

# INTERNATIONAL DAIRY magazine



## The Future is Dairy!

**EDA annual assembly in Brussels, 9 Nov 23**



In his welcome address to EDA's (European Dairy Association) first ever Annual Convention in Brussels, EDA President Giuseppe Ambrosi highlighted on 9 November 2023 the event's motto "The Future is Dairy!" At European level, the dairy industry, that stands fully aligned behind the Green Deal objectives, perceived the last years as a time of missed opportunities. "We did not see the EU Commission acting on the basis of

core demands to the lawmaking process: a science based, impact assessed approach and a certain level of stakeholder involvement”, Ambrosi said.

EDA and its members want to shape and build the dairy future, because Europe is a global dairy super power: in excellence and nutrition, in production, in trade and in sustainability. “We will have to make dairy heard in the political space in Brussels from the very beginning of the next legislative term in July 2024. We simply cannot afford five more years in defense”, Ambrosi added. Ambrosi said: „As EDA we will hammer in the three pillars of the European success story for us: the Single Market, an ambitious trade policy and the Common Agricultural Policy, that supports the sustainability transition, we’re in“.



**The CEO’s podium at the EDA 2023 Annual Conference was made up by (from left) Thierry Clément, Groupe Lactalis, Peter Giørtz-Carlsen, Arla, Louis Ska, Solarec, Charles Brand, Tetra Pak, and Jan Derck van Karnebeek, FrieslandCampina (photo: IDM)**

The opening session of the EDA conference saw an impressive line-up of CEOs of important dairy companies and groups. They all agreed that there is definitively a future for dairy given a growing world population and Europe being one of the world’s most favourable areas for dairying. According to new figures from FAO, the protein gap will grow to 33m tons until 2050. This will open tremendous opportunities for dairy that provides nutrition at affordable price. However, dairying as a whole is under heavy attack from politics, NGOs, media and self-proclaimed „experts“. Lactalis COO Thierry Clément said: „How can we tolerate that there is "milk" in the shelves that is not milk? How can we tolerate that politics is putting European security of food supply at risk? We can prove that dairy is good, we just need to make more noise. We can no longer accept fakes and lied arguments“.

All the CEOs agreed further that Europe delivers dairy at the comparative lowest footprint of production and with superior product quality. Political efforts to bring down the number of milk cows may fail in the end. As FrieslandCampina CEO Jan Derck van Karnebeek said, a better solution might be a matter of introducing standards that move the whole production further in sustainability by gradually lifting the floor. The gap between F/C’s 10,000 farms in terms of CO2 footprint is 30 – 40%, so there is still a lot to gain.

A requirement for a sustainable future of European dairy is, however, that farmers are confident and earn enough to be able to invest in the sustainability of their production. The industry itself needs to embed sustainability into its business models; sustainability today is not a side-business but rather the

core. Politics need to take care for a suitable framework for dairying to evolve into even more sustainability. Carbon certificates should only be traded within the dairy sector, van Karnebeek said, as the market is still in an early stage and dairy carbon sequestration should not end up in greenwashing an oil company.

Peter Giørtz-Carlsen, Arla, said that the principles of the EU Single Market need to be protected as well as trade agreements need to be made to make sure that EU dairy can be exported in future. He was seconded by Clément who said that national protection like in France or Italy is stupid as industry and farmers are shutting themselves off from the opportunities of a larger market that only gets fractionated by such measures. Politics, the top managers said, needs to listen to the industry and farmers if it should come to general improvements of sustainability. If there are no incentives for farmers on one side and only restrictions on the other side, there is danger that there will be much less milk available soon. All speakers were pro a simple policy framework based on science-based facts whereby policy and administration look at it all through farmers eyes instead of the current top-down approach that tries to regulate all and everything. When it comes to sustainability standards, the whole sector should agree on one common concept avoiding „clever“ marketing slogans and competing labels, van Karnebeek said. A similar thought connected with the new EU packaging regulation PPWR was brought forward by Charles Brand, Tetra Pak, who said that regulators need to listen to serious and responsible industry voices and to look at markets and the functions of packaging.

The CEOs unison demanded that dairy keeps on innovating in markets as well as in sustainability. Arla and F/C have already set out to pay farmers not only for ingredients but also for environment protection. Lactalis is still collecting data to be able to develop a similar concept.

### Shaping the future of EU agriculture/dairy



**Dairy politics discussion at EDA's Annual Conf 2023 (from left): Alexander Anton, Secretary General EDA, MEPs Norbert Lins, Paolo de Castro, Martin Hlaváček and Bert-Jan Ruissen (photo: IDM)**

EDA is, of course, closely connected to the political sphere of Brussels. Four members of the European Parliament, especially engaged in agriculture and dairy, described, at a separate session of EDA's Annual Conference, their political visions for the next legislative period of the EP.

German MEP Norbert Lins, chair of the AGRI committee of the EP, stressed that there are three pillars for sustainability: economy, social, and ecology. These pillars need a rebalancing, and the economic pillar must gain much more importance, also for agriculture and dairy. Lins said that more investment is needed on farms. In fact, the fallout of the Green Deal and F2F has caused a virtual standstill of agricultural investment as there is no more faith. Politics should, in the future, cooperate with farmers, using their knowledge and innovation to develop sustainability within the CAP.

Paolo De Castro from Italy spoke of a difficult time for agriculture. A reform of the CAP needs to bring more balance. Regulations, such as the industrial emissions directive, that includes dairy farming or the regulation of pharmaceuticals were not built with farmers but rather against them. De Castro criticized the open conflict within the European Commission and lack of balance never seen before in the EU. All this has led to a continued ping-pong game between DG Agri, the Parliament, and defenders of the environment.

Martin Hlaváček from the Czech Republic said that EU agriculture including politics has been in a defense mode too long. The EU should not have allowed that the Commission has developed from a more or less neutral medium between Parliament and Council into a political force. The Juncker and von der Leyen Commissions have been in political activism, which is the reason that science-based facts no longer play a prominent role in the Commission. Now, the Parliament needs to find back to an offensive mode.

Dutchman Bert-Jan Ruissen stated that the discussions around Green Deal, F2F, biodiversity and climate change have largely ignored the role of agriculture and dairy for the safety of food supply. Politics has acted in a top-down approach with too ambitious and unrealistic targets. This has now to be corrected, and entrepreneurship needs to get into the centre of policy. Brussels needs to stop regulating everything and to adopt an ambitious trade policy.

### **Dairy Sustainability at work**



The third session of EDA's Conference focused on sustainable agriculture and dairy. According to Prof. Dr. Wilhelm Windisch from TU Munich (photo left), ruminant livestock is key to sustainable agriculture. The production of food is always associated with non-edible by-products that need to be utilized.

Grassland makes over 70% of the rural area worldwide and cannot be converted to agriculture. This is where ruminants come into the game. Windisch said that ruminants make sure that there is a circulation of non-edible biomass. Feeding cattle with grass or by-products automatically generates animal protein. There should not be a fight between vegan and animal food as both are partners in resource utilization. Crucial for sustainability is that cows' feed does not compete with human nutrition and that there isn't too intensive or too extensive husbandry.

Methane emissions are largely overestimated, Windisch added. It has a half-life time of 12 years, and killing all ruminants on the planet would decrease GHG emissions by less than 1%.

Prof. Dr. Leo den Hartog from Wageningen University (photo right) noticed that we must produce more food in the next 40 years than in the past 8,000 years to feed the growing population on the planet. Given the human (physical) need to deliver 40% of daily protein intake from animal sources, milk production needs to grow, den Hartog said. This can only happen in a sustainable way if emerging technologies like genetech, precision farming, diagnostics, and big data will be used.