

Dairy Development supports our business and adds value to society



Dairy Development Quarterly update

July 2018

DDP HIGHLIGHTS

Supporting Frisian Flag Indonesia in getting better quality milk

To meet food safety and legal requirements, customer specifications, functionality requirements, to reduce costs of manufacture and to maximize return for product a Corporate Quality Standard Raw Milk (QSRM) is required for the Consumer Dairy Opco's in Asia and Africa. A project team was set up last year to define the QSRM and preparations have been made at various OpCo's to start the implementation.

To follow up new product specifications, one of the parameter that still needs to be improved in Indonesia is Somatic Cell Count (SCC). A high SC count is often related to bad udder health, which in turn is caused by among others a lack of knowledge regarding good milking practices, animal health, housing, hygiene and feed & water.

In order to support our colleagues at Frisian Flag Indonesia (FFI) to improve udder health the Global Dairy Development Department linked FFI to Dutch experts Floor Beijen and Jan Hesselink, who both work in the Cooperative Affairs department in Amersfoort. Together with the FFI team they set up a roadmap to bring SCC in raw milk down from 1.3 million to 0.5 million. The pilot project included a baseline and root cause analysis at one cooperative, consultancy to the local DDP team and a training of all members of the cooperative. The first evaluation results are very positive and show

that SCC has dropped considerably.

13 DDP colleagues now master trainer CowSignals

Thirteen Dairy Development officers from Indonesia, Vietnam, Pakistan, Nigeria, Thailand and Romania followed a CowSignals



master training in Indonesia. Our colleagues are now certified master trainers and (even) better equipped to support farmers in their countries to provide high quality milk to FrieslandCampina, become more productive and thus get a better living. Straight after the training our Pakistani colleagues started 'spreading the word' and trained a number of Agri Service officers in their country.

Engro Foods wins Commonwealth Awards

Recently our colleagues at Engro Foods won the prestigious 'Commonwealth Company of the Year' Award for their work in women

empowerment. The Dairy Development team at Engro Foods has been developing women entrepreneurs and training women in livestock management since 2013. This has resulted in increased productivity, better quality milk and a better living for female farmers. A great example of how DDP can empower farmers and support our business!

A FEW FAST FACTS DDP 2018 (UNTIL 30 JUNE 2018)



>250,000

farmers involved in DDP programme

20,534

farmers trained by DDP teams in 2018

260

stakeholders received for field visits in the Netherlands

Substantiating the role dairy plays in achieving SDGs

For the long term credibility of the dairy sector it is highly relevant to show and tell that dairy is playing a crucial and positive role in achieving the 17 Sustainable Development

Goals (SDG's) of the United Nations that were adopted in 2015.

Through the Global Dairy Platform, of which FrieslandCampina is a founding member, we work with a network of dairy ambassadors reaching out to key stakeholders in and around the UN community.

From 9 until 13 July Atze Schaap, Corporate Director DDP, had the opportunity to meet several international stakeholders in New York during the UN High Level Political Forum on Sustainable Development and to participate as speaker during an event on food safety.

DDP's impact on SDG1

To show the role dairy development plays in lifting poor people out of poverty, the Global Dairy Platform (GDP), IFCN Dairy Research Network and the Food and Agricultural Organisation of the United Nations (FAO) will publish the report *Dairy Development's Impact on Poverty Reduction* shortly.

Given the importance of livestock in poor people's livelihoods, livestock sector development, and particularly development of the dairy sector, is regarded as a promising avenue for supporting the achievement of SDG 1. To underpin the case for dairy development as an avenue for poverty reduction, the FAO/GDP/IFCN study assesses the evidence for a causal relationship between dairy development and poverty reduction/improved household welfare.

This study found that dairy cow ownership and/or improvement of dairy cow production consistently had a substantial positive and nearly always statistically significant impact on a wide range of indicators. The research sampled in this study was consistent in its agreement that engagement in dairying was the cause rather than the result of higher household welfare.

The report will be published shortly. To pre-order a copy, send an email to: dairydevelopmentdesk@frieslandcampina.com.

Securing our milk supply by engaging farmers

DDP teams all over the world are constantly working on securing a reliable and high quality milk supply for FrieslandCampina's

OpCos. To achieve this good relations with local farmers are essential. That is one of the reasons why a number of DDP teams included local farmers in the World Milk Day celebrations this year. Below you will find an impression of events held with farmers during WMD and during Ramadan.



Supporting our business by receiving important stakeholders to FrieslandCampina

As the Chinese Ambassador to the Netherlands acts as the local 'eyes and ears' of the Chinese government, we constantly build on maintaining a good relationship with the Chinese Embassy and on keeping these stakeholders well informed. On 24 May the new Ambassador Mr Wu Ken visited the farm of one of FrieslandCampina's member dairy farmer in Voorst to experience the 'grass to glass' approach. Milk was sampled and loaded and the milk sample was - literally - followed to the laboratory of Qlip in Zutpen.

On 12 June H.E. Dr. Aung Thu, Minister of Agriculture, Livestock and Irrigation from Myanmar visited the farm of one of FrieslandCampina's member dairy farmers in Waarder to learn more about the workings of FrieslandCampina, the cooperative. The minister was here at the invitation of the Dutch minister of Agriculture and signed an MoU with our partner Agriterra to develop cooperatives in Myanmar.



Challenges

Of course in DDP we also face plenty of challenges. To name one:

China

With the 100% ownership of Friesland Huishan Dairy by FrieslandCampina we have to ensure that for the Xiushiu factory a sustainable supply of high quality milk remains in place. The global dairy development department plays an active role in achieving this.

DDP contributes to SDG 1, 2, 5, 8, 12 and 17:

