Dairy Sustainability Initiative, Working with our client farmers

EPA National Water Conference

Galway 20th June 2018

CARBERY

Carbery Group Overview

Founded
53 Years ago
(1965)

Sales of
€417m
(2017)

Selling in over
50 International markets
(2017)

CARBERY

Ownership

- 1,260 suppliers
- Milk is primary sourced from grass
- Return value to family farmers via strong milk price

The Carbery Team

CARBERY

Primary Processors

Arrabawn

Aurivo

CARBERY

dairygold
Golden Valleys, Growing Naturally

glanbia

KERRY FOODS

LacPatrick

LAKELAND DAIRIES

NORTH CORK CO-OP
Dromalour, Kanturk, Co. Cork & Cullen, Co.Cork

Ornua
THE HOME OF IRISH DAIRY

TIPPERARY COOP

99% IE Output – B2B Market

18,322 dairy farmers
7.5 bn litres
~300 days outdoor grazing
>90% exported
Family Farm Co-Op Structure
81 cows average herd size

2017 2018 Export Performance & Prospects

Irish Food, Drink & Horticulture

Bord Bia
Irish Food Board

€4bn

↑19% The value of dairy products & ingredients, an increase of 19 percent

↑44%

Exports to EU26 markets have expanded by 44 percent to €1.2bn

↑19%

Exports have increased by 19 percent since 2016

€850m

↑20% Cheese export rose to almost 20 percent to over €850m

↑60%

Butter reached a remarkable growth rate of 60 percent in 2017

€730m

↑10% Dairy based enriched powders export rose 10 percent to some €730m

The top 5 markets

are the UK, China, the Netherlands, Germany & the United States

Dairy Industry Ireland
Ibec

Abbott
Arrabawn
Aurivo
CARBERY
dairygold
DANONE NUTRICIA
glanbia
KERRY
LacPatrick
LAKELAND
NORTH CORK CO-OP
Ornua
TIPPERARY
Wyeth Nutrition

Companies

icos Irish Cooperative Organisation Society
Irish Creamery Milk Suppliers Association
National Dairy Council
Macra na Feirme
Irish Farmers' Association

Associations

Department of Agriculture, Food and the Marine
An Roinn Talmhaíochta, Bia agus Mara
epa Environmental Protection Agency
An Roinn Tithíochta, Pleanála, Pobail agus Rialtais Áitiúil
Department of Housing, Planning, Community and Local Government
Bord Bia Irish Food Board
teagasc Agriculture and Food Development Authority
Waters & communities Healthy Waters supporting Vibrant Communities

Governmental Agencies

Dairy Sustainability Ireland

Dairy Sustainability Initiative

1

- Recognizing that environmental sustainability and economic sustainability are complementary

2

- First Industry sustainability initiative involving Whole of Government and Whole of Sector

3

- Address: Water, Soil & Air quality, Climate change targets on a multi annual basis to achieve Food Wise Sustainability objectives

Proven Outcomes:
Win – Win - Win

Sustainability Pillars

Structure of the DSI- Operational

Dairy Sustainability Sectoral Working Group

Dairy Industry Ireland
& 6 pilots

Farm Orgs
Teagasc
Bord Bia
DAFM

Dairy Sustainability Forum
(3 Chairpersons)

Dairy Industry
Ireland (DII)
All Farm Orgs
DAFM
DHCPLG
EPA
Teagasc
Bord Bia, NDC,
LAWCO

180 farms: all geographical locations

Agricultural Sustainability Support and Advisory Programme - ASSAP

- Originated from Dairy Sustainability Ireland (DSI)
- Focus is water quality – over 726 water bodies affected by agricultural pollution, so major challenge
- 30 Sustainability Advisors – 10 Co-op sector, 20 Teagasc.
- All will be trained together to same standard and will be operational in Sept.
- Co-op advisors to work collaboratively with Teagasc Advisors to advise and support farmers in critical areas which have been identified as agricultural related.
- Good progress being made

Headline KPIs for ASSAP

- Soil Nutrient Management Plan (NMP) to be conducted by every dairy farmer in Ireland by 2021
- Collaborative approach – 30 Sustainability advisors appointed, 10 Dairy Industry (Co-op's) advisors and 20 Teagasc advisors all of whom will be trained and will work together to the same standards
- All coops expected to facilitate 30 x pilot farmers as part of program
- Initial focus will be on critical areas as identified by EPA
- Improvement in water quality by 2021 and improvement in water status by 2027

Sustainability – Key focus areas for Carbery

ENVIRONMENT

Improving efficiencies and reducing our footprint:

- Carbon
- Water
- Waste

- Soil Nutrient Management
- Resource Optimisation
- Bio-diversity Programme
- Animal Health and Welfare

MARKETPLACE

- Quality
- Nutrition
- Responsible Sourcing
- Leading Irish Milk Price

WORKPLACE

- Developing Employees
- Early Career Development
- Respect & Dignity in the workplace
- Health & Safety

COMMUNITY

- Community Development
  - Social
  - Sport
  - Education

CARBERY

Carbery Greener Dairy Farms™

- In 2012 Carbery launched **Greener Dairy Farms™** an innovative, dairy efficiency programme designed to measure, monitor and optimise resource allocation and best practice on farm. This will allow us to measure at an individual farm level

1. Carbon Footprint
2. Water Footprint
3. Energy Footprint

- **Ireland's first for best practice**

CARBERY

Carbery Greener Dairy Farms 2012-2018

WHAT DID WE ACHIEVE?

2012 – Base Year	2013-2017
• Took soil samples and identified soil nutrient levels • Completed Energy & Water Audits • Measured inputs monthly • Completed profit monitors • Measured carbon footprint • Biodiversity Mapping • Provided Expert Advice via Farm Walks & Meetings • Communicated results & improvements to all suppliers	• Reduced Carbon emissions • Raised awareness on water use • Increased profitability • Reduced energy use • Educated on the importance of sustainable dairy production

WHAT'S NEXT?

2018
• CGDF roll out to further 30 suppliers

CARBERY

CGDF Digital Stories

Sustainability comes to life through Carbery farmers

- In 2017 launched a digital storytelling project around environmental sustainability with farmers in West Cork.
- The farmers recorded their environmental sustainability experiences, entirely in their own words and without direction

Snippet of Sam Kingston Digital Story

Carbery Tree Project

- The Carbery Tree Project was the first scheme of its kind in Ireland carried out in conjunction with South Western Forestry.

- Every Farmer Member planted Native Irish Trees (Oak, Birch, Rowan and whitethorn) as a carbon offsetting measure, and also to increase biodiversity on farms.

1270 suppliers

45000 trees

850MT of Carbon saved p.a.

CARBERY

Working Together With Our Farmers

- In conjunction with Aurivo and Kerry have established Farm Focus Groups to ensure we get the ASSAP communications strategy correct.
- 5 x Farmer Board members have joined
- These will also form part of our 30 pilot farms
- Working on specific communication components with farmer focus group
- ASSAP program to be highlighted at upcoming farm walks and farmer discussion groups
- “Don’t find fault, find a remedy” – Henry Ford