

INTERNATIONAL DAIRY magazine



EDA Annual Convention 2022

Give up defensive communication, form a collective approach!

About 150 representatives of the European and international lactosphere gathered on 25 November in Madrid at the annual meeting of EDA (European Dairy Association) to listen to a remarkable line of high-profile speakers under the motto „Milk & Dairy – Essential for your life!“. Amongst them were chief executives of renowned dairy companies and the Spanish Farm Minister Luis Planas. IDM summarises the most important statements issued at the event on the following pages.



FeNIL President Ignacio Elola (centre), EDA President Giuseppe Ambrosi (right) with Spanish Ag Minister Luis Planas at EDA 2022

All speakers agreed on one core message: given its importance for rural economy and feeding mankind with high-quality nutrients, dairy must be part of the solution of climate issues. And all this must be communicated in a far better way than today to tax payers and consumers. EDA president Giuseppe Ambrosi pointed out that a movement in Europe can be felt against “what some may call a too ideological approach” of the EU Commission in the Green Deal and F2F strategies, after a phase in which the arguments of those who are actually hit by the measures didn’t resonate too much with Brussels. Only dialogue and concertation with and support to those who can make the change happen, i.e.

the dairy sector, will lead to the desired de-carbonisation, Ambrosi noted. He also appealed to Spanish Farm Minister Luis Planas to make sure that Brussels’ plans are translated accordingly into a sensible concept for EU dairy during the Spanish EU Presidency of Spain in the EU in the second half of 2023.

The power and goodness of milk

Ignacio Elola, President of Spanish dairy industry association FeNIL, seconded Ambrosi in saying that dairy which forms the middle class of rural areas needs tax incentives and investment to continue to supply high-quality products in a sustainable way given a 45% cost increase in input materials and the rise of milk prices to historical record. This is the more important as the dairy industry consists in majority of small and medium sized companies.

Minister Planas spoke of a second green revolution the dairy sector is going through. There will be over 700m people more to be fed until 2030 while soil space and resources are limited. All this has to be achieved while increasing efficiency, sustainability and animal welfare. Planas stated that the dairy industry is doing a great job and is one of the key sectors for supplying the world with food at affordable prices.



Antoine de Saint-Affrique, CEO Danone, believes in the power and goodness of milk: “Milk is at the core of business at Danone”. Consumers demand healthy and nutritious food that is made in a sustainable way. And this is opening a bright future for dairy, Saint-Affrique said. The imminent challenges are not going to leave – the global head of Danone manager pointed out to cost inflation and environment and their long-term impact – so it is better to embrace these challenges and interpret them as opportunities. The industry, Saint-Affrique continued, needs to communicate the benefits of dairy and all the achievements in sustainability much more aggressively. Defensive communication cannot win the battle, he added. The lactosphere is part of the solution of economic and sustainability challenges, Saint-Affrique said, but it must take ownership of the transformation. He also pleaded for a collective approach of the industry to mobilise support in policy, the NGO world and consumers. It is essential that a reduction of emissions will maintain social structures on the countryside, Saint-Affrique stated.

European Dairy Systems 2030



From left: José Armando Tellado, CEO Capsa Food, Peter Giørtz-Carlsen, CEO Arla Foods Europe, Gabriel Lodares, MD of large Spanish milk producer Agropecuaria Albacete, and Mary Ledman, Global Dairy Strategy Lead Rabobank

60% of the expected growth of worldwide dairy trade (3% CAGR until 2030) will be absorbed by Greater China, Asia and Africa, said Mary Ledman, Global Dairy Strategy Lead Rabobank. Global dairy trade will, driven by demand, increase to 120m tons until 2030 but there is a gap of 20m tons of which no-one knows where it will come from. This gap is produced mainly by the EU's decision to reduce the number of livestock in its effort to cut GHG emissions. Plant-based and cellular production/precision fermentation are therefore welcome to fill the gap as „we need all the help we can get“, Ledman said. On the other hand, the

retreat of the EU will from a golden opportunity for the US dairy industry. But the EU seems to be on a wrong way as GHG emissions from dairy are much higher in other world regions, f.i. five times as much per kg of milk in Africa, that might fill-in milk production.

José Armando Tellado, CEO Capsa Food, pointed out that the Spanish milk production is in danger. 60% of Spain's dairy is located in the Cantabric mountain area, and the average age of Spanish dairy farmers is 51 years and 60% of farmers will retire before 2030. If no solution is found to keep farms running, a disaster for rural GDP will be the consequence. And: the Spanish population is growing (+17% between 2000 and 2021, mainly by immigration) while on the other hand less and less milk is produced.

Gabriel Lodares, MD of large Spanish milk producer Agropecuaria Albacete (1,000 cows in production, 900 heifers), made it clear that a message must be sent out to European tax payers and citizens: if dairy was to support biodiversity, reduce emissions and increase animal welfare, costs of production will go up. Simple economy will lead to consolidation on farm level. Lodares sees main constraints for the development of dairy in city inhabitants who know little about farming, legislation that does not take into account the people living on the countryside and confused green policy supported by media. The farmer also underlined that farming must be profitable, if this is not the case, biodiversity, f.i., will suffer dearly.

Peter Giørtz-Carlsen, CEO Arla Foods Europe, a.o. focused on the growth of world population. Until 2050 there will be a 50% calory gap when it comes to feed consumers. Maybe, he said, criticising ethics of actual policy, we can improve the climate but food security remains an issue of equal value. When it comes to sustainability, the new Arla sustainability milk price scheme is a pioneer project: “We pay the farmer for the milk delivered, for the protein and fat content, but also for his dairy sustainability actions.” Drivers for future development of dairy will be consumers who demand transparency, sustainability and quality alike, industrial customers who need the dairy industry to respect their own scopes and politics that sets new standards. Pointing out to consumers, Giørtz-Carlsen said that the role of nutrition is in too much down-play while the industry is not good enough in communicating the nutritional value of its products.

Global Dairy 2030

Piercristiano Brazzale, CEO Brazzale and IDF President, called upon the audience to joining the IDF work that is more important than ever. This work is documented in a large number of high-profile publications. And IDF is also the only means of communication of the industry with Codex Alimentarius, an organisation that defines international food standards. The climate impact of dairy, said Brazzale pointing out to new scientific findings, is largely overestimated as current measurement methods have lacks and errors.

The mission of the leading world dairy Lactalis



Lactalis' mission is enhancing our environmental and economic sustainability, but also also preserving local dairy heritage and creating tomorrow's dairy heritage, said Catherine Roux, General Manager of Lactalis Southern Europe. There is one factor that is totally forgotten in all the many discussions about food and climate, she said. And this is pleasure. Given dairy's unique nutritional profile, milk products are extremely affordable even if they become more expensive due to inflation. The emotional speech highlighted the importance of dairy in terms of culinary treasure and nutritional assets and underlined the passion for milk and dairy, that is a driving force within Lactalis.