



AUSTRALIAN DAIRY INDUSTRY

sustainability report

2020 Towards our 2030 Goals
Progress Summary



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



improving
wellbeing
of people

Providing nutritious, safe, quality dairy food



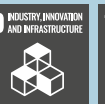
providing
best care
for animals

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



reducing
our environmental
impact

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



Towards our 2030 goals

Through the Australian Dairy Industry Sustainability Framework, we publicly report progress against Our Dairy Promise – *to provide nutritious food for a healthier world*. This promise is underpinned by four Sustainability Commitments and 11 goals.

Our 2030 goals align with the United Nations Sustainable Development Goals (UN SDGs) – also set for achievement by 2030 – in recognition of dairy's role in the global effort to address the world's sustainability issues. These UN SDGs are the global blueprint to achieve a better and more sustainable future for all.

The Australian dairy industry remains committed to continuous improvement to address evolving community and consumer expectations and emerging issues.

The Sustainability Framework will continue to be revised and enhanced to respond to a changing world, and stakeholder and industry priorities.

Sustainability is one of five pillars in the *Australian Dairy Plan*. The Framework is identified as the key mechanism through which we respond to community expectations on issues like animal welfare, protecting the natural environment and reducing carbon emissions.

A summary of our 2020 progress

This year, we are reporting against our 2030 goals and targets for the second time. In some areas, we are yet to finalise the target metrics and/or baseline metrics. These will be developed during 2021.

Download the full Australian Dairy Industry Sustainability Report 2020 at sustainablemilk.com.au.

		Baseline	2019	2020	2030 Target	Progress
Enhancing economic viability and livelihoods						
1 Increase the competitiveness and profitability of the Australian dairy industry	1.1 More than 50% of farm businesses achieve at least \$1.50 EBIT/kg MS over a five year average ⁱ	20% (2018)	16%	26%	>50%	●
	1.2 Increase the Australian dairy industry's share of global dairy trade to 10% by volume ⁱⁱ	6% (2018)	6%	5%	10%	●
	1.3 Increase RD&E expenditure in the dairy sector by 2% per annum	\$47m (2019)	\$47m	\$44.2m	\$58.5m	●
	– % dairy farmers constantly looking for new information to improve farm business ⁱⁱⁱ	79% (2018)	83%	76%	↑	●
	– % dairy farmers reporting new farming ideas were very important to them ⁱⁱⁱ	74% (2018)	78%	72%	↑	●
	– % dairy farmers reporting they were amongst the first in their area to try new ideas and products ⁱⁱⁱ	46% (2018)	48%	45%	↑	●
	1.4 Provide consumers with greater choice and access to a variety of dairy products and/or ingredients to meet their specific nutritional needs ^{iv}	85% (2018)	88%	88%	100%	●
2 Increase the resilience and prosperity of dairy communities	2.1 Increase the contribution the dairy industry makes to supporting the economy of dairy regions					
	– The total value of payments made to dairy farmers on a region-by-region basis ⁱⁱ	\$4.3b (2018)	\$4.4b	\$4.8b	↑	●
	– The number of jobs supported by dairy economic activity in each dairy region – indicated by number of people directly employed in the dairy industry ⁱⁱ	42,600 (2018)	46,200	43,500	↑	●
	2.2 Increase the recognition of the dairy industry's benefit to regional communities					
	– The community sees the dairy industry as vital to the Australian economy ^{iii, xii}	44% (2018)	51%	n/a	75%	●
	– % of people in regional areas who think dairy is an essential part of their community ^{iv}	88% (2018)	90%	86%	95%	●
	– % of farmers who agree "people in my region appreciate the role that dairy farmers like myself play in our community" ⁱⁱⁱ	67% (2018)	68%	70%	90%	●
	2.3 Increase the contribution people in dairy make to social capital (community initiatives) in their community					
	– % of farmers who say they/their employees actively participate in their local community initiatives ⁱⁱⁱ	69% (2019)	69%	70%	100%	●
	– % of farmers who believe it's important for them/their employees to support their local community initiatives ⁱⁱⁱ	87% (2019)	87%	88%	100%	●
– % of dairy companies investing funds and participating in local community initiatives	n/a	n/a	n/a	100%	n/a	
– % of dairy people who agree their community has effective leaders and strong social networks – scale: 1 (strongly disagree) to 7 (strongly agree) ^v	4.6 (2018)	4.6	n/a	n/a	n/a	

i DairyBase, Dairy Farm Monitor Project data

ii In Focus 2020

iii National Dairy Farmer Survey 2020

iv Dairy Trust Tracker Survey 2020

v University of Canberra Regional Wellbeing Survey

xii Not asked in 2020

		Baseline	2019	2020	2030 Target	Progress
Enhancing economic viability and livelihoods						
3 Provide a safe work environment for all dairy workers	3.1 Zero workplace fatalities on farm and in manufacturing^{vi}					
	– Dairy farming	2 (2017)	0	11 (2014–19)	0	●
	– Dairy companies	0 (2017)	0	0 (2014–19)	0	●
	3.2 100% of dairy workers to be implementing good safety practices	n/a	n/a	84%	100%	●
	3.3 More than 90% of dairy workers working less than 50 hours per week	n/a	n/a	19%	90%	●
	3.4 30% reduction in Lost Time Injury Frequency Rate (LTIFR) for farm and manufacturing workplaces on figures reported in 2017^{vi}					
– Dairy farming [~]	9.3 (2017)	n/a	6.9 (2017/18)	6.5	●	
– Dairy companies [~]	6.4 (2017)	n/a	6.3 (2017/18)	4.5	●	
4 Provide a productive and rewarding work environment for all dairy workers	4.1 Less than 25% of dairy workers report low levels of life satisfaction	n/a	n/a	n/a	<25%	n/a
	4.2 Rates of dairy remuneration are similar to or higher than for other regional industries	n/a	n/a	n/a	Yes	n/a
	4.3 80% of dairy employees are retained within the industry year-on-year^{vii}	71% (2017)	n/a	91%	80%	●
	4.4 Less than 20% of dairy employers report difficulty in sourcing suitable applicants	n/a	n/a	70%	<20%	●
	4.5 More than 70% of dairy farm owners have an agreed farm transition/succession plan^{viii}	21% (2017)	n/a	56%	>70%	●
	4.6 Human rights – dairy industry has a national human rights position. Indicators to be developed in 2020	n/a	n/a	Under development	Under development	
Improving wellbeing of people						
5 All dairy products and ingredients sold are safe	5.1 Zero non-compliant chemical residues found during the Australian Milk Residue Analysis (AMRA) Survey	0	0	0	0	●
	5.2 Zero product recalls due to food contamination (as reported by Product Safety Recalls Australia)*	8	11	8	0	●
	5.3 95% of consumers agree Australia produces safe and high quality dairy products^{iv}					
	– The dairy industry produces safe products	81% (2018)	82%	85%	95%	●
	– The dairy industry produces high quality products	83% (2018)	86%	86%	95%	●
5.4 Food Safety Culture embedded into the dairy food business	n/a	n/a	Under development	Under development	n/a	
6 Dairy contributes to improved health outcomes for all Australians	6.1 Improve consumers' perception of the health and nutrition benefits of dairy foods^{iv}					
	– 90% of consumers believe dairy foods such as milk, cheese and yoghurt play an important role in a healthy well-balanced diet	67% (2019)	67%	61%	90%	●
	– 90% of individuals agree "Dairy foods are essential for good health and wellbeing" ^{iv}	72% (2018)	80%	79%	90%	●
	– <20% of individuals agree "I'm concerned consuming dairy foods will increase my weight" ^{iv}	32% (2018)	34%	35%	<20%	●
	6.2 The National Health and Medical Research Council (NHMRC) Australian Dietary Guidelines continue to recommend milk, cheese and yoghurt as part of a healthy diet	Recognised	Recognised	Recognised	Recognised	●
	6.3 Australians meet recommended daily serves for dairy	n/a	n/a	n/a	n/a	n/a
6.4 All dairy companies adopt a stated position on responsible consumption by 2020 and publicly report on progress by 2030	n/a	n/a	n/a	n/a	n/a	

iii National Dairy Farmer Survey 2020

iv Dairy Trust Tracker Survey 2020

vi Safe Work Australia

vii Dairy Workforce Survey 2020

~ Latest figures available

* Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period, by:

- incidents of non-compliance with regulations resulting in a fine or penalty;
- incidents of non-compliance with regulations resulting in a warning;
- incidents of non-compliance with voluntary codes.

		Baseline	2019	2020	2030 Target	Progress
Providing best care for animals						
7 Provide best care for all animals for whole-of-life	7.1 100% ongoing compliance with legislated animal welfare standards					
	– % of farmers who have a copy of the <i>AHW Standards and Guidelines</i>	47%	77%	n/a	100%	n/a
	– % of farmers who agree complying with animal welfare standards is an important sustainability requirement ⁱⁱⁱ	95%	98%	n/a	100%	n/a
	7.2 All of industry adopting relevant recommended industry practices for animal care^{viii}					
	– No tail docking	91%	96%	Not collected in 2020	100%	n/a
	– No routine use of calving induction ^{ix}	90%	91%	93% ^{xii}	100%	●
	– All calves managed appropriately			Not collected in 2020		n/a
	– sale calves sold at a minimum of 5 days old	78%	91%		100%	
	– sale calves fed within 6 hours of transport	96%	99%		100%	
	– All calves disbudded					
	– prior to two months of age	63	72%	Not collected in 2020	100%	n/a
	– with pain relief (for calves <2 months)	n/a	76%		100%	
	– All farmers implementing a lameness strategy	95%	96%	Not collected in 2020	100%	n/a
	– All farmers where relevant have infrastructure to keep cows cool	92%	96%	Not collected in 2020	100%	n/a
	– All farmers have a documented biosecurity plan	58% (2019)	58%	Not collected in 2020	100%	n/a
	7.3 90% of consumers believe dairy farmers do a good job caring for animals^{iv}	58% (2018)	74%	76%	90%	●
	7.4 Antimicrobial Stewardship (AMS) – the dairy industry uses antibiotics responsibly – as little as possible, as much as necessary – to protect the health and welfare of our animals					
	– All dairy farmers access antibiotics from a registered vet ^{viii}	100%	100%	Not collected in 2020	100%	n/a
	– All dairy farmers use antibiotics responsibly under veterinary direction ^{viii}	90%	90%	Not collected in 2020	100%	n/a
	– Antibiotics of high importance to human Antimicrobial Resistance (AMR) in Australia are only used to treat dairy livestock in exceptional circumstances where no other alternative exists	n/a	n/a	Under development	Under development	n/a

iv Dairy Trust Tracker Survey 2020

vii Dairy Workforce Survey 2020

viii Genetics and Animal Husbandry Survey 2019, not undertaken in 2020

ix Veterinary Survey – in-house

xii Of the 7% who do induce: only do so to an average of 6% of cows in their herd

Key

● Progress towards 2030 targets against baseline

● Result maintained or marginal change

● Regression

n/a = no data available or target metrics still to be finalised

			Baseline	2019	2020	2030 Target	Progress
Reducing environmental impact							
8 Improve land management	8.1	100% of stock excluded from waterways ^x	76% (2015)	n/a	75% ^{xi}	100%	●
	8.2	100% of riparian zones actively managed and maintained	n/a	n/a	Under development	100%	n/a
	8.3	100% of farmers complete and implement a soil and nutrient management plan ^x	58% (2015)	n/a		100%	n/a
	8.4	100% of farmers have and implement a documented biodiversity action plan ^{x, xiii}	81% (2018)	n/a		100%	n/a
	8.5	Zero net deforestation by 2020 ^{xiv}	n/a	n/a	Under development	100%	n/a
9 Increase water use efficiency	9.1	Reduce the consumptive water intensity of dairy companies by 30% by 2030 (on 2010/11 levels) (ML water consumed per ML of milk processed) ^{xii, xv, xxi}	1.75	1.97	1.86	1.22	●
	9.2	Improve water use and water productivity to utilise 2.0 tonnes of dry matter per ML used ^{xvi}	n/a	n/a	n/a	2.0 t	n/a
	9.3	100% of farmers recycling water from dairy sheds ^x	75% (2015)	n/a	74%	100%	●
	9.4	100% of farmers monitoring water consumption	n/a	n/a	45%	100%	n/a
	9.5	100% of farmers have a water security risk management plan by 2020 and are implementing it by 2030	60%	n/a	55%	100%	●
10 Reduce greenhouse gas emissions intensity	10.1	Reduce greenhouse gas emissions intensity by 30% across whole industry on 2015 levels ^{xxi}					
		– Manufacturers (tonnes CO ₂ ~e/ML milk processed) ^{xii, xvii}	140	141.4	136.7	98	●
		– Farmers (kg CO ₂ ~e/kg FPCM) ^{x, xviii}	1	n/a	1	0.72	●
11 Reduce waste	11.1	100% diversion rate from landfill (for dairy companies) (tonnes of waste per ML milk processed) ^{xii, xxi}	2.69 (2011)	1.74	1.69	0	●
	11.2	100% of silage wrap recycled (for farm) ^{x, xix}	28% (2015)	n/a	30% of farmers	100%	●
	11.3	All dairy companies participate in the Australian Packaging Covenant (APCO) or equivalent scheme	9	10		All dairy companies	●
	11.4	100% of Australian dairy packaging to be recyclable, compostable or reusable by 2025 or earlier	n/a	n/a	Work underway	100%	n/a
	11.5	Halve food waste by 2030 (placeholder – tonnes of dairy products per ML of milk processed)	630,000 (2017)	n/a	Work underway ^{xx}	n/a	n/a

x Land Water Carbon Survey 2020

xi 75% of dairy farmers do some fencing, with 44% fencing all waterways – up from 35% in 2015

xii Dairy Manufacturers Sustainability Council

xiii Question changed in 2020, so unable to compare with 2018.

The proportion with a formal documented biodiversity plan has dropped – but 43% of farms use a map to highlight areas of environmental management, 54% fence native vegetation, 68% fence shelter belts, 26% provide buffer zones and 30% have areas specifically managed or conservation

xiv Dairy farmers are ensuring native vegetation or shelter belts are included on their farms and only 1% appear to be reducing significant amounts of native vegetation

xv Recalculated for 2018/19 to be 1.97 – additional processor information

xvi 77% of farms have some irrigation automation to use water more efficiently

xvii Recalculated for 2018/19

xviii 94% of farms have implemented practices to reduce GHG emissions.

71% of farms use some renewable energy

xix 88% of farms use silage wrap (77% in 2015), and of those: 30% recycle; 49% recycle where recycle facilities are available. Many areas have no facilities. The silage wrap project underway aims to provide viable long-term recyclable options

xx DMSC have several projects to map waste streams and look for ways to reduce or utilise waste product better

xxi Baseline figures updated. Since publication of the 2019 Dairy Sustainability Report, data was submitted from an additional company which increased coverage

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