

Nestlé targets yummy mummies with Nespresso-style baby milk

By Haig Simonian in Lausanne

Nestlé is hoping to repeat the success of its Nespresso coffee machines with a new spin-off product for baby milk, an area in which the company has attracted huge controversy in the past.

Nestlé, the biggest foods group by sales, is launching BabyNes, a system of milk powder capsules and machines that it hopes will replicate for mothers what Nespresso has done for premium coffee drinkers.

In the 1970s, Nestlé was the subject of widespread condemnation and a boycott in the US, Australia, Canada, New Zealand and Europe over its marketing of powdered milk, particularly in Africa, where many infants

died because mothers mixed the powdered milk with contaminated water. Indeed contamination remains an issue for some powdered milk producers, most recently in China.

Nestlé claims its new system combines the nutritional qualities of mothers' milk with the convenience of Nespresso, Dolce Gusto and Special T.

The latter two are more recent Nestlé beverage systems, based on similar principles of encapsulated products and special machines to its Nespresso money spinner, which has become one of Nestlé's biggest and most profitable brands. Sales have risen in double digits and should exceed SFr3bn (\$3.4bn) this year. Margins, kept secret, are to be among the

group's highest. BabyNes milk capsules, in two sizes and six formulations depending on an infant's age and weight, are fed into a machine, which heats and adds water, and a bottle is prepared in less than 30 seconds.

BabyNes could be attacked for discouraging breast feeding – an approach recommended by the World Health Organisation for an infant's first six months. Nestlé stressed it agreed with the WHO, but said not all mothers could, or necessarily wanted to, breast feed.

BabyNes, initially being introduced only in Switzerland, is not cheap. The machine costs SFr249, while packages of 26 capsules are SFr49-SFr55 – four times the cost of a Nespresso capsule.