



What led to
the infant
formula
shortage in the
**American
market?**



Bacterial contamination caused a temporary shutdown at Abbott's Michigan factory

With a market share of more than 50%, Abbott's sudden shutdown resulted in a 40% shortage of baby formula on store shelves in the United States.



Government launched initiatives to address the infant formula shortage

Operation Fly Formula was launched, resulting in relaxation of import restrictions from countries such as Australia and New Zealand, as well as the Defense Production act.

A large, multi-story industrial building, likely a factory, with a prominent Abbott logo on its side. The building is grey and has several windows and pipes visible. The sky is overcast and grey. In the foreground, there's a dark area that looks like a parking lot or road, with a few cars and some small structures.

Due to flooding in the United States, the Abbott factory had to close yet again

Increased contamination risk caused another infant formula shortage, allowing Reckitt to easily overtaking Abbott's market dominance as the leading producer of infant formula.

A grayscale photograph of a hand holding a white, breast-shaped replicant over a baby bottle. The bottle has measurement markings in ml (30, 60) and oz (1, 2). A bowl of powder is also visible. The background is a solid blue color.

It was an excellent opportunity for startups to shine with infant formula alternatives?

Companies such as Bobbie, Wilk, Biomilq, Helaina, and TurtleTree Labs developed human milk replicants to ease the demand.



Change in market dynamics by new entrants is still a faraway concept

FDA's strict approval procedures take their sweet time. Thus, emerging brands wouldn't be technically helping in fighting the shortage for now but the trend might shift in future.