

# OFFICIAL FEEDBACK FORM

<b>DIALOGUE DATE</b>	Thursday, 13 May 2021 10:00 GMT +10:00
<b>DIALOGUE TITLE</b>	Dairy as part of a sustainable food system
<b>CONVENED BY</b>	Ms Helen Dornom, Dairy Australia
<b>DIALOGUE EVENT PAGE</b>	<a href="https://summitdialogues.org/dialogue/13150/">https://summitdialogues.org/dialogue/13150/</a>
<b>DIALOGUE TYPE</b>	Independent
<b>GEOGRAPHICAL FOCUS</b>	Australia

The outcomes from a Food Systems Summit Dialogue will be of use in developing the pathway to sustainable food systems within the locality in which they take place. They will be a valuable contribution to the national pathways and also of interest to the different workstreams preparing for the Summit: the Action Tracks, Scientific Groups and Champions as well as for other Dialogues.

# 1. PARTICIPATION

## TOTAL NUMBER OF PARTICIPANTS

## PARTICIPATION BY AGE RANGE



## PARTICIPATION BY GENDER



## NUMBER OF PARTICIPANTS IN EACH SECTOR



## NUMBER OF PARTICIPANTS FROM EACH STAKEHOLDER GROUP



## 2. PRINCIPLES OF ENGAGEMENT

### HOW DID YOU ORGANIZE THE DIALOGUE SO THAT THE PRINCIPLES WERE INCORPORATED, REINFORCED AND ENHANCED?

The Dialogue was organised to complement existing discussions the industry holds with its stakeholders to provide input to the ongoing development of the Australian Dairy Industry Sustainability Framework (ADISF). The event served as both a UN Dialogue, as well as the ADISF's regular Consultative Forum. The organisers developed an invitation list that was inclusive of a wide range of stakeholders from across the value chain, including dairy producers, processors, and retailers to government, NGOs, media, regulators, academics, nutritionists, scientists, extension officers, service providers, sustainability experts and financial institutions. The organisers also wanted to demonstrate the complexity of food systems and arranged a diverse range of experts to speak, including climate scientists, dietitians, environmentalists, social scientists and food producers. Provocateurs were appointed and briefed to guide the Dialogue according to the principles

### HOW DID YOUR DIALOGUE REFLECT SPECIFIC ASPECTS OF THE PRINCIPLES?

The ADISF is based on the principles of ethical behaviour; transparency and accountability; appreciation of stakeholder interest; competitive neutrality; collective action that delivers mutual benefit; and inclusivity. The dialogue principles are reflected in these and are an integral part of how the dairy industry engages on discussions relating to the Sustainability Framework. The first half of the dialogue considered ideas for a sustainable future of food in line with the UN Food Systems Summit. This complemented the dairy industry's existing ongoing consultation on the Australian Dairy Industry Sustainability Framework (ADISF), which was discussed in the second half. The Dairy Sustainability Consultative Forum is one of the ADISF's regular engagement activities. The Dialogue was organised under the ADISF's governance and reporting structure - designed to build trust across the dairy value chain. This structure is underpinned by the ADISF's principles of transparency and accountability. The dairy industry's annual Sustainability Reports are made publicly available, including the governance structure, with the latest one (2020) released at the Forum and also available at <https://www.sustainabledairyoz.com.au/about-our-framework>. The highest decision-making body, the Australian Dairy Industry Council, is the peak national representative body for the Australian dairy industry and has overall accountability for the Sustainability Framework. The Dialogue also reflected the complexity of food systems and organisers hosted a robust discussion of different aspects including climate, biodiversity, nutrition, culture, social resilience and economic livelihood. This complexity was expressed through the variety of experts that spoke on these different topics. Lastly, the diverse attendance of the Dialogue reflected multi-stakeholder inclusivity. Attendees included dairy producers, processors and retailers as well as NGOs, government, regulators, financial institutions, academics, nutritionists, scientists, extension officers, sustainability experts, and media.

### DO YOU HAVE ADVICE FOR OTHER DIALOGUE CONVENORS ABOUT APPRECIATING THE PRINCIPLES OF ENGAGEMENT?

It is critical that Dialogue organisers invite a wide range of stakeholders to attend and to speak. The diversity of attendees and speakers supports the sharing of different perspectives on the sustainable food problem. It encourages looking at food production through a systems lens rather than through a narrow issue specific lens. Additionally, open sharing and transparency between a diverse set of stakeholders helps build trust across the sector which is important for the implementation of any post-Dialogue solutions.

# 3. METHOD

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The outcomes of a Dialogue are influenced by the method that is used.

**DID YOU USE THE SAME METHOD AS RECOMMENDED BY THE CONVENORS REFERENCE MANUAL?**

**Yes**

**No**

# 4. DIALOGUE FOCUS & OUTCOMES

## MAJOR FOCUS

The focus of the Dialogue was to explore the role of dairy in a sustainable food system. This Dialogue started with an exploration of the elements of a sustainable food system and the levers of change for accelerating transformation of such a system, in particular technological innovation. The first session, Reimagining food for a healthier world, was led by the head of the scientific group for Action Track 2 - Shift to sustainable consumption pattern - Professor Mario Herrero, Chief Research Scientist of Agriculture and Food at the CSIRO in Australia.

Session 2, Ideas for changing the future of food, generated game-changing ideas for enabling systems change. This conversation was led by cross-sectoral representatives from public health, social science, environmental advocacy and food manufacturing. Their ideas informed an exploration by all Dialogue attendees of the environmental, social, nutritional, and community resilience issues within the Australian dairy food system. Attendees investigated game-changing solutions for various sustainability issues across five sectors of the dairy supply chain:

- 1) Responsible dairy farming;
- 2) Responsible dairy processing;
- 3) Responsible transport of dairy produce;
- 4) Responsible consumption of dairy produce; and
- 5) Whole-of-chain solutions for responsible production and consumption.

In the third and final session, What does the transformation look like? attendees explored possible changes for the dairy industry as part of the transformational change needed for sustainable food systems in 2030 and how these changes could be represented in the Australian Dairy Industry Sustainability Framework (ADISF). The ADISF is an initiative that sets goals, targets and metrics for the sustainable production and processing of Australian dairy products.

### ACTION TRACKS

- Action Track 1: Ensure access to safe and nutritious food for all
- Action Track 2: Shift to sustainable consumption patterns
- Action Track 3: Boost nature-positive production
- Action Track 4: Advance equitable livelihoods
- Action Track 5: Build resilience to vulnerabilities, shocks and stress

### KEYWORDS

- Finance
- Innovation
- Human rights
- Women & Youth Empowerment
- Policy
- Data & Evidence
- Governance
- Trade-offs
- Environment and Climate

## MAIN FINDINGS

Across the different supply chain sectors, four key areas for Australian dairy food systems were identified during the Dialogue: Nutrition, climate change, environmental issues and socioeconomic issues. During discussion, ideas to address these problems were also formulated.

**Nutrition:** Less than 1% of Australians follow the Australian Dietary Guidelines, yet 15% of deaths are related to poor diets. Less than 10% of the Australian population claim to be eating enough healthy dairy foods. The biggest problem is discretionary (junk) foods which constitute 35% of what we eat. 58% of the average Australian family's food budget goes to discretionary foods. The affordability of healthy diets is also a challenge – healthy diets are unaffordable for 30% of Australians. Alternative products are not the solution either as they are being revealed to be ultra-processed and damaging to health.

**Suggested Action:** To address these issues, the group discussed the introduction of a 20% tax on discretionary foods that could be used to subsidise healthy diets for low-income families. Changing the location of discretionary foods in supermarkets and regulating their sale could also change consumer behaviour. Other ideas were to ramp up the culinary nutrition space to get people excited to eat healthy food and reduce junk food consumption, as well as improving cooking skills of Australians.

**Climate change:** There is a global consensus through the IPCC that we need to act now on a transition to a sustainable food system. Food systems contribute 21-37% of anthropogenic emissions. The EAT-Lancet diet attempted to start a global conversation on sustainable food however it is too expensive for 1.5 billion people and is not aligned with national dietary guidelines. Improving food sustainability could increase the cost of production, so how these improvements get financed is also an issue that needs to be discussed.

**Suggested Action:** To address these issues, the group discussed the need for more financial incentives and mechanisms to support a road to zero emissions and carbon sequestration. Shifting consumer purchasing habits to put a higher value on zero-emissions products, as well as increasing their readiness to pay for dairy was also a way to fund emissions mitigation.

The development of methane abatement solutions, such as red seaweed, could be a major gamechanger. Uptake of renewable energy and electric vehicles would also help reduce emissions across the value chain. Lastly, support (both financial and skills-based) for farmers to implement sustainable development goals was a crucial part of the solution.

**Environment change:** Conversations are evolving from mitigating negative impacts to also contributing positively to nature. There is an increasing demand by consumers that the dairy industry show its positive impacts on the environment. The environmental impact of alternative products is just being uncovered, for example almonds used for almond milk have a much higher water impact.

**Suggested Action:** To address these issues, the group discussed increasing the uptake of regenerative agriculture practice so practice not just mitigates impact but also aims to restore nature. A key part of driving this impact will be providing dairy farmers with the tools and increasing financial support through corporate and institutional investment, government incentives to farmers for sustainable practice, better technology to drive a circular economy and reduce packaging waste, and models of consumption that push consumers to pay for more sustainable products.

**Socioeconomic:** Lower income and farm diversity for dairy farmers lead to a more fragile food system that is less resilient to shocks alongside declining regional communities. COVID19 has shown that a reliance on export markets and international trade also exposes the sector to greater risk of disruption and can shift investment away from local communities. Making production more sustainable is likely to increase the costs of production, however dairy farmers cannot afford to bear these costs. Alternative products are also having collateral economic and social impacts, displacing economic pressure on shock-prone land systems such as Far North Queensland. Dairy farming is a multifunctional activity, it produces food whilst also helping to build regional communities and resilience.

**Suggested Action:** To address these issues, the group discussed the need to share costs of sustainable development equitably across the value chain. Greater investment in small-scale farming, and encouragement of farmer and food cooperatives would help dairy industries grow local communities. Reducing reliance on export markets and imports will also help develop domestic industries and build resilience to global shocks like COVID19.

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## OUTCOMES FOR EACH DISCUSSION TOPIC - 1/5

Ideas for improving responsible dairy farming included:

- Wide-spread adoption of regenerative agriculture practices and soil carbon farming, backed by farmers being paid income for the carbon stored in their soils
- Developing feed supplements that can massively reduce methane emissions from cattle, with farmers potentially paid carbon credits for methane abatement
- Encouraging more farmer and food cooperatives
- Focusing on building small and resilient rural communities
- Better resourcing and funding of extension and adoption including adoption of any sustainability goals; a roadmap for how farmers can implement any goals and improve; practical help to dairy farmers so they know what to do
- Tougher compliance and regulatory measures, such as planning permits that align with the SDGs
- More investment from corporates and big dairy farms into sustainable outcomes
- Maintaining diverse dairy practices to bolster resilience
- Providing financial incentives to farmers for sustainable outcomes, including ecosystem service payments, carbon payments, payments for improving practices
- Introducing driverless small trucks that can operate 24/7
- Improving minimum standards and best practice for better sustainability outcomes
- Standardisation and better monitoring for carbon sequestration
- Improving particular practices including feeding cows better, composting, using home-grown fodder, silage wrap recycling, pain relief for dehorning, planting trees
- Industry leaders admitting the need to change
- Ensuring farms become energy self-sufficient
- Improving refrigeration on farm and across the supply chain - smaller trucks could collect milk more frequently and improve efficiency of getting product to market

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## OUTCOMES FOR EACH DISCUSSION TOPIC - 2/5

Ideas for improving responsible dairy processing included:

- Developing novel end-of-life plastic packaging technology using catalytic hydrothermal reactors that can convert plastic milk bottles into renewable biocrude oil that can then be reused to make plastics in a true circular economy
- Learning from sustainable models like the one used by Arla Foods, e.g demand more from suppliers, encouraging and rewarding on-farm change
- Talking not only about mitigating impact, but also making a positive impact on the environment
- Reducing waste by aiming to only have water and salts as outputs
- Improving packaging use in processing, e.g. through using recycled sugarcane packaging
- Improving product shelf life by using smaller trucks with more frequent collection
- Better metrics to compare products, and improve clarity of comparisons between dairy and non-dairy products

### ACTION TRACKS

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## OUTCOMES FOR EACH DISCUSSION TOPIC - 3/5

Ideas for improving responsible transport of dairy produce included:

- Transitioning to electric vehicles, this will need government support
- Improving efficiency by reducing duplication of transport service with milk pick-up
- Reducing the fuel use of transports

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## OUTCOMES FOR EACH DISCUSSION TOPIC - 4/5

Ideas for improving responsible consumption of dairy products included:

- Changing consumer preferences towards buying and eating zero carbon emissions foods and more plant-based foods
- Introducing a 20% tax on discretionary or junk food and drinks
- Enhancing welfare payments, such as those introduced during the COVID-19 pandemic, that will allow low income and indigenous Australians to afford well-balanced diets rich in fruit, vegetables and low-fat dairy for their families
- Changing the location of discretionary and junk foods in supermarkets, potentially limiting their sale through legislation and higher prices
- Better communication about what each industry is doing on sustainability
- Educating the public about food production
- Dialling up the culinary nutrition space and getting people excited to eat healthy food and reduce junk food consumption
- Reintroducing basic cooking skills
- Reducing the number of overseas dairy products on shelves
- Increasing the price of food
- Combatting public misinformation
- Improving trust in dairy by increasing transparency and acknowledging areas that need improvement
- Transitioning to a bulk/wholesale model for consumption would reduce packaging whilst maintaining shelf life
- Introducing pricing structures based on milk freshness so consumers can get older milk if they need to pay less; this will also reduce food waste
- Reducing consumer food waste
- Better understanding generational shifts in consumption patterns
- Developing a sustainability food tick similar to the Heart Foundation tick
- Embarking on a whole-of-agriculture campaign to show sustainability credentials of the industry
- Providing a public definition of regenerative agriculture
- Focusing on a single compelling sustainability message

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## OUTCOMES FOR EACH DISCUSSION TOPIC - 5/5

Ideas for improving responsible production and consumption across the whole value chain included:

- Australia needs to continue being part of global discussions
- Banks and institutional investors looking to 'decarbonise' their lending, favouring only low emissions sectors
- Growing carbon trading and biodiversity credit markets
- Increasing financing options across the value chain
- Improving product integrity and communications across the value chain
- More consistent metrics across the sector
- Identifying and working with supporters

### ACTION TRACKS

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## AREAS OF DIVERGENCE

There were five major areas of divergence:

1) Alternatives to animal-sourced foods (plant-based or cultured products)

The importance of shifting towards alternatives as a key part of a more sustainable food system was raised by some, while others noted that alternatives are ultra-processed and lack the nutritional value of animal-sourced foods, leading to a negative impact on people's health and nutritional outcomes. Alternatives are not necessarily more environmentally friendly – for example almonds have a very high-water cost. Dairy farming produces other benefits besides foods to regional communities which cannot be easily replicated by some alternatives.

2) Global trade

Reliance on global trade often means less investment in local dairy industries which has a negative impact on regional communities and economic resilience. This reliance increases exposure to system shocks, such as COVID19. However, others noted that global trade allowed countries that were better positioned to produce food to help support the food security of people around the globe. Global trade helps shore up gaps to combat hunger and malnutrition.

3) Who bears the cost of sustainable development

There was a fundamental tension between decent farmer income and the affordability of healthy diets for consumers. Making the food system more sustainable would increase costs of production, but who should pay the higher costs. While some noted that consumers should bear the costs, it was highlighted that 30% of Australians cannot afford a healthy diet with current prices. Most attendees agreed that farmers could not afford to bear the costs. Other suggestions included government, retailers, and dairy processors.

4) Larger vs smaller operations

Some noted there should be a focus on supporting small-scale operations as this helps build up farm diversity and provides more support for regional communities and economies. Others highlighted that larger operations will be more efficient and productive, helping to reduce waste, emissions, resource use and overall environmental impact.

5) Consumer trust in food industries

There was a tension between the dairy industry and consumers around the topic of trust. From one side, the dairy industry needed consumers to trust the industry so that legitimate sustainable products and services can be recognised and purchased encouraging more sustainable practice. On the other side, consumers remain wary of food industries, on the lookout for greenwashing and illegitimate claims, and seeking greater transparency.

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