The Dairy Sustainability Framework (DSF) provides a means for the global dairy sector to demonstrate to consumers and other stakeholders the impacts of the continuous improvements the sector is making, producing healthy nutritious food in a sustainable and responsible way.

Dairy Sustainability Framework Vision: A vibrant dairy sector committed to continuously improving its ability to provide safe and nutritious products from healthy cattle, while:
1. Preserving natural resources
2. Ensuring decent livelihoods across the industry

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I’m pleased to share with you the 2017/18 review of the work of the Dairy Sustainability Framework.

2017/18 has been a year of consolidation for the DSF as it focused on two key deliverables:
- Development of the Indicator Metrics required for reporting on the sector’s progress against the DSF’s 11 Criteria, and
- Membership support.

With the leadership of the University of Arkansas, the DSF has now completed all Indicator Metrics. The challenge of developing simple but meaningful measures for each of the DSF’s Criteria benefited greatly from the pre-competitive and collaborative spirit with which the DSF membership engaged and supported the development of these measures. Completion of the Indicator Metrics enables the DSF to deliver what it was established to do – reporting on the continuous sustainability improvements of the global dairy sector.

The focus on member support was a key element of the DSF’s plan over the past year. The addition of a mid-year DSF Member’s meeting in Chicago afforded an opportunity for members to provide input on the development of the Indicator Metrics as well as to network with peers to share knowledge and seek solutions to common business sustainability challenges. The DSF has also worked to increase the tools and guidance to support members. The launch in late 2017 of the Theory of Change briefing paper and the development of a Materiality Assessment briefing paper will further help members with planning their sustainability programs.

As part of the collaboration agreement with Dairy Asia, the DSF supported the design and introduction of the Dairy Asia Sustainability Awards and has been able to share the Dairy Asia achievements with the wider DSF membership.

I would like to thank Mr. Ian Halliday (Dairy Australia), who stepped down from his role as Governor of the DSF this year and to welcome Dr. David Nation (Dairy Australia), Mr. Zhao Wei (Dairy Asia–China), Dr. Thanawat Tiensin (Dairy Asia–Thailand), and Mr. Daniel Pelegrina (World Farmers’ Organization) as new members of the Governance Group.

I am excited about the coming year for the DSF as we complete the baseline measurement and commence tracking and reporting the continuous Improvements being delivered by the whole dairy sector.

In closing, I wish to thank the DSF Secretariat and Membership for the progress being made by the dairy sector on its sustainability journey.

Donald Moore, DSF Chairman
High Level Indicator Metric Development—Delivering on DSF Promises!

Completion of Indicator Development
With the active support of the DSF members, Indicator Metrics have now been developed for all 11 of the DSF’s Global Criteria.

By mid-2019, the Baselines will have been established for all Criteria, allowing a comprehensive DSF reporting process to be fully active in 2020. The engaging and transparent process that has been implemented has ensured the development of Indicator Metrics that are accepted by both DSF members and stakeholders. Thanks go to Dr. Marty Matlock of the University of Arkansas for expertly guiding the DSF Members, Advisory Council and the public through this challenging exercise utilizing a rigorous, structured and science-based process.

Reporting Comes to Life
In 2018 the DSF piloted reporting on the first of the DSF Global Criteria – Animal Care. The Indicator Metric established for Animal Care is Somatic Cell Count (SCC). Progress is quantified each year by reporting the delta against an established Baseline.

In early 2017, DSF’s members submitted data to allow the establishment of a Baseline of 288,000 cells/ml. for SCC. In the pilot, 13 DSF members submitted 20 million individual observations of their SCC numbers for independent statistical analysis.

The results for the pilot sample showed a reduction of 80,025 cells/ml for the 2017-18 reporting year, Indicating an overall improvement of the Animal Care Criteria.

With this relatively small sample of members the DSF is not able to draw any absolute conclusions, though the pilot is evidence that the DSF and its members have fulfilled an important commitment by developing a robust reporting methodology that will provide increasingly comprehensive progress reporting on an annual basis.

From 2019, DSF will be begin reporting on the first seven of the DSF’s Global Criteria, using the Indicator Metrics and associated Baselines.
The process of setting goals is hierarchical, and it comprises the key players in the global dairy sector. The DSF is responsible for establishing and maintaining the ‘aspirational goals’ for the sector through a consultative process.
Growth in Resources and Collaborations

The DSF Secretariat activity during 2017-2018 was influenced by the Post Implementation Review (PIR) specifically targeting membership support. This support came to life in three key areas:

1) Membership connection opportunities
2) Expanding member services and resources
3) Collaborating with partners.

Below are some examples of how the DSF is working to deliver on these three key areas.

1) Bringing Members Together

Chicago Members Meeting of May, 2018: DSF members had previously requested additional opportunities to connect with other members, to share their challenges, and to compare the strategies they are using to address these. The DSF arranged a two-day meeting in collaboration with The Innovation Center for US Dairy, the DSF Aggregating Member for the USA. This included a targeted development session on the remaining four Indicator Metrics: Waste, Market Development, Rural Economies, and Product Safety & Quality.

2) Expanding Members Services and Resources

DSF Advisory Council (ADCO) Meetings: The ADCO meetings are critical to the planning of the DSF activities and the consideration of new opportunities. The ADCO is made up of a mix of external stakeholders who have an interest in improving the sustainability of the dairy value chain.

2017 Belfast Members Meeting:

The 2017 DSF Members meeting held in Belfast saw 60 DSF members attending. The meeting included sessions on materiality assessment and associated prioritization, and how to establish effective local multi-stakeholder management groups, both of which are commitments associated with DSF membership. The meeting also saw the launch of the first 7 DSF Indicator Metrics that will be used to quantify the sector’s sustainability progress.
Materiality Assessment: This briefing paper was developed in collaboration with consultancy firm SustainAbility. It analyses the theory of Materiality Assessment, shows how to conduct an assessment, and provides examples from DSF members on how they have applied the methodology to set their DSF sustainability priorities.

Case Studies: As part of the membership support process, two key case studies were developed, one under the Global Criteria for Greenhouse Gas Emissions and the second under Rural Economies. These case studies are not only exciting stories, they specifically measured the impact of the actions taken within each of the programs. Having a strong narrative supported by robust and quantified evidence is the objective of the DSF.

3) Collaborating with Partners

The DSF seeks partnerships which allow members to share their perspectives on relevant topics as well as enhance their knowledge on dairy sustainability issues, and importantly, to benefit by learning about solutions to sustainability-related challenges in different geographies.

Dairy Asia: The DSF continues to provide leadership support to Dairy Asia through its Steering Committee involvement and by speaking and facilitating sessions such as the recent multi-stakeholder meeting in Myanmar, November 2017. The publication of the annual report by Dairy Asia demonstrates the progress this valuable platform is making.

The DSF provided additional support to Dairy Asia for its inaugural Sustainability Award. Congratulations to the winner, National Dairy Development Board of India, whose project saw GHG emissions from dairy cows reducing by 12-15% through targeted feeding practices.

Global Agenda for Sustainable Livestock (GASL): The DSF reinforced its collaborative commitment to GASL at the 8th Multi-Stakeholder Partnership Meeting which took place in Mongolia in June 2018. The DSF Chairman made the case for dairy as part of a panel on nutrition and food security. The DSF Director was a member of a panel of experts that debated the case for animal health and welfare.

Launching a Sustainability Agenda for Dairy in Chile:

Membership in the DSF and the launch of the DSF-aligned ‘Agenda’ in January 2018 has opened further doors for Consorcio Lechero. The Chilean Agency for Sustainability and Climate Change has asked the Consorcio to drive a new program with the Chilean dairy processors entitled the Clean Production Agreement.

The value of the DSF model and approach is being increasingly recognized, thereby reinforcing the belief that the dairy sector is both innovating and leading in the sustainability space. The DSF Secretariat is pleased to be providing ongoing input and guidance to this and other initiatives that Consorcio Lechero is pursuing which are aligned with DSF aspirations.

B2B model Development: The Sustainable Agriculture Initiative (SAI) Platform Dairy Working Group was commissioned by the DSF Governors to investigate how a suitable approach could be established for use in the commercial environment, building on the robust foundation of the DSF.

Encouragingly, this collaboration between dairy farming organizations, milk processors, co-ops and a range of dairy customers has progressed to the point of actively implementing pilots in Europe, Australasia, and the USA. The 5 pilots are developing and testing approaches that will increase efficiency in areas such as reduced surveys/audits and a mutual recognition of processes undertaken by suppliers. The pilots will conclude at the end of 2018, after which the outcomes will be evaluated, and a further round of development will take place with the aim of establishing a viable and robust working model.
Growth in Resources and Collaborations

The October 2017 Members Meeting in Belfast saw the advancement of the Indicator Metrics for the DSF Global Criteria.

Consorcio Lechero launching the Agenda for Sustainable Development of the Dairy Sector. DSF supported meetings with government officials to scope potential work areas.

GASL members met in Mongolia and benefited from the partnership with, and guidance from, DSF. The FAO recognized the DSF model at a Global Dairy Platform regional meeting in China.

Future collaborative opportunities were explored at Dairy Asia’s November 2017 Myanmar meeting.
The DSF leadership welcomed three new organizations to the Governance Group during the past year, Daniel Pelegrina (Argentina) from the World Farmers Organization; and Zhao Wei (China) and Dr. Thanawat Tiensen (Thailand) representing the DSF’s strategic partnership with Dairy Asia. Guidance from these representatives will ensure the continued evolution of the DSF to address these key regions and stakeholders’ viewpoints. A revised Governance model has resulted in the development of an Executive Working Group of Governors that will meet more frequently to develop proposals for review and ratification by the full Governance Group at its meeting twice a year.

Governors

- **Donald Moore**
  Chairman
  Global Dairy Platform

- **Alexander Anton**
  European Dairy Association

- **Dr. Judith Bryans**
  International Dairy Federation

- **Adrian Greet**
  Sustainable Agriculture Initiative Platform

- **Dr. Ariel Londinsky**
  FEPALE (Latin America)

- **Dr. David Nation**
  Dairy Australia

- **Peter Mwaniki Ngaruiya**
  ESADA (Africa)

- **Barb O’Brien**
  Innovation Center for US Dairy

- **Daniel Pelegrina**
  World Farmers Organisation

- **Dr. Thanawat Tiensin**
  Dairy Asia (Thailand)

- **Zhao Wei**
  Dairy Asia (China)

The DSF Advisory Council (ADCO) continues to be a vital sounding board for the DSF and its Governors in setting future strategy. The ADCO’s input to the Indicator Metric development process was particularly valuable, assisting the DSF in exploring “what is possible” and “what is credible”. The DSF is also extremely appreciative of the doors that the individual members of the ADCO have opened for sharing of the DSF model with other stakeholders. Based on the outcomes of the PIR, the Advisory Council Terms of Reference were revised and agreed. These changes have strengthened the working relationship the DSF has with this important group. The commitment and advice of retiring members Erinch Sahan (OXFAM), Gert Van der Bijl (Solidaridad International), and Janet Helms (American Humane Association) is noted and appreciated.

Advisors

- **Dr. Vinod Ahuja**
  FAORAP, Bangkok

- **Kevin Bellamy**
  Rabobank

- **Dr. Christopher Brown**
  ASDA Stores

- **Dr. Robin Ganzert**
  American Humane Association

- **Dr. Ephraim Mukisira**
  Global Forum on Agricultural Research

- **Ioan Nemes**
  OXFAM

- **Ruaraidh Petre**
  Roundtable for Sustainable Beef

- **Catharinus Wierda**
  Solidaridad International
Membership

- Cows: 44.6 million
- Farms: 2.4 million
- Processing Plants: 4,505
- Farmers: 2.5 million
- Liters Processed: 244.2 billion

Global Milk Production: 813 billion liters

Aggregating Partners:
- Cnil
- Consorcio Lechero
- Dairy Australia
- Duurzame Zuivelkieten

Implementing Partners:
- AHDB
- Ahold Delhaize
- Arla
- Bristle
- Carbery
- Dairygold
- Dairy Farmers of America
- Danone
- Emmi
- Fonterra
- Friesland Campina
- Glanbia
- Hoffmann-Landolt
- Kenya Dairy Board
- Land O’Lakes
- Meadow Foods
- Miraka
- Nestle
- Reina Picat
- Senexisima
- Starbucks
- Strauss

Affiliate Partners:
- ADPF
- Bord Bia
- California Dairies
- California Dairy Council
- Climate & Clean Air Coalition
- Dairy UK
- DelVal
- Eda
- ESADA
- Global Dairy Platform
- Mondelēz International
- NIZO
- Ornua
- Rabdfill
- SAI Platform
- Shippard University Management School

8 | DAIRY SUSTAINABILITY FRAMEWORK
DSF members from around the world participate in an array of discussions and decision-making which promotes the dairy sector sustainability program.