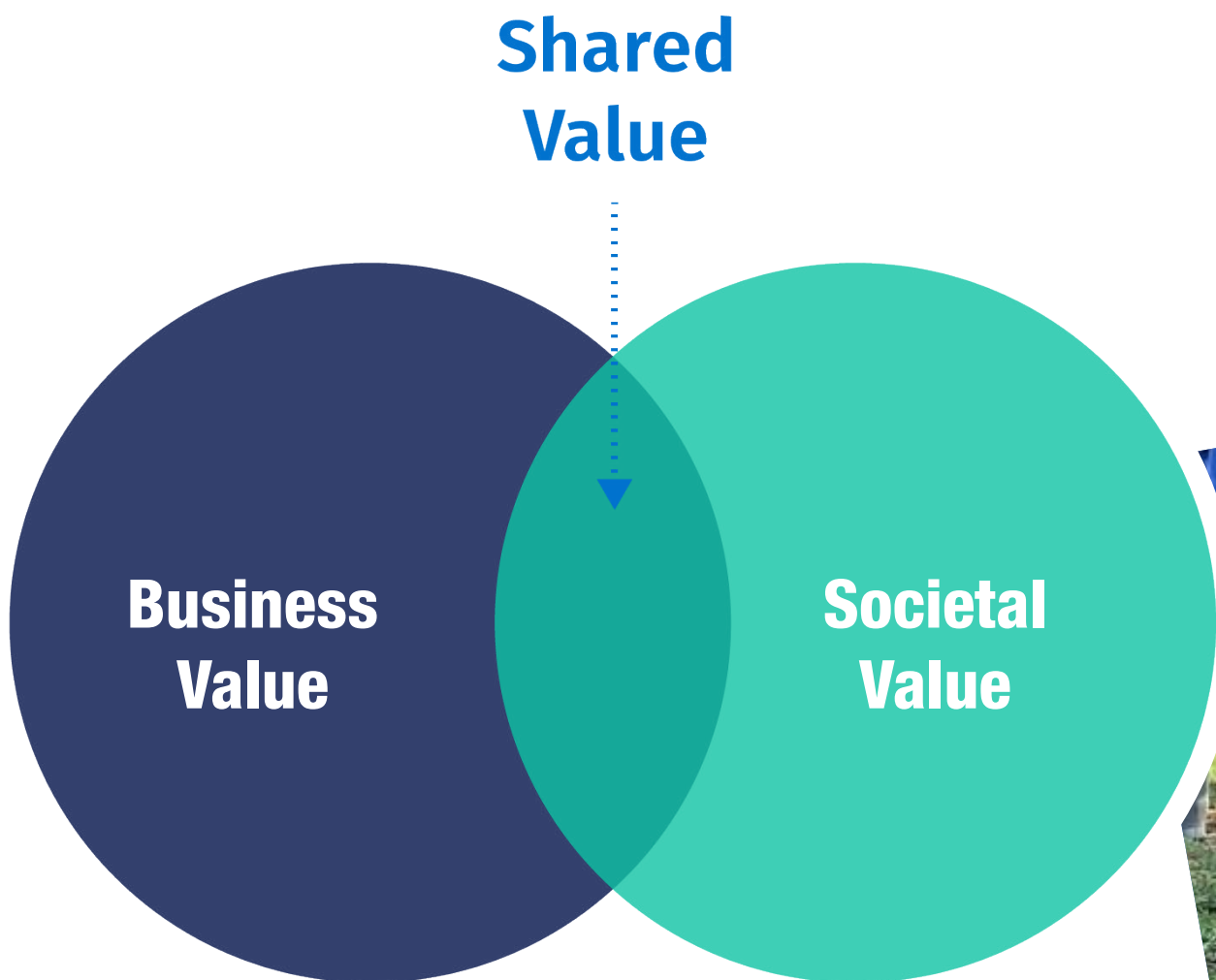


# At Elanco...

[Our Elanco Healthy Purpose™](#) is a framework of commitments and actions that is focused on advancing the well-being of animals, people and the planet, enabling us to realize our vision of 'food and companionship enriching life'.

We know that how we run our business has far more impact on society than our corporate philanthropy alone. This is why since 2017 we are investing in shared value initiatives, opening new markets, while improving the lives of thousands of small-scale livestock producers in a sustainable way.

At the intersection of business value and societal value, we pursue business opportunities that help small-scale producers (SSPs) tap the potential of their livestock.



Shared value at Elanco means helping small-scale producers address animal health challenges of livestock through registration and market development of veterinary products, SSP training on animal care best practices, disease prevention, treatment and proper use of our products. Better animal health helps improve the livelihoods of farming families and their communities. This also helps us sustain a sound animal health business locally.




# East Africa Growth Accelerator (EAGA)

Livestock disease is a significant threat to achieving food security globally. In Sub-Saharan Africa around 20% of ruminants and more than 50% of poultry die prematurely each year<sup>1</sup>. Nearly 100 million people living on less than \$2 a day keep livestock<sup>2</sup>.

Between 2017 and early 2022, our EAGA initiative provided sustainable development solutions that helped improve the productivity of SSPs in Tanzania, Kenya, and Uganda. Through the initiative, Elanco registered and distributed high-quality, affordable veterinary products in adjusted small pack sizes, along with access to feed additives and knowledge

to prevent and combat livestock disease. The initiative empowered farmers to sustainably care for healthy, productive animals – as means to address food shortages in those countries.

This effort contributes to Elanco's sustainability framework for Healthier People, where we commit to help create more resilient food systems and support and enhance agricultural productivity and income of 250,000 dairy and poultry smallholder farmers.



**The EAGA Initiative was supported by a grant from the Bill & Melinda Gates Foundation**

1. Otte M.J., Chilonda, P. (2002). Cattle and Small Ruminant Production Systems in Sub-Saharan Africa - A Systematic Review. FAO, Rome.

2. Staal, S., Poole, J., Baltenweck, I., Mwacharo, J., Notenbaert, A., Randolph, T., Thorpe, W., Nzuma, J. and Herrero, M. 2009. Targeting strategic investment in livestock development as a vehicle for rural livelihoods. Bill & Melinda Gates Foundation - ILRI Knowledge Generation Project Report. Nairobi, Kenya: ILRI.

**BILL & MELINDA**  
**GATES** *foundation*



# How has EAGA made a difference?



“I learned a lot since I attended the poultry seminars under EAGA. My egg production has increased from 10 to 20 trays (a day). I can control some diseases and my chickens are no longer dying. So, I can take good care of my family.”

**Dismus Tumushabe,**  
Poultry farmer  
in Uganda



We registered and distributed **high-quality veterinary products and feed additives** in Tanzania, Kenya and Uganda.



Products are manufactured and/or repackaged in **small pack sizes** to make them useful to local farmers. In addition, we work with feed manufacturers to provide quality feeds.



We provided **knowledge and training** to assist with improved animal health practices, including disease awareness, preventative care and proper administration of medications, when necessary.



EAGA ended as an initiative and the South Africa and Sub-Saharan affiliate fully **owns the business established in East Africa** through EAGA.



Elanco established a **Shared Value blueprint** for the small-scale livestock farming sector, to be expanded to other geographies.

## Quality Improvement Program for Regional Distributors

Through EAGA, Elanco assisted local distributors with improving the quality and compliance with applicable regulatory requirements for distribution of pharmaceutical products. Conducted by South African based quality consulting company Strategnos, the program brought tremendous progress in skills development, knowledge transfer and engagement with East African distributors.



In 2021, [Elanco was named in the Top 20 of the FORTUNE's Change the World list](#), recognizing the positive impact of its East Africa business on the livelihoods of local people.



I did not attend the Elanco trainings but the products were recommended to me. The reasons for buying them are their features, efficacy and that they are available at the local agrovet shop. With good husbandry and using a feed containing Elanco product my milk production increased by 30%”

**Simon Mugendi,**  
Kenyan farmer rearing 20 chickens and 3 cows

## EAGA's Impact

### Chickens Treated

**16M**  
Goal by  
2021



**33M**  
Final

### Local Farmers Trained

**12K**  
Goal by  
2021



**50K**  
Final

### Cows Treated

**1.1M**  
Goal by  
2021



**586K**  
Final

### Farmers Accessing Affordable Small-sized products

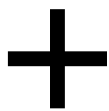
**240K**  
Goal by  
2021



**273K**  
Final

*\*2021 goals are cumulative since the initiation of the project in 2017. Final period is between 2017 and early 2022.*





Approvals for new products and/or pack sizes

**61**



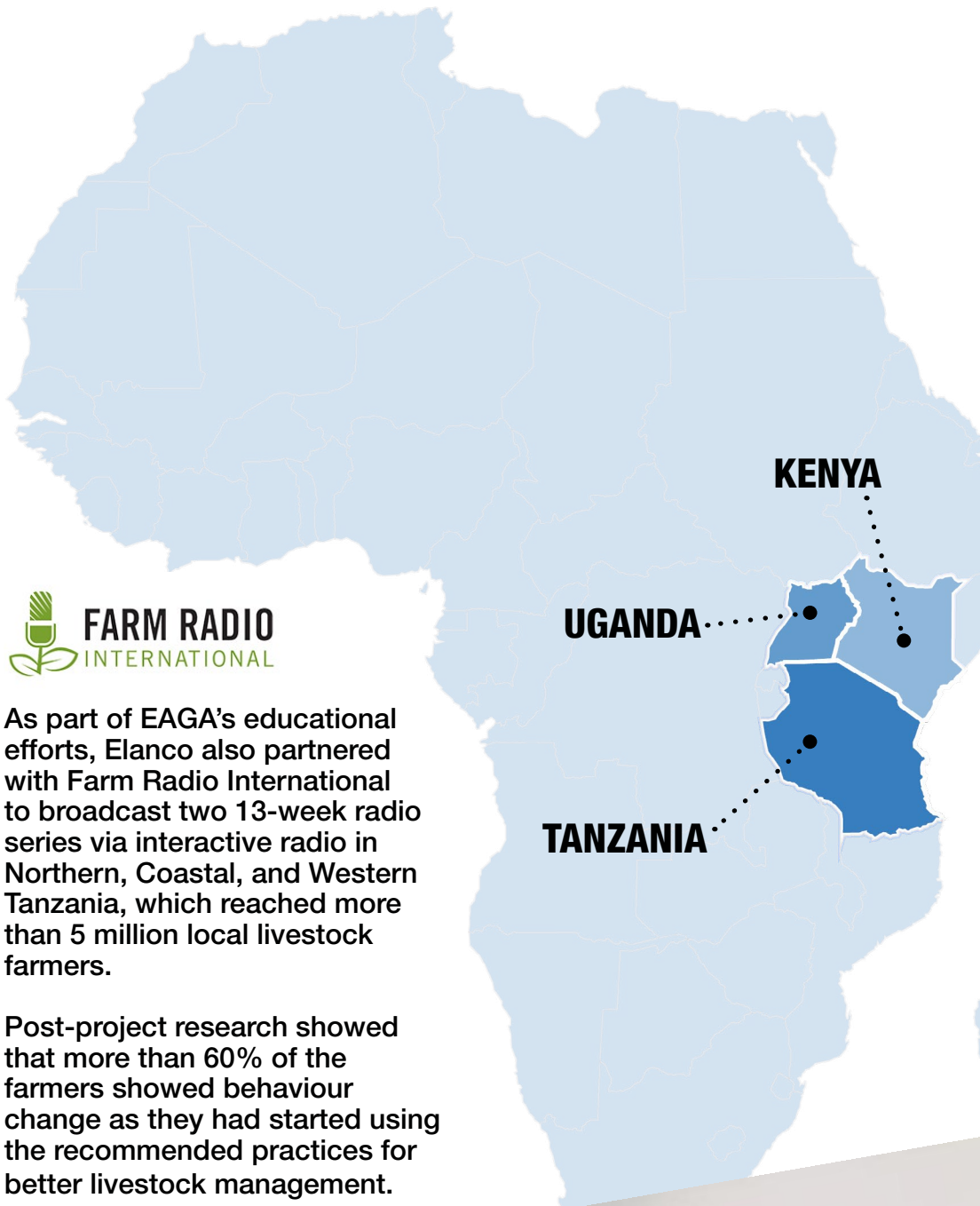
Training sessions with small-scale producers

**1000+**



Farmers reached via interactive radio

**5M+**



**FARM RADIO**  
INTERNATIONAL

As part of EAGA's educational efforts, Elanco also partnered with Farm Radio International to broadcast two 13-week radio series via interactive radio in Northern, Coastal, and Western Tanzania, which reached more than 5 million local livestock farmers.

Post-project research showed that more than 60% of the farmers showed behaviour change as they had started using the recommended practices for better livestock management.



Protecting Livestock – Improving Human Lives

Through modelling based on sales data and assumptions, the Global Alliance for Livestock Veterinary Medicines (GALVmed) estimated that the gross economic benefit to small-scale livestock producers from the use of Elanco products between 2017 and early 2022 is 53 million dollars. This figure does not account for the sales of products that would have taken place anyway without the EAGA intervention.



*"In conducting a shared value initiative, it is important to track and benchmark the impact that it has for the people who need it most, and to ensure that we can replicate the successes going forward".*

**Comfort Phiri**

Head of Sales Sub-Saharan Africa  
Elanco Animal Health

# What we learned through EAGA for establishing our Shared Value footprint



## Addressing unmet needs of Small-scale producers (SSPs)

- Making high-quality product available in small pack sizes along with training efforts for SSPs is possible through a combination of serving commercial customers and achieving a scale of SPPs business that is viable in the absence of external funding.
- A business with a purpose has been agreed upon with the Elanco leadership, including acceptable financial metrics and assessing metrics beyond traditional return on investment. That is why in 2018 Elanco appointed the Center for Sustainability and Excellence (CSE) to use Social Return on Investment (SROI) guidelines to evaluate EAGA's SROI from June 2017 to December 2018 (estimated SROI: \$2.48/\$1 invested).

[SROI Report](#)



## Product Portfolio

- A portfolio approach that includes a range of poultry, dairy, and bioprotection products in small and larger packs was crucial to EAGA's success. Elanco contributed to the non-small packs sizes of the business.
- Such an initiative requires a more rigorous assessment of the feasibility to launch products and how to adjust or “defend” the products listed to make them available to SSPs.
- EAGA should have made the case for in-feeds at the beginning of the project to achieve business sustainability.



## Registration

- Submissions should be intensified in the beginning of such initiatives. You can only sell what you have registered.
- Elanco needs to continue working with the

industry, GALVmed and the Bill & Melinda Gates Foundation towards the regulatory harmonization of products in the East African region.



## Manufacturing and Distribution

- Elanco's adaptation of small-pack sizes included ownership and consolidation of repacking to, among others ensure Elanco's quality. To mitigate the impact that this consolidation had on costs, it was important work on improvements at the cost structure level.
- We need to assess and address the impact that the increasing raw material and logistics costs will have in our shared value portfolio.
- The 75% shelf-life requirement in Kenya created delays and additional costs that we managed better as the initiative evolved.
- East Africa supply chain at retailer level needs better cold chain, better visibility on sales, better forecast, and understanding on how the product is doing. Moving forward Elanco will continue to work on this. However, an industry approach is needed that will benefit product retailers which are all small businesses and ultimately farmers, who rely on the health of their animals for their income.



## Adoption and Empowerment

- Women and youth should be considered in the planning, execution and impact measuring of such initiatives.
- Collaborations with distributors and other stakeholders were key to leverage trainings, reaching more that three times the original target of farmers trained.





# Shared Value Continues with **MAHABA**



## What is MAHABA?

(Managing Animal Health and Acaricides for a Better Africa):  
A 5-year collaboration between GALVmed and Elanco Animal Health.

*The partnership is supported by the Bill & Melinda Gates Foundation.*



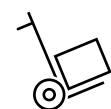
### Market Intelligence

understanding how SSPs currently use acaricides and the resistance issues related to misuse



### Awareness & Education

educating SSPs on effective use of acaricides to allow sustainable tick control, through in-person and interactive digital training



### Availability & Adoption

registering and distributing existing acaricide products, including small, affordable packs, plus enter the Nigerian SSP market with Elanco's comprehensive portfolio

**MAHABA** is a shared value initiative to help deliver sustainable solutions that help small-scale producers (SSPs) tap the full potential of their livestock.

**MAHABA** will develop and deliver an effective and practical strategy for managing ticks and the impact of tick-borne-diseases. Through the initiative, and working closely with relevant local stakeholders, Elanco and GALVmed will equip SSPs in Uganda and Nigeria with the necessary tools (acaricides) and knowledge to realize livestock productivity gains.

*Through our Shared Value efforts, we advance a purposeful business model that targets small-scale livestock producers and can make a significant impact on their livelihoods. Farmers benefit from access to Elanco products with corresponding customer engagement to help them successfully treat ticks and disease."*

Maria Chavez  
Advisor Shared Value  
Elanco Animal Health



## Goals by 2026



# +33

products registered



# 450,000

farmers trained





Questions? Contact us at [sharedvalue@elancoah.com](mailto:sharedvalue@elancoah.com)  
More info: [www.elanco.com/en-us/sustainability/shared-value](http://www.elanco.com/en-us/sustainability/shared-value)