

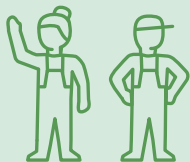
Sustainable Dairy production

Kenneth Byskov
Sustainability Manager
DK-Agri
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INTRODUCTION

ARLA FOODS IS A LEADING DAIRY COOPERATIVE WITH A GLOBAL FOOTPRINT



7,999

farmer owners



1.5

million cows



60

production sites



Sales in

144

countries

CLIMATE EFFICIENT & WORLD'S BIGGEST ORGANIC DAIRY



Arla average 1.08

CO₂e per kg



EU average

CO₂e per kg



Global average

CO₂e per kg

LEADING POSITIONS



#1

FMCG
company
Dairy



#1

company
Cheese, Butter, Milk
Based Beverages &
Cream



#1

STRONG GLOBAL BRANDS



OUR VISION IS TO EMPOWER STRONGER PEOPLE AND ENABLE A STRONGER PLANET THROUGH ALL THAT WE DO

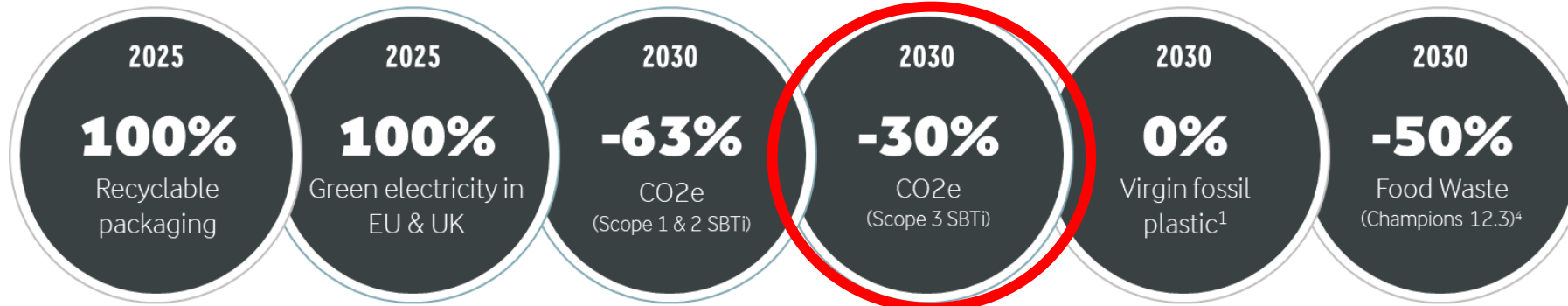
Enabling a
STRONGER PLANET
by improving the environment for future generations



Empowering
STRONGER PEOPLE
by increasing access to healthy dairy nutrition & inspiring good food habits



Future26 sustainability ambition: prove that nutritious, sustainable, 1.5°C-aligned dairy is possible



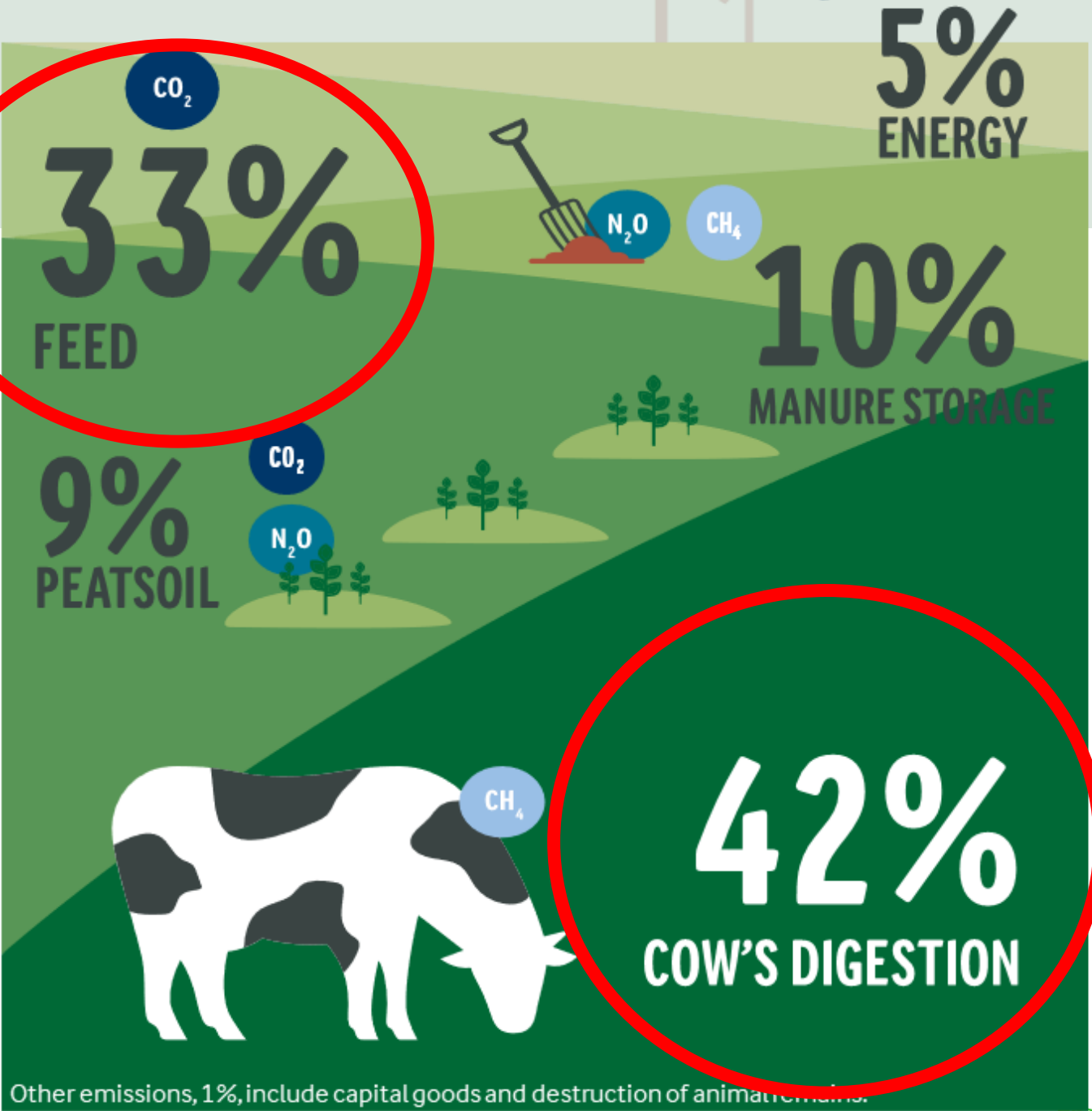
Data-led targets and action

embedded in culture and ways of working across functions

Responsibility across full value chain

FOCUS FEED AND COW'S DIGESTION

75% of CO₂e from Feed and Cow's Digestion



Other emissions, 1%, include capital goods and destruction of animal remains.

THE BIG 5: THESE FIVE LEVERS WILL GET US ONE THIRD OF THE WAY

Climate Check shows that the Big 5 are the **main drivers** of differences in performance. Big 5 are good for **both climate and the bottom line.**



FEED EFFICIENCY

More milk per feed input



(kg DM/kg FPCM)

PROTEIN EFFICIENCY

Reduce protein surplus in feed ration



(% N eff./cow)

ANIMAL ROBUSTNESS

Reduce cow mortality
longer life expectancy



(%)

FERTILISER USE

Reduce nitrogen surplus from feed production



(Kg total N/ha)

LAND USE

Efficient use of land for milk production



(m²/kg FPCM)

Climate check

CLIMATE CH



Start



General

ANIMALS

ANIMALS > COWS: HOUSING AND GRAZING

Please select the housing system for both lactating and dry cows. Click on the current housing system in the drop-down list. (More choices can then be added by repeating this process.) Other questions can then be filled in. C27 is automatically summed by the IT tool.

Select housing for cows

Select an Option

- Straw yards with slatted floor area
- Straw yards with slatted floor are...
- Cubicle shed with slatted floor a...
- Cubicle shed with slatted floor a...
- Cubicle shed with a solid floor ar...
- Tethered, solid manure
- Tethered, slurry based system



ing cows had access to grazing?

ing cows you usually have on grass during your grazing period. The sum of lactating cows (C13 and C16) would typically be the same as the average number of cows on...



C16 How many dry cows had access to grazing?

Please state how many dry cows you usually have on grass during your grazing period. The sum of lactating cows and dry cows on pasture (C13 and C16) would typically be the same as the average number of cows on farm (C6).



0



C19 How many cows were housed in straw yards?

Please enter housing data for both lactating and dry cows.



0



C27 Sum of all housing for dairy cows. C27 is automatically summed by the IT tool.

0

More



User and sources

Review & Submit

CLIMATE CHECK PLATFORM



[Home](#)

[Survey](#)

[Action list](#)

[Submissions](#)

[Climate Check](#) ^

[More](#) v



WELCOME TO ARLAGÅRDEN

Welcome to the Arlagården® platform to capture information and

Arlagården®: our mandatory quality assurance programme, designed to capture what we say is what we do on Arla farms, and to capture information that matters to your business.

Climate: voluntary questions that are used to enable the calculation of a climate check to identify improvement areas on farm, working towards Arla's Green Ambition.

 [Select survey](#)

 [Action List](#)

General Overview

Key Performance Indicators

Emission Sources

Big 5: Potential for reducing emissions

Other Sustainability Factors

Advisory Visits

Sustainability Summary Report

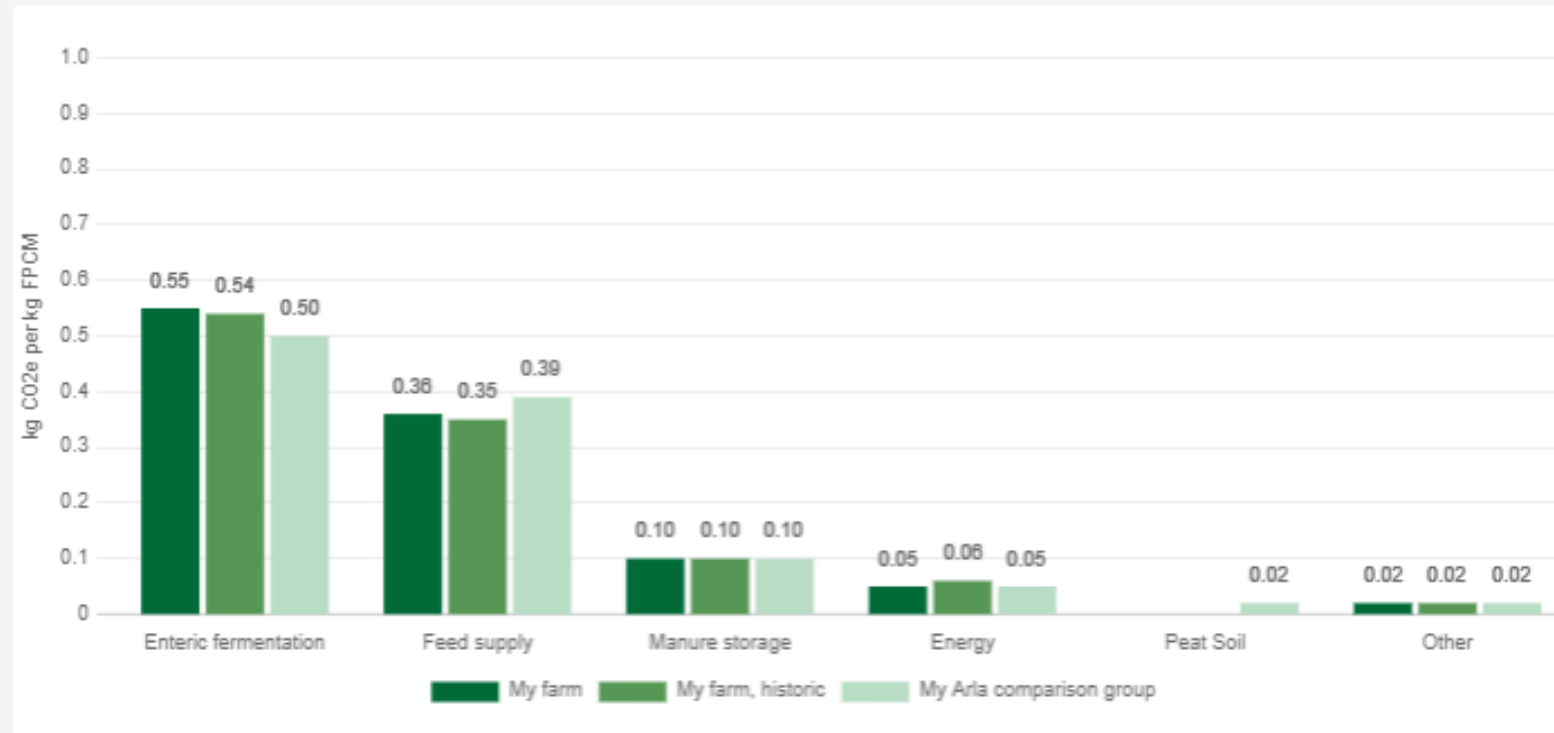
CARBON FOOTPRINT

Please see the total carbon footprint per kg FPCM for your farm below.

	kg CO ₂ e per kg FPCM without peat soil	Kg CO ₂ e per kg FPCM, peat soil
My farm	1.09 ▲ 1.87%	
My farm, historic	1.07	
My Arla comparison group	1.07	0.02

DETAILED CARBON FOOTPRINT

Below is a general overview of CO₂e emissions by source. For a detailed view, please visit [Emission sources](#)



BENCHMARKING ON BIG5

KPI	Unit	My farm at present	My Arla comparison group			
			My Arla Group Thresholds ⓘ		Improve performance by:	Results in a change to your footprint of:
Feed efficiency	kg DM per kg FPCM	1.17	0.94	1.15	-0.10	-0.039kg CO ₂ e
Protein efficiency	% N-efficiency, cows	26	23	28	1	-0.005kg CO ₂ e
Animal Robustness	% Mortality, cows	5.0	2.5	6.4	-1.0	-0.004kg CO ₂ e
Fertiliser use	kg gross N/ha	128	220	371	-10	-0.009kg CO ₂ e
Land use	m ² per kg FPCM	1.74	1.00	1.39	-0.10	-0.026kg CO ₂ e

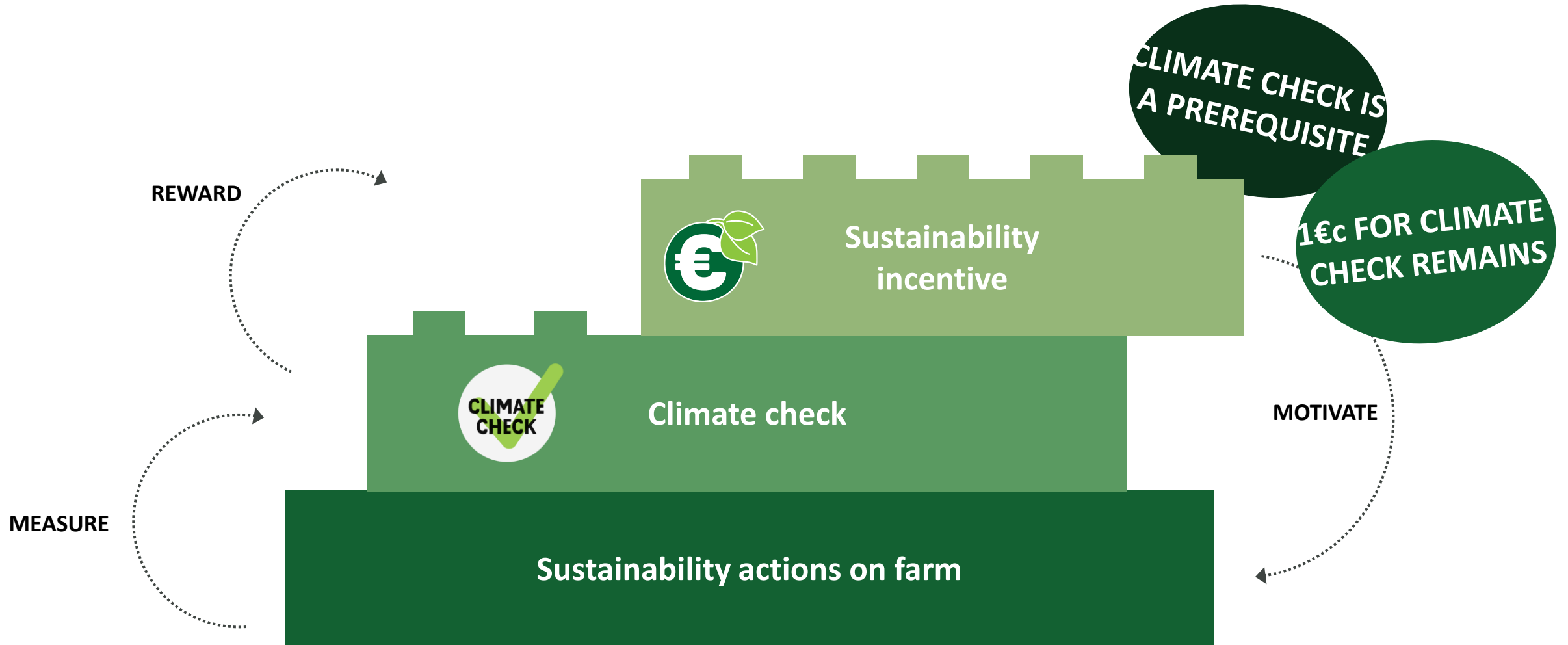
KPI		Unit	Race Lille malkerace	Race Stor malkerace
Herd level	Milk production delivered to dairy	kg FPCM per cow	9430.01	10818.78
	Cows	Number	281.23	259.64
	Heifers	Number	267.13	227.77
	Feed efficiency	kg DM per kg FPCM	0.79	0.86
	Roughage share	% of DM	61.66	65.64
	N efficiency, herd level	%	29.93	29.06
	Homegrown feed	% of DM	62.13	67.79
	Homegrown protein	% of N	43.81	50.65
	Herd energy supply	% of requirement	99.72	99.46
	Soy use	g dm soy / kg fpcm	7.82	11.68
Cows	Animal Robustness	%, Mortality, cows	5.92	5.01
	Feed use	kg DM per cow	6167.82	7579.28
	Protein efficiency	%, N-efficiency, cows	33.70	33.07
	Percent of cows grazing	% lactating cows grazing	32.71	29.58
	Daily cows grazing hours	hours per day (lactating cows)	3.55	3.06
	Days cows are grazing	days per year (lactating cows)	59.97	54.56
Heifers	Feed use	kg DM per heifer	1480.66	2111.74
	Heifers per cow	Heifers per cow	1.00	0.89
	Age at first calving	Months	23.89	25.05



We introduced a point-based in 2023
Sustainability incentive model
To reward past and future actions



THE SUSTAINABILITY INCENTIVE MODEL BUILDS ON CLIMATE CHECK DATA TO REWARD PAST AND FUTURE ACTIONS

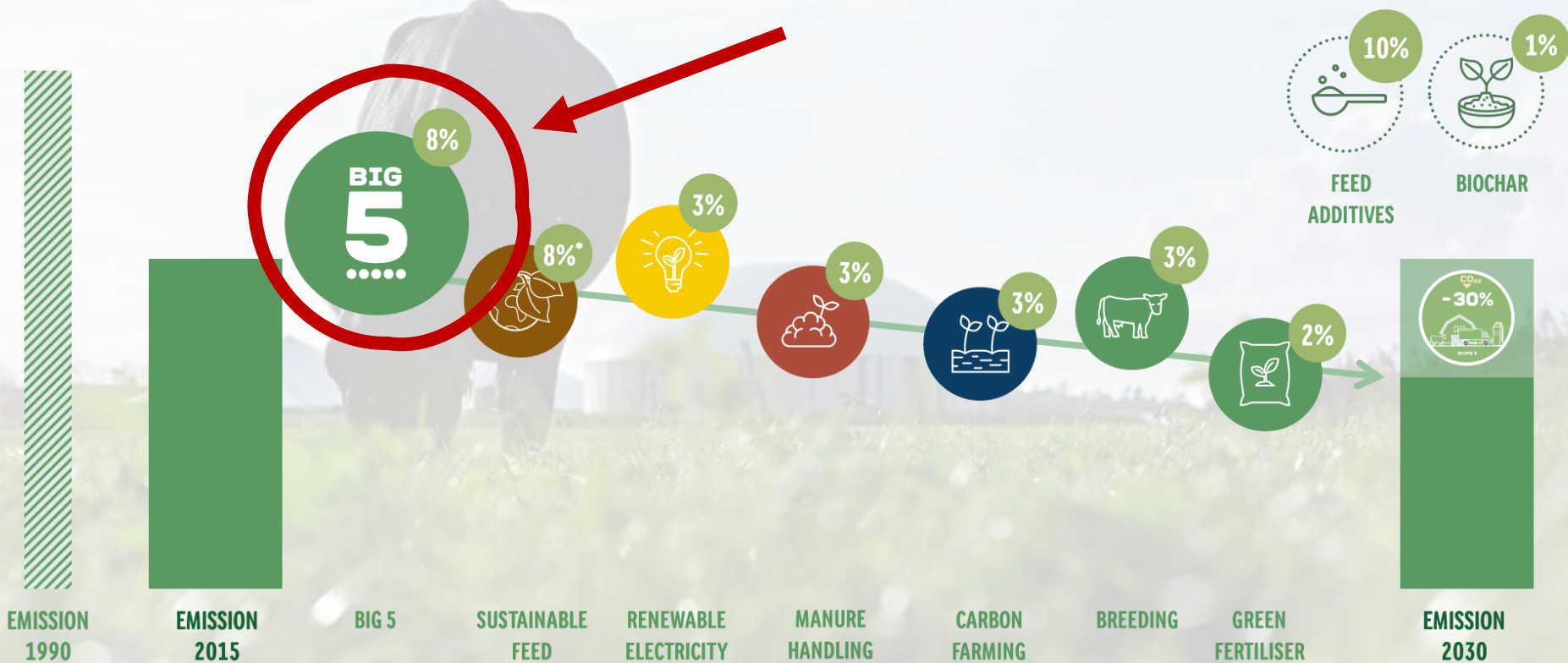




DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Levers farmers can use to reduce their Greenhouse Gas emissions and drive progress towards 2030 reduction targets

SCIENCE BASED TARGETS & ROADMAPS



*Requires direct Land Use Change (DLUC) and carbon sequestration to be included in the Science Based Target and the 2015 baseline to be updated accordingly

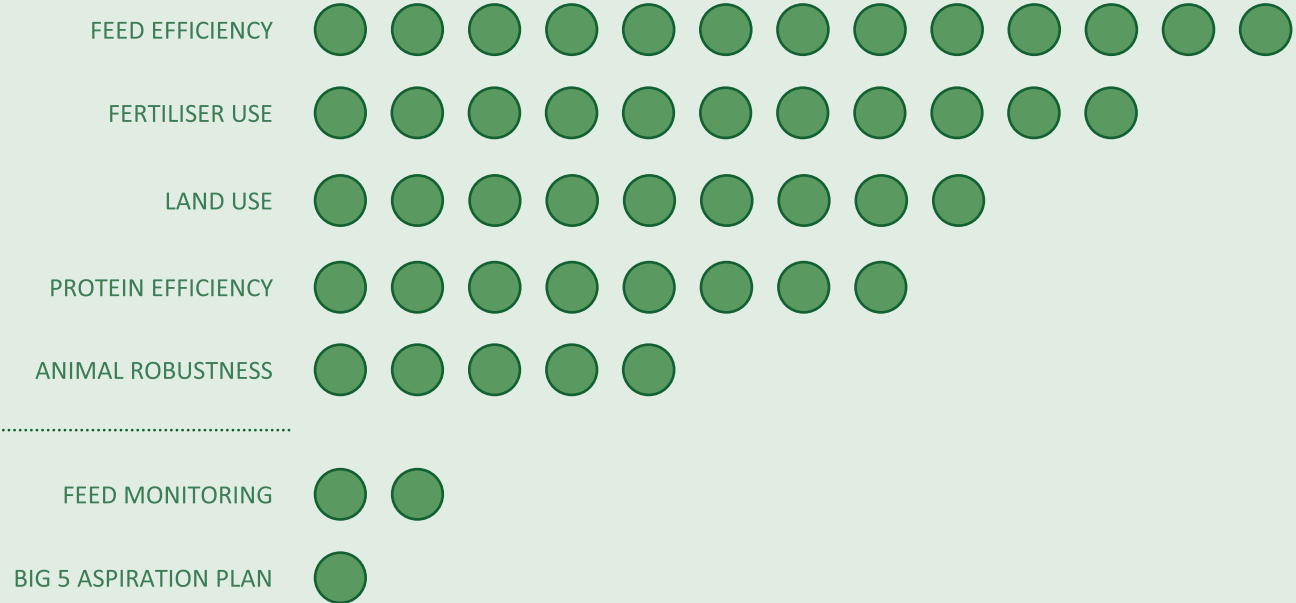


THE ACTIONS THAT HAVE THE MOST POSITIVE IMPACT ON SUSTAINABILITY WILL LEAD TO THE MOST POINTS



BIG 5

BIG 5 (49 PTS)



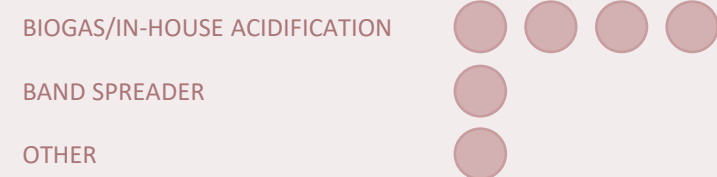
SUSTAINABLE FEED (11 PTS)



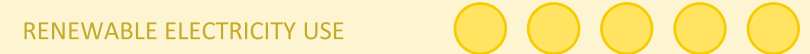
BIODIVERSITY & CARBON FARMING (8 PTS)



MANURE HANDLING (6 PTS)



RENEWABLE ELECTRICITY (5 PTS)



KNOWLEDGE BUILDING (1 PT)



EACH POINT LEADS TO 0.03 EUROCENT KG/MILK ON THE MILK PRICE –
MORE LEVERS WILL BE ADDED

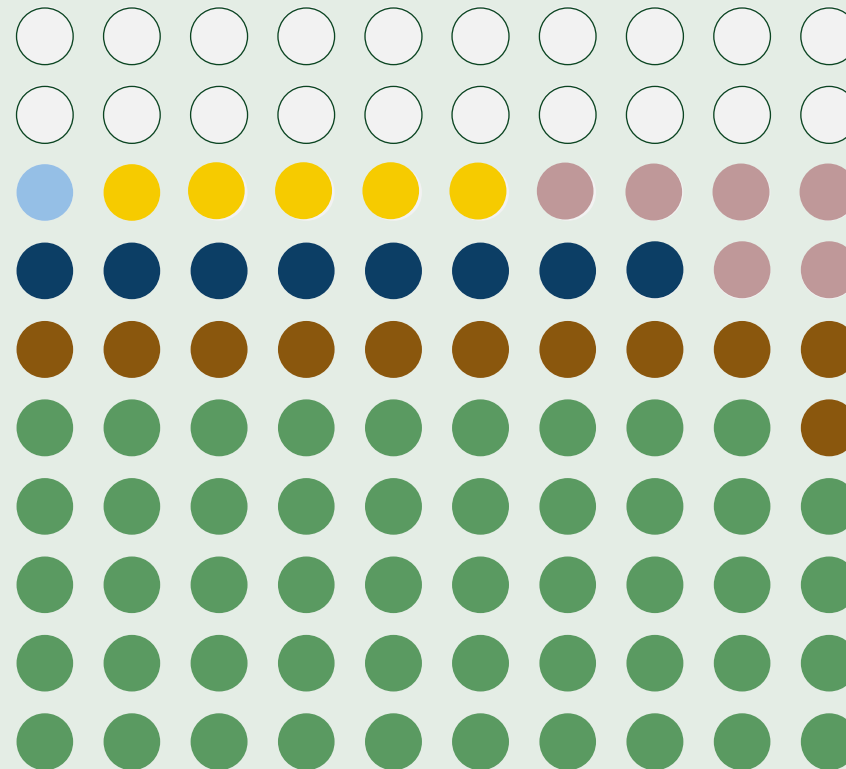


TOTAL POINTS IN THE FUTURE:

**100 POINTS =
3 EUROCENT**

POINTS AVAILABLE FROM 2023:

**80 POINTS =
2.40 EUROCENT**



○ FUTURE LEVERS

● KNOWLEDGE BUILDING

● RENEWABLE ELECTRICITY

● MANURE HANDLING

● BIODIVERSITY & CARBON FARMING

● SUSTAINABLE FEED

● BIG 5

INCENTIVE LEVERS



Below you can find sustainability incentive overview. Monetary value of the points is only indicative and states value in EURc for 1 kg of FPCM (fat and protein corrected milk). Your actual payment will be defined based on fat and protein content of your delivered milk and exchange rate. First sustainability incentive payment will happen in August 2023 for milk delivered in July 2023.

The majority of the SIM points come directly from the Climate Check. For some levers you have the opportunity to collect additional points by uploading documentation confirming that you meet the requirements for these levers. In the SIM Guide you will find information and details about the required documentation. Carefully read the documentation requirements for the area before uploading documents here in the IT tool. [Click here for the SIM guide.](#)


[Click here to learn how to use the Sustainability Incentive tool.](#)

[Click here to watch the video about the Sustainability Incentive tool](#)

EXPIRES THIS QUARTER

 Big 5 Feed monitoring Documentation submitted 2/2 0.06 points EURc/kg of fpcm Documentation does not cover ne... >	 Biodiversity & Carbon Farming Continuous plant cover 2023 Climate Check Documentation submitted 2/2 0.06 points EURc/kg of fpcm Documentation does not cover ne... >
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▼ BIG 5

 Big 5 Feed efficiency 1.01 kg DM per kg FPCM 5/13 0.15 points EURc/kg of fpcm Pre-filled from 2022 Climate Check	 215 kg gross N/ha 6/11 0.18 points EURc/kg of fpcm Pre-filled from 2023 Climate Check	 Big 5 Land use 1.13 m2 per kg FPCM 5/9 0.15 points EURc/kg of fpcm Pre-filled from 2023 Climate Check
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SUMMARY

Summary of all levers

Total score for current period

01/04/2024 - 30/06/2024

49

total points

1.47

EURc/kg of fpcm

[Go to the "Statements" for additional information on payment](#)

Total score for next period

01/07/2024 - 30/09/2024

45

total points

1.35

EURc/kg of fpcm

SIMULATION TOOL

[Try it out >](#)

ADDITIONAL INFO

More information

Big 5

[Click here to learn how to use the Sustainability Incentive tool](#)

MILKPRICE CALCULATION WITH INCENTIVES

Butterfat price, GBP
 Protein price, GBP
 Deduction for milk collection costs, pence

Raw milk value ppkg

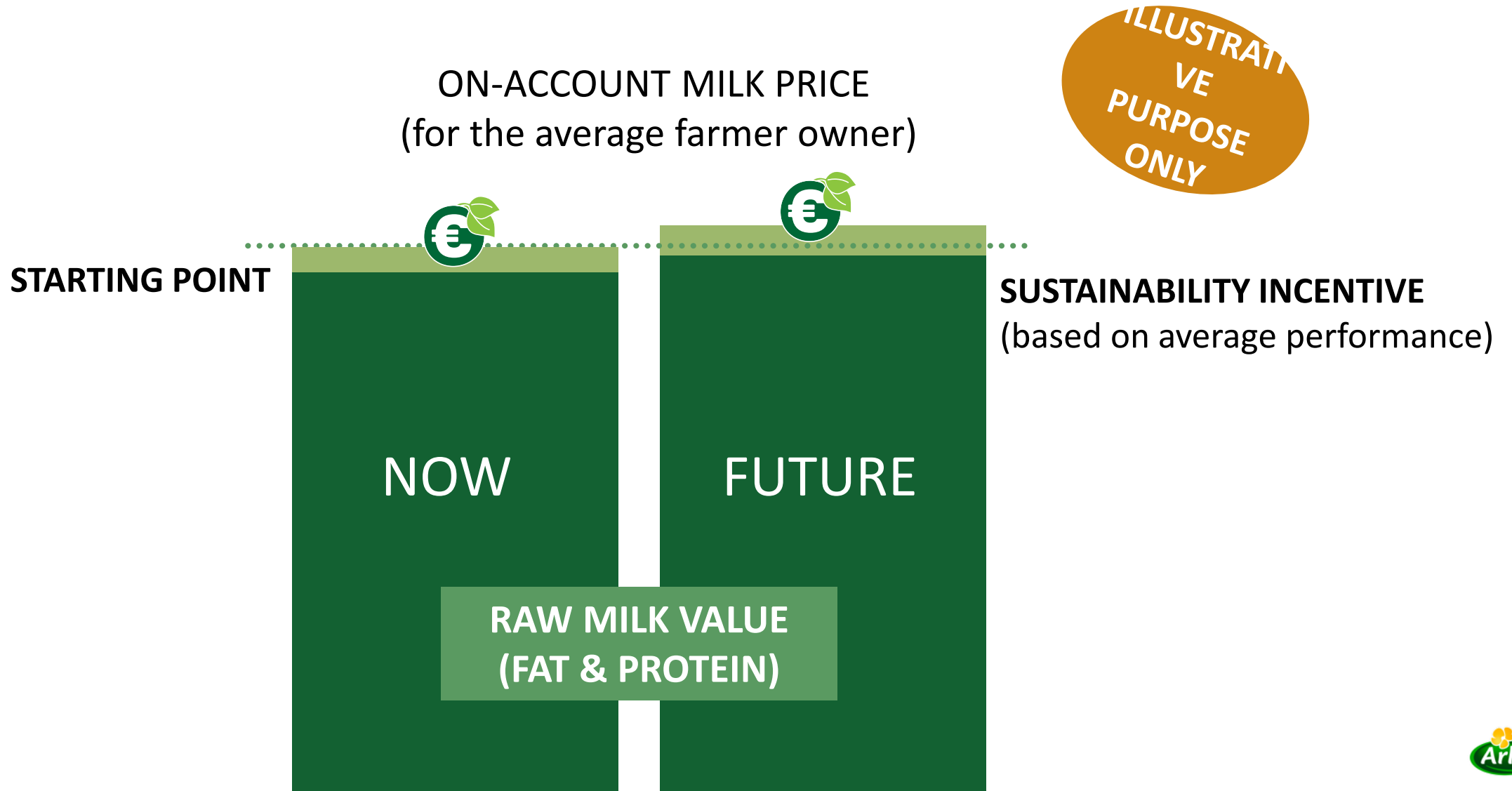
Best Quality
 Climate check
 Sustainability Incentive

ONE Milk collection & volume bonus
 Basic cost
On account price ppkg

$$\begin{aligned}
 & \text{BF } 4,20 * 4,93 + \\
 & \text{P } 3,40 * 4,43 + \\
 & \text{Vol } (-1,60)
 \end{aligned}
 \rightarrow$$

	CONVENTIONAL		ORGANIC	
	01.05.24	01.06.24	01.05.24	01.06.24
	4.93	4.98	6.15	6.27
	4.43	4.48	5.54	5.64
	-1.60	-1.60	-1.60	-1.60
	34.16	34.57	43.06	43.89
	1.37	1.38	1.72	1.76
	0.86	0.86	0.86	0.86
	1.43	1.43	1.43	1.43
	0.32	0.32	0.32	0.32
	-0.16	-0.16	-0.16	-0.16
	37.97	38.40	47.23	48.09

OVER TIME, THE COMMERCIALISATION OF SUSTAINABILITY ACTION WILL HELP BRING NEW MONEY INTO ARLA



1.12 → 1.08

kg CO₂e/kg FPCM
incl. Peatland in 2023

THANK YOU!

ANY QUESTIONS?

