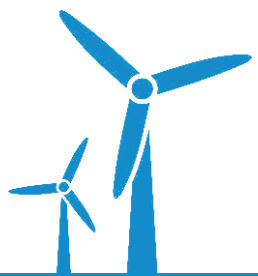


ANNUAL REPORT 2017



Summary

For a future-proof and responsible dairy sector

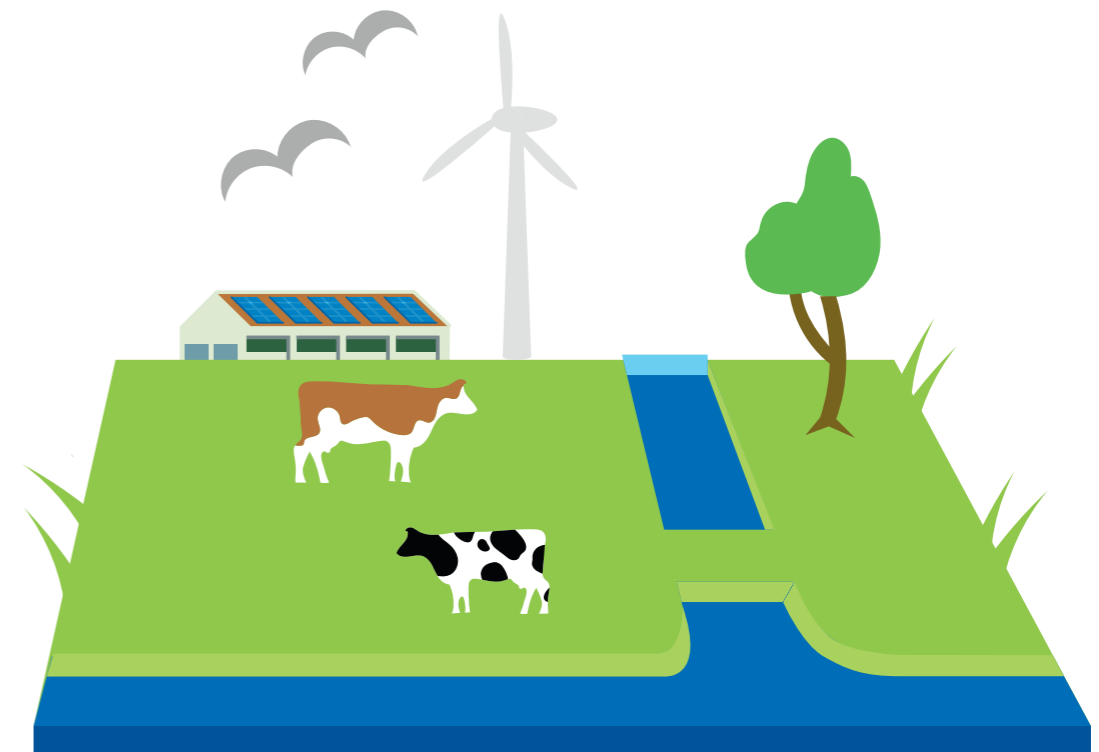
In the Netherlands, we aim for a future-proof and responsible dairy sector which respects animals, our surroundings, and the environment. The Sustainable Dairy Chain – a partnership between the Dutch Dairy Association and the Dutch Federation of Agriculture and Horticulture – supports the Dutch dairy sector in its continuous work to become more sustainable.

In the Dutch dairy sector, people can do their jobs safely and happily and can earn a good living doing so; it is a sector which produces high-quality products and is valued by its community. This includes land-based dairy farming with the family at its core, the preservation of grazing practices, and sector development according to environmental standards.

The Sustainable Dairy Chain wants to ensure this for future generations and has drawn up four themes with several goals for 2020: climate-neutral development, continuous improvements in livestock welfare, the preservation of grazing practices, and ensuring no net losses are made in biodiversity and the environment. This annual report presents the current status of these goals as well as the activities that the Sustainable Dairy Chain undertook in 2017 to reach them.

In 2017, the Sustainable Dairy Chain succeeded in taking a number of important steps toward making the sector more sustainable. The number of dairy farms with grazing grew significantly, in part thanks to the Nieuwe Weiders' large-scale recruitment campaign to urge farms to set up grazing practices. The Life Cycle Tool added two new elements: a dashboard that provides insight into how a dairy farmer performs on important biodiversity indicators, and a climate module that gives dairy farmers insight into their farm's carbon footprint. The sector still faces challenges in the areas of lifespan, greenhouse gasses, ammonia, and biodiversity. Additional action is needed if the Sustainable Dairy Chain is to reach the themes' goals.

In 2018, the Sustainable Dairy Chain will continue to work hard to realize these goals. The Land-Based Commission will publish its advice for land-based dairy farming. We are exploring how to better chart the importance of landscape features and agricultural land management. We have also started to develop a tool to support dairy farmers in reducing their greenhouse gas emissions.



Sustainable Dairy Chain

Working toward a future-proof and responsible dairy sector

The dairy chain

Key figures

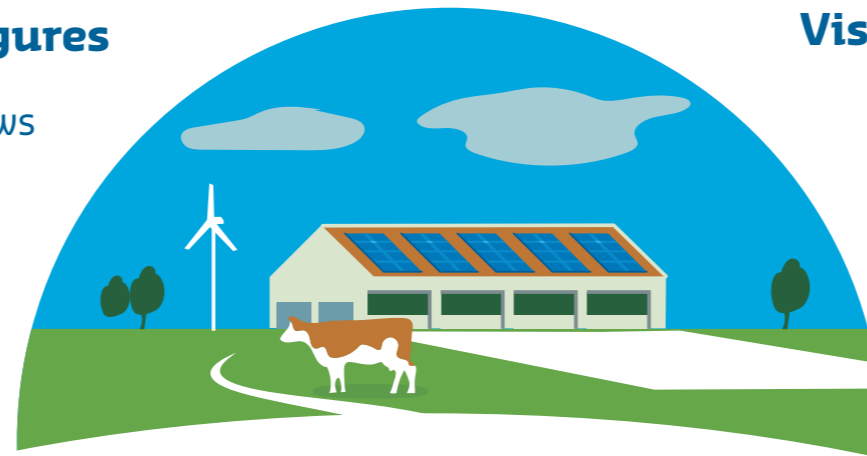
1.7 million cows

17.5 thousand dairy farmers

98% of all milk produced in the Netherlands

13 dairy companies

53 dairy factories



Vision

Safe and satisfying employment

Strong revenues

High-quality nutrition

Respect for animals and the environment

Valued by the community



Sustainable Dairy Chain

Initiators



Advisory Board



The Sustainable Dairy Chain is part of



Member of





Public-private partnership with



Sustainable Dairy Chain

Goals and 2017 status (1/2)

Theme	2020 goal	2017 achievements	Status
Climate-neutral development 	20% reduction in greenhouse gasses and climate-neutral growth	In 2016, 5% drop in greenhouse gasses compared to 1990. Greenhouse gas emissions from dairy processing dropped by 4.8% compared to 2011. Greenhouse gas emissions per kg of milk dropped and as a result fell below the 2011 baseline for the first time. Development of a climate module for the Life Cycle Tool, linked to its central database, giving dairy farmers insight into their farm's carbon footprint. In development: tool to support reducing the footprint.	●
	16% renewables in total energy production	3.8% private production of renewable energy (possible underestimation, monitoring is being improved). Additions needed to realize goal. Dairy farmers made major investments in rooftop solar panels last year. Solar power makes up 33%, wind power 38% and biogas from cattle manure 28%.	●
	Energy efficiency improvement by 2% per year	32% reduction in fuel consumption per kg of milk in 2016 compared to 2005, across the entire dairy chain. 2020 efficiency goal for 2020 reached in 2015. In 2016, 3.8% less electricity consumption in dairy farming per kg of milk compared to 2015. The Energy Scan provides dairy farmers insight into their farm's energy consumption.	●
Continuous improvements in livestock welfare 	Responsible antibiotic use	Antibiotics are only given to sick cows. Between 2009 and 2016, use dropped by 48%. More than 99.5% of companies fall under the Dutch Veterinary Medicines Authority's (the SDA's) benchmark. Dairy farmers are working with veterinarians to set up treatment and health plans. All antibiotic use is recorded in the MediRund online database.	●
	6-month increase in the average cow lifespan	In 2017, a 43-day decline compared to 2011. Drop due to phosphate reduction plan. Dairy companies are developing an action plan and are encouraging dairy farmers to raise the average lifespan of their herds. The Customized Lactation project was started to reduce transition problems.	●
	Improvements in the animal welfare score	Dairy farmers must meet the minimum quality requirements. The Welfare Monitor is available to dairy farmers since 2017 as an addition to the Cow Compass, which provides insight into animal health and welfare.	●

References: Wageningen Economic Research

● Achieved
 ● On schedule
 ● More needs to be done
 ● Behind schedule

Sustainable Dairy Chain

Goals and 2017 status (2/2)

Theme	2020 goal	2017 achievements	Status
Reservation of grazing 	Grazing kept at least at its 2012 level, 81.2%	In 2017, considerable increase compared to 2015, reaching 80.4% in part thanks to large-scale recruitment campaign from Nieuwe Weiders. In 2012, the Grazing Agreement was initiated; 82 organizations have since signed it. Knowledge development and dissemination through the Amazing Grazing research and lectures on grazing. All dairy companies offer a financial incentive through the grazing premium. As of 2017 there are digital measuring systems for grazing in order to keep track of irregular grazing groupings and the free movement of cows.	
Protecting biodiversity and the environment 	100% responsible soy	As of 2015, the dairy sector transitioned fully to responsible soy. Its realization was a collaborative effort with the WWF, Solidaridad and Natuur & Milieu. The Protein from Private Land project is investigating whether dairy farmers can get more protein-rich feed from their own land.	
	Phosphate levels remain within the environmental standards	Phosphate production sharply declined in 2017 thanks to the phosphate reduction plan, bringing it under the ceiling again. In 2018, the government introduced phosphate rights to regulate phosphate production.	
	Ammonia levels remain within the environmental standards	Preliminary calculations indicate that emissions slightly grew in 2016 as a result of the rise in the number of animals. Action is needed to realize this goal.	
	No net losses in biodiversity	Development of the biodiversity monitor is on schedule. Since 2016, all dairy farmers are required to use the Life Cycle Tool. This tool gives them insight into their mineral efficiency. Based on this data, the Environmental and Climate Dashboard was launched in 2018. This dashboard provides insight into farm performance on six environmental and climate indicators, also part of the biodiversity monitor. The Smart Birds initiative, in cooperation with BoerenNatuur and the Vogelbescherming, facilitates knowledge exchange and brings attention to the work of dairy farmers to protect farmland birds.	

References: Wageningen Economic Research

 Achieved
  On schedule
  More needs to be done
  Behind schedule