



Dairy Sustainability Framework

A photograph of a herd of brown and white cows grazing in a green field under a clear blue sky. The cows are the central focus, with one in the foreground looking towards the left. The background shows more cows and trees.

2020 – 2025
Strategic plan

Chairman's Foreword:

We are pleased to present the Dairy Sustainability Framework's (DSF) 2020-2025 Strategic Plan. DSF has advanced considerably since its launch in 2013. And now in 2020 the DSF is reporting progress against all 11 Criteria to demonstrate the sector's continuous improvement.

This Strategy seeks to grow reporting among existing members and provide access to tools and knowledge at a local level. In addition, roles for the DSF Multi-stakeholder Advisory Council and DSF Members Development Group will be further enhanced in the decision-making process.

An exciting aspect of this Strategy is the expansion of DSF into four new geographies (Kenya, Rwanda, Vietnam and India) thanks to the support of the International Fund for Agricultural Development and Global Dairy Platform.

I would like to recognize my fellow DSF Governors, the DSF Advisory Council and the Members Development Group for their efforts so far and the actions they have agreed to by implementing this Strategy. Thank you.

Donald Moore – Chairman



Introduction

With mounting pressure on global resources, the dairy community needs to collaborate to clearly demonstrate progress in addressing issues of sustainability through its continuous improvement efforts.

The DSF monitors and reports evidence of the dairy sector's progress. This evidence enables dairy to provide a narrative that is underpinned and supported by quantitative data.

Input from the DSF multi-stakeholder Advisory Council, the DSF Member Development Group and the DSF Governors has been invaluable in developing this guiding document. This input, combined with horizon scanning, has helped shape this outcomes-focused Strategic Plan.

The Strategy is segmented into;

- 5 focus areas
- 12 priorities within the 5 focus areas
- 15 'measures' of success
- Success measures categorized into short, medium, and long-term delivery timelines.

Though the Strategy is based on a five-year horizon, throughout the life of the plan, the various governance groups will continue to review and adapt both direction and activities to maximize the output potential for both internal and external stakeholders.

This Strategy focuses on supporting existing DSF membership to help solve common sustainability challenges and incorporate the DSF high-level indicator metrics. While growth in membership remains an important ambition, the Governors want to ensure that the DSF focuses on core issues such as sharing best practices and streamlining reporting so the dairy sector is seen as a responsible producer of high-quality nutrition. During the life of the plan, an area for growth will be in helping emerging dairy economies to implement the DSF model.



Background and Value Proposition

The Dairy Sustainability Framework is the sustainability monitoring and reporting model for the global dairy sector.

The Framework collects and processes data to monitor and report the sectors continuous sustainability improvement. The DSF compiles key data at an aggregate, global level, and operates across the full value chain.

The livestock sector is under considerable pressure to demonstrate its sustainability efforts and associated improvement. The DSF creates the reporting that allows the dairy sector to proactively engage and to demonstrate how it is responsibly addressing its role in the sustainable food system.

The DSF is a vital resource that can be used by other dairy sector initiatives to track and report progress. Examples include the FAO/IDF Rotterdam Declaration (<http://www.dairydeclaration.org>), and the proposed, Net Zero – *Pathways to Low Carbon Dairy* (see page 11 of this report) initiative.

The Framework is not a Standard nor a Certification Scheme; as such it accommodates the diversity of global dairy production and processing, enabling members to initiate continuous improvement programs that are appropriate for their position in the marketplace and stage of sustainability development.

The vision of DSF is to: ***promote a vibrant dairy sector committed to continuously improving its ability to provide safe and nutritious products from healthy cattle, while preserving natural resources and ensuring decent livelihoods across the industry.***

The objective of the DSF is to provide the evidence and reporting to demonstrate the continuous sustainability improvement of the global dairy sector.

To achieve this, DSF members commit to delivering a sustainability program consistent with the Framework requirements, and to report progress of their initiatives to the DSF on an annual basis.

The DSF supports its members by providing tools and hosting pre-competitive, collaborative forums that encourage sharing of best practices and knowledge.

Aggregated annual reporting is enabled by members implementing a uniform set of high-level Indicator Metrics in their sustainability programs. These Indicator Metrics were developed in conjunction with the DSF membership and endorsed by the Advisory Council following a rigorous scientific approach which included public consultation. In addition to allowing for reporting of the sector's progress, the data can help to identify potential areas where additional tools or methods may need to be developed.

This reporting provides the evidence to underpin informed dialogue with stakeholders at a local (membership) or global (policy) level.



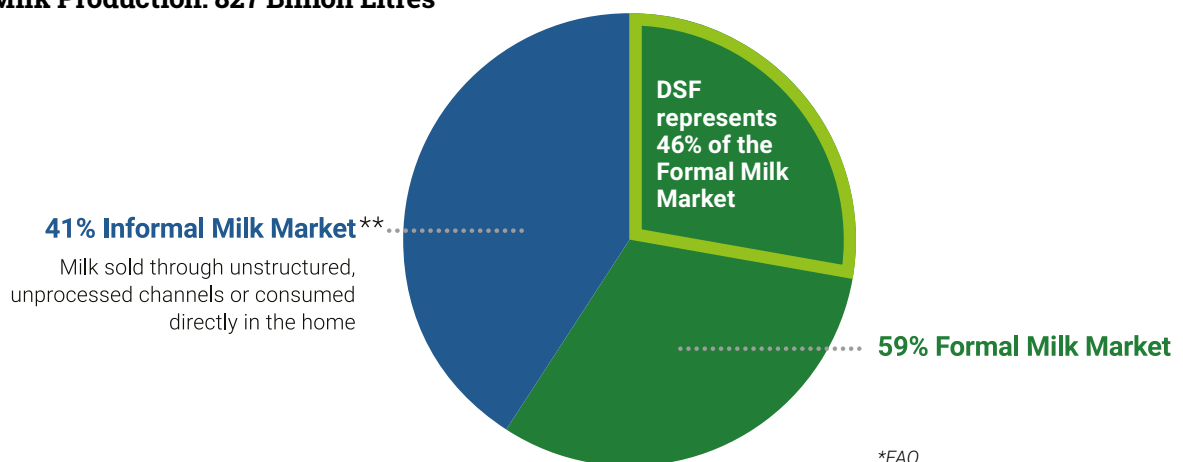
As of 2020, the DSF reports on sustainability programs covering ~30% of global milk production. This equates to ~46% of formal milk production in the world.

The DSF has two main types of active members:

- Implementing members – individual organizations such as dairy processors that commit to delivering the DSF commitments of prioritizing criteria, implementing improvement/mitigation programs and reporting progress to the DSF.
- Aggregating members – typically national or regional organizations that report the aggregate progress being made by the dairy sector in that area. They undertake a materiality analysis and agree on priority criteria on behalf of those organizations they represent. Aggregators sometimes develop their own regional criteria which are then mapped to the DSF to demonstrate equivalence and to enable efficient and effective reporting.

DSF and Global Milk Production 2019

Global Milk Production: 827 Billion Litres*



*FAO

**IFCN Dairy Network Estimate



Greenhouse Gas Emissions

GHG emissions across the full value chain are quantified and reduced by all economically viable means



Soil Quality & Retention

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



Working Conditions

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



Soil Nutrients

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



Biodiversity

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

The 11 DSF Criteria and their 'Strategic Intent'



Product Safety & Quality

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



Waste

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



Market Development

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



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 behavior



Water

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



Rural Economies

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



Organizations providing leadership to the DSF

The DSF relies on leadership and guidance from a number of organizations, drawing on the experiences of their constituency groups and regional dairy knowledge.

The DSF Governors set DSF's Strategy and ensure it is implemented appropriately. The Chair is Global Dairy Platform.

The DSF Governors have two physical meetings per year, with more scheduled as necessary.

Governors

The DSF Governors organizations are:

- Dairy Asia
- Dairy Australia
- European Dairy Association
- Eastern Southern African Dairy Association
- Federación Panamericana De Lecheria
- Global Dairy Platform*
- Innovation Centre for US Dairy
- International Dairy Federation*
- Sustainable Agriculture Initiative Platform*
- World Farmers Organisation*

Executive Working Group

Indicated by *, the DSF Executive Working Group (EWG) is a sub-set of the DSF Governors which meets more regularly to provide strategic support to the secretariat. Membership is compulsory for Governor organizations with global coverage, and voluntary for others. The EWG is empowered to analyse emerging issues and subsequently to submit proposals to the full Governors meetings for consideration.

The EWG meets every 6-8 weeks via conference call.

Advisory Council

The DSF multi-stakeholder Advisory Council provides a wide variety of views concerning sustainable dairy production. The Advisory Council, which is chaired by the International Dairy Federation (IDF), includes:

- American Humane Association
- ASDA Stores (UK)
- Food and Agriculture Organization
- Global Agenda for Sustainable Livestock
- Global Forum on Agricultural Research
- Global Round Table for Sustainable Beef
- International Livestock Research Institute
- Rabobank
- Solidaridad International
- World Bank
- World Wide Fund for Nature
- World Resources Institute

The DSF Advisory Council has one physical and at least one conference call per annum. The physical meeting is a joint meeting with the DSF Governors. Additional adhoc activity is also undertaken throughout the year.



Development Group

The DSF Development Group, which includes both Aggregating (compulsory participation) and Implementing DSF members, provides 'grass-roots' input that ensures effective strategy and implementation for the diverse dairy regions of the globe.

The Development Group 'meets' every 6 - 8 weeks.

Members include:

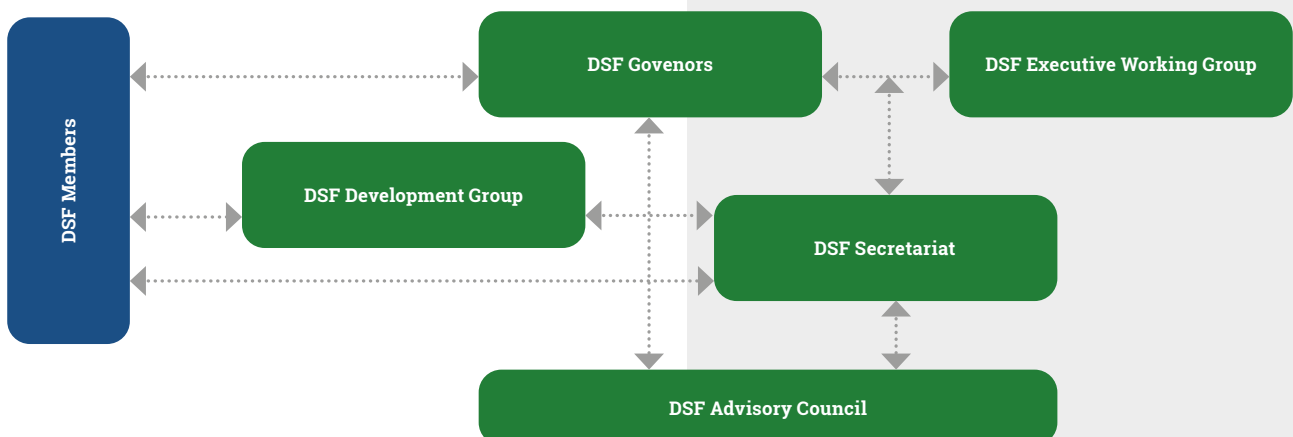
- Arla Foods (Denmark)
- Bord Bia (Ireland)
- CNIEL (France)
- Consorcio Lechero (Chile)
- Dairy Australia (Australia)
- Dairy NZ (New Zealand)
- Duurzame Zuivelketen (Netherlands)
- Gloria SA (Peru)
- Innovation Center for US Dairy (USA)

Collaborations

The DSF collaborates with a broad range of organizations including:

- Dairy Asia
- Food and Agriculture Organization (FAO)
- Global Agenda for Sustainable Livestock (GASL)
- Global Dairy Platform (GDP)
- Global Research Alliance for Agricultural Green House gases
- Global Roundtable for Sustainable Beef (GRSB)
- International Dairy Federation (IDF)
- International Fund for Agricultural Development (IFAD)
- Livestock Environmental Assessment Program (LEAP)
- Sustainable Agriculture Initiative Platform (SAI Platform)
- World Farmers Organization (WFO)

Operational Structure of the DSF



Evolution of the DSF

“Action on climate change should NOT come at the expense of ending poverty and achieving zero hunger by 2030”

FAO Five practical actions towards low carbon livestock 2019

The DSF launched at the IDF World Dairy Summit in Tokyo in October 2013.

The DSF was developed by the dairy sector in recognition that like all other forms of food production, the dairy industry utilizes natural resources, emits GHGs and has a social and economic impact on the communities it serves. The sector acknowledges that it needs to operate in a responsible and sustainable manner and that regardless of geographic location or stage of development, all actors in the dairy sector can take steps to improve.

The Framework focuses on a wide set of criteria encapsulating the three pillars of sustainability:

Economic

Dairy is a valuable economic driver both in global markets and in small communities. Milk is one of the most produced and valuable agricultural commodities in the world, ranking third by production tonnage.

Social

The dairy sector provides nutrition consumed by over 6 billion people. In addition, the dairy sector sustains communities by supporting the livelihoods of 1 billion people, 600 million living on the 133 million dairy farms in the world and a further 400 million whose livelihoods depend upon the jobs created up-stream and down-stream from the farm.

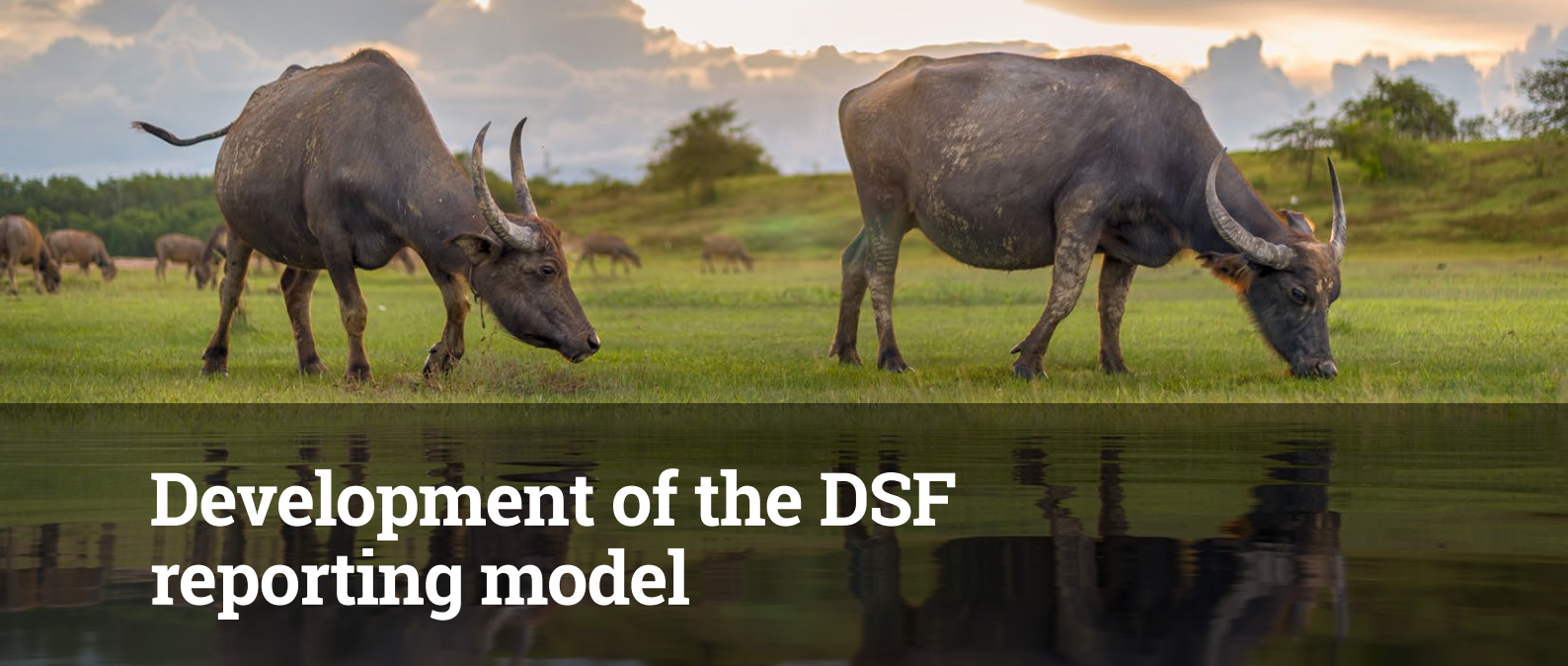
Environment

Dairy has a deep and significant relationship with the environment. Approximately 20% of the world's agricultural lands are cared for by dairy farmers. Dairy is a major re-cycler and up-cycler of waste and by-products from human food consumption. In many countries, the cow is a form of draught-power and the manure produced is vital as a fertilizer in many countries for grassland and crop production, or fuel for heating or cooking. When measured across the entire value chain, globally the dairy herd is responsible for 2.5% of the world's GHG production.

The Governors of the DSF recognize that balancing the economic, social and environmental needs of different regions of the world requires prioritization of different elements of the sustainability model. Therefore, members of the DSF must conduct a materiality assessment to identify and prioritize those key sustainability issues that are most applicable to their unique challenges, thereby tailoring their DSF experience to achieve the greatest possible outcomes.

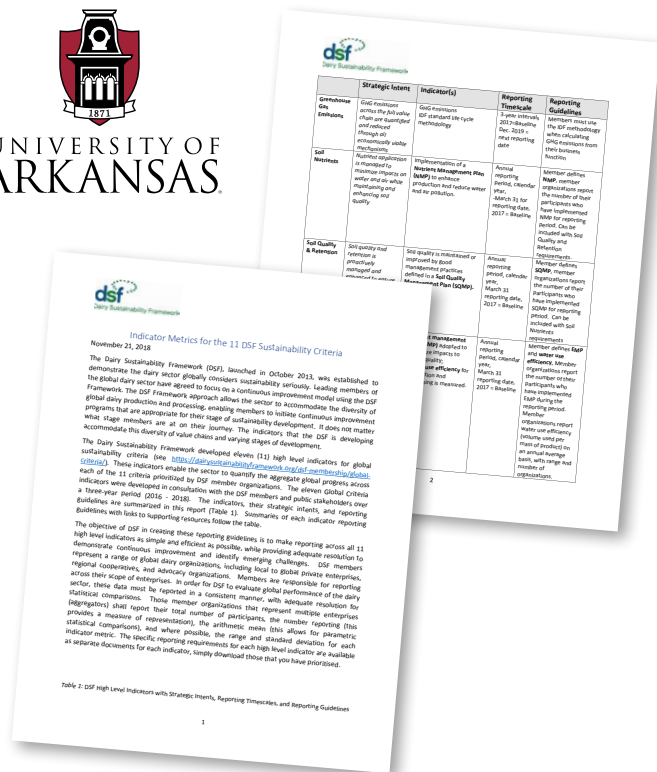
The DSF is extremely important to the reputation of the global dairy industry. It acknowledges the global sector's opportunities and responsibilities with respect to sustainable development, while recognizing the wider value dairy can contribute to society in terms of economic, social and nutritional value. Ensuring that the sector continuously improves is fundamental to the vision of the DSF and to the sustainability of the sector as a whole.

The dairy sector also recognizes its fundamental role in the delivery of the Sustainable Development Goals. The DSF encourages and supports individual members to tackle local sustainability priorities, which contributes in a significant way towards the objectives of the SDG's.



Development of the DSF reporting model

To establish a robust and credible reporting model, the DSF engaged the University of Arkansas to conduct a two-year, science-based development process that included representatives across the sector, members of the Advisory Council and a series of public consultations.



The result was a series of 15 high-level Indicator Metrics that are now being used to track progress across the sector.

After completing the development phase and establishing baselines for each of the indicator metrics, the DSF reported against the first seven Criteria for the 2018 reporting period. The DSF will report using indicators for all 11 Criteria from the 2019 reporting period onwards.

Members are only required to report on the Criteria that they have prioritized. Though at a local level all Criteria will not be prioritized, globally all receive prioritization, reflecting the diversity of world dairy production.

The development of these indicators and associated reporting protocols has enabled the DSF to fully deliver its monitoring and reporting mandate. To understand more about the individual indicators follow this link.

<https://dairysustainabilityframework.org/wp-content/uploads/2019/01/Indicator-Metrics-for-the-11-DSF-Sustainability-Criteria.pdf>



DSF 2020-2025 Strategic Plan

This DSF Strategic Plan is focused on 5 strategic pillars:

- **Reporting and Communications**
- **Growth and Development**
- **Membership Delivery and Support**
- **Collaboration and Engagement**
- **Business and Delivery Plan**

Priority deliverables have been established for each of the five pillars. It is the DSF Secretariat's responsibility to action these priorities.

Completion dates have been stipulated for the strategic pillars in terms of short, medium and longer-term deliverables. During the life of this Strategic Plan, progression updates and completion reports will be provided to the DSF Governors and DSF membership where appropriate.

The table on page 17 provides a summary of Strategic Pillars, priority deliverables and completion dates.



Reporting and Communications

Both internal and external communications are fundamental to the success of the DSF. Communications will predominantly focus on the reporting and monitoring outputs generated by the DSF using member-supplied data.

Priority 1. *Further evolve and simplify reporting and data management.*

Priority 2. *Further position DSF as the global dairy sustainability monitoring and reporting initiative.*

The DSF will continue to explore data capture, storage and analysis systems.

The following actions will deliver Priority 1

- Develop clear Indicator Metric requirements and associated support for the DSF membership in delivering the required data.
- Explore (Using external expertise where appropriate) the most suitable mechanism to collect, collate, verify the aggregation approach and report the DSF annual progress.
- Explore potential future reporting requirements with the aim of incorporating these requirements into the DSF monitoring and reporting model.
- Evolve a more dynamic reporting system.

For Priority 2

Appreciating the unique role of the DSF, a Communications Strategy will be developed that includes identifying, potential users of DSF data, target audience(s) and the customization of DSF messages.

How success is quantified?

1. Implementation of simplified data collection, analysis and reporting process that minimize Member effort while maximizing the value of the data provided by DSF members.
2. Development of a Strategy for a more dynamic reporting facility for both DSF and other stakeholders.
3. Communications Strategy developed.



Growth and Development

Growing membership is crucially important to the DSF. In order to do so, connecting with smaller and emerging dairy operations will be necessary.

Priority 1. *Grow membership beyond 50% of global formal milk market.*

Priority 2. *Develop implementation models for DSF application in emerging dairy regions.*

Priority 3. *Further develop and promote DSF membership.*

DSF Asia and Africa

With the support of grant funding from IFAD and Global Dairy Platform, the DSF will undertake pilot projects over a two-year period in both Africa (Kenya and Rwanda) and Asia (Vietnam and India). These pilots will involve working with local dairy industry partners to develop effective DSF implementation models in these specific geographies and to demonstrate the benefits of DSF membership in emerging dairy nations.

LATAM

FEPALE as a Governor of the DSF and the dairy representative body for LATAM, will guide the DSF in the development of a strategic DSF growth plan for the region. Outcomes from the Asian and African pilots will be integrated where possible.

Promoting DSF membership

To engage a new set of members for the DSF, revised value propositions need to be established based on real world examples of success (see Asia & Africa pilots above). Delivering dynamic reports based on dairy's global sustainability progress will underpin the value proposition messages.

The DSF will continue to promote the DSF Aggregating Membership model and will support initiatives such as the SAI Platform Sustainable Dairy Partnership to achieve aligned ambitions.

How is success quantified?

1. Pilots are established in the four countries and they deliver successful outcomes and establish case studies that can be shared.
2. A LATAM Strategy is developed, endorsed by the DSF Governors, and implementation initiated.
3. DSF membership (Implementing and Aggregator) exceeds 50% of global formal milk market.



Membership delivery and support

The secretariat will support the Members to ensure collaboration, sharing, implementation and ongoing reporting. It will establish the appropriate tools, forums and environment to encourage and facilitate these vital functions.

Priority 1. *Membership resources fit for purpose, gaps identified and addressed.*

Priority 2. *Enhance and support connection and collaboration between DSF membership.*

The DSF Secretariat will undertake a complete review of existing materials for 'fit for purpose,' identification of gaps and future-proofing. A plan will be developed to update and develop additional member resources as needed. This plan will also explore how aggregated data can be shared with members for use in their respective geographies.

As a global framework, connecting members is increasingly reliant on innovation. Technology plays a major role in the next phase of development. DSF will explore and implement new technologies that allow a more dynamic membership experience.

In addition, the Secretariat will develop and support a number of member 'communities of interest'. Communities of interest will provide a forum for DSF members to engage, challenge and share practices and solutions to common issues. The ambition is to establish a community of interest for each of the 11 Criteria.

How is success quantified?

1. Review existing tools and support materials and produce a 'Member Support Materials Plan'.
2. Enhance the role and visibility of the Development Group to the membership as a key channel through which to influence future development of the DSF.
3. Establish Communities of Interest for each of the 11 Criteria.



Collaboration and Engagement

Priority 1. *Identify new and nurture existing strategic partnerships to enhance dairy's position in a sustainable food system.*

Priority 2. *Identify and engage in developments, events and activities where DSF reporting can be utilized to upscale dairy's position in a sustainable food system.*

The DSF will engage with external partners in the following areas:

- Regional DSF knowledge implementation and membership
- Data collection and reporting
- Sustainability knowledge generation and adoption
- Communication and influencing
- Providing DSF data to support sustainability initiatives

Partnerships and collaborative efforts will include other livestock groups where alignment will enhance the position of the dairy sector.

The DSF will develop a dynamic set of evidence-based messages for a wide range of stakeholders using the data that is now being collected. Engaging with external groups will enable appropriate messages to be generated and shared.

The delivery of this priority will be greatly influenced by both communications Strategy and the agreed collaborative approaches. Importantly, DSF will identify key events where sharing the dairy sector's sustainability narrative will deliver value for the sector.

To increase the sectors understanding of how to improve sustainability performance, the DSF will continue engaging with projects such as:

GWP*

Ruminant sectors are collaborating to better understand the behaviour of methane in the atmosphere and how best to scientifically quantify its contribution to global warming.

Cattle Health and GHG Emissions

In association with the Global Research Alliance on Agricultural Greenhouse Gases, the DSF is appreciating the role of improved cattle health in reducing GHG emissions in three different geographies. The study is also exploring how improved cattle health could be captured in support of countries annual national reporting to the UNFCCC.

Carbon Sequestration (C-Sequ)

Dairy and beef partners are collaborating to develop a methodology for calculating carbon sequestration at farm level, using a Lifecycle Analysis approach. This ground breaking piece of work will support the dairy sector in adapting farming practices to increase the potential for sequestering carbon. The methodology is being developed as a 'bolt-on' for existing on farm LCA models and tools.

Net Zero: Pathways to Low Carbon Dairy

This project will reduce carbon emissions by providing a series of pathways that can easily be shared and replicated by the dairy sector globally, be they developed or developing economies. The program will develop a number of practical actions to deliver low carbon dairy at a national and regional level. This will be the first opportunity for the DSF reporting model to collaborate and coordinate the progress reporting of an industry initiative beyond the DSF.

How is success quantified?

1. Strategic collaborations between the DSF and allied initiatives are established where these support the delivery of DSF Strategic Plan (eg Rotterdam Declaration reporting and tracking progress of the Net Zero: Pathways to Low Carbon Dairy).
2. A number of key events that provide opportunity to showcase the sectors progress are targeted with a plan developed for each.



Business and delivery plan

Priority 1. Ensure that the appropriate budget is available and monitored against Strategy delivery.

Priority 2. Allocate resources to deliver the Strategy.

Priority 3. Continually evaluate and maintain the DSF at the forefront of sustainability developments.

Each calendar year the DSF Budget will be reviewed and focused on the delivery of the Strategy. This process will be agreed with the DSF Governors annually to ensure priority alignment and delivery.

In addition to the core budget, the DSF Secretariat will identify funding channels to deliver additional activities in support of this Strategy. These channels may be in the form of grants, specific project funding, member collaborative projects or strategic partnerships.

The human resource element of the DSF must ensure that existing membership is supported and the annual monitoring and reporting mandate is effectively delivered.

The DSF Secretariat function will be reviewed to ensure the needs of the rapidly evolving DSF initiative can be serviced effectively.

In addition, during this Strategy period the DSF Secretariat will commission a global dairy sustainability materiality assessment to reassess the validity of the 11 DSF Criteria and associated strategic intents.

How is success quantified?

1. Budget is reviewed and agreed annually by the DSF Governors.
2. DSF Secretariat structured to provide the necessary professional service and output that is aligned with a growing initiative.
3. DSF Materiality review undertaken with proposals for change considered by the DSF Governors.

Success quantification

Interim milestones will be developed and shared with the DSF Governors to monitor progress of the individual deliverables.

■ Short term
 ■ Medium term
 ■ Longer Term

Deliverable		By when
Reporting and Communications		
1	Implementation of a clearly defined data reporting, data collection and analysis process that maximizes the value of the data provided by DSF members.	March 2021
2	Development of a Strategy for a more dynamic reporting facility for the DSF	July 2021
3	Communications Strategy developed.	November 2020
Growth and Development		
1	Pilots are established in the four countries and they deliver successful outcomes.	June 2022
2	A LATAM Strategy is developed, endorsed by the DSF Governors, with implementation initiated.	April 2022
3	DSF membership (Implementing and Aggregator) exceeds 50% of global formal milk production.	December 2025
Membership Delivery and Support		
1	Member Support Materials Plan' developed and implemented.	January 2021
2	DSF Development Group is profiled as one of the key channels to influence DSF evolution	December 2020
3	Communities of interest are initiated and supported by the DSF Secretariat.	April 2022
Collaboration and Engagement		
1	Strategic partnerships formed and a number of collaborative work programs established.	December 2025
2	Key events identified with a focused participation plan for each developed.	February each year
Business and delivery plan		
1	Budget is reviewed and agreed annually by the DSF Leadership.	January each year
2	DSF Secretariat reviewed and shaped in support of an evolving DSF.	December 2020
3	DSF Materiality review undertaken with proposals for change considered by the DSF Governors.	March 2023




Dairy Sustainability Framework

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