



**Australian Dairy
Sustainability
Framework**

CELEBRATING



HIGHLIGHTS FROM OUR JOURNEY



Australian Dairy Products
Federation Inc.





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Message from the Chairs

A decade on, it's time for taking stock.

For 10 years the Australian dairy industry has been at the forefront of sustainable food production. Globally.

The Australian Dairy Sustainability Framework was developed in 2012. Now, we are taking stock of our journey, not to rest on our laurels – but to recognise our achievements and look forward to where we want and need to be in 2030, and beyond.

In 2022, the urgency of managing sustainability risks such as climate change is increasing. So, too, is the pace of change in our operating environment. As a result, the framework continues to evolve. It is, after all, a living document that responds to changes in needs and events.

Our vision of sustainable development is as clear today as it was a decade ago. We remain at the forefront of sustainable food production. We intend to still be there in 10 years from now – and beyond.



Graeme Nicoll
Chair – Dairy Sustainability Steering Committee



Rick Gladigau
Chair – Australian Dairy Industry Council

If you are reading the printed version of this report and would like to access the weblinks highlighted, please download the electronic version, available here: dairy.com.au/sustainabilityframework

Key achievements over 10 years



- Dairy companies generate \$15.7 billion in sales and support 70,000 FTE jobs

Enhancing livelihoods



- 88% of general practitioners feel confident to recommend dairy as a part of a balanced diet
- Dairy reduces fractures in aged care residents by 33%

Improving wellbeing of people



- 100% of dairy farmers support compliance with animal welfare standards – most go well beyond this

Best care for our animals



- 94% of dairy farmers are implementing some measures to reduce emissions on farm
- 23.5% reduction in dairy manufacturers emissions intensity since 2010/11

Reducing environmental impact

... and we support national and global commitments to net zero emissions.



The changing landscape

Taking local action in a global context

The world is running out of time to develop systems of food production and consumption that meet the nutritional needs of humanity without impacting the environment.

It is within this context that the dairy industry in Australia is producing food. Further, as a source of animal-based protein dairy is sometimes seen as part of the problem – not the solution – due to livestock's contribution globally to 14.5 per cent of climate-warming greenhouse gases.

There is undeniable evidence that the world needs nutritious food options such as dairy. Increasingly, research is revealing that milk, yoghurt and cheese belong in a sustainable diet.

It is clear from key events in the operating environment over the past decade that the pace of global change is accelerating and the urgency for sustainable food production is rising.

The opportunity for dairy farmers and dairy companies is to rise to this challenge and, in doing so, meet the expectations of stakeholders and the wants of consumers. It's also the right thing to do.

THE PAST 2012–2020

A period of progress and renewal

In 2015, the launch of the global sustainability goals (SDGs) and an agreement by world leaders (COP21) to limit global warming drew a horizon for sustainable development: 2030.

In response to many changes in the operating context since 2012, the Australian dairy industry has been reviewing, adapting and evolving the Australian Dairy Sustainability Framework.

In 2020, the Australian Dairy Plan, a blueprint for delivering transformational change in the dairy industry, recognised the value of the framework and made sustainability a strategic priority.

THE PRESENT 2021

Taking stock of where we are

In 2021, the urgency of the change required to create sustainable food systems was increased by three United Nations-led developments – a summit, a pact and a framework.

In response, the Dairy Sustainability Steering Committee (SSC) launched a review of the ambition of the goals and targets and the credibility of the indicators and metrics in the framework.

On climate action, the dairy industry endorsed the NFF's climate change policy that calls for an economy-wide target of net zero emissions by 2050 (with conditions) and joined the global dairy industry's Pathways to Dairy Net Zero movement.

For the UN Food Summit, the SSC hosted an independent dialogue, attended by members of the dairy chain and stakeholders from outside the industry, submitting a formal report to the summit. At the time, the ADIC reaffirmed its commitments to climate action, system change and the SDGs.

THE FUTURE 2022 and beyond

Where we want to be in 2030

The world knows where it wants to be in 2030 on climate action and the SDGs. As a signatory to these global agreements, so does Australia.

On climate, Australia also has a commitment to net zero emissions by 2050. For waste packaging, Australia has targets for 2025, It also has a goal to halve food waste by 2030. The Australian dairy industry will play its role in supporting the nation to achieve these goals and targets.

The Australian dairy industry is looking towards 2030 and beyond, anticipating what actions it must take to ensure it remains a sustainable source of nutrition for the world. In preparation, a review of the goals and targets in the framework will be completed in 2022/23,

Whatever the future holds, we know we need to move faster. We must do more to keep dairy foods accepted as part of sustainable diets and a valued source of nutrition for a healthier world.

Our sustainability journey

Taking local action in a global context

In the first decade of the sustainability framework the Australian dairy industry has anticipated and responded to major changes in the operating environment for sustainable food production.

Australian Dairy Sustainability Framework begins



Ausdairy meets Unilever Sustainable Sourcing Code

Targets and metrics for framework agreed

Sustainability Steering Committee and Consultative Forum established

ADIC wins Banksia Food for Thought Sustainability Award



Refresh of materiality assessment of framework topics

ADIC wins UN World Environment Day Award for framework

THE CHANGING LANDSCAPE

2012

Rio+20 Earth Summit debates global economic and environment goals

2013

A global dairy sustainability framework is launched

IPCC releases work on a global carbon budget

UN members reaffirm commitment to 2015 summit, new global goals

2014

New York Declaration on Forests to end deforestation by 2020

2015

United Nations Summit on Sustainable Development, New York

UN Sustainable Development Goals (SDGs) announced

Paris climate deal struck to limit global warming (COP21)

2016

UN, IDF sign Dairy Declaration of Rotterdam

Australia State of the Environment report

Goals and targets in framework reset, aligned to 2030 SDGs

New targets on AMR, human rights and food waste agreed

Framework recognised in global Sustainable Dairy Partnership

Materiality assessment of framework topics undertaken

Sustainability is a strategic pillar in Australian Dairy Plan



Dairy framework has input to Australian Agriculture Sustainability Framework

Review of Commitments, Goals and Targets begins

2017

TCFD issues guidance to companies for disclosures to investors for pricing climate risk

2018

NFF launches Roadmap for \$100b by 2030

Modern Slavery Act in Australia established

FutureEye report: Australia's shifting mindset on farm animal welfare

2019

WHO issues global warning on use of antibiotics

UNEP report warns of extinction threat to one million species

2020

COVID-19 pandemic disrupts supply chains

Top five global risks are environmental – World Economic Forum

2021

Work on Australian Agriculture Sustainability Framework starts

UN Food Systems Summit calls for systems transformation

Glasgow Climate Pact (COP27) signed by world leaders

New UN Global Biodiversity Framework for protecting nature



Brave, diverse voices

A shared vision for a healthy, sustainable future

The Australian Dairy Sustainability Framework started with a discussion between a dairy company representative and Dairy Australia. The company representative wanted to know what the dairy industry could do to show stakeholders it was making progress on sustainability.

The enquiry sought to address the issues across the whole industry, rather than having individual dairy companies all doing similar but different things and duplicating their effort.

At the time, requests from retailers, customers, government and consumers for food producers to demonstrate, improve and report progress on sustainable development were increasing in frequency – with sustainability being mostly defined as environmental sustainability.

In 2012, a vision for the sustainable development of the Australian dairy industry was endorsed by the Australian Dairy Industry Council (ADIC), the peak body for the industry.

This vision is as real today for dairy farmers and dairy companies as it was in 2012.

THE PAST 2012–2020

A thriving ecosystem, built on brave voices

Since 2013, the cornerstone of stakeholder consultation has been the Dairy Sustainability Consultative Forum – a whole of value chain reference group for the framework.

The membership comprises dairy farmers, dairy companies, dairy organisations, customers, investors, financial institutions, retailers, buyers, suppliers, government representatives, non-government groups, special interest groups, agricultural industry groups, and others.

Over time a spirit of collaboration, a mutual respect for different perspectives and a forum for identifying emerging issues have been developed by a community of stakeholders with shared interests and common goals. More than 500 stakeholders have been active in this network.

THE PRESENT 2021

An inclusive, engaged coalition of the willing

In 2021, the sustainability framework continues to show stakeholders where the industry is meeting or exceeding their expectations and where it needs to address gaps. However, it serves a higher purpose after 10 years. Now, it is the touchstone for a coalition of the willing – people and individuals from industry and outside of it who want the industry to prosper.

For the first time a hybrid event for the consultative forum was held during May 2021. It attracted a record 122 participants and produced a report for the 2021 UN Food Systems Summit.

THE FUTURE 2022 and beyond

Reimagining how we engage stakeholders

In the future, the Dairy Sustainability Steering Committee (SSC) wants to re-engage long-standing external stakeholders, drive greater participation from consumers, retailers, and grassroots producers, and deepen the engagement with all parties – industry and external.

In reimagining stakeholder engagement, the SSC will seek greater collaboration and innovation across the entire value chain, based on shared interests and common goals.

“

Our vision for sustainability is to enhance livelihoods, improve wellbeing and reduce our environmental impact so that Australia's dairy industry is recognised worldwide as a responsible, responsive and prosperous producer of healthy food.

The original vision for the Australian Dairy Sustainability Framework (2012)

Our Dairy Promise

'To provide nutritious food for a healthier world'



ENHANCING ECONOMIC VIABILITY AND LIVELIHOODS

Creating a vibrant industry that rewards dairy workers and their families, communities, business and investors



1 Increasing competitiveness and profitability



2 Increasing community resilience and prosperity



3 Ensuring a safe work environment for all dairy workers



4 Providing a productive and rewarding workplace



IMPROVING WELLBEING OF PEOPLE

Providing nutritious, safe, quality dairy food



5 Ensuring safe dairy products



6 Contributing to improved health outcomes



PROVIDING BEST CARE FOR ANIMALS



REDUCING OUR ENVIRONMENTAL IMPACT

Striving for health, welfare and best care for our animals throughout their lives

Meeting the challenges of climate change and providing good stewardship of our natural resources



-
- 7** Providing best care for animals for whole-of-life
- Full compliance with animal welfare standards
 - Recommended practices adopted by all industry
 - Antimicrobial Stewardship – the dairy industry uses antibiotics responsibly
-



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- 8** Improving land management
-



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- 9** Increasing water use efficiency
-



-
- 10** Reducing GHG emissions intensity
-



-
- 11** Reducing waste
-



At the heart of sustainable development in the Australian dairy industry is a promise: to provide nutritious food for a healthier world.

The Dairy Promise is underpinned by commitments the industry has made to:

- Enhancing economic viability and livelihoods – creating a vibrant industry that rewards dairy workers and their families, communities, businesses and investors
- Improving wellbeing of people – providing nutritious, safe, quality dairy food
- Providing best care for animals – striving for health, welfare and best care for all our animals throughout their lives
- Reducing our environmental impact – meeting the challenges of climate change and providing good stewardship of our natural resources.

These commitments inform the development and implementation of the world leading Australian Dairy Sustainability Framework – the first agricultural framework of its kind and an evolving definition for sustainable dairy production in Australia to 2030 and beyond.

For each commitment there are goals aligned to the United Nations Sustainable Development Goals (SDGs), targets that set our sights for continuous improvement and indicators and metrics for measuring and reporting our progress. An overview of our progress and planning against these commitments – for the past, present and the future – is provided in the following pages.

In one way or another the dairy industry enriches the lives of most of us.

It rewards dairy workers and their families, regional communities, businesses and investors. It contributes to people's wellbeing worldwide with nutritious, safe and quality dairy foods.

It inspires Australian dairy farmers to provide best care for all farm animals throughout their lives, take climate action and look after the environment for coming generations.

Our Dairy Promise is the reason why we do what we do, for each other and everybody else. Every day. Striving to meet these commitments enables us to keep our promise to the world. In doing so, we are contributing to global efforts to address the world's sustainability issues.

A healthier world. For everybody. Every day.



COMMITMENT 1
ENHANCING ECONOMIC
VIABILITY AND LIVELIHOODS

**Creating a vibrant
industry that rewards
dairy workers and their
families, communities,
business and investors**

People are at the heart of every thing we do

Dairy is Australia's fourth largest agricultural sector. Dairy workers, their families, regional communities, business and investors hold a stake in the industry's sustainability.

Dairy companies support the equivalent of 70,158 full-time jobs across the national economy – 56 per cent of them in regional areas, according to [Deloitte Access Economics](#).

Enhancing the economic viability of the dairy industry enables it to keep earning export income for the nation (32 per cent of milk production is exported) and contributing to rural and regional economies.

Dairy companies contribute to businesses in regional communities by investing more than \$6 billion in existing and planned capital works, as of 2020/21, as well as a further \$36 million in research and development between 2017/18 and 2019/20 and paying \$4.8 billion to farmers for milk in 2020/21.

Sustainability is a key pillar in the [Australian Dairy Plan](#), a strategy blueprint for industry prosperity. Together with productivity, it forms a cornerstone of farming policy and advocacy.

The disruptions of COVID-19 have reminded businesses that resilient supply chains and emotionally strong and healthy workers are critical to keep food available and affordable.

Despite these disruptions and other challenges such as increases to the costs of farm inputs (fertiliser, water and feed) and a shortage of skilled workers, the market fundamentals are positive. Strong customer demand and weak supply continue to drive commodity values higher.

Additionally, increasing retail prices for some dairy products continue to support value creation opportunities through the domestic supply chain.

2030 GOALS



1 Increasing competitiveness and profitability



2 Increasing community resilience and prosperity



3 Ensuring a safe work environment for all dairy workers



4 Providing a productive and rewarding workplace



THE PAST 2012–2020

A period of progress and renewal

Disruption and change have been constant for people and businesses in dairy since 2012 and well before.

The number of dairy farmers in Australia fell to 5,055 in 2020, from 7,511 in 2010. During that time, droughts, fires, floods, low farmgate milk prices, high stock inventories in export markets, cheap milk in supermarkets and high, variable costs of inputs made production less profitable for many farmers.

One of the hurdles for measuring, monitoring and reporting the profitability of Australian dairy farmers has been finding an indicator that works for different production systems.

This was overcome when the Australian Dairy Plan set a target of more than 50 per cent of farm businesses achieving at least \$1.50 in earnings per kilogram of milk solids before interest and taxes (EBIT), averaged over five years. Subsequently, this has been adopted as a target (Goal 1) in the Australian Dairy Sustainability Framework.

2014



76% people appreciate dairy farmers in their community

2016



Price clawbacks erode farmer profitability, confidence

THE PRESENT 2021

Taking stock of where we are

A review of the framework goals began in 2021. The aim is to ensure they reflect both the most material issues for the industry and the level of ambition needed to meet our stakeholders' expectations. We also want to align them with the targets in the Australian Dairy Plan. This review will be completed in 2022/23.

A shortage of labour caused by the COVID-19 pandemic has highlighted the need for a sharper focus on the importance of the physical, mental and emotional safety of dairy people, as well as the role of technological innovation in filling gaps in labour across the supply chain.

The development of a safety culture and a better understanding of human rights risks in the supply chain emerged as priorities for the Australian Dairy Sustainability Framework work plan.

The contribution of dairy companies to the Australian economy was recognised when Deloitte Access Economics estimated the sector generated \$15.7 billion in revenues in 2020/21. Milk payments accounted for eight per cent of the total value of Australian farmgate production.

THE FUTURE 2022 and beyond

Where we want to be in 2030

In the short term, a better grasp of the human rights risks in the value chain (Goal 4) will enable farmers and dairy companies to remedy these risks and publish accurate modern slavery reports.

Looking further ahead, ensuring that every dairy worker gets home safely every day will be the aim of a renewed effort to build upon the strong safety culture in dairy workplaces (84 per cent of dairy workers implementing good safety practices; the target for 2030 is 100 per cent; Goal 3).

In 2030 and beyond, farm managers and workers will be digital natives, people who want answers and solutions at their fingertips. Due to the workforce shortage, the dairy industry will work hard to win the war for talent and seek innovative ways to fill any gaps in workers' skills.

2018



84% of dairy farmers make capital investments in past two years

2019



Dairy leadership states a position on human rights

80% of dairy employees are retained within industry

2020



Total value of milk payments to farmers tops \$4.8 billion

86% of people in regional areas think dairy is essential

Profit target of \$1.50 EBIT per kg milk solids set for farmers



The business skills program Our Farm, Our Plan is launched

Sustainability is a strategic pillar in the Australian Dairy Plan

2021



Dairy companies generate \$15.7 billion in sales, support 70k FTE jobs



COMMITMENT 2
IMPROVING
WELLBEING OF PEOPLE

**Providing nutritious,
safe, quality dairy food**

What the world needs is better nutrition

Unhealthy diets are not sustainable yet people are not eating well, the world's leading assessment of global nutrition, (the [Global Nutrition Report](#)), concluded in 2021.

In Australia, 88 per cent of general practitioners feel confident to recommend dairy as part of a balanced diet. The role of dairy foods in a healthy diet is recognised by the inclusion of milk, cheese and yoghurt as a [core food group](#) in the [Australian Dietary Guidelines](#). Yet, most Australians [do not consume](#) the recommended minimum daily intake of any of the five groups. Instead, over consumption of energy dense, nutrient poor discretionary/junk foods dominates Australian's diets.

Encouraging people to eat nutritious food to improve their health and wellbeing is a challenge for responsible producers, companies, policymakers and health professionals.

Regardless of whether food is made from animals, plants, or in a laboratory, sustainably produced nutritious food will have positive impacts on the wellbeing of both people and the planet.

The dairy industry is committed to producing nutritious safe and quality food that does not cost the earth. Our promise for sustainability is to provide nutritious food for a healthier world.

Early findings from a review of the goals and targets for this commitment area concluded that a bolder narrative about the role of dairy foods in a healthy sustainable diet is needed, together with indicators and metrics to measure progress.

2030 Goals



5 Ensuring safe dairy products



6 Contributing to improved health outcomes



THE PAST 2012–2020

A period of progress and renewal

Before COVID-19 a safe and secure supply of food produced in the Australian dairy supply chain had almost been taken for granted.

Due to rigorous food safety standards, the safety of dairy products and ingredients sold has never been in doubt, however, the security of supply was tested during the pandemic.

Despite disruptions, the dairy supply chain stood firm. The resilience of this supply chain ensured that safe, nutritious dairy foods made in Australia were affordable and available.

Since 2012, there have been no cases of non-compliant chemical residues in dairy foods and a low number of product-recalls due to food contamination (Goal 5) – evidence of the high standards of safety for Australian made dairy foods.

A target in the Australian Dairy Sustainability Framework for maintaining the recognition of dairy foods as part of a healthy diet by the National Health and Medical Research Council's Australian Dietary Guidelines (Goal 6) has been achieved.

In 2020, research revealed dairy foods can be consumed in low greenhouse gas (GHG) diets and the health benefits of eating whole dairy foods (Dairy Matrix) were shared with health professionals.

THE PRESENT 2021

Taking stock of where we are

A review of the Australian Dietary Guidelines began in 2021. It coincided with reports from health professionals for the environmental impacts of food production to be considered in dietary recommendations, together with efforts to make food systems sustainable.

A scientific paper from the CSIRO proposed that water scarcity be used as a guide to the environmental impacts of food production. Another paper concluded that too much booze and pizza means Australians are eating their way through more than their share of seven square metres of cropland per day.

In 2021, global research led by the University of Melbourne and Austin Health showed that higher daily intakes of milk, cheese and yoghurt reduce fractures and falls in aged care residents. Research in the United States found that eating yoghurt can help older adults who have high blood pressure. While it is critical that the dairy industry continues to produce food in an environmentally responsible manner, the dairy matrix/nutritional benefits of dairy are also important for improving the wellbeing of people.

In 2020, research found that the views of key opinion leaders (changemakers) about the impact of dairy production on the environment are improving. For example, the percentage of changemakers who think that 'dairy is careful to use water efficiently' rose from 49 per cent in 2018 to 65 per cent in 2020.

THE FUTURE 2022 and beyond

Where we want to be in 2030

For dairy foods to contribute to improving the wellbeing of more people, a higher recognition of their positive benefits – nutritious, affordable, culturally-relevant and accessible – is necessary. Raising awareness of these benefits over the next decade is a priority by expanding people's understanding of sustainable food, beyond environment and greenhouse gas emissions.

Another priority is maintaining the recognition of dairy foods as a core food group in the Australian Dietary Guidelines and securing the National Health and Medical Research Council's recommendation of milk, cheese and yoghurt as a part of a healthy, sustainable diet.

Plant-based beverages continue to grow as a competitor to dairy foods as people seek out more sustainable food choices. However, recent research by CSIRO demonstrates these foods are not substitutes from a nutrition or cost perspective. The dairy industry will continue to support a review of labelling and marketing laws of plant-based alternatives to dairy products to accurately describe the product in a way that is truthful and does not mislead consumers.

A strong food safety culture is embedded across the dairy supply chain. Relevant and credible indicators and metrics to demonstrate this capability are under development.

2013



Dairy recognised as a core food group in Australian Dietary Guidelines

2016



TIME magazine turns the tide on debate about dairy fat

2019



80% of people agree dairy is essential for good health

Heart Foundation gives regular fat dairy foods tick of approval

2020



85% of consumers believe dairy makes safe foods

CSIRO reports dairy can be in a low GHGs diet

Nutritional benefits of the Dairy Matrix are released

2021



Dairy reduces fractures, falls in aged care residents

Yoghurt helps older adults with high blood pressure



COMMITMENT 3
PROVIDING BEST
CARE FOR ANIMALS

**Striving for health,
welfare and best
care for our animals
throughout their lives**

Meeting expectations for animal care, always

The health and wellbeing of farm animals throughout their lives is vital to the success of every dairy farming business. It is a moral responsibility and an expectation of customers and stakeholders.

Animal welfare is a top business priority for market leaders among the world's 150 biggest food companies, the Business Benchmark on Farm Animal Welfare (BBFAW) reported in 2021.

The Australian dairy industry strives to improve the health, welfare and handling of all animals and report openly on how we are progressing and where we need to do better.

Preventative healthcare, biosecurity, care of calves and antimicrobial stewardship are all priorities.

New research published in the International Journal of Animal Biosciences concludes that animals can be a source of sustainable, ethical food. The Australian dairy industry is committed to striving for best care of all our animals throughout their lives. Our progress since 2012 is evidence of that commitment.



2030 Goals



7

Providing best care for animals for whole-of-life

- Full compliance with animal welfare standards
- Recommended practices adopted by all industry
- Antimicrobial Stewardship – the dairy industry uses antibiotics responsibly



THE PAST 2012–2020

A period of progress and renewal

Two animal husbandry practices deemed not to be best care for our cows have been phased out since 2012: tail docking and the routine use of calving induction.

In this period a recommendation to farmers to disbud calves before two months of age with pain relief became industry policy.

Compliance with legislated animal welfare standards is a sustainability requirement. Three-quarters (76 per cent) of consumers believe dairy farmers do a good job caring for their animals.

More than three-quarters of dairy farmers have a copy of the Australian Animal Welfare Standards and Guidelines. These guidelines outline practical ways for improving welfare outcomes.

Even before the WHO issued a **warning** in 2019 about the risks of antibiotic-resistant diseases to human health in 2050, the dairy industry had a target for antimicrobial stewardship.

THE PRESENT 2021

Taking stock of where we are

Following the industry policy in 2015 to phase out routine calving induction by 2022, dairy vets were encouraged to support the phase-out. This objective was achieved on 1 January 2022 – in line with the industry's policy.

The welfare and management of surplus dairy calves – both male calves and non-replacement heifers – was a focus in 2021. A webinar on the topic of dairy beef drew more than 500 registrations. It was followed by an industry decision to form a taskforce to develop a whole-of-industry policy for managing surplus dairy calves. This taskforce, comprising representatives from the dairy value chain, will develop an industry policy in 2022.

In October 2021, the WHO published a second **warning**. This time it expressed concern that rising levels of antimicrobial resistance in humans would **thwart progress** towards many of the UN SDGs. In anticipation of this emerging risk, the dairy industry introduced an indicator for antimicrobial stewardship that measured the use of antibiotics of high importance to human antimicrobial resistance. The industry policy states that antibiotics critical for human health are only to be used to treat dairy livestock in exceptional circumstances under veterinary direction where no other alternative exists.

Industry policies and actions have been taken in recognition of changing community expectations and market demand for animal health and welfare. Caring for our animals is also of paramount importance to dairy farmers themselves.

In 2021, a review of the targets for ongoing compliance with legislated animal welfare standards and use of recommended industry practices for animal care got underway.

THE FUTURE 2022 and beyond

Where we want to be in 2030

Stakeholders tell us that our future priorities for providing best care for our animals are:

- Managing community perceptions of, and responses to, livestock husbandry practices on-farm (e.g. management of surplus calves and cow-calf separation).
- Finding animal health and welfare solutions which accelerate the use of best practice livestock husbandry that also meet community expectations.

In the Australian Dairy Plan one of the objectives is to build stronger trust and acceptance of the industry's commitment to animal care by 2025.

The industry accepts that compliance with legislated animal welfare standards is the bare minimum and will not be seen as best practice in the future.

So, more ambitious targets are being considered, including:

- An increase in the uptake of polled genetics (to reduce disbudding).
- The use of pain relief for a wider range of husbandry practices.

Changes to the management of surplus calves may result in an increased uptake of sexed semen for breeding replacement heifers and the concurrent use of beef genetics for non-replacement calves.

Further, in 2022, the industry is exploring a whole-of-industry animal care assessment program that incorporates relevant standards and guidelines, as well as industry policies and agreed practices, covering animal health, welfare, responsible use of antibiotics and biosecurity.

2013



Dairy Sustainability Framework includes reports against animal health and welfare priorities set in 2005 and reported annually

2015



Dairy commits to cease routine calving induction by 2022

2019



The practice of tail docking is phased out

Dairy sets a goal for antimicrobial stewardship

Industry policy to disbud calves <2 months of age with pain relief

2021



Agreed to establish a Taskforce to develop an industry policy on surplus dairy calves

2022



Routine use of calving induction in cows ends



COMMITMENT 4
REDUCING OUR
ENVIRONMENTAL IMPACT

**Meeting the challenges
of climate change and
providing good stewardship
of our natural resources**

Being a good environmental steward has always made sense

Adapting to and mitigating against issues linked to climate change, including extreme weather and biodiversity loss, manages the biggest risk to the global economy: climate inaction.

Central banks, regulators and global investors are responding to climate change as a threat to the economy. Customers in the food value chain are increasingly setting reduction targets for emissions, with increasing expectations for their suppliers to do the same.

The industry needs to respond to these pressures and, at the very least, keep up with a rapidly changing and global agenda. Climate change is a mainstream concern. The scale, ambition and pace of change all require attention as well as the scope of work across both greenhouse gas mitigation and adaptation action to address risks associated with a changing climate, including water scarcity.

Water is a critical resource for the dairy industry in all farming systems, from pasture based, to irrigated systems and housed animal systems as well as for manufacturing.

The environmental goals in the framework seek to better manage natural resources and impacts. They also respond to the key drivers of climate action and the global agenda on climate and nature.

The top land management challenges for dairy farmers include pest animals, noxious weeds and soil health. Insect pests, biodiversity and waterway management are also of concern.

Australian dairy companies work together pre-competitively on projects to reduce their environmental impact through the Dairy Manufacturers Sustainability Council (DMSC).

In meeting this commitment area, the Australian dairy industry supports international agreements on climate change and sustainable development signed by the Australian Commonwealth Government and national targets and goals for waste, packaging and food waste.

2030 Goals



8

Improving land management



9

Increasing water use efficiency



10

Reducing GHG emissions intensity



11

Reducing waste



THE PAST 2012–2020

A period of progress and renewal

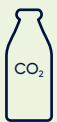
Australian dairy companies have cut their greenhouse gas (GHG) emissions intensity (Goal 10) 23.5 per cent since 2010/11. This, together with reduction in waste to landfill (Goal 11), is one of the stand-out sustainability achievements in the past decade.

Data from Australian dairy companies indicates the sector is reducing water use (Goal 9) and waste to landfill (Goal 11). More farmers have nutrient and effluent management plans (Goal 8).

Farmers are the first to feel the effects of climate change, but they are also on the front line in the fight to reduce GHG emissions. As well as mitigating physical climate risk, they have been adapting production to the changing climate and building climate resilience in their businesses. In 2019, a Marginal Abatement Cost Curve (MACC) report provided 14 options for the Australian dairy industry to reduce GHG emissions. This report will be updated in 2022.

Increasingly, farmers have turned their minds to better management of biodiversity and deforestation and recognised the importance of soil health as an indicator of ecosystem health.

2010



Life Cycle Analysis calculates carbon footprint of Australian milk

2012



Dairy companies with 85% of milk sign Australian Packaging Covenant

WA dairy develops code of practice for effluent management

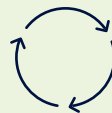
2013



Dairy companies report 10.5% cut in consumptive water intensity

Farmer KPIs for nutrient, land and water management identified

2015



75% of dairy farmers recycle water

2016



Established 2015/16 baseline for dairy farms GHG emissions

THE PRESENT 2021

Taking stock of where we are

More recently, the dairy industry's focus on waste (Goal 11) has been expanded to cover packaging, plastics and food waste. Work has started on an action plan to halve dairy food waste by 2030. A roadmap for ensuring all dairy packaging is reusable, compostable or recyclable by 2025 was developed with the Australian Packaging Covenant Organisation (APCO). A stewardship program targeting silage plastics is also under development.

The rise of regenerative agriculture, encompassing biodiversity, soils and carbon capture has shifted the narrative for environmental stewardship and sharpened producers' focus on preserving ecosystems.

An online program (EnviroTracker) with learning modules to outline best environmental practices and how to adopt them is being developed. It will also help provide data to track progress against our goals.

In 2021, the Australia dairy industry signed up to Pathways to Dairy Net Zero – a global dairy initiative to accelerate climate action – and adopted the NFF's policy for net zero emissions across the national economy by 2050. Dairy Australia released its new Climate Change Strategy in March 2021 to support farmers on their climate action journey.

THE FUTURE 2022 and beyond

Where we want to be in 2030

Looking ahead to 2030 and beyond, the Australian dairy industry plans to be home to **the world's first carbon neutral dairy farm** in 2026.

In a world rocketing towards carbon neutrality and agriculture a central focus, farmers are grappling with how to reduce their carbon footprint and work with nature better in a cost-effective way.

A new narrative for the environment in sustainable development is emerging – terms such as restorative, nature positive and regenerative are being used more widely. So, the name of this commitment and the language for the goals and targets are under review in 2022.

Also, under review is the availability and frequency of data collection to measure progress and the relevance and credibility of indicators for measuring progress on biodiversity and climate change. The review is being conducted by an expert working group with consideration of the global narrative on nature and how our goals contribute to the UN SDGs.

More work needs to be done at farm level to measure GHG emissions (Goal 10) and address water security risk (Goal 9). We will also implement actions to achieve the outcomes agreed in the backgrounding work for packaging, food waste and silage wrap (Goal 11).

2017



Dairy companies cut waste to landfill by 51% on 2010/11 baseline

2018



81% farmers implement biodiversity actions

2019



Commercial trials of methane-busting seaweed in stockfeed

2020



94% farmers implement practices to reduce or offset GHGs

Dairy companies cut (GHG) emissions intensity by 23.5%

93% of waste from dairy companies is diverted from landfill

2021



Dairy companies launch sustainable dairy packaging roadmap

Adopted NFF's climate policy for an economy-wide target of net zero by 2050

This publication provides an overview of milestones for the Australian Dairy Sustainability Framework from 2012 to 2021 and outlines the framework's ambition to 2030 and beyond. This publication, together with the Australian Dairy Industry Sustainability Report 2021, can be downloaded at dairy.com.au/sustainabilityframework.

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Acknowledgement of Country

The Australian dairy industry acknowledges the Traditional Owners of Country where we work throughout Australia and recognises their continuing connection to lands, waters and communities. We pay our respect to Aboriginal and Torres Strait Islander cultures; and to Elders both past, present and emerging.

Disclaimer

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