



Australian Dairy Industry Sustainability Framework: An introduction

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Chair

ADIC Sustainability Steering Committee

Enhancing livelihoods
Improving wellbeing
Reducing environmental impact



size

National dairy herd



1.74 million cows

Average herd size

284 cows

environment

On-farm carbon footprint:



1.11 kg CO₂ per litre of milk produced

Farms are predominantly pasture based with approximately 70–75% of dairy cattle feed requirements coming from grazing in a year of 'normal' seasonal conditions



Supplementary feeding is widespread, predominantly



grains, hay & silage

milk production

Total milk production



9.731 billion litres

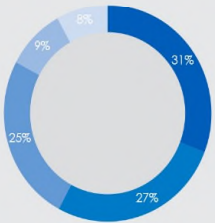
Average production

5730 litres/



milk utilisation

- Cheese 31%
- Skim milk powder/butter milk powder 27%
- Drinking milk 25%
- Other products 9%
- Whole milk powder 8%

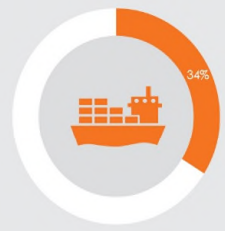


Drinking milk

25%



export



34%

Percentage of milk production exported

Total Australian exports

\$2.88 billion

(6% of world dairy trade)



major markets

for Australian dairy products:



Australia; Greater China; Japan; Singapore; Indonesia; Malaysia

industry

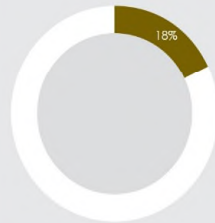
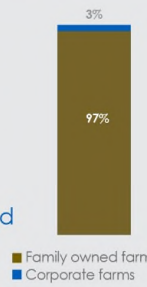


Dairy industry workforce — direct employment of about

39,000

97% vs 3%

Dairy farms are 97% family owned and operated and corporate farms comprise 3% of farms



Share farming is employed on approximately 18% of farms

18%

\$13.5 billion

Australian dairy a \$13.5b farm, manufacturing and export industry



6,100 dairy farmers



8 Dairy companies process
approx. 90% of milk



Dairy for life



LION



Unilever



Nestle

Good Food, Good Life



woolworths
the fresh food people



Discussion papers
Materiality study
Face to face consultation

2012

Consultative Forum
Key stakeholder meetings

2013

Consultative Forum
Key stakeholder meetings

2014

Consultative Forum
Key stakeholder meetings

2015

Materiality Review

2016

Consultation
focus

- Priority areas
- Goals
- Objectives

- Targets
- Measures
- Baselines

- Further work on targets, measures and baselines
- Reporting

- Targets
- Performance indicators

Outcomes

Endorsed Framework

Agreed targets and measures
2013 Progress Report

2014 Progress Report
(with targets)

2015 Progress Report
(released March 2016)

Australian Dairy Industry Council direction and Steering Committee guidance

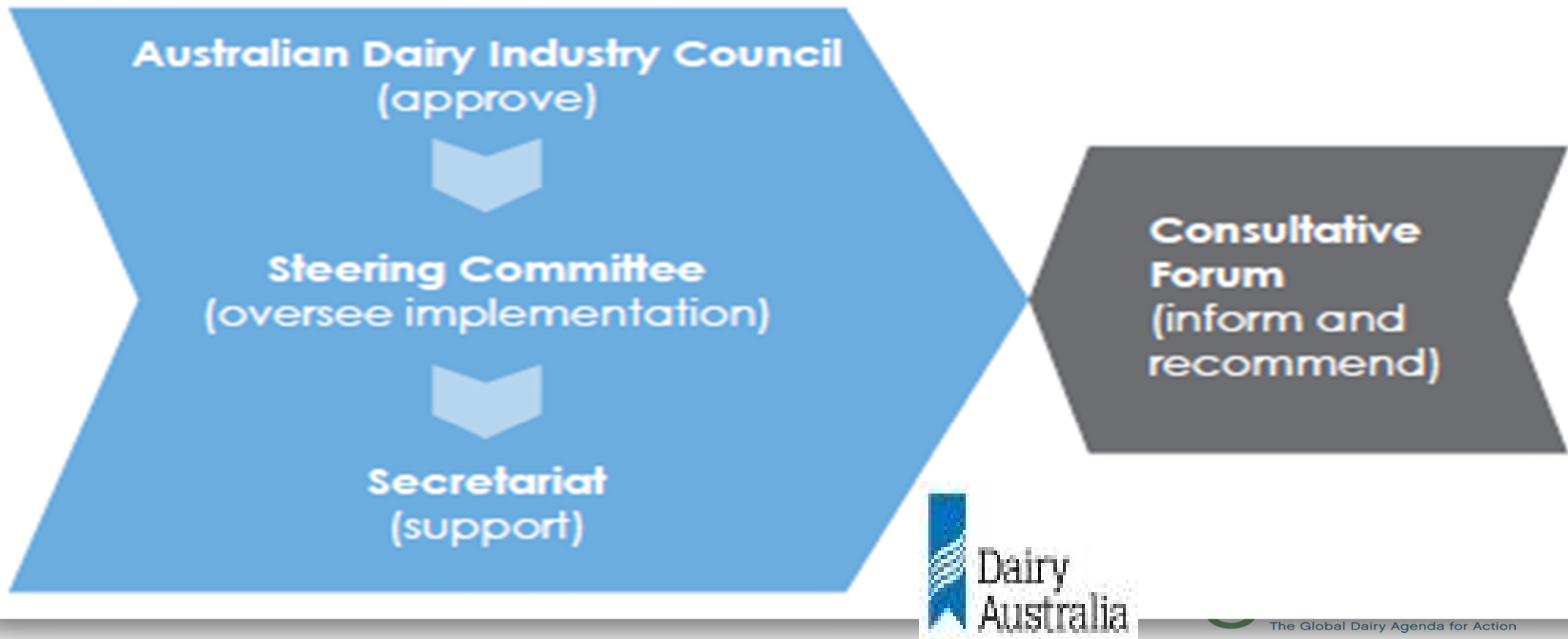


Australian Dairy Industry Council Inc.

Strong governance is essential






Australian Dairy Industry Council Inc.



What we're doing - the factual base behind the industry's story



What we're doing - the factual base behind the industry's story





















11 TARGETS		41 MEASURES (✓ = identified o = identified but not confirmed ✕ = to be developed)										SOURCES Identified baseline data
 Enhancing livelihoods	1	INCREASE THE FUTURE COMPETITIVENESS AND PROFITABILITY OF THE AUSTRALIAN DAIRY INDUSTRY	✓	✕	✕	✕	✕					- National Dairy Farmers Survey (3) - ABARES (1) - Dairy Monitor (1) - Safe Work Australia (1) - NCDA (1)
	2	INCREASE THE RESILIENCE AND PROSPERITY OF DAIRY COMMUNITIES	✕	✕	✓	✓						
	3	PROVIDE A SAFE WORK ENVIRONMENT FOR ALL DAIRY WORKERS	✓	✓	✓							
	4	ATTRACT, DEVELOP AND RETAIN A SKILLED AND MOTIVATED DAIRY WORKFORCE	✓	✓	✓	✕						
 Improving wellbeing	5	ALL DAIRY PRODUCTS AND INGREDIENTS SOLD ARE SAFE	✓	✓	✓							- Dairy Monitor (3) - Animal Husbandry Survey (2) - NH and MRC Australian Dietary guidelines (1) - National Nutrition Survey (1) - National Children's Nutrition Survey (1) - AMRA Survey (1) - Product Safety Recalls Australia (1)
	6	DAIRY CONTRIBUTES TO IMPROVED HEALTH OUTCOMES FOR AUSTRALIAN COMMUNITIES	✓	✓	✓							
	7	A COMMITMENT TO BEST CARE FOR ALL ANIMALS	✓	✓	✓							
 Reducing environmental impact	8	IMPROVE NUTRIENT, LAND AND WATER MANAGEMENT	✓	✓	✓	✓	✕	✕	✓	✓		- Dairying for tomorrow (7) - DMSC Sustainability Report (3) - APC (1) - Dairy Monitor (1) - DairySAT (1) - National Dairy Farmers Survey (1)
	9	REDUCE THE CONSUMPTIVE WATER INTENSITY OF DAIRY MANUFACTURERS	✓									
	10	REDUCE GREENHOUSE GAS EMISSION INTENSITY BY 30% BY 2020 ON 2011/12 LEVELS	✓	o	o	o						
	11	REDUCE WASTE TO LANDFILL BY 40% BY 2020 ON 2010/11 LEVELS	✓	✓	o	o						

Industry priorities, targets and measures

We are reporting our progress against our Targets – being “transparent, accountable and ethical”

A summary of our 2015 progress

Visit sustainabledairyoz.com.au to see the report and read the full story behind this summary.

	Priority area	Target	Indicator	Baseline	2015* Progress	Snapshot
 Enhancing livelihoods	Creating industry prosperity	1 Increase the future competitiveness and profitability of the Australian dairy industry	1.1 % Profitable farms (rolling 3 year average)	55%	42%	
			1.4 % of farmers planning capital investment	40%	52%	
	Supporting communities	2 Increase the resilience and prosperity of dairy communities	2.3 Community recognition — dairy industry is an essential part of community — people appreciate dairy farmers in our community	71% 76%	68% 79%	
	Investing in dairy people	3 Provide a safe work environment for all dairy workers	3.1 OHS training — dairy farming — dairy manufacturing	46% 100%	46% 100%	
			3.2 Lost Time Injury Frequency Rate (LTIFR) — dairy farming — dairy manufacturing	5.2 8.7	6.4 10.9	
			3.3 Fatalities — dairy farming — dairy manufacturing	2 0	3 0	
			4.2 Participation in development activities — extension	20%	39%	
		4 Attract, develop and retain a skilled and motivated dairy workforce	4.3 Retain workforce	75%	75%	
 Improving wellbeing	Ensuring health and safety	5 All dairy products and ingredients sold are safe	5.1 Chemical residues — compliance	Zero non-compliance	Zero non-compliance	
			5.2 Product recalls	7	9	
			5.3 Consumer sentiment — dairy products are safe — dairy makes high-quality products	67% 77%	67% 75%	
	Maximising nutrition	6 Dairy contributes to improved health outcomes for Australian communities	6.1a Healthy diet — dairy is essential for good health — dairy food increases my weight	72% 32%	69% 31%	
	Caring for our animals	7 Provide best care for all animals	6.1b Healthy diet — NHMRC	Recognised	Recognised	
			7.1 Compliance with standards — aware of new standards	56%	56%	
			7.2 Recommended practices: — reduce use of routine calving induction — don't dock tails — disbud prior to 2 months — lameness strategy — cool infrastructure — bobby calves fed within 6 hours prior to transport	80% 80% 57% 87% 94% 97%	88% 85% 63% 95% 98% 97%	
			7.3 Public recognition of caring for animals	60%	59%	
 Reducing environmental impact	Minimising our environmental footprint	8 Improve nutrient, land and water management	8.1 Exclusion of stock from waterways	73%	76%	
			8.2 Nutrient management plans	30%	58%	
			8.3 Irrigation automation	47%	54%	
			8.4 Managing land for conservation and biodiversity	47%	45%	
			8.5 All dairy farmers actively managing noxious weeds where relevant — noxious weeds identified as major land issue — actively managing noxious weeds where a problem	37% 28%	29% 28%	
			8.6 Recycle water on farm	50%	75%	
		9 Reduce the consumptive water intensity of dairy manufacturers by 20%	9.1 Consumptive water intensity of dairy manufacturers (litres per litre of milk processed)	1.75	1.58	
		10 Reduce greenhouse gas emissions intensity by 30%	10.1 Emissions from dairy manufacturers (tonnes of CO ₂ equivalent per ML milk processed)	178.7	152.5	
		11 Reduce waste to landfill by 40%	11.1a Waste to landfill intensity of dairy manufacturers (tonnes of waste per ML milk processed)	2.69	1.45	
			11.1b Manufacturers: signatories to Australian Packaging Covenant (APC)	9	17	

Understanding 2015 Performance

 improvement from last measurement  no change from last measurement  regression from last measurement  ongoing target achieved in 2015  ongoing target not achieved in 2015

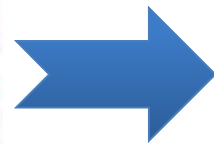
* If no measurement in 2015, latest available shown



United Nations Sustainable Development Goals



2001 – 2015
Focused on developing
countries



2016 – 2030
Designed for universal
application

Enhancing livelihoods
Improving wellbeing
Reducing environmental impact



13 CLIMATE ACTION


Take urgent action to combat climate change and its impacts


Target

13.2 Integrate climate change measures into national policies, strategies and planning



Reduced emissions

The intensity of greenhouse gas emissions generated by manufacturers' use of fuel and electricity in 2013/14 fell by 14.5% to 153.6 tonnes of CO₂ (equivalent) per ML milk processed. A 30% reduction in greenhouse gas emissions intensity from the baseline figure of 178.7 tonnes of CO₂ (equivalent) per ML milk processed in 2010/11 has been set for 2020.

Target 10: REDUCE GREENHOUSE GAS EMISSIONS INTENSITY			
Indicator	Baseline	2014 Performance	2020 Target
10.1 Emissions from dairy manufacturers (t CO ₂ -e per ML milk processed)	178.7	153.6 	125.8

Understanding 2014 performance

-  improvement from last measurement
 no change from last measurement
 regression from last measurement
-  no measurement in 2014
 ongoing target achieved in 2014
 ongoing target not achieved in 2014

"n/a" indicates where an appropriate baseline measure or target has yet to be established

Reducing environmental impact






End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Target

2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.



Nutrient, land and water management

Target 8: IMPROVE NUTRIENT, LAND AND WATER MANAGEMENT			
Indicator	Baseline	2014 Performance	2020 Target
8.1 Exclusion of stock from waterways	73%	 Not measured until 2015	90%
8.2 Nutrient management plans	30%		80%
8.3 Irrigation automation	47%		80%
8.4 Managing land for conservation and biodiversity	47%		80%
8.5 Managing noxious weeds	37%		80%
8.6 Recycle water on farm	50%		100%

Understanding 2014 performance

-  improvement from last measurement
-  no measurement in 2014
-  no change from last measurement
-  ongoing target achieved in 2014
-  regression from last measurement
-  ongoing target not achieved in 2014

"n/a" indicates where an appropriate baseline measure or target has yet to be established

Making Australian Dairy **LEGENDAIRY**



For more information visit: sustainabledairyoz.com.au



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Improving wellbeing
Reducing environmental impact

