



## Background

Understanding consumer desires may help in adding value to milk (products). Consumers are found to care about sustainability, animal welfare and grazing - however, despite *seeing* higher value in systems that support animal welfare the *willingness to pay* does not necessarily go together with consumer preferences. One of the more apparent consumer preferences is having milk from dairy cows that have a relative higher degree of movement freedom, typical for free walk systems either with or without grazing, in line with their natural behaviour and/or fitting with cultural image.

## How does the strategy work?

The dairy sector needs and wants to increase focus on sustainability. However, it needs economic viability to do that. This means providing sufficient income to dairy farmers whilst at the same time satisfy the needs and desires that exist within the sector as well as in society. As opinions, desires and needs are very different within the society, it's important to align with different stakeholders to set an achievable goals for the sector.

Many stakeholders exist, ranging from (dairy processing) industry, consumer, farmers, banking, NGOs, and more. In some countries, chain representation approaches exist to unite the chain in cooperation and pursuing sector goals. As an example, in the Netherlands this chain cooperation is called 'Duurzame Zuivelketen' (Sustainable Dairy Chain) to work on different sustainability targets and sector image. This approach allows stakeholders to benefit from cooperation to better align their own goals, targets and programs to the sector and society goals and preferences. Ultimate contributing to the value perception of the dairy sector itself and if addressed properly, to dairy products.

## Goalsetting in line with stakeholder desires

Duurzame Zuivelketen presents a sector approach towards achieving goals for 2030 with regarding to having a sustainable dairy sector. These thematic goals are categorized per theme and focus on specific subjects within that theme and are shown in Table 1. The grazing goals are further highlighted in the yellow section of this factsheet.

Table 1: Themes indicated by the Duurzame Zuivelketen chain cooperation towards 2030 in line with sector and society goals

Theme	Subject
Revenue models	Providing insight into revenue models
Climate responsible and energy neutral dairy sector	Greenhouse gas reduction Energy neutrality Energy savings
Improved animal health and welfare	The sustainable cow (use of medication and longevity) Improve animal welfare continuously
Grazing preservation	Preserve current levels (at least) of grazing. See also the <i>highlight section</i>
Biodiversity preservation	Sustainable animal feed Production within environmental boundaries Contribute positively to the positive balance on biodiversity impact
Land-related (dairy) farming	Local optimal production and acquisition
Farmyard safety	Safe environment for farmers, families, employees and visitors

## Positive features

1. Contributes to reaching goals on climate, animal welfare, biodiversity
2. Better connection with consumer preferences and society demands leading to higher milk value and chain appreciation
3. Higher percentage of grazing cows to support consumer perspective
4. Enabling of farmer compensation due to program implementation
5. Contribute to positive sector image

## Assessment of the method



## Be alert to the following:

'Value' can be expressed in many forms. The most common/apparent being the economic, *objective* one. *Added* value typically reflects an increase in €/sold unit of product paying for the efforts/margins made within the chain, without predefined distribution. *Subjective* values (animal welfare standards, cultural feeling, pride (best of), health, to name a few) may be as important without necessarily adding to economic value.

## Highlight: Grazing from a Dutch dairy perspective

Grazing cows characterise the Dutch landscape. As a result, this determines the perception that society predominantly has of the Dutch dairy sector and its products. In the years before 2015, the number of dairy farms where cows grazed was declining. A reduction in grazing cows will not contribute to improved consumer perception hence increased focus on grazing is needed. This was successfully done under a convention within 'Duurzame Zuivelketen' and many stakeholders. Following this, preservation of grazing (cows) is now a 2030 sector target: retaining the 81,2% of farms that apply a form of grazing (and 73,6% full grazing).

Reaching these goals required a range of methods and approaches to realize this improving trend. Farmers need to be supported when transitioning to applying grazing versus indoor feeding (only). Within different projects, such as *Amazing Grazing* and *Robotic Milk and Grazing*, tools have been developed – both low and high tech, as well as grazing management and techniques to support farmers. Next, to reach the customer, Dutch milk packages that contain milk from grazing cows carry the so-called '*weidologo*' (grazing logo), a logo that independently guarantees the grazing level of the cows that produced the milk. Lastly, but certainly not least, dairy companies have been promoting grazing with their supplying farmers by providing premiums for grazing hours as part of their sustainability programs.

What exactly is *weidemelk*?

*Weidemelk* is milk from farms where cows can walk outside from spring to autumn for at least 120 days/year and at least 6 hours/day in grazing pasture. Farmers can also opt to graze for 120 days/year and at least 720 hours/year increasing the total amount of days, rather than a fixed amount of hours/day, i.e. in case less grass is available



## Quote of the farmer:

"Value is in the eye of the beholder"