

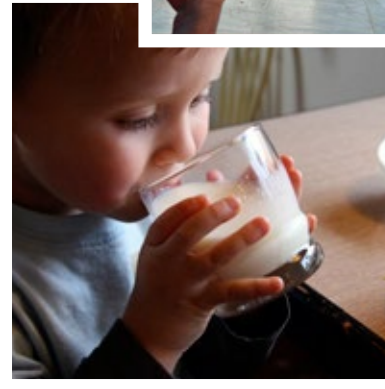
# gdaa

The Global Dairy Agenda for Action



Dairy Sustainability Framework

Annual Report 2014



A collaborative approach to sustainability in the global dairy value chain



## The vision of the Dairy Sustainability Framework is:

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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## Chairman's Introduction

### It is my pleasure to welcome you to the first Dairy Sustainability Framework Annual Report.

We have come a long way since Berlin in 2009 where the Global Dairy Agenda for Action was launched (GDAA). Initially focused solely on greenhouse gas emissions (GHG), the programme is now delivering a globally accepted and holistic sustainability framework that allows for flexibility for local solutions within an agreed global vision.

Since announcing the launch of the Dairy Sustainability Framework at the World Dairy Summit in Yokohama in October 2013, we have made significant progress, not only from a membership perspective, but also in the support structures that ensure the Framework is delivered in an effective and robust manner that meets the requirements of both internal and external stakeholders.

This first report is about setting the scene and starting point for the Framework. Subsequent reports will then track and monitor progress of the global dairy sector from this starting point.

### Leadership:

We have worked hard over the past year to ensure our governance is globally representative. We still have some positions to fill but our leadership is more representative than ever before.

The Governors of the DSF have invested considerable time over the past year in developing the guiding strategy. The five year strategy sets the direction and deliverables that the Framework is seeking to achieve and spells out how it will deliver on behalf of the sector.



### Communications:

The dairy sector globally has responded positively to the introduction of the DSF providing many opportunities for the DSF to present and be involved with industry meetings in regions such as Latin America, North America, Asia, Africa and Europe. The meetings have ranged from farmer conferences, industry and NGO discussions, regional sustainability initiatives right through to providing evidence at a parliamentary review debating innovative ways to ensure a sustainable dairy sector. These opportunities to communicate the DSF have allowed us to explain the framework concept and to work with our members (and other stakeholders) to help them develop their own local delivery strategies.

We have launched a new website [www.dairysustainabilityframework.org](http://www.dairysustainabilityframework.org) to effectively share with all stakeholders the work of the Framework. Sitting behind this is a database of support materials for members to both share and contribute to. It is through the website that we are also able to connect members who are working on similar initiatives.

The DSF newsletter is a useful source of updates on the work of the Framework as well as profiling members and their sustainability initiatives. To join the mailing list simply email [info@dairysustainabilityframework.org](mailto:info@dairysustainabilityframework.org)

### Membership:

The Governors are extremely pleased with the ever-growing membership of the Framework with 41 Implementing and Affiliate members already registered in the first year. With many international companies and organizations alongside national bodies and privately owned companies joining the DSF, we are confident that the dairy sector will be able to demonstrate substantial progress in future reports.

### Guidance:

The new GDAA Advisory Council consists of a wide range of stakeholders whose role it is to review the progress of the Framework and to both challenge and advise the Governors on all aspects of the programme.

### Secretariat:

The Governors would like to acknowledge the work of the Secretariat for the DSF. They ensure the smooth operation of the Framework, provide support and information to new and existing members as well as maintaining the important communication channels for the Framework. Our thanks to Brian Lindsay, Development Director and to new team member, Philippa Stagg. Also our thanks to the International Dairy Federation (IDF) who provided Secretariat support in our first year of operation.

### Looking ahead

I look forward to continuing to work with our members over the next year to deliver the sector strategy for sustainability. If you are not already a member, I encourage you to review the progress being made and to join with your global colleagues to ensure that the dairy sector continues to deliver on its promise of providing high quality, sustainable nutrition for a growing global population.

*Donald Moore*

Donald Moore - Chairman GDAA





**Locations of our members and their operations**

**Progress in our first year - our starting point**

The Dairy Sustainability Framework (DSF) as a global programme has managed to attract attention from the dairy sector, and others around the globe.

The Framework is designed to cater for all types of organisation in terms of size and activity and importantly, it is not selective regarding how long an organization has been working on sustainability. The important point is that by joining, they have at least started.

The Framework is free to join as the Governors took the active decision to ensure that cost of membership was not a barrier to anyone in the dairy sector becoming involved.

Our progress has been gradual over the first 18 months of activity. As of 21 June 2015 the membership of the Dairy Sustainability Framework stood at:

**Implementing members: 20**

**Affiliate members: 21**

**Breakdown of members**



From this membership, the Framework is starting to connect with:



**17.7 million Cows**



**800 Processing plants**



**565,000 Farmers**



**131 billion litres processed**



**584,000 Farms**



**17% of the global milk production**



"Clover is a leading dairy company in South Africa and has a strong drive towards sustainable dairy. Clover is a member of the DSF to learn more about sustainable dairy and to stay in touch with global best practices. The framework that the DSF has created provides a good foundation for our own sustainable developments and we learn a lot from sustainable research and development projects from all over the world."

Tobie de Villiers, General Manager – Milk Procurement, Clover





## Background to the DSF and how it works

### Sustainability is a journey not a destination

In 2006, the publishing of the FAO Livestock's Long Shadow report was a wake-up call for the dairy sector globally. More needed to be done by the sector to both improve and demonstrate that environmental issues are being taken seriously. Although there were many positive individual and local initiatives to increase the efficiency of the dairy supply chain and reduce GHG emissions, this was not being communicated and appreciated widely and as such the dairy sector on its own was, and continues to be, reported as one of the major contributory sectors influencing climate change.

In 2009, the Global Dairy Agenda for Action (GDAA) was launched as a response by the international dairy sector to demonstrate that climate change was a major concern for the sector and acknowledge its responsibility in working to address this issue. The sector committed to reducing GHG emissions through a range of actions commencing with the development of the common methodology for calculating GHG emissions from milk production and processing which has just had its second edition published\*. One of the most powerful components of the GDAA launch was the 'Green Paper' which was a public facing website that provided over 380 examples of the dairy sector globally, proactively implementing initiatives aimed at reducing GHG emissions throughout the value chain.

In 2011/12 pressure was mounting from a range of organizations and external stakeholders who had an interest in the 'impacts' associated with the production of milk and dairy products. At the same time, the Governors of the GDAA (and many in the industry) recognized that the challenges being faced were more than the single issue of GHG emissions and therefore a more holistic and encompassing approach was necessary if the sector was going to responsibly thrive in the future. The sector needed to better appreciate and mitigate impacts and look for opportunities through not only the environmental, but social and economic lenses also.

What followed was a major piece of review work, totally funded by the dairy sector. The Governors of the GDAA engaged the services of the globally recognized, independent and experienced consultancy, SustainAbility,

to identify how the global dairy sector could achieve the desired objectives in a manner in which participants of the dairy value chain could actively engage regardless of their level of sophistication, their unique situation or their position in their own sustainability journey.

November 2013 saw the launch of the Dairy Sustainability Framework (DSF) – a program of the GDAA. The DSF is an international dairy value chain initiative designed to align, connect and progress existing activity whilst providing the framework to channel future additional dairy sector sustainability efforts. The DSF is not a 'checkbox standard' but an umbrella resource that focuses the sector on demonstrating continuous improvement under eleven key sustainability Criteria and Strategic Intent unique to the whole dairy value chain - not just at the farm level as was the case when the focus was predominantly on GHG emissions.



### The DSF consists of 11 Sustainability Criteria

To ensure the desired sector alignment is achieved, the industry has developed for each of the Criteria, a strategic intent. The Strategic Intent is designed to guide the sector when designing mitigation initiatives under any of the Criteria by specifying the desired improvement for each.

**Greenhouse Gas Emissions**  
GHG emissions across the full value chain are quantified and reduced through all economically viable mechanisms.

**Soil Nutrients**  
Nutrient application is managed to minimize impacts on water and air, while maintaining and enhancing soil quality.

**Waste**  
Waste generation is minimized and, where unavoidable, waste is reused and recycled.

**Water**  
Water availability, as well as water quality, is managed responsibly throughout the dairy value chain.

**Soil**  
Soil quality and retention is proactively managed and enhanced to ensure optimal productivity.

**Biodiversity**  
Direct and indirect biodiversity risks and opportunities are understood, and strategies to maintain or enhance it are established.

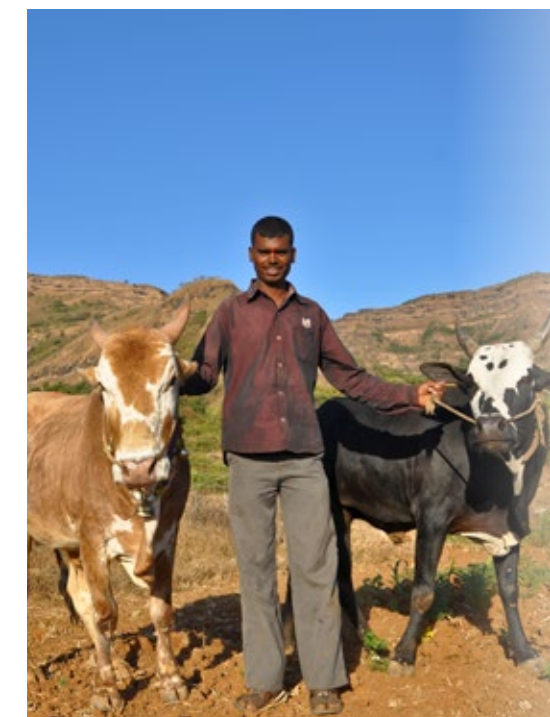
**Market Development**  
Participants along the dairy value chain are able to build economically viable businesses through the development of transparent and effective markets.

**Rural Economies**  
The dairy sector contributes to the resilience and economic viability of farmers and rural communities.

**Working Conditions**  
Across the dairy value chain, workers operate in a safe environment, and their rights are respected and promoted.

**Product Safety & Quality**  
The integrity and transparency of the dairy supply chain is safeguarded, so as to ensure the optimal nutrition, quality, and safety of products.

**Animal Care**  
Dairy animals are treated with care, and are free from hunger and thirst, discomfort, pain, injury and disease, fear and distress, and are able to engage in relatively normal patterns of animal behaviour.



“We hope to get more frequent and in-depth updates about the sustainability-focused activities of dairy farms and their industry representatives across the world. In particular, we look forward to opportunities to network with other organizations who might be implementing programs similar to ours.”  
Karen Clark, Assistant Director, Policy and Sustainable Development, Dairy Farmers of Canada

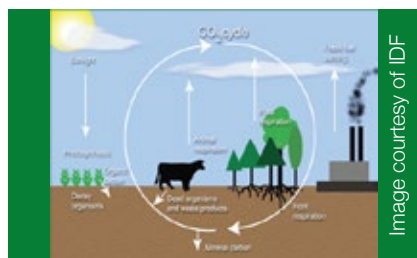
\*A common carbon footprint approach for dairy The IDF guide to standard lifecycle assessment methodology for the dairy sector IDF ISSN 0250-5118





## Current Initiatives in place

This section highlights just some of the good work that is already in place amongst the DSF membership, covering the 11 Global Criteria. It includes examples from throughout the dairy value chain and throughout the world. Many of these initiatives already have targets set against them and we will be reporting on these in an aggregated manner in the future.



### Greenhouse Gas Emissions

GHG emissions across the full value chain are quantified and reduced through all economically viable mechanisms.

- “Carbon masters” have been appointed to quantify, coordinate and report on the CO<sub>2</sub> reduction projects that work towards previously agreed targets
- The conversion of processing plants to utilise more environmentally-friendly fuels
- Establishment of a national carbon dairy sector footprint for a number of countries including GB, Canada, US, New Zealand and Australia
- Research into cow dietary manipulation to reduce environmental profile
- Investment in technology to provide energy production on farm through anaerobic digestion, solar and wind power

- Workshops and training on energy saving for farmers
- The conversion of transport vehicles to operate on alternative, more environmentally-friendly fuels
- Monitoring devices and smart routing logistics on trucks to assist in more efficient driving practices
- The development of the ‘Considerations & Resources on Feed and Animal Management from Considerations to Management’ paper that provides practical information on animal and feed management practices that can improve productivity and profitability while reducing enteric emissions



### Soil Nutrients

Nutrient application is managed to minimize impacts on water and air, while maintaining and enhancing soil quality

- Generation of new application technology that applies nutrients to growing crops at the appropriate time
- The development of tools that calculate total fertilizer requirement of crops including both manure and purchased fertilizer
- Education programmes for farmers on best fertilizer management practices to improve efficiency and productivity
- Increased attention to providing the nutrient balance needed to most efficiently grow food
- Development and deployment of technologies for providing nutrients only when crops are growing and as the plants need them



### Waste

Waste generation is minimized and, where unavoidable, waste is reused and recycled.

- Reinforcement of good manufacturing practices to ensure only top quality, conforming products enter the supply chain
- Development of a digester that efficiently and simply reduces volatile solids and extracts methane. The extracted methane in turn powers a CHP generator
- Collaborated with Government to develop and launch the Biogas Opportunities Roadmap, which outlines voluntary strategies to reduce methane emissions



### Water

Water availability, as well as water quality, is managed responsibly throughout the dairy value chain.

- Water use measurement and control program in place for crop and livestock, assessment and mitigation of pollution risks
- Water foot printing study on the volumetric consumption of GB milk
- A rescheduling of production to decrease the number of processing plant cleaning times and associated water use

- New milk processing plant designed to minimize water use and optimize waste water treatment
- Development of an online interactive self-assessment and improvement tool (footprinter) to assess and compare production and management systems



### Soil

Soil quality and retention is proactively managed and enhanced to ensure optimal productivity.

- Research on soil compaction and aeration
- Precision farming grassland to improve productivity and nutrient use efficiency
- Production of soil assessment and soil biology guides
- Scientific comparison of alternative soil tilling practices on soil health and productivity



### Biodiversity

Direct and indirect biodiversity risks and opportunities are understood, and strategies to maintain or enhance it are established.

- Implementing a programme that only uses feed supply companies that are certified for delivering 100% responsible soy (RTRS of equivalent) in specific dairy value chains

- Development of a monitoring system for biodiversity, based on the “no net-loss” principle, taking into account relevant influencing factors
- Planting and nurturing crops with minimal disturbance to the diverse ecosystems present in the soil
- Formally documenting the species which inhabit the manufacturing, logistics and inbound logistics sites



### Market Development

Participants along the dairy value chain are able to build economically viable businesses through the development of transparent and effective markets.

- Improved cow genetics yielding higher volumes and higher quality milk and milk products
- Development of a nutritional platform including infant nutrition, adult nutrition, and pharmaceutical ingredients
- Development and marketing of branded consumer products with the attributes of a) Human health, b) Sustainability, c) Traceability, and d) more level pricing to bring more value back to the community where the milk is produced

### Rural Economies

The dairy sector contributes to the resilience and economic viability of farmers and rural communities.

- A significant financial support offering (paid as an investment rebate) for young farmers, farming families and new entrants seeking to grow their business, proactively manage succession or enter the dairy industry
- Leasing partnerships to offer suppliers or new entrants an alternative to bank debt for business opportunities or industry entry
- Sponsorship of social/cultural and sporting activities in the rural area surrounding the processing plant
- A programme of business support and advice for farmers, highlighting opportunities to improve the efficiency of their businesses. The initiative targets traditional family dairy farmers



### Working Conditions

Across the dairy value chain, workers operate in a safe environment, and their rights are respected and promoted.

- Introduction of an Equality Plan for all staff
- Actions to ensure continued vigilance on safety around machinery, reduced exposure to cleaning and other chemicals, and fair compensation for services provided
- Workplace health and well-being program which includes, for example, healthy eating and weight loss





### Product Safety & Quality

The integrity and transparency of the dairy supply chain is safeguarded, so as to ensure the optimal nutrition, quality, and safety of products.

- A program designed to help prevent, monitor and reduce food safety risks on farms
- Strict rules established for milk and finished products all along the chain, based on HACCP approach
- A program providing independent certification that a supplier's food is produced, processed, prepared and handled according to the highest standard, at all levels of the supply chain
- Changes in production processes e.g. thermic treatment of milk
- The adoption of voluntary best practices for enhanced dairy traceability



### Animal Care

Dairy animals are treated with care, and are free from hunger and thirst, discomfort, pain, injury and disease, fear and distress, and are able to engage in relatively normal patterns of animal behaviour.

- Research in two areas related to cow behaviour:
  - o preferences for housed dairy cows to be indoors or to go out to pasture &

o social interactions which occur between dairy cattle, and whether position in the social hierarchy affects individual welfare and performance

- Implementation of specific targets for lifespan of dairy cows
- Benchmarking of life span will be developed for dairy farmers. Workshops on improvement of life span
- An animal welfare assessment program, based on the requirements in the Code of Practice for the Care and Handling of Dairy Cattle



“It is vital that UK Dairy Roadmap stays relevant in a changing picture of sustainability in the dairy industry and the DSF is a framework that enables us to ensure consistency with other organisations and countries.”  
Rob Harrison, Dairy Roadmap Chairman and Farmer



## Governance

### Since its inception in 2009, the GDAA has had an active governance group.

Since developing the Dairy Sustainability Framework, efforts have been made to expand governance representation for the major dairying areas around the globe.

Not all positions are filled yet, although it is anticipated these seats will be filled during 2015. Representation is being sought from the regions of Eastern Europe, North Asia and Asia.

The governance of the GDAA consists of dairy sector associations who have a genuine interest in collaboratively solving dairy sector sustainability challenges. The GDAA is owned and managed by the global dairy sector for the dairy sector.

Under the terms of reference for the Governance representatives, two physical meetings are held annually and bi-monthly conference calls take place between these meetings.

Since launching the DSF, the governors have been actively engaged in revising the strategy for the GDAA and in ensuring that robust structures are in place to deliver against the milestones and objectives. As the Framework is a new concept, breaking new ground has not been without its challenges, although to work collaboratively with the membership in solving these challenges has, and continues to be, an exciting and workable process.



Organisations currently holding Governance positions are:

-  Dairy Australia
-  Eastern and Southern African Dairy Association (ESADA)
-  European Dairy Association (EDA)
-  Global Dairy Platform (GDP)
-  Innovation Center for US Dairy
-  International Dairy Federation (IDF)
-  Pan American Dairy Association (FEPALE)
-  Sustainable Agriculture Initiative Platform (SAI Platform)





## Governor's Profiles

### 2014 Governors



**Donald Moore, Chairman, Dairy Sustainability Framework Executive Director, Global Dairy Platform**

Donald is the Executive Director of the Global Dairy Platform (GDP), based in Chicago USA, and also serves as Chairman of the Global Dairy Agenda for Action (GDAA). Formed by four of the world's leading dairy companies in 2006, GDP's mission is to align and support the dairy industry to promote sustainable dairy nutrition.

Before joining GDP in June 2010, Donald spent 10 years with Fonterra Cooperative Group Ltd., most recently as Director Ingredients Marketing. Donald also represented Fonterra on the boards of many of its joint venture businesses in Asia, Africa and Europe.

Prior to his involvement in the dairy industry, Donald spent 10 years as chief executive of New Zealand's largest independent business and information management consulting firm where he oversaw its international expansion, opening offices across South East Asia.



**Alexander Anton, Executive Director, European Dairy Association (EDA)**

Alexander Anton has headed up the European Dairy Association (EDA), the voice of the milk processing industry in Europe since October 2013.

Prior to this appointment, Alexander held different positions in Brussels; he was in charge of the European corporate affairs department of Eli Lilly, a U.S. pharmaceutical company and an EU Commission official in DG SANCO's directorate "safety of the food chain", responsible for food law and food labelling.

As a trained lawyer (law degrees from universities of Bayreuth and Bordeaux), Anton also worked at the Research Institute for German and European Food Law and established the Brussels liaison office of the German dairy industry.



**Jeremy Hill, President & Chairman of the Board, International Dairy Federation Chief Technology Officer, Fonterra Co-operative Group**

Jeremy Hill has previously held a number of senior R&D leadership roles throughout the dairy supply chain including General Manager of R&D at the Livestock Improvement Corporation, Deputy Chief Executive of the NZ Dairy Research Institute, Fonterra General Manager of Manufacturing Innovation and Fonterra General Manager of Research and Technical Operations. Jeremy has also served as Fonterra's Director of Regulatory Affairs and Food Assurance.

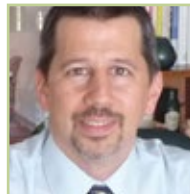
In 2012 Jeremy was elected as President and Chairman of the Board of the International Dairy Federation (IDF), the peak body for the global dairy sector.



**Barb O'Brien, President of Innovation Center for US Dairy, Senior Executive Vice President, Dairy Management Inc**

Barbara O'Brien is a senior leader in the dairy industry and drives business priorities within the dairy checkoff program (levy funded), on behalf of the country's 49,000 dairy farmers. Barbara has served as a change agent within DMI for more than 12 years.

She instills an aggressive sales mentality, and spearheads programs and operating structures for business development, relationship management, planning and insights, and innovation that best meet the needs of the dairy industry.



**Dr. Ariel Londinsky, Secretary General, Pan-American Dairy Federation - FEPALE**

Dr Londinsky, 43, is a veterinarian who graduated in 2002 from the University of the Republic of Uruguay. He holds a postgraduate degree and diploma in Education (San Martin University -Argentina) and in Distant Education Project Management (CAECE - University - Argentina).

He received dairy training in Spain (University of Santiago de Compostela) and Israel (Ministry of Agriculture and the Agency for International Development Cooperation- MASHAV).

He joined FEPALE in 2002 as an assistant in the Training area, becoming Coordinator in 2005 and Technical Coordinator in 2008. He was Manager from 2013-14 before assuming duties as the Secretary General of the Federation in 2015.

As the Secretary General, Ariel is responsible for the overall coordination of the technical work of the Federation and represents FEPALE in various forums and events where the dairy sector is convoked.



**Peter Erik Ywema, General Manager SAI Platform**

Peter Erik Ywema has been the General Manager of SAI Platform since 2007, a global food and drink industry initiative for sustainable agriculture. SAI Platform's members, ranging from companies, brands, processors and retailers to traders and farmer organisations, work jointly towards more sustainable agriculture.

Peter-Erik is an analytical chemist by education and holds an MBA in strategic sustainability consultancy. He has been a consultant, researcher and manager since 1990 focusing on the implementation of pragmatic sustainability concepts in companies and policy for governmental institutions. In the early nineties he was amongst the researchers that developed life cycle assessment as tool to better understand real and significant environmental impacts.



**Ian Halliday, Managing Director, Dairy Australia**

Ian Halliday was appointed Managing Director of Dairy Australia in January 2010, bringing to the position the experience of a career which has spanned across the food supply chain.

His expertise includes an extensive range of management roles with SPC, Goodman Fielder, Kraft Foods, KR Castlemaine and Vesco Foods. Ian spent 12 years at Kraft Foods both in Australia and the UK in a range of senior Operations and Supply Chain management roles.

This was followed by CEO roles at KR Castlemaine smallgoods company and Vesco Foods (formerly Kailis and France Foods) prior to joining Dairy Australia. He is currently a Non-Executive Director of Agrifood Skills Australia. Appointed January 2010



**Peter Mwaniki Ngaruiya, Executive Director of the Eastern and Southern Africa Dairy Association (ESADA)**

Peter Mwaniki Ngaruiya is the Executive Director of the Eastern and Southern Africa Dairy Association a position he has held for the last five years.

Peter joined the association eight years ago as the overall ESADA program manager. Prior to joining ESADA, he worked for the Center for Corporate Governance where he helped establish the Institute of Directors (Kenya).

Peter studied both his undergraduate degree (Bachelor of Commerce) and Master in Business Management (MBA - Strategic Management) in the University of Nairobi.

He has led various national, regional and international programs in the African Dairy sector for the last five years.



## Support Structures for the Governance of the DSF

### Stakeholder Advisory Council

**Recognising that the governance of the GDAA does not involve external stakeholders, the Governors do desire a consultative and challenging interaction with those that have an interest in the sustainability performance of the dairy sector globally. The formation of the GDAA Advisory Council has been implemented over the past year, starting with the development of a Terms of Reference followed by a process of identification of key stakeholders that should be included in the Council.**

The Council representation covers the key topics of a holistic sustainability approach and importantly seeks both consumer and scientific input in these areas.

The Advisory Council has the role of considering and challenging strategic developments by the Governors from their respective areas of expertise. Here again, similar to the Governance of the GDAA, it is the desire to have the Council globally representative. As such, research members are still being identified and candidates will be approached accordingly in the coming months.

The Council is chaired by a Governor to ensure direct contact and accountability between the two groups.

### Current members of the Advisory Council are:

Asda/Walmart – Dr Chris Brown, Senior Director Sustainable Business [www.your.asda.com](http://www.your.asda.com)

American Humane Association – Dr Robin Ganzert, President and CEO [www.americanhumane.org](http://www.americanhumane.org)

Global Round Table for Sustainable Beef - Ruaraidh Petre, Executive Director, [www.grsbeef.org](http://www.grsbeef.org)

Food and Agriculture Organization of the United Nations - Vinod Ahuja, Livestock Policy Officer [www.fao.org](http://www.fao.org)

Rabobank - Kevin Bellamy, Senior Analyst, Dairy. [www.rabobank.com](http://www.rabobank.com)

Solidaridad - Gert van der Bijl, International Program Coordinator Soy & Livestock [www.solidaridadnetwork.org](http://www.solidaridadnetwork.org)

### DSF Development Group

The DSF operates an inclusive approach to its evolution to ensure that future developments and policies are considerate of the needs of the membership.

Every implementing member (see page 14) is invited to join the Development Group which contributes to the on-going enhancement of the DSF by reviewing and providing input to plans before they are presented to the GDAA Governors for ratification.

This process, although time consuming, is an immensely valuable approach as when any new proposal is ratified, it is in the knowledge that the membership have had the opportunity to review and consider implementation prior to formal agreement.

It is the intention to better promote and grow the membership of this important group to ensure the DSF continues to evolve in an amenable manner to the membership.

### The Secretariat

The Governors have purposely designed the operational aspects of the GDAA to be low cost and highly efficient. Supported by a dynamic database and interactive website (launched February 2015) for the DSF members, the Secretariat function is resourced by the equivalent of 1.5 individuals. The role of the Secretariat is to support the membership in providing their annual progress reporting, and subsequently generating the reports that demonstrate the sustainability progress of dairy globally.

The Secretariat is also tasked with increasing the number of new members from the dairy value chain and representing the sustainability interests of dairy in other fora using the outcomes of DSF analysis as a basis for their input.



**Brian Lindsay - Development Director**



**Philippa Stagg - Membership and Communications**





**Membership**  
- Membership Categories:

The Dairy Sustainability Framework has two membership categories to enable a truly supportive and engaging approach to the delivery of sustainability along the value chain.

**Implementing Members:** Those who can implement initiatives to address the Criteria and Strategic Intents, e.g. farming groups, dairy manufacturers. This category requires the member to commit to an annual reporting process to the Secretariat of the DSF.

**Affiliate Members:** Those close to or part of the sector who are able to endorse the Sustainability Criteria and Strategic Intents, though not in a position to directly implement sustainability initiatives e.g. research organizations. Sometimes, this may even be a sector member just starting their sustainability journey and are supportive whilst they become organized to progress to Implementing member status.

**Membership**  
- Membership Commitments:

The key commitments of Implementing Members are:

- Endorse the 11 key sustainability Criteria and Strategic Intents – by seeking membership of the DSF Implementing Members are endorsing these.
- Establishing appropriate governance for the 'delivery' of the DSF within the organization – a management structure of appropriate stakeholders. (see diagram below for an example of the types of groups that may be involved). This is an extremely important aspect of the DSF. One of the key points of differentiation of the DSF is the identification of local issues and developing local solutions through a process that involves a wide-ranging set of stakeholders. It is important that the Implementing Member establishes and coordinates a management structure of key stakeholders and as a group they undertake the following key tasks:
- **A prioritization of sustainability issues at a more local level.**  
The management structure will have different angles of thoughts on what they perceive are the real sustainability issues for the region or part of the supply chain under consideration. The process of reaching consensus on the priority order of the DSF Criteria and Strategic Intents will support key areas of focus locally.
- **Implementing initiatives to address the priorities.**  
Once the prioritisation process is complete, the management structure agrees how best to try and address some of the priorities. The DSF does not encourage members to try and address all 11 Criteria at once.

It is recommended they focus on a small number and ensure they are implemented effectively and delivering real results. As important is agreeing timelines, KPIs and targets for each initiative that is implemented.

- **Delivery of the Plan, Do, Check and Adjust actions on existing programs to ensure they are continually evolving and addressing the key areas of interest.**

Many organisations will have existing sustainability initiatives already in place when they join the DSF. Aligning these initiatives with those of the DSF will allow us to highlight all the great work already being done within the Criteria. To ensure (new and existing) projects are effective, the membership must implement a structured approach to designing, implementing and reviewing the implementation of initiatives or programs.

- **Provision of annual reporting and updating of shared initiatives with the DSF.**

For the DSF to effectively demonstrate the continuous improvement of both individual initiatives as well as those at an aggregated level, and to be able to report on dairy globally, one of the key requirements of any DSF related initiative or program implemented by members is the inclusion of timescales, KPIs and targets against which the individual project's performance will be quantified. Annually, Implementing Members must provide the DSF with a report on performance of their initiatives or projects. This report will be against the self imposed KPIs and targets and will have the 'sign off' of the stakeholders on the management structure. Importantly, if the project is not performing well against the agreed measures, as part of the reporting process, the DSF will also be informed of the changes that have been agreed by the management structure to rectify the situation.

**The Reporting Process**







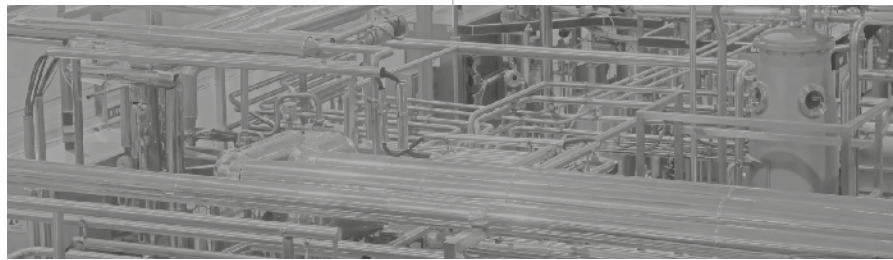
## Strategy development and implementation

The Governors of the GDAA have invested considerable time in strategy planning to ensure the GDAA and its DSF program continue to evolve in a manner that ensures delivery for both the global dairy sector and its stakeholders.

The decision was made to launch the DSF prior to having all structures and processes in place. The aim was to complete the development of the DSF with the sector and ensure that what is developed results in an output that is both robust and acceptable for the sector and its key stakeholders.

### This Strategy has four key priority work areas:

1. Develop the required data collection, sharing and reporting systems that support the objectives of the GDAA
2. Establish appropriate Governance / Support structures
3. Ensure that the GDAA is truly representative of the diversity of the dairy sector
4. Development and implementation of an efficient secretariat function.



## From this strategy the Governors have identified the aspirations for the GDAA

### What will the GDAA look like in 5 years time - prioritized

#### 1. A system of data collection, alignment and reporting that demonstrates the continuous sustainability progress by the sector globally

- The commitment made by members of the DSF program will enable effective reporting of continuous improvement and global trends in line with the 11 Sustainability Criteria. External Stakeholders respect and utilize the data made available by the GDAA
- The database will also provide the membership with a valuable 'good practice' sharing hub

#### 2. A Program that has the respect of external stakeholders

- As the DSF is a continuous

improvement framework not a certification scheme or standard, additional effort will be invested in demonstrating its robustness and value. This effort must result in the respect of external stakeholders

#### 3. Membership from the majority of dairy regions of the world

- The GDAA is a global initiative and will be developed in a manner that supports membership and contributions from all dairy regions

#### 4. A viable governance model and business structure that provides the required support and outputs on behalf of the sector

- The Governance model for the GDAA is both representative of global dairy and able to provide the necessary leadership to continually improve its sustainability credentials

#### 5. A critical mass of membership that is representative of the sector and able to influence major aggregate change

- Through a critical mass of membership the GDAA will be recognized as the representative body for sustainable dairy globally

#### 6. Membership engaged in future development

- The GDAA will continue to be governed by the sector for the sector and as a result, the membership will continue to have the opportunity to have input into the development of future programs

The Secretariat is currently charged with implementing this work program. The Governors receive progress reports regularly and monitor the evolution of the GDAA against this strategy

## Communicating the work of the DSF

The DSF has a range of communication channels through which it operates to ensure it is accessible and transparent to both members and external stakeholders alike.

#### Website/Extranet

The new website has been launched at [dairysustainabilityframework.org](http://dairysustainabilityframework.org). It gives all the relevant information about the program including the background, governance, benefits of membership and includes an online form to join.

Once membership has been accepted, there is an Extranet with links to useful documents and access to information on initiatives being run by other members.

Sharing resources and learning from each other is at the core of the DSF and its commitment to Align, Connect, Adjust and Progress dairy sustainability on a global scale. The sharing of information in this manner will speed



the rate of progress by the sector at a considerably reduced economic cost of development and implementation.

#### Brochure

A new brochure has been designed as a useful 'calling card' for the DSF. So far it is available in English, Spanish and Chinese versions.

#### Newsletter

The DSF has produced six newsletters since its inception. Its delivery has been upgraded to that of an HTML email that can be sent directly to the mailing list. The content will continue to include profiles of members as well as updates on the work of the DSF around the world. Sign up at [dairysustainabilityframework.org](http://dairysustainabilityframework.org)

#### Implementation Guide

Dairy farming and processing systems vary greatly all over the world, this being particularly apparent between developed and emerging dairy countries. Coupled with this are differences in the local environment, regulations and stakeholder interest.

Rather than striving for a single global 'standard', it makes more sense to seek regional/local implementation, given that regions share similar sustainability challenges and opportunities.

A regional implementation guide has been developed to help facilitate the implementation of the DSF at regional/local level. This includes support and guidance to members.





# The Road Ahead

Although a successful start to the GDAA's development of the DSF, the Governors of the GDAA recognise the road ahead is one that needs particular focus and investment in order to meet the aspirations of both internal and external stakeholders.

## The key focus areas for the GDAA over the forthcoming year are:

### Increasing the share of global milk production involved in the DSF:

The DSF has made an encouraging start to its membership. However, it is the aspiration of the Governors to increase the share of the world's milk production operating under the umbrella of the DSF. Continued efforts will be invested in seeking new members for the Framework

### Increased membership support:

The DSF is about collaboration at a pre-competitive level. Sharing information will allow sustainability issues to be tackled quicker and more effectively and therefore is a key measure of success for the DSF. Importantly, the Governors of the DSF see the role of the Framework is to provide support to members in aiding them deliver on the commitments to which they agreed when joining the DSF.

The Secretariat will ensure that appropriate time will be invested in supporting members, either directly or through other support mechanisms, which will assist each in delivering on the requirements of the DSF.

### An enhanced database that allows members to better connect and share their sustainability solutions to enable the sector to move at an increased rate at solving sustainability challenges:

As above, considerable effort has already been invested in developing a powerful database that will allow members to access information and connect with fellow members, regardless of where they are in the world. The accessibility and usefulness of the database will continue to be a major work program for the DSF in the coming years. As technology advances so too will the DSF resources to ensure that members are able to use their time efficiently and the DSF captures exactly and only what is required for reporting purposes.

### The development and implementation of standardised metrics for each of the 11 DSF Criteria:

The Governors of the GDAA have agreed to the development of standardised metrics for each of the 11 Sustainability Criteria to be able to provide this global picture of dairy's performance.

The local nature of the projects and associated performance measures implemented by DSF members makes the collation and aggregation of these (to demonstrate the continuous improvement of the global dairy sector) impossible.

Reporting back to the DSF on an annual basis of the performance using the standardised metric will take place at the same time as their annual reporting process.

Work will be implemented over the next year to develop the first three of these metrics and members undertaking activities under each of the Criteria will add the standardised metric to their own 'local' indicators or performance.

### The collection and reporting of continuous improvement of the dairy sector's sustainability performance:

This is both a challenge and an opportunity. Previously, many agriculture initiatives have been implemented with no real targets/key performance indicators developed as part of the delivery strategy. Hence, many projects undertaken by our members previous to their membership may not have these. The DSF requires Implementing Members to incorporate Targets and KPIs into existing programs and any new programs need to have

from the world's established and emerging dairy regions.

### A greater number of emerging dairy nations involved in the DSF:

Currently the percentage of the DSF membership from emerging dairy nations is lower than that to which the Governors aspire. Over the course of the next years, efforts will be made to connect with, and seek membership from, these important dairy nations. As the DSF is an innovative and new approach, increased efforts need to be made in communicating both the process and the value it will add to both individual members and the global dairy sector as a whole.

these as an integral element. The membership need to know that their programs are working (or not) so that they can actively demonstrate their continuous improvement.

The collection of this progress data is fundamental to the success of the DSF. The DSF needs to make this process as simple and un-bureaucratic as possible to ensure that the membership continues to invest the efforts in uploading their annual reports.

### The successful development and implementation of an aggregation approach to reporting progress by DSF members:

In many dairying nations/regions, there are already collaborative sustainability programs, where supply chains or even countries have united to collectively address sustainability challenges that affect them. Instead of seeking an annual report from each of the organisations, the Governors of the DSF are exploring if there is a feasible way that the sustainability performance of each of these organisations involved in collective projects could be 'aggregated' through one organisation.

Recognising the need to make the DSF as efficient as possible, the Governors of the GDAA are motivated to explore this opportunity, although will not agree to any approach that potentially compromises the integrity and robustness of the current individual member reporting approach.

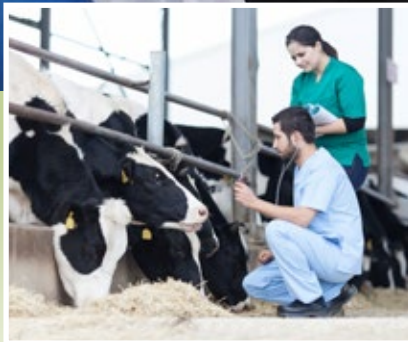


# Membership



Membership at June 2015





The DSF welcomes those working in the dairy value chain who wish to either share existing initiatives or establish new sustainability programs that will align with the global vision and key criteria.

**Interested parties are encouraged to contact:**



[info@dairysustainabilityframework.org](mailto:info@dairysustainabilityframework.org)  
[www.dairysustainabilityframework.org](http://www.dairysustainabilityframework.org)