

SOCIAL RESPONSIBILITY OF THE FRENCH DAIRY INDUSTRY

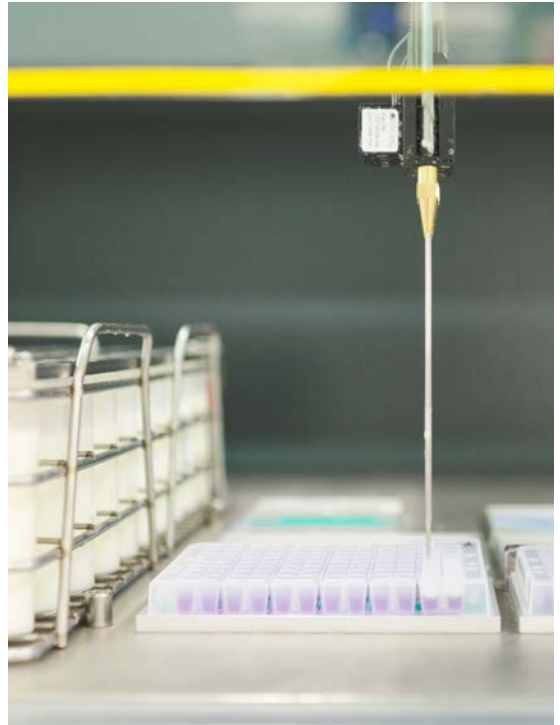


Franceterrede**LAIT**

LA FILIÈRE LAITIÈRE S'ENGAGE



2021 REPORT



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Thierry Roquefeuill
President of the Cniel

“BUILDING A SUSTAINABLE FRENCH LAND OF MILK TOGETHER”

France Terre de Lait is the social responsibility approach of the French dairy industry. All the stakeholders of the French dairy industry are involved. This approach aims to define and develop the quality basis of each litre of milk in order to meet societal expectations and United Nations Sustainable Development Goals.

France Terre de Lait is a strategic commitment by the french dairy sector. To develop the commitment, the interprofessional association (Cniel) has developed a progressive and consensual method, structured around the principles of the ISO 26000 standard.

To gain credibility and legitimacy, the Cniel has opted for its evaluation by an independent and recognised third party. On 12 October 2020, shortly after the publication of the industry’s first social responsibility report, *France*

Terre de Lait reached the “confirmed” level of the AFNOR CSR “Label Engagé”, thus joining the community of more than 200 organisations committed to CSR.

This demanding recognition strengthens our approach and reinforces the consistency of our organisation and the relevance of our commitments.

However, there are still points to improve moving forward and our approach is positioned with this in mind. This second social responsibility report illustrates this. It presents the overall vision of the challenges facing our industry and the priorities adopted based on the dialogue initiated with internal and external stakeholders. It explains the respective power of action of the Cniel and of the industry’s stakeholders. It measures the progress made and presents the action plans set up, specifically highlighting the contributions of the college representing distribution, retail and collective catering that joined the Cniel in September 2019.

While the Covid-19 pandemic has shaken our way of living and working, it has nevertheless confirmed the relevance of our approach. Through a responsible and supportive stance, stakeholders in the dairy industry have continued to supply the French market with healthy, good and sustainable products.

The industry is making good progress under the impetus of *France Terre de Lait*.





Ghislain de Viron

*President of the college
of dairy farmers*



Robert Brzusczak

*President of the college
of private dairy businesses*

“Economic commitment must progress at the same pace as other indicators”.

France Terre de Lait is a whole, a consistent set of commitments adhered to by the entire dairy industry. It is based on four performance indicators. This social responsibility approach can only be balanced if these four pillars progress. This is the meaning of this approach and the commitments signed on 14 January 2020.

Farmers keep their promises, in particular in terms of health performance, by guaranteeing the absence of antibiotic residues in milk. We are making progress in responsible production and I am convinced that carbon and animal welfare goals will be met.

However, economic performance is not improving fast enough despite the exceptional results recorded by processors and distributors during this Covid-19 pandemic. Farms are still waiting for a financial upturn. Our partners must hear our message; we must progress economically at the same pace as all the commitments made by *France Terre de Lait*.

“Our businesses play an increasingly crucial role in making France Terre de Lait a benchmark”.

French dairy businesses have always aimed to meet the expectations of citizen-consumers. This permanent adaptation is the prerequisite to their success. This is why we are all fully committed to demanding and ambitious progress initiatives to satisfy consumers and build a development model that is ever more respectful of the health of people, nature and animals.

The Covid-19 pandemic has actually reinforced this conviction and increased our ambitions. For the past year and a half, the entire dairy industry has implemented a social responsibility approach through *France Terre de Lait*. Each consumer, each citizen must have access to quality dairy products that are always safer, respectful of animal welfare and of the environment and allow each stakeholder in the industry to make a living from their work.

More than ever, our businesses play a central role in ensuring that *France Terre de Lait* becomes a benchmark in France and on a global scale.

Despite health, economic, social or climatic imbalances, they are fully committed to ensuring that France remains a great land of milk in the future. In this respect, we would like to thank all our employees who have made it possible to get through the crisis. This daily commitment of farmers and businesses must translate into increased value for our products.

MESSAGES FROM THE PRESIDENTS



Damien Lacombe

*President of the college
of dairy cooperatives*

“Social and environmental responsibility is a shared ambition!”

In a world facing multiple economic, environmental and social challenges, the dairy industry has a duty to provide sustainable and ambitious solutions that prepare for the future. Dairy cooperatives embrace this ambition. They are attached to it. They are committed. They strive to achieve it as responsible stakeholders. We must indeed continue to collectively build and consolidate an industry that is more resilient, attractive, competitive, united and responsible. This is the commitment we made in 2019 and we still have a long way to go to achieve it.

However, this goal is only attainable if many of us sign up to it. *France Terre de Lait* is indeed a shared ambition that must necessarily be nourished by the commitments of all the stakeholders in the industry!



Jacques Creyssel

*President of the college of distribution,
retail and collective catering*

“We must constantly adapt to the expectations of citizens”.

France Terre de Lait embodies dialogue, collective responsibility and permanent adaptation to meet the expectations of citizens and consumers. They expect more transparency in terms of quality and animal welfare. *France Terre de Lait* brings us together to promote a dairy industry that stands for excellence, performance and innovation.

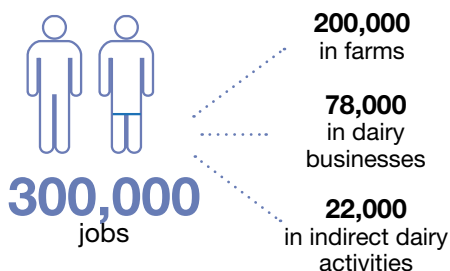
Stakeholders in distribution, retail and collective catering are more than ever at the heart of the challenges of the dairy industry. Anchored in the heart of the French regions and close to consumers, they are key links in their daily lives.

France Terre de Lait is a genuine collective approach to progress. It brings together each of the internal stakeholders to achieve common objectives: creation of value from upstream to downstream, attractiveness of professions, maintained employment and revitalisation of the regions, cutting-edge innovation for an industry that emits fewer greenhouse gases... These goals embody our commitments and chart the course of our progress approach!

COW'S MILK DAIRY INDUSTRY, FOR A SUSTAINABLE VALUE CREATION MODEL

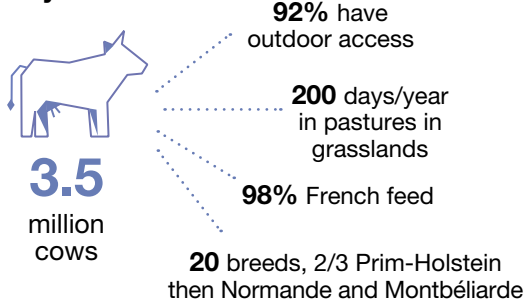
OUR RESOURCES

HUMAN ASSETS

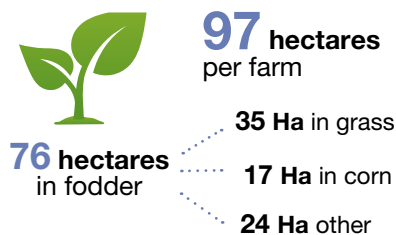


NATURAL ASSETS

Dairy herds



Environment



- **560,000 km** of hedgerows (dairy and meat).
- **1.9 million** hectares of surface area still under grass (permanent grasslands and mountain pastures).
- **1,450 bacterial strains** of dairy interest maintained in the interprofessional association's collection.

A DIVERSITY OF ROOTED IN THE P

FARMERS

Diversity of operational systems

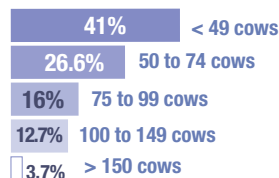
51,600 farms
 47.2% in lowlands
 26.9% in mixed livestock farming
 24.8% in Piedmont mountains

24 billion litres produced by the industry including **1** billion litres of organic milk

462,000 litres of milk produced per farm on average

Family, human-scale farms
 2.07 people per farm

68 cows on average per farm



DAIRIES

Diversity of processing tools

720 processing sites
 55% private groups
 45% cooperatives
 200 mountain dairy cooperatives
 2,900 manufacturing dairy farms

Diversity of the product range



The most varied range in the world

1,500 consumer products including **1,200** varieties of cheese

36 PDOs
7 PGIs in cow's milk, with 9 new PDOs and PGIs in the last 10 years



OUR AMBITION

guaranteeing healthy and good quality dairy products, while preserving natural resources, in a sustainable production model, profitable for the stakeholders that produce and market them.”

STAKEHOLDERS FRENCH REGIONS

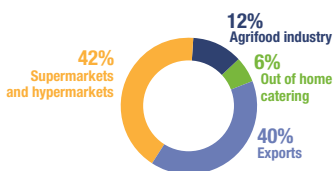


RETAIL DISTRIBUTION CATERING

Diversity of marketing systems

14 billion litres marketed in France in the form of milk, butter, cream, cheese, yoghurt, dessert cream and various ingredients

Sales channels



4 out of 10 litres exported in 88 countries



CONSUMERS

The French are the leading consumers of dairy products in Europe

336 kg milk equivalent consumed each year Per French person

Products accessible to all

VALUE CHAIN PARTNERS

- Technical institutes and livestock consultants
- Vets and health consultants • Research institutes and Universities • Agricultural colleges, dairy colleges, engineering colleges, universities • Suppliers: agricultural inputs, ingredients, equipment and analysis



EXTERNAL STAKEHOLDERS

- Civil society: NGOs, Consumer associations, etc.
- Public bodies: France (Ministries), EU (Commission) • International organisations: UN, FAO, OIE, UNEP, etc. • Elected officials: Regions, French EU parliaments • Media

VALUES ESTABLISHED BY THE INDUSTRY

LEADING AGRI-FOOD ECONOMIC SECTOR



12% of turnover of the agri-food industry

- Dairy industry: €39.8 billion
- Supermarkets and hypermarkets: €18.3 billion
- Farmers: €9.9 billion
- Cheese sellers: €985 million

A JOB-CREATING INDUSTRY THROUGHOUT FRANCE

- **65 professions**
- Presence of farms in **88 départements (counties)**
- Factories **close to the farms**
- 85% of employees in municipalities with fewer than 15,000 inhabitants

A SURPLUS TRADE BALANCE

3.5 billion surplus

3.8 billion in exports



FOOD SOVEREIGNTY

- A cow transforms 1 kg of plant protein edible by humans into 1.8 kg of dairy protein
- A dairy farm feeds an average of 2,171 people with animal protein
- Dairy products contribute to the daily diet of the French:
 - 12.8% energy
 - 19% protein
 - 54% calcium

ENVIRONMENTAL CONTRIBUTIONS

- Maintenance of hedgerows in cattle breeding
- **235 kg** of carbon stored per ha of total cultivated area and per year
- **110 hectares** of biodiversity developed on average per dairy farm

THE CNIEL

AN INTERPROFESSIONAL ASSOCIATION FOR A COMMITTED DAIRY INDUSTRY

RESOURCES

OUR HUMAN RESOURCES



100 people with strong specialist skills united in a professional network.

OUR FINANCIAL RESOURCES

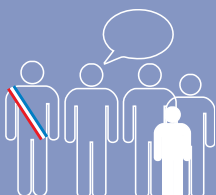
- . Compulsory national contribution per litre of milk: farming / processing: €40 M
- . Voluntary contribution 4th college: €2 M
- . EU co-financing €11 M

MISSIONS



Fostering dialogue between stakeholders in the industry and with external stakeholders

Representing the interests of the industry to public bodies



Providing decision-making support to define collective issues

Creating favourable conditions for sustainable economic development of the industry and its stakeholders



FranceterredeLait



Accelerating the processing momentum for a long-lasting and sustainable industry

GOVERNANCE

UNANIMOUS DECISION-MAKING

College of farmers:

FNPL, Coordination rurale, confédération paysanne



College of Cooperatives:

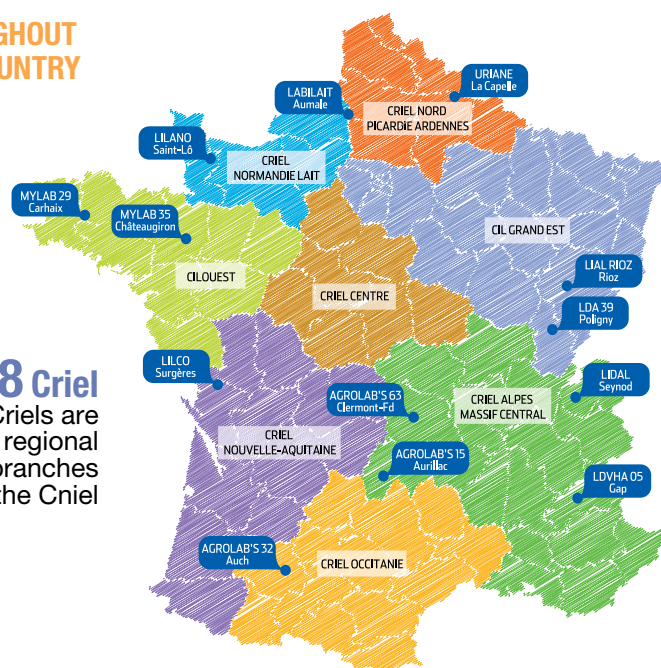
la coopération laitière



REPRESENTATION

THROUGHOUT THE COUNTRY

8 Criel
The Criels are the regional branches of the Cniel



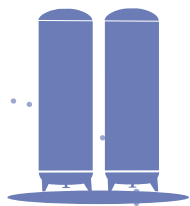
11 interprofessional laboratories
The interprofessional laboratories are coordinated by the Cniel to analyse payment of milk according to quality

WHO ARE WE?

The Centre national interprofessionnel de l'économie laitière (CNIEL) groups together representatives of stakeholders in the cow milk industry.

OUR PROJECT

Develop and deploy a shared *France Terre de Lait* strategy for an efficient and sustainable dairy industry, in the interest of its stakeholders and consumers.



College of Private Industries:

Fnil



College of retail, distribution and collective catering:

FCD, FCA, FFF, Agores, Restau'Co, SNRC

Associate members: Cnaol* (Centre national des Appellations d'origine laitières), invited to attend board meetings: General economic and financial controller, representative of the state

AT AN INTERNATIONAL LEVEL



New York: FCB (French Cheese Board)



Beijing: Shanghai Representative Office: La Crèmerie CAFC (France-China Food Council)



IDF (International Dairy Federation)



EMF (European Milk Forum)

THE CNIEL CREATES

FOR ITS ELECTED OFFICIALS

Economic and scientific monitoring and studies, as well as analyses of consumer expectations to support decision-making processes



Knowledge through research to consolidate the positions of the industry

FOR THE INDUSTRY

- . A short and medium term strategic vision
- . An operating framework through guides, benchmarks and interprofessional agreements approved by the public authorities
- . A collective dynamic for the creation of economic value and its fair distribution
- . Gearing up the transformations needed to achieve a sustainable industry
- . Insights for public decision-makers to take into account the specificities of the industry, milk and dairy products

FOR THE CONSUMER

- . Well-researched information on the industry and dairy products
- . Protection of dairy names
- . Guaranteed quality and health safety
- . In-depth scientific knowledge through support of public research



FOR ITS EMPLOYEES

- . Meaning linked to the industry's collective efforts

The dairy industry's commitment to sustainable development helps guarantee its own sustainability. This ambition is driven by a strategy based on the performance of the dairy business, meeting societal expectations, all in a progress approach supported by all the industry's stakeholders.

France Terre de Lait is the largest collective initiative of the French dairy industry in terms of sustainable development. It builds on a long history shared by dairy stakeholders, and a response to market demands, consumer requirements and expectations, both for exports and on the domestic market. To better restore and distribute product value, the French dairy industry must commit and communicate on its practices and its progress initiatives. That is the essence of *France Terre de Lait*. By taking responsibility for the consequences of its activities on the environment and society, and by reporting on progress using credible and transparent indicators, this social responsibility approach enables the industry to continue to build the dairy model of the future.

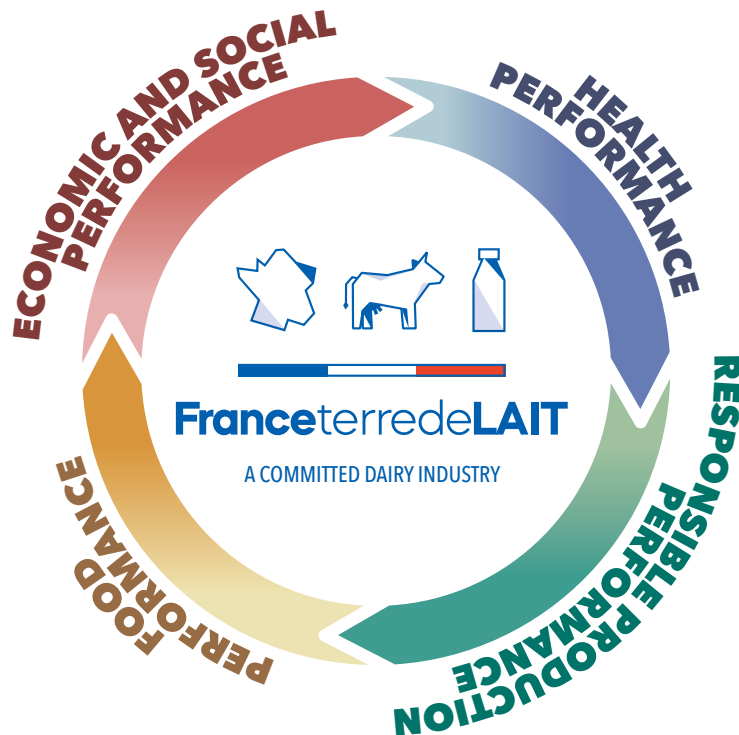
The desire to implement a single social responsibility approach across the entire dairy industry, upholding the principles of the ISO 26000 standard, was announced in December 2017 in the eponymous industry plan. Commissioned by the President of the Republic at the end of the Etats Généraux de l'Alimentation (General Assembly on Food) – it outlines the strategic 5-year roadmap for the industry (2018-2023). There is a double challenge: **ensuring the competitiveness and sustainability of dairy activity with the aim of better creating and distributing value among industry stakeholders, in particular farmers.**

This industry plan acknowledges a change in the interprofessional association's scope by integrating a 4th college: distribution, retail and catering. **The Cniel becomes a so-called "long" interprofessional association.** The industry has also expressed the desire to consult civil society in its decision-making (in particular NGOs, consumer associations and consumer-citizens). From farm to fork, all the stakeholders and their interests are now integrated into the decision-making process of the interprofessional association.

Thus was born France Terre de Lait. To continue to make progress, action programmes are set up around four performance areas: economic and social, food, health, environmental and animal welfare. These performance areas are interdependent. Progress must be made simultaneously across each of them. These are four essential conditions for the sustainable development of the industry. *France Terre de Lait* goals allow each dairy stakeholder to include their individual **project in the collective progress project.** This collective approach to social responsibility is part of the global initiative launched by the International Dairy Federation (IDF) with the FAO, which is inspired and enriched by the experiences of other international dairy industries. Its priorities are in line with the UN's Sustainable Development Goals (2030 Agenda). **France Terre de Lait thus continues the progress pathway of the French dairy industry.**

SUSTAINABLE DEVELOPMENT AT THE HEART OF THE INDUSTRY'S ACTIONS

Structuring into four approaches



Economic and social performance

The prerequisite for guaranteeing the **sustainability** of the dairy industry is a viable economic and social organisation. It is the cornerstone of *France Terre de Lait*. It is leveraged by the **competitiveness** of stakeholders in the industry and the industry's **attractiveness** to ensure **generational renewal**. The industry can only meet society's expectations on a sound economic and social basis.

Health performance

Society expects **safe, healthy and high quality** dairy products. **Health quality** is the third ranking criterion for Europeans in the choice of their food. The dairy industry is renowned for its excellence in this field. It must be maintained because we also note that health crises can very quickly deteriorate the level of **confidence** of the French in dairy products.

Responsible production performance

Society also expects industry stakeholders to be able to **preserve the natural resources** they use and which are part of the common good. Our performance in this area focuses on our ability to **preserve the environment but also to guarantee the welfare of the animals that produce milk**.

Food performance




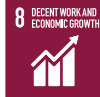
But making progress in all these areas is not enough, we must also **let it be known**. The industry strives to provide consumers with **scientifically substantiated information** on the quality of dairy products and their **production conditions** and support value-creating **sustainable exports**.

The industry upholds eight progress commitments

For each of the four performance areas of *France Terre de Lait*, the industry has defined two progress commitments and quantified indicators to monitor them.



ENSURING THAT EVERY STAKEHOLDER CAN CLAIM A BETTER PROFESSIONAL EXPERIENCE

ECONOMIC AND SOCIAL PERFORMANCE

COMMITMENTS	OUR GOALS FOR 2025	CONTRIBUTIONS TO THE UN'S SUSTAINABLE DEVELOPMENT GOALS
Improving the industry's ability to compensate all of its stakeholders	More than half of dairy farmers receive less than the French median salary	 
	More efficient dairy businesses (innovation, investments, etc.)	
Improving the working conditions of all stakeholders in the industry to make it more attractive	Measuring and improving quality of life at work (recognition, economic security, training, well-being at work, etc.)	 

BECAUSE CONSUMER CONFIDENCE IS OUR PRIORITY





HEALTH PERFORMANCE

COMMITMENTS	OUR GOALS FOR 2025	CONTRIBUTIONS TO THE UN'S SUSTAINABLE DEVELOPMENT GOALS
Guaranteeing the absence of antibiotic residues in milk Continuing the fight against antibiotic resistance	100% of milk tested Systematic inspections of milk deliveries at the farm and at the dairy	
Strengthening health safety	Optimising supervisory, inspection, control and investigation methods	

TO GUARANTEE ANIMAL WELFARE AND PRESERVE THE ENVIRONMENT

RESPONSIBLE PRODUCTION PERFORMANCE





COMMITMENTS	OUR GOALS FOR 2025	CONTRIBUTIONS TO THE UN'S SUSTAINABLE DEVELOPMENT GOALS
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<p>Assessing the welfare of dairy herds and improving practices when needed</p>	<p>100% of farms audited</p> <hr/> <p>16 assessment indicators for animal welfare, based on scientific methodology</p>	 
<p>Improving the carbon footprint of the dairy industry</p>	<p>In line with our climate roadmap, reducing our carbon footprint by 17% per litre of ex. works milk</p>	 

TO SUBSCRIBE TO A RESPONSIBLE CONSUMPTION APPROACH

FOOD PERFORMANCE

COMMITMENTS	OUR GOALS FOR 2025	CONTRIBUTIONS TO THE UN'S SUSTAINABLE DEVELOPMENT GOALS
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<p>Informing about the essential role of dairy products in a balanced diet, and on their production methods</p>	<p>Improving the high level of trust of French consumers in dairy products</p>	
<p>Promoting sustainable French exports while respecting local industries and food cultures</p>	<p>In exports – in particular to emerging countries – supplying high value-added dairy products that supplement local supply and do not compete with it</p>	  

The dairy industry's progress commitments for 2025 are the result of an interprofessional consensus, substantiated by the debates of the Etats Généraux de l'Alimentation (General Assembly on Food). The methodical comparison of these issues with the expectations of the main stakeholders confirms their relevance and opens up new areas of collective work. It is a collective and permanent progress dynamic.

The main challenges taken into account in *France Terre de Lait*

An analysis and prioritisation of the challenges facing the dairy industry was carried out in early 2021. The list of challenges is the result of collegial discussions. **The main challenges facing the industry have been assessed by professionals, internal stakeholders in the industry** and compared to the opinion of external stakeholders, in particular citizens and their representatives. This materiality matrix highlights the differences in assessment in terms of prioritisation and the actions to be carried out within the framework of *France Terre de Lait*.

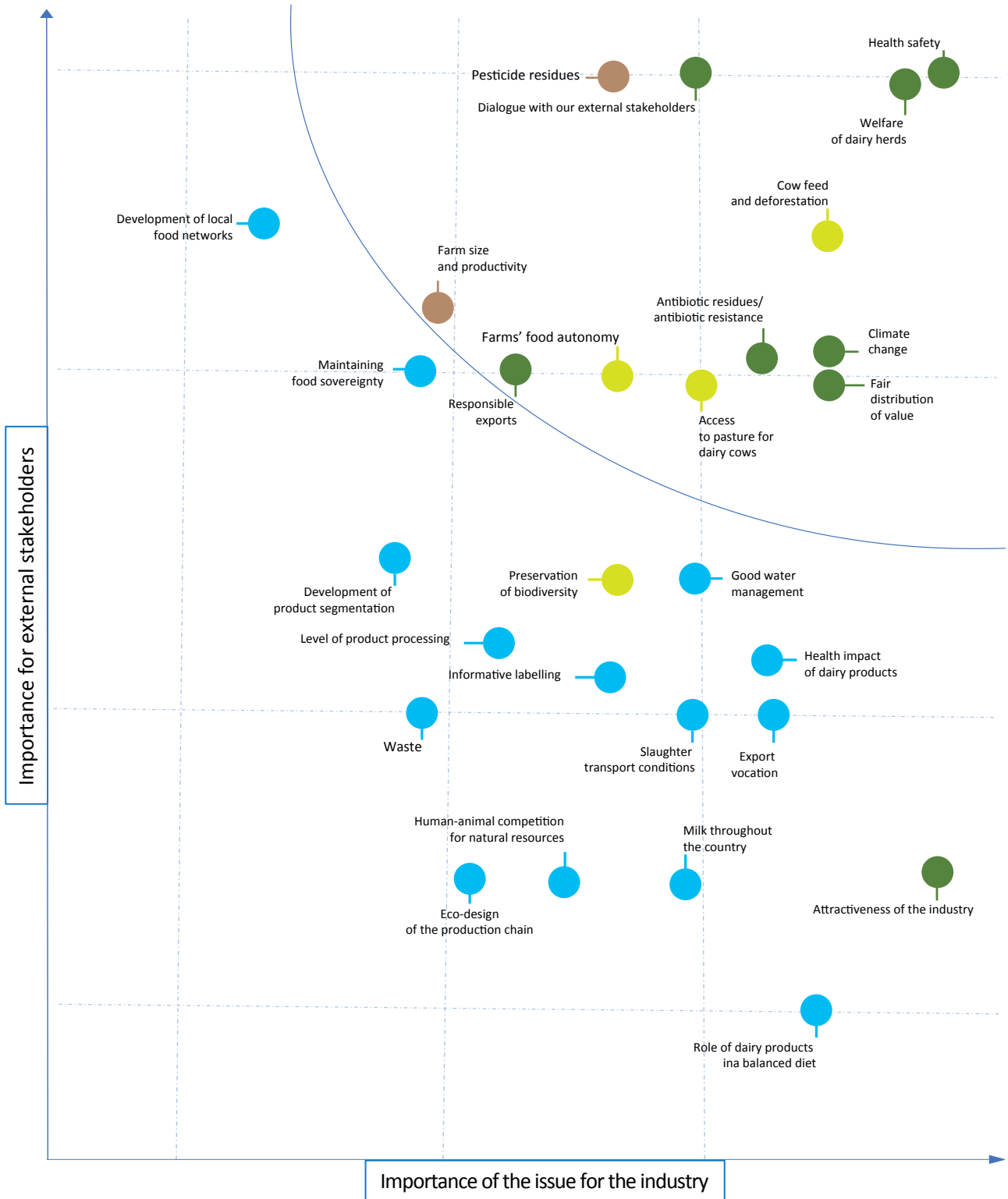
7 of the 8 priorities that the dairy industry has set itself through progress commitments (in green on the matrix) show a convergence of views since they are considered to be of priority importance both by the members of the industry and by external stakeholders. **This involves a distribution of value within the dairy industry, food safety, antibiotic residues, animal welfare, climate change and the responsible export of dairy products.** Moreover, the maintenance of a dialogue between the Cniel and its stakeholders is in itself a priority.

Some challenges are more of a priority for the industry than for its stakeholders

While it is not perceived as a major issue for external stakeholders, the **attractiveness of the industry and its ability to attract younger generations** is one of the eight commitments of *France Terre de Lait*. It is a priority for all members of the industry: farmers, processors and the retail sector. Indeed, in dairy farming today, there is only one new installation for every two retirements and the dairy industry is facing a shortage of candidates for certain jobs. The *France Terre de Lait* approach is considered as a response to offer an attractive, viable and sustainable industry to the dairy stakeholders of tomorrow.

THE EIGHT COMMITMENTS BY FRANCE TERRE DE LAIT ARE CONFIRMED BY ITS STAKEHOLDERS

Materiality matrix of the dairy industry



- Issues covered by a France Terre de Lait commitment
- Issues discussed with NGOs
- Important issues for external stakeholders
- Other issues

The materiality matrix of the French dairy industry represents the economic, societal and environmental challenges as seen by the dairy industry and its main stakeholders.

Discussions highlight the issues of concern to the industry beyond *France Terre de Lait*

Some commitments emerge as priorities for external stakeholders but do not appear as such among the eight commitments of *France Terre de Lait*. Specifically, **access to pasture, the food autonomy of farms (which in particular makes it possible to reduce the use of soya which is responsible for deforestation) and the maintenance of biodiversity** are considered to be very important. They are also important for the industry and are the work focus of the interprofessional association with roadmaps drawn up in particular on the basis of consultations with environmental protection and animal protection NGOs since 2018. Consultations with NGOs and consumer associations in this sense reveal and even accelerate the priority issues for the industry.

Encouraging access to pasture

After two years of consultation between the sector and animal protection NGOs (CIWF, La Fondation Droit Animal, OABA and Welfarm), a consensus was signed in February 2020: **“Access to pasture is important for the welfare of dairy cows. This is a dominant practice on dairy farms, since it concerns 80% of lactating cows and the industry wants this situation to continue. It advocates giving cows access to pasture and wants to halt the development of no-pasture farms”**.

This conclusion is accompanied by an action plan, notably through the initial and continuous training of agricultural stakeholders, in the process of setting up for the first time. Progress status reports are organised with NGOs on the follow-up of these commitments.

Stopping imports of deforesting soya and moving towards protein autonomy

In terms of protein autonomy for dairy farms, consultation with environmental protection NGOs (Fondation Nicolas Hulot pour la Nature et l’Homme, France Nature Environnement, Greenpeace, WWF), initiated in 2019, led to a strong policy statement by the Board of Trustees of the Cniel in April 2021: **“Soya and protein autonomy are a fundamental interprofessional issue. Conscious of and concerned about its environmental footprint, the dairy industry, to uphold the diversity of its systems, wishes to stop its imports of deforesting soya and wants to move towards protein autonomy**. The multiple levers of action, adapted to each farming system in their specific soil and climate context, essentially involve the use of more protein-rich fodder, supported by a national protein plan that the industry is calling for.

Preservation of biodiversity

The preservation of biodiversity is the subject of an unprecedented approach between the Cniel and environmental protection NGOs which have strong expertise in biodiversity (France Nature Environnement, Humanité et Biodiversité, Ligue de Protection des Oiseaux, Orée), and more recently with the Office Français pour la Biodiversité. It takes the form of a technical working group whose aim is to talk about challenges and work carried out by the participants and the solutions to be promoted. These indicators should allow farmers to sign up to a progress pathway and the Cniel to monitor the impact of dairy farming on biodiversity at the national level.

Important issues for external stakeholders

The absence of pesticide residues in milk

The possible presence of pesticide residues in milk is perceived as an important issue by stakeholders and in particular by consumer associations. The industry has not placed this issue at the top of its priorities. It is an issue that it knows well, in particular thanks to the identification of molecules sought in priority in milk which it has carried out with ANSES. Nevertheless, since the subject emerges in the consultations, it is probably in our interest to communicate more to reassure these target groups.

The “French dairy farm”, on a human scale

Increasing the size of farms and their productivity also emerges as a priority theme for stakeholders. This is a topic to be watched for the Cniel, which analyses these developments. We note that what consumers believe to be the average size of dairy herds is out of step with reality and this encourages us to communicate better on this subject.

The French dairy farming model remains a model on a human scale.

Consumer information, a priority for the industry

In general, consumers and citizens expect explanations and transparency on the products they consume. Dairy products are no exception. The dairy industry understands these expectations and makes consumer information a priority (labelling, origin, local food networks, etc.). In response to this, the Cniel has started a consultation with consumer associations and opened a consultation platform with consumers.



The methods of constructing the matrix

The issues for dairy industry stakeholders were prioritised by sending a questionnaire to the 4 Cniel colleges and asking each to rank 36 issues¹. The final analysis results from an average of the answers received from the colleges.

The prioritisation of issues for external stakeholders was carried out by consulting independent experts, initially identifying three major categories of stakeholders: opinion leaders (NGOs and consumer associations), consumers and public authorities. The assessment was done by Cniel employees in charge of relations with these respective stakeholders. The “opinion leader” stakeholder category was selected for this matrix, with regard to its power of influence and its impact on the opinion of citizens. The classification of the issues was supported by individual consultations with environmental protection NGOs, animal protection NGOs and consumer associations, carried out beforehand, between 2018 and 2020.

¹ According to the principles of Afnor XP 30-029: “determining the priority of the areas of action of the ISO 26000 standard”

The *France Terre de Lait* social responsibility approach emerged within the Cniel as part of discussions on the industry plan. It is major part of the interprofessional association's strategy and is now its roadmap.

The Cniel has shifted its position to support the *France Terre de Lait* collective and integrative approach to social responsibility and stands out more than ever as a spokesperson for the industry's values.

To succeed in this transformation, the Cniel has stepped up discussions between the representatives of its colleges, reviewed its committee organisation for greater involvement of professionals in its work, organised dialogue on sustainable development issues with partners in the industry and consolidated its networks of influence.

Recognised by European and national public authorities, the Cniel is backed up by interprofessional agreements which therefore have the force of law. This is the case of fees paid by industry stakeholders and for the supervision of payment according to milk quality.

Decision-making within the Cniel

The Social Responsibility and Consultation Steering Committee defines the sustainable development challenges of the industry and brings them before the Cniel Board of Trustees. Created in 2018, and **reporting to the Board of Trustees**, this professional Committee evaluates and develops proposals to expand *France Terre de Lait*. **Surveys of industry stakeholders** enrich the debates and make it possible to be in tune with the realities on the ground.

Cniel networks

The Cnaol

The Cnaol brings together the 61 management bodies of PDOs and PGIs for dairy products including **51 dedicated to cow's milk products**. The President of the Cnaol sits on the Cniel's Board of Trustees. The latter provides human skills to support the promotion of the excellence of traditional French dairy products. **The Cnaol is currently conducting a discussion on the sustainability of PDOs/PGIs based on *France Terre de Lait*.**

The Criels

The Criels are the regional branches of the Cniel. They bring the national strategy closer to milk stakeholders in the regions. Their involvement in *France Terre de Lait* is essential for the operational deployment of the approach. **Working closely with farmers and businesses in the regions**, the Criels act as catalysts for the Low-Carbon Dairy Farming programme, facilitate actions promoting quality in cooperation with and in extension of interprofessional laboratories and will act as a relay for the deployment of the charter of best farming practices from 2022.

This Criel Committee, a Cniel body, is chaired by a Cniel trustee and brings together the presidents and directors of each of the eight Criels.

DECISIONS TAKEN UNANIMOUSLY BY THE FOUR COLLEGES OF THE CNIEL

Farmers through their unions and farmer organisations

Implementing *France Terre de Lait's* commitments is the work of stakeholders in the field and dairy farmers first and foremost. **Dairy farmers are represented by the farmers' college which brings together their representative unions: the FNPL, the Coordination Rurale and the Confédération paysanne.** These unions are the voice of their members and act as the relay in interprofessional actions. Their elected representatives participate in decision-making within the Cniel Board of Trustees in accordance with the organisation of their college, which is entitled to vote on the Board of Trustees.

The Cniel also leads a committee of farmer organisations (FOs). It informs them about the challenges of the industry, the situation of the markets in France and abroad and the interprofessional work in progress around *France Terre de lait* to inform and input their negotiations with their businesses.

Businesses through their federations

Processing, retail and distribution and catering businesses are represented by their federations within the Cniel. These federations carry the voice of their members. The representativeness of these bodies within the Cniel Board of Trustees is rigorously respected and their representatives are present in the working groups that govern *France Terre de Lait*.

Each college is also entitled to vote on the Board: dairy cooperatives (la coopération laitière) private industries (Fnil) and retail, distribution and catering stakeholders (FCD, FCA, Restau'co, Agores, FFF, SNRC). The Fnil is also a member of Ania and La Coopération Laitière is a member of the Fédération de la Coopération agricole.

The Federations disseminate the work and tools of *France Terre de lait* to their members in addition to the information disseminated by the Cniel to all industry stakeholders.

Technical institutes: Idele and Actalia

The **Cniel relies on two technical institutes and their networks.** They set up the tools needed to achieve the goals defined in *France Terre de Lait*.

The Idele (Livestock Institute) is the technical partner of the Cniel for actions on the evolution of farming practices: Low-Carbon Dairy Farming, animal welfare, biodiversity, animal health, dairy cow feed, etc. The Idele also monitors the economic developments of dairy farms.

Actalia (Technical agri-food centre) focuses on the downstream part of the industry and conducts research projects in dairy technology, quality, analysis of health risks and the environment (energy and water consumption) and provides reference samples for payment of milk based on quality, in close collaboration with interprofessional laboratories.

Other technical partners in the industry

To deploy best farming practices in the field and publicise the results of technical work carried out in partnership with Idele or research organisations such as **INRAe**, the Cniel needs relays throughout the territory. The **APCA**, heading the Chambers of Agriculture network, has this territorial mesh and also includes many **agricultural technicians**, trained and competent people who frequently visit dairy farms.

The same applies to the **FCEL** (France Conseil Elevage) with its member businesses. **Veterinarians and veterinary technicians** (SNGTV), the world of **animal genetics**, in their field, are also well-established players in the field.



OUR COMMITMENTS



To date, the indicators for the eight commitments are on track. The health commitment is close to reaching the 2025 target. Everything is in place so that the animal well-being commitment may be achieved in the same way. For the environment, the results of ongoing efforts will soon appear, given that the Covid years have reduced the number of diagnoses made. Regarding the food commitment, the 2018 health crises due to Salmonella deadlocked the situation in 2019. Finally, the two upstream and downstream economic indicators made modest progress. Their progress is essential for the success of the *France Terre de Lait* process.

FOR FAIR COMPENSATION OF ALL INDUSTRY STAKEHOLDERS



Challenges

So that everyone can make a better living from their profession, the dairy industry has two goals to improve economic security: for farmers, compensation in line with their environment, for businesses, profitability commensurate with their investment.

CONTRIBUTION TO THE UN'S SUSTAINABLE DEVELOPMENT GOALS



The French dairy industry, with its 300,000 jobs, is a major employer in the country.

The interprofessional association's goal of improving the ability to compensate all dairy stakeholders contributes directly to "promote sustained, inclusive and sustainable economic growth" (target 8.1) and to the search for "decent work for all women and men [...] and equal pay for work of equal value" (target 8.5).



By acting through research, technological innovation, improving technical performance in livestock farming, the sector is aiming for "higher levels of economic productivity through diversification, technological upgrading and innovation" (target 8.2) and the transfer of this research to operators must "promote inclusive and sustainable industrialisation" that benefits all (target 9.2).

Finally, faced with the difficulty of renewing generations on dairy farms and of filling certain positions in the processing and collective catering professions, the dairy sector intends to take up the challenge of promoting the attractiveness of the careers in the industry to achieve "full and productive employment" (target 8.5).

COMMITMENT 1
IMPROVING THE INDUSTRY'S ABILITY TO COMPENSATE ALL ITS STAKEHOLDERS

ON-FARM INDICATOR

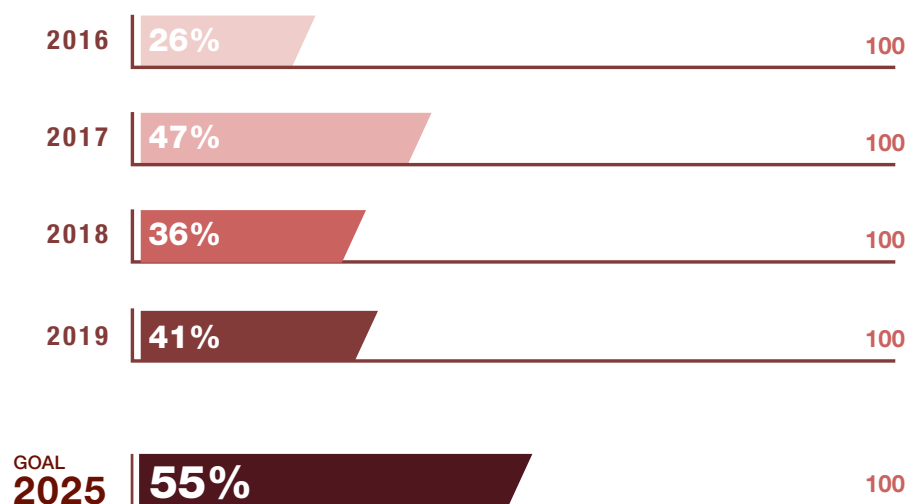
OUR 2025 GOAL

55% of farms capable of remunerating their farmers beyond the French median net income

The purpose of this indicator* is to assess the ability of farmers to generate through their dairy business an income commensurate with the constraints inherent to their profession and in line with the rest of society.

WHAT IS THE CURRENT POSITION?

This indicator, which is very sensitive to the dairy situation, has changed little.



ANALYSIS OF OUR PROGRESS

The average income of dairy farmers has increased compared to the slump of 2016, a year when the average milk price in France was particularly low. In the “proportion of farmers whose income exceeds the median French net salary” indicator, the median net salary concerns all employed French workers, all activities combined. It varies little from one year to the next. This indicator is therefore very sensitive to the dairy situation. The average milk price has gradually recovered since 2016, but the average cost price of milk (total production cost – subsidies paid to the milk activity – related milk products) has also increased slightly in lowlands and more in the

mountains. There was also a widening gap in dairy farmers’ incomes in 2018 and 2019. In other words, the situations were more contrasted between farms. The vagaries of the weather, which have had a different impact on the production areas, are one of the causes of this disparity.

With a slight erosion in the price of milk paid to the farmer, mediocre fodder production and the surge in the cost of livestock feed starting in the autumn, **a slight deterioration in income is foreseeable in 2020**. It should be reflected in the indicator as soon as the data becomes available.

*to find out more about this indicator: link to the “indicateurs France Terre de lait” leaflet

COMMITMENT 1

IMPROVING THE INDUSTRY'S ABILITY TO COMPENSATE ALL ITS STAKEHOLDERS

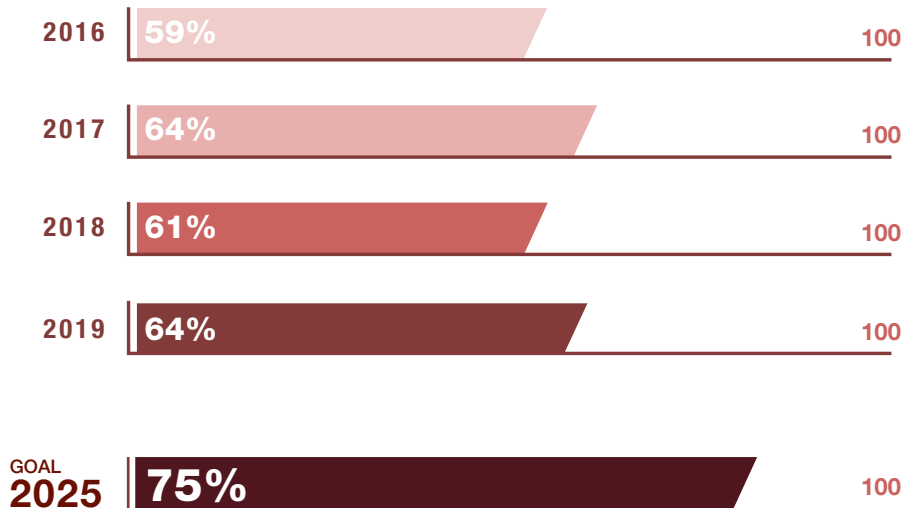
DAIRY PROCESSING INDICATOR OUR 2025 GOAL

75% of dairy businesses make a profit (EBITDA/turnover ratio) in excess of 4%

This indicator*, based on the annual Crédit Agricole industry observatory, measures the profitability of the production process. An EBITDA/turnover ratio of less than 3% is considered low.

WHAT IS THE CURRENT POSITION?

This indicator improved in 2019 due to the increase in turnover in all businesses except fluid milk and fresh products.



ANALYSIS OF OUR PROGRESS

It is important to remember that this indicator expresses a percentage of businesses exceeding the ratio of 4%, without taking into account their size. **It had been growing slightly since 2016** while the average EBITDA/turnover ratio of dairy businesses fell in 2017 and 2018 before recovering in 2019, **in all businesses with the exception of those positioned in consumer products.**

In 2019, there was an increase in the turnover of dairy businesses, for all businesses except for liquid milk and fresh dairy products, due to a still difficult market in terms of volume (drop in consumption). International activity remains decisive for the industry and increased by 0.9 points over one year.

*to find out more about this indicator: link to the "indicateurs France Terre de lait" leaflet



DISTRIBUTION, RETAIL AND COLLECTIVE CATERING

PREPARING A NEW ECONOMIC INDICATOR FOR MASS RETAILING

In order to assess the industry's ability to compensate all of its stakeholders, a third indicator will be added in 2022 to the indicators relating to livestock farming and dairy processing.

This will be a profitability indicator for the dairy departments of supermarkets and hypermarkets. This has now been included for six years in the annual report of the Observatoire Français des Prix et des Marges and expressed by the semi-net profit margin made by supermarkets in their dairy products department. The target goal for 2025 will be determined within the Cniel in 2022.

ACTING: OUR ACTION PLAN

The college of retail and catering has confirmed its adherence to the principles of *France Terre de Lait* and in particular to the creation and better distribution of value between stakeholders. Several actions will therefore be carried out in this area under the aegis of the Cniel.

- **A charter for those involved in sales negotiations** will be drafted and distributed to these negotiators to take into account the value of the *France Terre de Lait* base and economic indicators during annual negotiations. The evolution of prices by family of food product, published every year by the mediator of agricultural trade negotiations, will be part of the negotiation monitoring tools for national brands.
- **The upgrading of dairy products sold under private labels** also contributes to the creation of value. It will now be monitored through inflation-adjusted price changes of 8 categories of dairy products and reported in this annual report.
- **The collective catering sector** also contributes to the creation of value through increased purchasing of quality and sustainable products, as provided for in the EGALim Act, in particular with a minimum of 20% organic dairy products. Better information of restaurant managers on product ranges and the annual monitoring of the proportion, in value, of purchases of organic and PDO dairy products should make it possible to achieve this goal.

ACTING: OUR ACTION PLAN

Setting the price of milk does not come under the Cniel's remit. However, it does inform stakeholders about **markets and changes in production costs**. The Cniel **facilitates dialogue and transparency** in trade negotiations. It also participates in the creation of value within the industry **by supporting products with official quality labels**, facilitating **segmentation approaches** responding to new societal expectations, and contributing through **research** to innovation and the improvement of technical performance.

Monitoring/Studies

Acting by publishing and disseminating information on production costs and markets

To follow up on its commitment in the Industry Plan, the Cniel publishes a monthly dashboard of economic indicators. As an extension of this publication, which provides stakeholders with transparent, neutral and reliable economic information, the Cniel has supported the Alpes Massif Central Cniel in developing and disseminating a specific regional indicator. This unique indicator reflects the downstream valuation of cheeses with a protected designation of origin from Auvergne, such as Cantal, Fourme d'Ambert, Bleu d'Auvergne and Saint Nectaire laitier.

This indicator was notified to the European Commission in November 2020 and was validated on 13 April 2021. It is now accessible to everyone and, in particular, to operators in Auvergne.

Economic notes, a monthly economic video, and the annual publication of ELEC (Economie Laitière en Chiffres) also fulfil this role of market information.

Enrichment of the Upstream and Downstream Contractual Best Practice Guide

In 2021, the Cniel enriched the guide in best contractual and sales practices. The upstream guide should soon include nearly a dozen additional sheets explaining regulations and best practices:

- from a technical point of view: storage, collection and transport of milk, characteristics and quality of milk,
- from a legal point of view: contract proposal, purpose of the contract, transfer of risks and ownership, invoicing and payment, duration and renewal, termination and disputes.

The downstream guide was also the result of work to clarify the application of the Egalim Act in calls for tenders and contracts relating to private label products.

These addenda should soon be made available to operators.

Acting by analysing markets and the positioning of exporting countries

Two studies enriched the analysis of dairy markets and provided food for thought. In 2020, a study was conducted on **the outlook for the dairy product market in China**, the world's largest importer. It shows marked changes at work in Chinese dairy production and processing as well as the recent trends observed in terms of demand, in particular the cap on infant formula. It highlights still-increasing prospects for dairy imports by 2030, but a decline in French market share observed in recent years.

In 2021: a study on the outcomes of **the development of the Spanish and Italian dairy industries** allowed us to analyse how these two countries, which have an overall milk deficit, have improved their trade balance and above all reduced their dependence on French supplies over the last ten years. The increase in their production, in the most dairy-rich regions, has made it possible to reduce their imports of bulk milk. They have proved to be on the offensive in exports, with Italy focusing largely on cheeses, spearheaded by PDOs, and new forms (grated in particular).



EXCEPTIONAL COVID ACTION

Peak collection capping: an unprecedented and exceptional measure

Market disruptions linked to the Covid pandemic raised fears that dairies would be unable to process all milk during the seasonal peak of April 2020.

The Cniel therefore decided to set up an incentive measure to reduce collection in April in order to smooth out the seasonal peak and avoid the disposal of milk or its storage in powdered form without guaranteed outlets. After authorisation by the European Commission (by Implementing Regulation 2020/299 dated 30 April 2020) to temporarily plan production, the Cniel compensated farmers making an effort to limit production in April. This compensation, to the tune of **€15.28 million**, was deducted from the Cniel budget.

Communication

Acting on the creation of value by supporting official quality marks

15.7%
of milk collection
valued as products
under official
quality marks

In terms of official quality marks, the role of the Cniel is twofold: it analyses market trends, contributes to the top-of-mind of Organic, PDO and IGP labels by promoting dairy products under these three quality symbols.

Evolution of volumes

Volumes of PDO dairy products grew slightly in 2019. In 2020, the Covid crisis, which led to the shut-down of out-of-home catering and the closure of cheese counters in supermarkets for several months, caused a 40% drop in sales in the spring, which subsequently recovered.

Organic milk represented 4.6% of milk collection in 2020. Production has increased significantly since 2014. The objective of doubling volumes by 2022 expressed in the Industry Plan (end of 2017) is about to be exceeded because these volumes will be reached in 2021.

Promotion of products bearing official quality marks

The promotion of PDO products planned for 2020 was reoriented due to the Covid crisis which saw their consumption drop in the spring. The #Fromagissons campaign, a collective appeal by the dairy industry for supportive consumption of our traditional cheeses, has helped support this quality industry. In 2021, a vast communication campaign was launched in partnership with the CNAOL with posters, posts on social media, in-store promotions, etc. It received co-financing from the European Union as part of a special Covid budget item.

For their part, organic products benefited from an annual promotional and informative campaign on social media with the online media, Loopsider. These videos highlighted the journey of organic dairy products from production to the point of sale. A qualitative study carried out in 2020 by the IFOP for the Cniel among consumers showed that they had very little notion of the content of European regulations. It is necessary to strengthen information in this area to avoid creating a distortion between the image of these products and the reality of practices. It is a question of promoting the assets of the organic sector, the controls carried out, the living conditions of the animals, their food or the veterinary treatments from which they can benefit.



The #Fromagissons campaign delivers awareness messages on the difficulties experienced by makers of traditional cheese during the Covid-19 pandemic

Transfer

Acting on the creation of value through research

The Cniel devotes **2.3 million euros**, i.e. 6% of its expenditure budget to collective research and experimentation in partnership with major public (INRAe, INSERM, CNRS, Universities, etc.) and private research organisations with the aim of improving technical performance of the industry, adapting it to its environment, reducing costs, better understanding the components of milk and innovating in order to create value. To ensure that this collective work benefits all, the Cniel regularly organises the transfer of the results to stakeholders in the field so that they can take them up.

Cniel Mardi Gras days

Cniel Mardi Gras days, organised on 16, 23 and 30 March 2021; illustrate this mission to disseminate information. They consisted of three seminars to report on the Cniel's work on milk fat, for dairy processors and our scientific partners. They brought together more than 350 participants.

These meetings were an opportunity to disseminate the latest knowledge, particularly from research programmes funded by the Cniel.

In dairy technology, the results of three projects aimed at better understanding fat globules were presented. Homogenisation technology is a common practice in the dairy industry. It involves reducing the size and structure of fat globules to stabilise products. This technology is of great interest to dairy manufacturers because it is an innovation lever to obtain emulsions with new techno-functional properties.

In health and nutrition, the results of research work in dairy products, their fat and specific fatty acids on health, in particular cardio-metabolic health, have been presented. This research work makes it possible to acquire in-depth knowledge into the benefits of the dairy matrix for the health of various populations. This knowledge is an essential asset for the formulation of products. For example, the benefit of incorporating milk fat or some of its components, such as the membrane of milk fat globules, into infant formulas is beginning to be widely demonstrated.



Webinar programmes on milk fat

INNOVATION STRATEGY THROUGH COLLECTIVE RESEARCH A STRONG POINT HIGHLIGHTED BY AFNOR IN THE ASSESSMENT FOR THE CSR COMMITTED LABEL

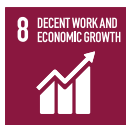
FOR IMPROVED QUALITY OF LIFE AT WORK



Challenges

To maintain dairy activity throughout France, it is essential to recognise the profession of the men and women who work in it and strengthen their sense of belonging to a sector of the future. The sustainability of the industry depends on its ability to make its stakeholders live better and to attract new generations.

CONTRIBUTION TO THE UN'S SUSTAINABLE DEVELOPMENT GOALS



French dairy production will have to deal with a drastic generation change over the next 10 years. Making these careers more attractive, through the revaluation of incomes, the reduction of the arduousness of work and the management of on-call duty must contribute by 2030 to “achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value” (target 8.5). Dairy processing is not immune to recruitment difficulties. The target to “protect labour rights and promote safe and secure working environments of all workers” (target 8.8) is therefore a priority.



Facilitation of work in the dairy industry, as promoted by *France Terre de Lait* also contributes to the mental health and well-being of both farmers and employees (target 3.4).

COMMITMENT 2
IMPROVING WORKING CONDITIONS
TO INCREASE THE ATTRACTIVENESS OF THE INDUSTRY

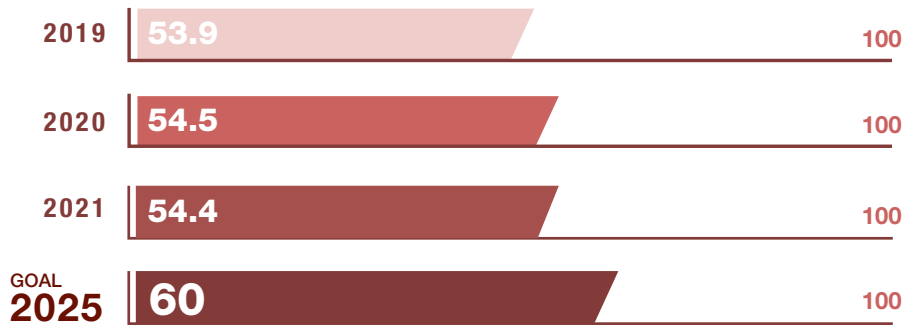
ON-FARM INDICATOR
OUR 2025 GOAL

60/100 for the satisfaction rating of farmers

This rating, resulting from an annual survey* conducted among a nationally representative sample of farmers, is used to measure the well-being of dairy farmers by addressing their living and working conditions and personal situation.

WHAT IS THE CURRENT POSITION?

A stable and robust indicator despite the Covid pandemic.



ANALYSIS OF OUR PROGRESS

With three annual surveys completed, we still have little hindsight to chart the evolution of this indicator but the relative stability of the results obtained for these editions, and their distribution into score segments, confirm the robustness of this survey created in 2019.

The slight increase in the aggregated overall indicator (average of the different items: recognition, economic security and future, attachment to the profession, workload and arduousness, support and sharing) between 2019 and 2021 is too slight to be considered significant. The oldest farmers, and those established for longer, are the only ones for whom a significant increase in the overall indicator can be observed over these 3 years.

On the other hand, we consider the evolution of the ratings expressed by farmers over three years in terms of profitability and income generated by their farm to be significant. However, economic difficulties remain significant and are the second reason why a dairy farmer would not encourage a relative to make a career in the industry.

Pride and attachment to the profession always score very well in this survey. Arduousness and workload, stressful work, ability to free up time and low recognition by the French population remain, in contrast, the most poorly rated items.

Ultimately, the professional experience of one third of farmers is difficult.

A complementary survey section conducted, as in 2019 and 2020, on 55 farm workers reveals a very good level of satisfaction among employees. In terms of evolution, we observe a good relationship with their employer but less enthusiastic than in 2020 when the high score reflected the fact that these farm workers had kept their jobs during the Covid pandemic while many employees had experienced a slowdown or a stop to their activity. Finally, in terms of the sustainability of their activity, salaried farmers planning to give up their job can see themselves setting up as farmers in their own right.

*to find out more about this indicator: link to the "indicateurs France Terre de lait" leaflet

COMMITMENT 2
IMPROVING WORKING CONDITIONS TO INCREASE
THE ATTRACTIVENESS OF THE INDUSTRY

DAIRY PROCESSING INDICATOR
OUR 2025 GOAL

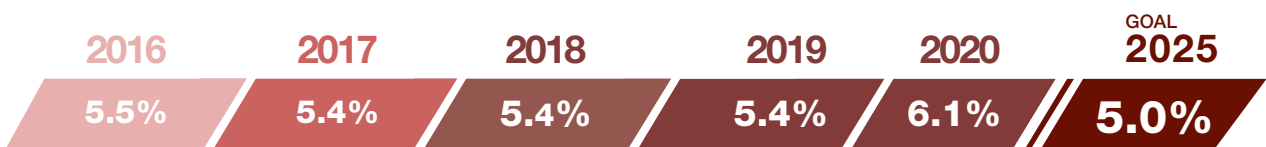
100% of the 4 sub-indicators of the ATLA social survey at their 2025 end target level

The assessment of working conditions in businesses is based on several factors. That is why we track and aggregate four sub-indicators* allowing observation of the prevention of risks, the development and recognition of employees' skills and self-fulfilment.

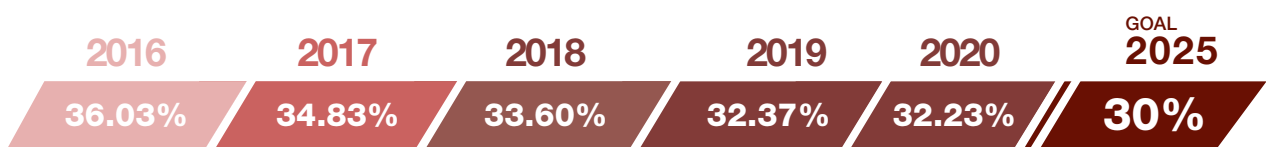
WHAT IS THE CURRENT POSITION?

A steady progression of social indicators in dairy processing.

Absenteeism rate (well-being at work criterion)



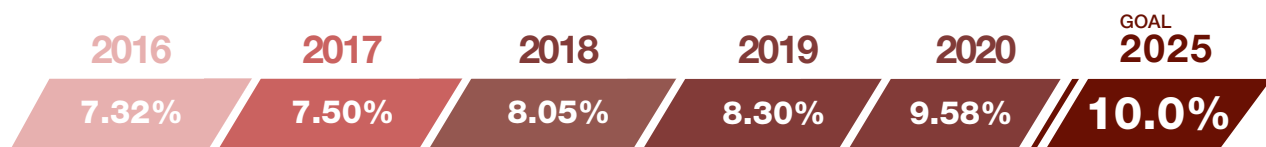
Frequency rate of occupational accidents (impact of preventive actions on employees)



Total number of professional qualification certificates since 2016

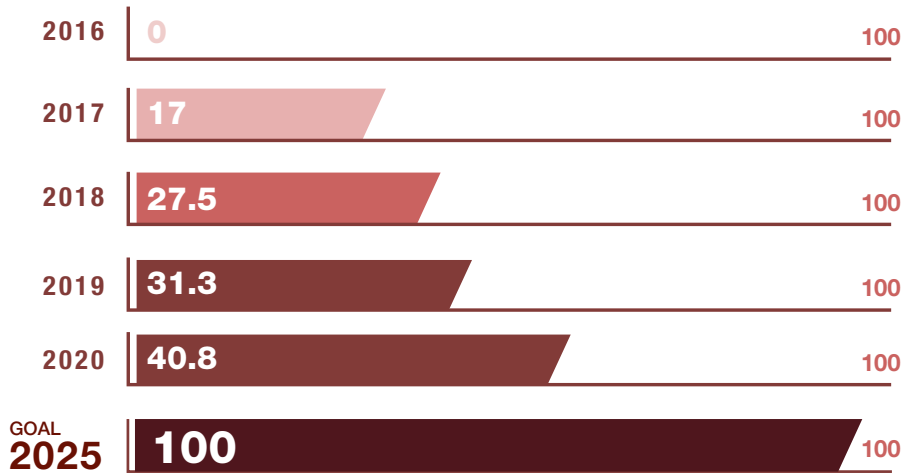


Hiring rate of permanent contracts at the end of a work-study period



*to find out more about this indicator: link to the "indicateurs France Terre de lait" leaflet

Aggregate indicator (same weighting as each sub-indicator)



ANALYSIS OF OUR PROGRESS

Social well-being indicators in the dairy industry are progressing despite 2020 when the Covid pandemic disrupted organisations. **Absenteeism** is the only indicator that is deteriorating.

The frequency rate of occupational accidents dropped significantly. This is a priority for the dairy industry, which is also posting good results compared to the performance of the entire agri-food industry. Actions to prevent occupational risks are very dynamic and are bearing fruit.

In 2020, the total number of **Professional Qualification Certificates** issued since 2016 is also

in line with the target set for 2025, despite a slight slowdown in 2020. This reflects the strong investment of dairy processing in the skills and employability of its employees. This is the sector that issues the most Professional Qualification Contracts in the agri-food industry: 25% of Professional Qualification Contracts signed in 2019 when this sector represented only 15% of the workforce in the agri-food industry.

Hiring work-study trainees is also growing strongly, supported by the action of the public authorities as part of the Recovery Plan with the #1jeune1solution plan launched in the summer of 2020.



PREPARATION OF A NEW INDICATOR FOR RETAILING

A new indicator for evaluating the quality of life at work, adapted to the retail trades, is under construction. It will be obtained from an online survey of a nationally representative sample of dairy product department managers in supermarkets and hypermarkets.

The questionnaire conducted with department managers has a dual objective: assessing their degree of personal satisfaction with their job on the one hand, and their feeling of belonging to the dairy sector of which they are in-store

ambassadors, on the other. This survey will also be an opportunity to assess the needs for information on dairy products and knowledge of the French dairy industry so that department managers can best promote their dairy product departments.

A goal for this barometer will only be set at the end of the first survey.

ACTING: OUR ACTION PLAN

Actions to improve the quality of life at work (organisation of work, work-home balance, etc.) are carried out as close as possible to the field by the businesses themselves. The Cniel acts to improve the **attractiveness of the industry** even if this field of intervention still deserves to be developed. Maintaining dairy activity throughout the country is one of the strengths of the French dairy industry.

Governance

Acting by creating a new steering committee

A new **Attractiveness of the industry steering committee** reflects the desire of the interprofessional association to move forward in this area. This Committee was created in 2020 with three main goals: to improve the conditions for working as a farmer, to improve information on careers in the dairy industry and to facilitate access to these careers. It has already met three times.

Communication

Acting by raising awareness of careers in the dairy industry

In dairy farming, generational renewal is crucial if we want to maintain activity in the country since almost half of dairy farmers are over 50 years old. In dairy processing, it is estimated that 3,000 jobs per year go unfilled.

It is therefore necessary to attract the younger generations and promote careers that are often little known. Thus, the Cniel has strengthened its communication with **millennials on social media**, with a series of videos featuring influencer Morgan VS in Paris at the Laiterie de La Chapelle, and in several PDO areas. Filters on Instagram have made it possible to promote the training of master cheesemaker, in partnership with the ENIL and the Compagnons du Devoir. The **Alpes Massif Central Cniel** has also launched a communication campaign intended to give more visibility to the dairy professions, from the use of dairy products to their sale in shops, including catering.

The interprofessional association also acts by giving visibility to these professions at trade fairs, such as the **Salon des Métiers** (careers fair in Lyon in February 2021) where a yoghurt production line designed by teachers and students from ENIL (national dairy industry schools) was presented. A similar demonstration of a manufacturing pilot is also organised at the SIA, this time making a soft cheese as was the case in February 2020, again in partnership with the six ENILs.

The Cniel intends to continue these actions on dairy careers and training and identify joint actions such as “jobs forums” connecting educational establishments and students with dairy businesses.

2/3
of young people have
a good image of dairy
farming careers and
of the dairy industry,
as they are meaningful



EXCEPTIONAL COVID ACTION

Attractiveness of the dairy sector webinar

On 1 June 2021, the Cniel, simultaneously with the government's communication campaign on the attractiveness of agricultural careers, organised a webinar on careers in the dairy sector, with an inventory and key figures to alert on the challenge of renewal within the sector, testimonials from passionate dairy stakeholders and a presentation of the Cniel's actions. It wrapped up with a discussion between the Minister of Agriculture Julien Denormandie and Thierry Roquefeuil President of Cniel. Open to industry professionals, recruitment professionals, public authorities and the press. It received 170 logins and 662 spectators followed the live stream on Twitter. It was an opportunity for the interprofessional association to present the recruitment potential of the industry and the challenges it faces, as they emerge from the first conclusions of its "attractiveness" steering committee.

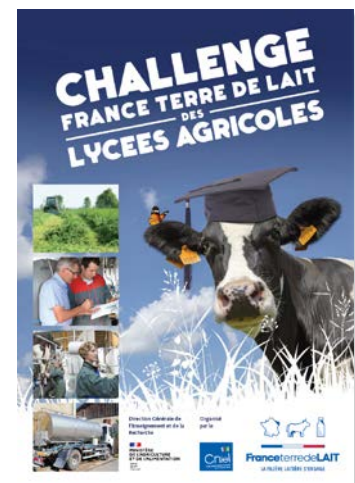


Partnerships

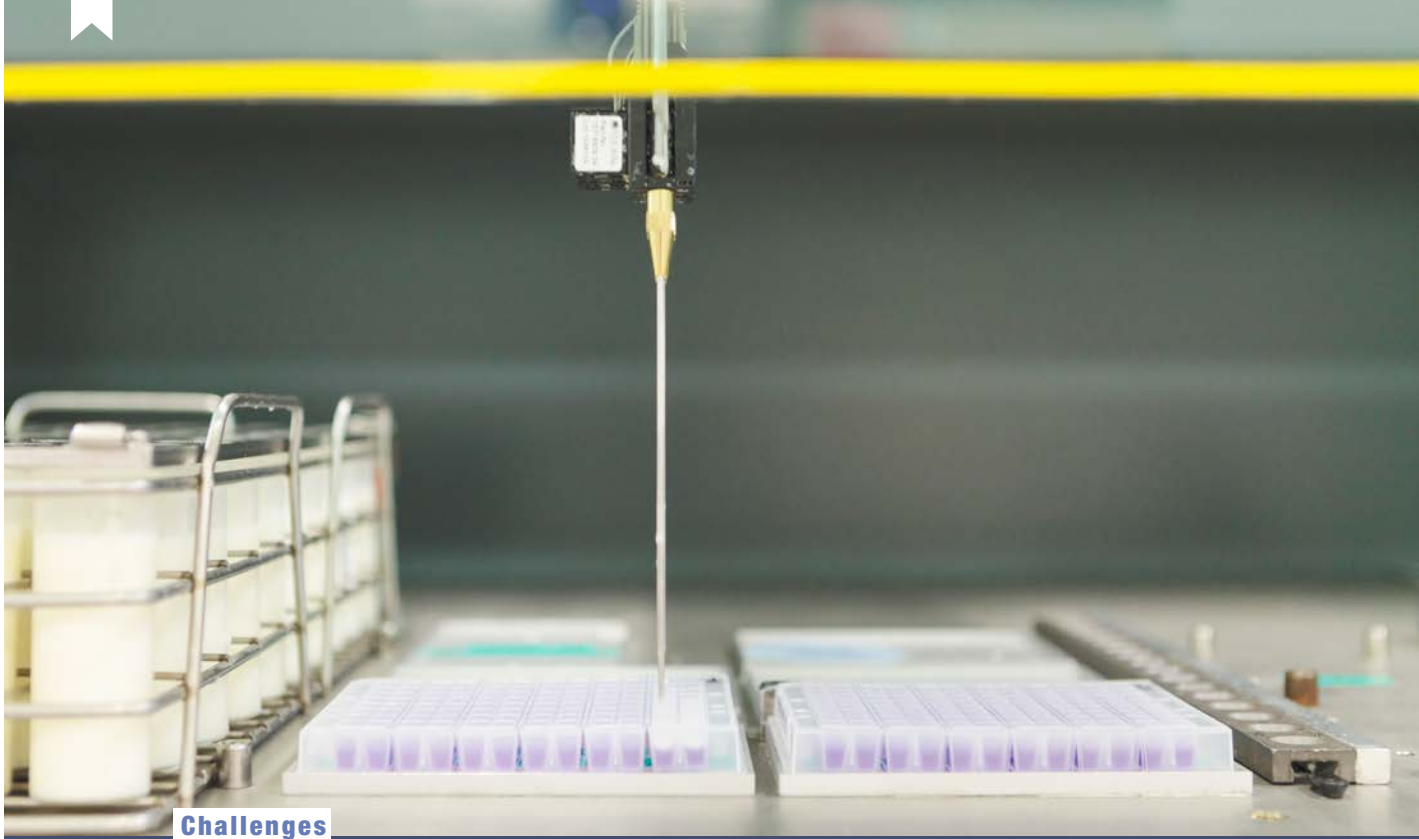
Acting by strengthening ties with education stakeholders

The *France Terre de Lait* challenge aimed at agricultural colleges is a competition open to students of agricultural BTS in APCE (Business Conduct and Strategy Analysis) and PA (Animal Production). This is an educational project open to the teaching staff of agricultural high schools during which a group of first year students carries out, on a dairy farm of their choice, the analysis of a recent development that has occurred on the farm, whether it is a change of practice or organisation. The analysis is carried out with regard to the four performance approaches of *France Terre de Lait*. It requires that the teaching staff and students, future professionals in the industry, embrace the challenges of our social responsibility approach. After a first year of testing in three volunteer high schools in 2020, the operation was successfully launched in 2021 since **twenty agricultural colleges registered**, with the participation of a hundred or so students. **This action is recognised by the DGER (Education and research department of the Ministry of Agriculture).**

A competition initiated by the Cniel with agricultural BTS students



A SYSTEMATIC ANTIBIOTIC ANALYSIS SYSTEM ON EACH FARM



Challenges

Since the 1970s, the dairy industry has organised to test milk quality with nationally harmonised and validated methods and processes. The absence of antibiotic residues is one of the criteria on which the industry remains highly mobilised and is committed to making further progress.

CONTRIBUTION TO THE UN'S SUSTAINABLE DEVELOPMENT GOALS

Guaranteeing the absence of antibiotic residues in milk means reducing the presence of chemical substances in human food and thus contributing to the health and well-being of consumers.

3 GOOD HEALTH AND WELL-BEING



In addition, combating the systematic and sometimes incorrect use of antibiotics can reduce the risk of the appearance of antibiotic resistance. This antibiotic resistance means that an antibiotic is no longer effective against a bacterial infection. However, certain drugs, certain antibiotics in particular, are used by both humans and animals. In order to avoid therapeutic impasses in human medicine, it is necessary to fight against the creation of these phenomena of antibiotic resistance and their spread.

GUARANTEEING THE ABSENCE OF ANTIBIOTIC RESIDUES IN MILK AND CONTINUING THE FIGHT AGAINST ANTIBIOTIC RESISTANCE

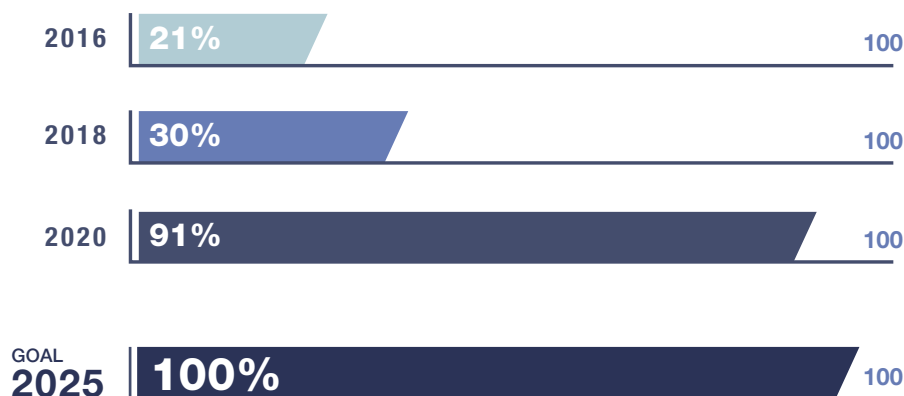
OUR 2025 GOAL

100% milk collected from farms is antibiotic-tested

The calculation of the indicator* corresponds to the number of analyses reduced to the number of milk collections carried out annually, as a percentage.

WHAT IS THE CURRENT POSITION?

Antibiotic-testing in farms has become systematic.



ANALYSIS OF OUR PROGRESS

Professionals in the industry have decided to strengthen the testing system for milk with antibiotics by moving from a weekly unannounced test to systematic testing of all deliveries.

These systematic tests are now a reality in France. However, due to the Covid pandemic and the personnel constraints it has generated, a derogatory mode of operation was adopted, approved by the public authorities in April and May 2020, aimed at guaranteeing the maintenance of essential tests and priorities in line with regulatory requirements. To do this, it was decided to temporarily return to one weekly test. This is the reason why the target of 100% systematic checks was not quite achieved in 2020. This situation was restored from June 2020 and the objective of 100% is now a reality, both for the second half of 2020 and of course for the first half of 2021.

Furthermore, since 1999, the Agence Nationale du Médicament Vétérinaire (ANSES-ANMV) has carried out annual monitoring of sales of veterinary antibiotics.

It is based on the annual declaration of sales of antibiotics by the pharmaceutical companies that market them (this declaration has been mandatory since 2014). These sales are used to calculate the ALEA (Animal Level of Exposure to Antimicrobials). This measure of animal level of exposure to antimicrobials is calculated as follows: antibiotics sold relative to the total animal population, taking into account the dosage and duration of administration.

Between 2011 and 2019 this indicator shows a 25.5% decrease in the exposure of cattle to antibiotics. Another indicator, the number of intramammary treatments, specific to dairy cows, fell by 31.4% over the same period.

This data will now be tracked and reported as part of *France Terre de Lait* to ensure that the optimisation of the use of antibiotics in dairy farming continues.

*to find out more about this indicator: link to the "indicateurs France Terre de lait" leaflet

ACTING: OUR ACTION PLAN

Checking the absence of antibiotic residues in milk before it enters the production chain is one of the Cniel's sovereign actions. Its objective is to **guarantee the absence of antibiotic residues and limit the risk of accidents**. This action is supplemented by the deployment of tools and training to better prevent and control the use of antibiotics in livestock farming.

Interprofessional agreement

Acting by prescribing and harmonising tests that have become mandatory

The Cniel has the ability to act by entering into **national interprofessional agreements which, once extended by the public authorities, are binding on all members of the industry**. The interprofessional agreement relating to the payment of cow's milk according to its hygienic and sanitary composition sets the criteria, frequencies and conditions for the analysis of cow's milk, in particular the analysis of antibiotic residues. The new agreement, extended by the public authorities on 18 April 2019, introduces the systematic testing of tank milk at each delivery. These new provisions **enter into force on 1 January 2020**.

As for the procedures for continuous monitoring of the presence of antibiotic residues in raw cow's milk before processing (collection cistern), they are governed by the national interprofessional agreement relating to the presence of antibiotic residues in cow's milk and the terms and conditions for covering the costs, extended by the public authorities on 15 November 2019.

Because controlling the management of health events and the quality of milk are daily challenges for the farmer and for all the stakeholders in the industry, the Cniel provides an **Inhibitors/Antibiotics Post-Accident Tool (OPAIA)** to help find the causes in the event of an "antibiotic accident" on a farm. Finally, it trains the stakeholders involved in livestock farming in this whole system via an online training support (MOOC) intended for dairy technicians and veterinarians set up in April 2018.

36%

drop in milk cisterns showing the presence of antibiotics between 2019 and 2020

31.4%

drop in intramammary treatment between 2011 and 2019



CONTRIBUTION OF DISTRIBUTION, RETAIL AND OUT-OF-HOME CATERING TO CONSUMER HEALTH INFORMATION

To make collective catering managers aware of the proper use of raw milk cheeses in the preparation of meals according to the different target groups, they will be sent a reminder of this public health recommendation through the newsletters of the

Mon Restau Responsable® initiative, the Agores alim&co review and the Restau'co, Agores and SNRC (National Union for Collective Catering) networks.

Acting by deploying tools for the prevention of antibiotic accidents

Beyond the harmonised testing system to guarantee the absence of antibiotic residues in all the links of the chain, the Cniel makes farmers aware of best practices to reduce the number of accidents. Moving forward, this year, the Cniel also made educational kits available to prevent accidents and a guide to facilitate the use of rapid analysis test kits.

Distribution of a prevention kit targeting zero accidents

The Cniel supports breeders by distributing an educational kit enabling them to reduce antibiotic accidents. This kit includes identification bracelets for treated animals, a marker, a table of instructions for the good management of treated cows and a reminder sheet for best practices, “triggers” against residues. These are practical, everyday objects for farmers. They help them to better track treated animals and ensure that the instructions between the people taking care of the animals are transmitted.

This kit, now logotyped in the colours of *France Terre de Lait*, was distributed through dairies which relayed them to the farms having been confronted with problems of positive cisterns. Nearly 4,000 kits were distributed in the field in early 2021.

New version of the guide for choosing rapid tests

As we are never immune from doubt or human error, a rapid milk test can also be carried out to verify the presence of residues by analysis, in addition to the tests carried out by interprofessional laboratories. These tests are carried out on cistern milk, can be done on tank milk and even an individual cow’s milk. Their results have only an indicative value but allow stakeholders, and farmers in particular, to check, in case of doubt, that treated cow’s milk has not been introduced into mixed batch. It is a precious decision-making support tool.

These tests are available on the market. In order to facilitate their use, in December 2019, the Cniel published guidelines for the proper use of these tests. They were distributed by farmer and dairy processing federations. They are also available on the Cniel-Infos website <https://Cniel-infos.com>

The Cniel continues to list new test kits appearing on the market and regularly updates these guidelines which are therefore subject to change. Their fifth version was released in December 2020.

4,000 kits
educational materials
distributed through dairies

Research and development

Acting to better understand antibiotic resistance and limit the use of antibiotics

To fight against antibiotic resistance, the Cniel acts by supporting research to better understand this phenomenon, to identify the most beneficial practices and to test complementary approaches to the use of antibiotics. This work completes long-standing actions carried out to better prevent and treat the most frequent pathologies encountered in dairy farming, namely mastitis and lameness.

Participation in research on antibiotic resistance

The Cniel is closely monitoring the work of the collaborative network, DISARM H2020 (Disseminating Innovative Solutions for Antibiotic Resistance Management) through its technical partner, Idele. This working community, bringing together eight countries and forty farms, shares, debates and disseminates innovative practices for reducing antibiotic resistance. DISARM intends to disseminate these proven, less costly and more beneficial practices, through eighty events bringing together researchers, farmers, advisers, veterinarians and industries and by publishing three annual reports on the remaining challenges concerning antibiotic resistance.

DISARM receives financial support from the European Union's Horizon 2020 research and innovation programme. Launched in January 2019, it continued through to December 2021.

Search for complementary solutions to antibiotics

A field trial conducted on forty-one farms with the Institut de l'Élevage, the FEVEC (Fédération des Éleveurs et Vétérinaires en Convention) and the SNGTV (Syndicat National des Groupements Techniques Vétérinaires) on the use of a blend of essential oils for the care of mild to moderate clinical mastitis has just been completed. It shows that, if we keep the possibility of using an antibiotic as a second intention, the use of the blend of essential oils used makes it possible to reduce antibiotics for the treatment of this type of mastitis, without reducing the chances of healing of the animal.

Future work will focus on the search for residues in milk and the suitability of milk for processing after use of essential oils on the udder.

25%
**reduction in
 the use of antibiotics
 in cattle breeding
 between 2011 and 2019**

Agence Nationale
 du Médicament Vétérinaire

OPTIMISING MONITORING METHODS



Challenges

The industry depends on the quality of dairy products. Controlling the health quality of milk and dairy products has always been an essential condition for bringing healthy, safe and good products to market. Our goal is to better prevent health risks by optimising prevention, monitoring, testing and investigation methods.

CONTRIBUTION TO THE UN'S SUSTAINABLE DEVELOPMENT GOALS

3 GOOD HEALTH AND WELL-BEING



Diet and a healthy lifestyle are recognised as key factors in building and maintaining health.

Reinforcing the safety of dairy products placed on the market is a direct means of satisfying the UN's objective of allowing everyone to live in good health, in particular by minimising the risk of consumer exposure to communicable diseases (target 3.3). Avoiding exposure of vulnerable people, particularly children under 5, to certain pathogenic micro-organisms through better information, also contributes to reducing premature mortality (targets 3.2 and 3.4).

Finally, the general strengthening of surveillance and control methods throughout the food chain makes it possible to reduce consumer exposure to hazardous substances (target 3.9).

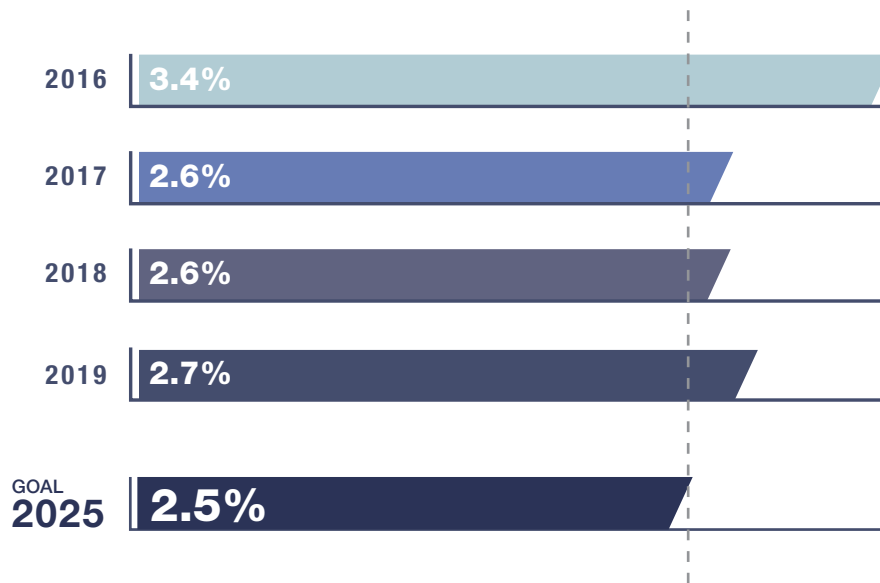
OUR 2025 GOAL

2.5% maximum
of collective food poisoning
allocated to dairy products

This indicator* reflects the proportion of collective food poisoning related to dairy products in total collective foodborne infections. This data is published every year by Santé Publique France.

WHAT IS THE CURRENT POSITION?

The results obtained are very close to the set objective.



ANALYSIS OF OUR PROGRESS

We know that the margins for progress are slim to reduce the relative share of collective food poisoning linked to dairy products in total collective foodborne infections. The industry goal is therefore to **reach the rate of 2.5%**, but above all, to **maintain it over time**.

The results obtained over the last three years are already very close to the goal set for 2025.

For 2019, collective food poisoning that is identified and attributed to the consumption of dairy products, is connected to known and well documented pathogenic micro-organisms such as Salmonella, Staphylococcus aureus, etc. A 2019 publication also reports an outbreak of cryptosporidiosis for which unpasteurised milk fromage blanc was suspected.

*to find out more about this indicator: link to the "indicateurs France Terre de lait" leaflet

ACTING: OUR ACTION PLAN

The health safety of dairy products is the result of the daily work of all stakeholders in the field: farmers, processors, retailers and restaurateurs. The Cniel also makes an active contribution. The interprofessional association deepens knowledge of health risks and their control through scientific watch work and the development of research projects. The transfer of the results to industry stakeholders is ensured so that they can use them to improve their own performance. The Cniel also acts through collective communication so that sensitive populations make good use of dairy products.

Research and development

Acting through research to better control, better monitor and better investigate

Health safety research projects are expensive. Individual dairy businesses cannot afford them. Pooling this work across the interprofessional association makes it possible to carry out large-scale projects and make the results accessible to all the relevant stakeholders.

STEC, one of Cniel's biggest research investments

Among the pathogenic bacteria to which raw milk products are potentially exposed, STEC (Shigatoxigenic Escherichia coli) were, until a few years ago, the least known and required the most research. Since 2008, no fewer than **sixteen multi-partner research programmes** have been initiated or supported by the Cniel. This work has considerably improved our understanding of these bacteria, their origin, their pathogenicity, and how to prevent and detect them. The most recently completed research project – STECAMONT - made it possible to confirm the circuit of faecal contamination of milk, the absence of contamination by the intra-mammary route and to work on the farming intervention method in the event of contamination of milk.

The questions identified in 2020 and developed in 2021 concern the merit of analysing the milk filters of milking machines to search for STEC and the improvement of the input data in QRA (Quantitative Risk Analysis) models.

Addressing emerging risks collectively and pre-emptively

Following a publication in 2019 of an epidemic of cryptosporidiosis which occurred in a secondary school in 2017 for which a fromage blanc made from unpasteurised milk was suspected, the interprofessional association acted immediately. After a bibliographical synthesis showed that the research methods for this parasite were not available in the dairy matrix, the Cniel encouraged the development of the Cryptolait project started in 2021. The objective of this project is to develop and adapt analytical methods for detecting *Cryptosporidium* spp. for the milk matrix, in order to then consider a study of the prevalence of *Cryptosporidium* spp. in farms at risk and in raw milk. This example is an illustration of how the dairy industry is progressing in the knowledge and control of new health risks through concerted action and resources pooled under the banner of the Cniel.

16
STEC research programmes since 2008

Transfer

Acting by pooling knowledge within the industry

Since its creation, the dairy interprofessional association has acquired strong expertise in health safety. It makes it available to all industry stakeholders. Pooling the knowledge acquired and allowing all the operators to benefit from it, contributes to the transfer of knowledge and the development of skills for all, to the benefit of the products marketed.

Making the forecast analysis of health risks accessible

The presence of a hazard such as a food contaminant is not enough to assess the health risk it represents for the consumer. The Quantitative Risk Assessment (QRA) makes it possible to go further and to quantitatively assess the risk of harmful effects for the consumer, and to identify control levers. This approach is widely used by national food safety agencies. Control based on modelling eases objective discussion with the health authorities. The objective of the dairy interprofessional association, after having contributed to the research and development of QRA tools dedicated to dairy products, is to make this approach and its tools accessible to all dairy processors.

In 2020, the Cniel organised five training courses for quality managers of dairies and cheese industries to deploy the approach and tools developed over more than ten years in partnership with Actalia. The five training sessions focused on the following topics: definition of sampling plans, use of the quantitative risk assessment approach and predictive microbiology tools. They enabled the participants to build their skills in the management of the health quality of products, by teaching them the fundamental concepts and the mastery of online simulation interfaces (agr.maisondulait.fr). These training courses will continue in the second half of 2021.

The Cniel is also a driving force within the framework of the RMT Qualima (mixed technological network) on the validation of control measures: the QRA is one of the major areas of the 2020-2024 programme and all the agri-food sectors are represented in it, as well as French Food Directorate (DGAL).

Facilitating investigation in the event of an epidemic

As with the QRA approach, the Cniel has undertaken to provide dairy businesses of all sizes with the keys to using recent, high-performance technology to investigate cases of product contamination using the genomic approach.

It is now possible to quickly and inexpensively analyse the complete genome (WGS) of a micro-organism with very high definition. The use of data from the WGS, combined with ecological surveys, provides information on the genetic evolution of a strain in an epidemic context and makes it possible to understand the precise origin of recurrent contaminations or non-conformities in dairy products.

The Cniel first facilitated the transfer of expertise skills to the Actalia technical centre by supporting an innovation support system, the ASIICS Mixed Technological Unit. This Unit made it

The Cniel supports innovation in genome sequencing of pathogenic organisms



possible to implement and use the tools for whole genome sequencing (WGS) and to test its use in two real epidemiological situations, in the pig and dairy industries. It was a success as Actalia now offers dairy professionals services on the implementation of these methods and the interpretation of the results.

From now on, and for the first time in 2021, the Cniel is raising awareness and training dairy businesses in the use of these cutting-edge techniques, the use of which is gradually becoming widespread in many countries.

Partnerships

A new methodological support document for salmonella surveillance

The dairy interprofessional association is strongly involved, with the pig industry, in the Food Chain Surveillance (SCA) platform, which is a multidisciplinary collaboration area bringing together professional representatives, health authorities, Anses, technical centres and public research institutes. The first result of the work of this SCA platform, in early 2020, was the publication of a methodological support document to better “monitor Salmonella spp in the bovine sector for the production of raw milk cheese”.

A second methodological support document for STEC monitoring will be published in 2021, the result of a close partnership between the Cniel and scientific experts.



Methodological support document for monitoring Salmonella spp

EACH LINK IN THE INDUSTRY STRIVES TO CONTROL HEALTH QUALITY OF MILK AND DAIRY PRODUCTS

Communication

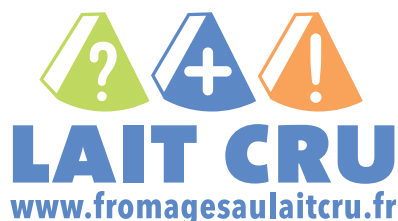
Acting by informing consumers about raw milk products

Collective food poisoning associated with the consumption of dairy products is often linked to the consumption of raw milk products contaminated by people with depressed or immature immune systems. These are in particular children under 5 years old, pregnant women and immuno-compromised people.

A consumer perception study of raw milk cheeses carried out by the IFOP for the Cniel and the Cnaol demonstrated poor knowledge by the French of these health recommendations. Reinforcement of information on the special precautions to be taken with raw milk cheeses is therefore an effective means of combating Collective Foodborne Infections. Here again, the Cniel, in partnership with the Cnaol and the goat's milk (ANICAP) and sheep's milk (FBL) interprofessional associations which share this problem, is taking action. In 2020, labelling recommendations were issued and shared with the retail industry. Intended to raise consumer awareness, this labelling is accompanied by an explicit logo referring consumers to a website run by the Cniel, www.fromagesaulaitcru.fr, put online in 2019 and enriched in 2020. These recommendations have been developed in partnership with major retailers and are approved by the supervisory bodies, the DGAL (French Food Directorate) and the DGCCRF (General Directorate for Competition Policy, Consumer Affairs and Fraud Control).

The deployment of this labelling will continue in 2021.

10.5%
of French cheeses
are made with raw milk



RAW MILK CHEESE website home page

TARGET TO REDUCE THE CARBON FOOTPRINT BY 17%



Challenges

Emissions from the dairy sector represent approximately 7% of French greenhouse gas (GHG) emissions. Aware of its impact on climate change through its emissions, the industry is committed to reducing them. To this end, the Cniel is committed to promoting the least-emitting practices.

CONTRIBUTION TO THE UN'S SUSTAINABLE DEVELOPMENT GOALS



Sustainable Development goal no.13 aims to take urgent action to combat climate change and its impacts. It requires proactive action by economic players with reduction potential. This is the case of the French dairy industry, which launched its first major farming programme (Low-Carbon Dairy Farming) in 2015, after a large-scale experiment in 2013. This programme specifically makes it possible to raise awareness and then train, advise and support operators in their individual capacities to reduce greenhouse gas emissions (target 13.3).



This industry commitment makes it possible to offer consumers products that meet their desire for more sustainable food and to allow all members of the dairy value chain to assess and act on an essential component of their environmental impact. By implementing levers for improvement, it also allows a more rational use of natural resources (target 12.2).

OUR 2025 GOAL

17% reduction
in the carbon footprint
of dairy products

The indicator* used to monitor ongoing efforts is the net carbon footprint per litre of milk ex works, expressed in kg CO₂ equivalent per litre.

WHAT IS THE CURRENT POSITION?

Reduction of the carbon footprint by 3.2% between 2016 and 2019.



ANALYSIS OF OUR PROGRESS

The 3.2% reduction in the ex works carbon footprint between 2016 and 2019 is the result of the combined efforts of farmers and dairy businesses. Over this same period, the decrease in the carbon footprint in livestock farming and dairy processing was 2.8% and 8.3% respectively.

As milk collection decreased slightly between 2016 and 2019, the decrease in greenhouse gas emissions, in volume, was greater than that of the carbon footprint. It was 3.5%.

• In livestock

The national carbon footprint per litre of milk on the farm suffered a slight decrease of 2.8% between 2016 and 2019.

During this period, the increase in the average size of farms (from 57 to 63 cows per farm) was accompanied by an increase in grassland and corn silage areas, which resulted in a stable carbon storage figure per ha between 2016 and 2019. Additional storage in 2019 amounted to 332 kg carbon per ha compared to 328 kg C/ha in 2016. The reduced footprint is explained by a 2% increase in milk production per cow and an improvement in milk fat and protein content. 2019 was not a very good year for grass growth with a cool spring, a summer ranked the 3rd hottest ever, a mild autumn and insufficient annual rainfall. In annual total, the total grassland growth appears to

be in deficit in all French administrative regions, except Brittany and Corsica, where grass growth appeared normal. Regarding fodder corn, yields also deteriorated in 2019, thereby reducing production. The quality of fodder corn (energy and nitrogen) was stable compared to 2018. Climatic conditions that are becoming recurrent, weaken the food safety of dairy herds and do nothing to reduce purchases of inputs to ensure animal feed and therefore food autonomy.

It is important to remember that the Low-Carbon Dairy Farming programme was ramped up in 2019 since 9,500 farmers signed up to it that year. The benefits of this programme will be felt above all in the years to come, as the number of farmers involved increases and as they implement their action levers.

*to find out more about this indicator: link to the "indicateurs France Terre de lait" leaflet

• In dairy processing

At the processing stage, the drop in emissions per litre of milk is significant: it amounts to 8.3%. These emissions are mainly linked to on-site energy consumption and, to a lesser degree (about 1%) to the use of refrigerants for cold production.

The reduction in emissions is explained by energy savings at the process level and the use of a greater proportion of fuels with a lower impact (gas versus oil, for example).



“MILK CARBON FOOTPRINT” EXTENDED TO DISTRIBUTION, RETAIL AND OUT-OF-HOME CATERING

The monitoring indicator for this commitment is based on the principle of life cycle analysis. Since the end of 2019, the dairy interprofessional association has expanded to new professions, those of retail and collective catering. The latter contribute, through their activity, to the carbon footprint of dairy products available to consumers

and diners. Technical work is required to assess the contribution of this link in the chain to the overall footprint in order to determine a quantified reduction target in 2022. Efforts relating to the reduction of energy consumption, logistics channels, less impacting refrigerants, etc. in this link may thus be taken into account.

ACTING: OUR ACTION PLAN

The understanding of the nature of the greenhouse gases emitted by agriculture, their emission methods and their impact is relatively recent. From the very first alerts, the interprofessional association has mobilised to find collective responses.

Transfer

Acting by raising awareness among current and future stakeholders in the sector

A newsletter called “la Lettre Ferme Laitière Bas Carbone” targeting farmers and technicians was launched on 18 February 2021. It already has 350 subscribers. It complements the discussion workshops regularly organised at trade fairs (SPACE, Sommet de l’Elevage). The cancellation of these fairs in 2020 due to the Covid pandemic led the Cniel to replace these workshops with an awareness and information webinar on the national **Low-Carbon Dairy Farming** programme on 21 May 2021. The launch of regional deployment programmes is also an opportunity to raise awareness among local stakeholders. This was the case in 2021 with the organisation of Open Days by the Nord Picardie Ardennes Criel or during the Prairiales in which the Normandie Lait Criel took part.

It is essential that future farmers are also trained in climate issues, so that they may integrate them into their set-up project. The Cniel acts by ensuring that all agricultural college farms with a dairy unit have carried out their environmental assessment diagnosis. It also organises occasional presentations in agricultural colleges in association with the relevant Criels. This was the case at the Angoulême agricultural college in 2020 and will be the case at the Le Nivot college in Finistère in 2021.

135
farmers and technicians
took the awareness webinar
on Low-Carbon Dairy
Farming

Territorial management

Acting by piloting the national Low-Carbon Dairy Farming programme

The Cniel: a driving force for regional deployment

In 2015, the Cniel devised the Low-Carbon Dairy Farming programme to reduce greenhouse gas (GHG) emissions in livestock farming in partnership with the Institut de l'Élevage, France Conseil Elevage and the Permanent Assembly of Chambers of Agriculture. The evaluation tools (CAP'2ER or PLD) are regularly enriched as knowledge is upgraded. More than 1,000 technical advisers are now trained in these tools. The role of the Cniel is now to coordinate their deployment in farms so that each farmer can draw up their action plan to reduce emissions. In the different regions, the Criels are on the move and have all adopted a regional action plan, often in partnership with their respective Regional Council, adapting to local constraints and opportunities. After five years of existence, this programme can claim great success with nearly 25% of dairy farmers already involved throughout the country.

Easier funding of operations

In addition to the resources it invests directly in the Low-Carbon Dairy Farming programme, the interprofessional association mobilises all possible resources and co-financing so that a maximum number of farmers benefits from diagnostic tools and the expertise of advisers in the implementation of new practices.

The partners of the Low-Carbon Dairy Farming programme have thus seized the opportunity of a call for projects within the "Good Carbon Diagnosis" recovery plan to have their structures approved as part of a new system endowed with ten million euros in funding. The Ministry of Agriculture announced on 30 April 2021 that farmers who have been established for less than five years could benefit from a diagnosis, technical support and soil analyses together with agri-training advice financed at 90% if they apply to these approved bodies. It is thus hoped that 2,000 dairy farmers will take this up and that they will join the community of dairy farmers already acting against climate change.

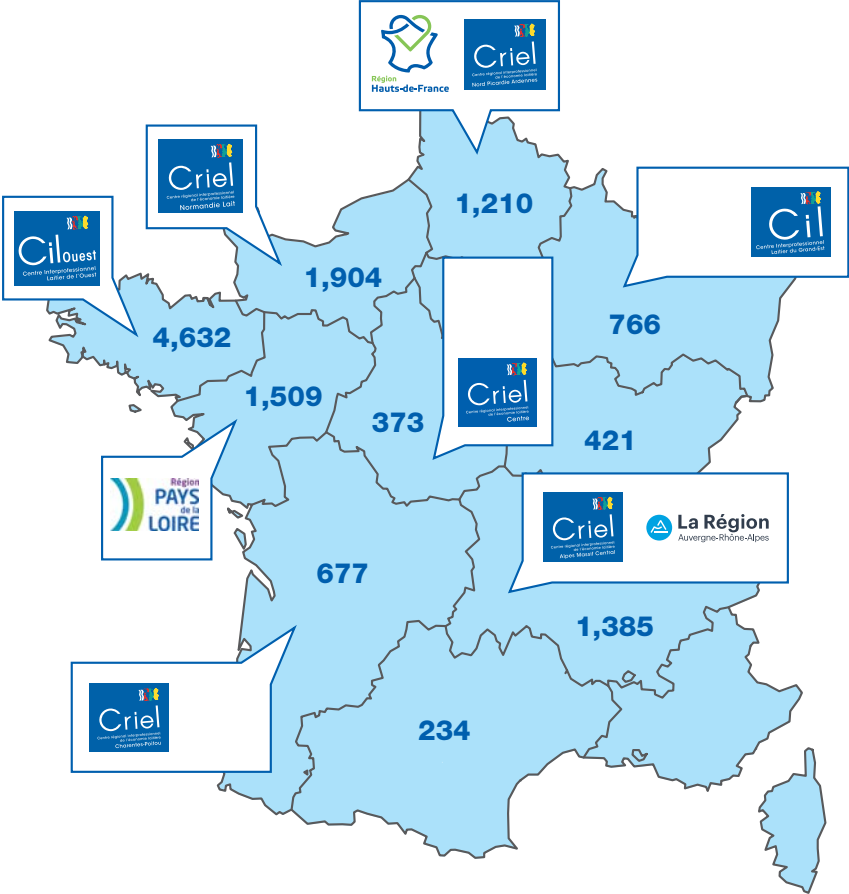
A new programme receiving European funding, Life Carbon Farming, launched in early 2021, will also make it possible to include 506 new French farms in the system and steer large-scale testing, with five other countries (Germany, Belgium, Spain, Ireland and Italy), of the Carbon Label methodology for the bovine industry, Carbon Agri. They will also be able to have their saved carbon emissions recognised and sell them to stakeholders wishing to offset their own emissions, on a voluntary basis.

Finally, on 18 May 2021, France Carbon Agri Association obtained the Low-Carbon Label for the largest collective project ever submitted, with more than 300 dairy farmers aiming to reduce emissions by 137,000 tonnes of CO₂ by 2025. A second project, with 1,300 farmers, is in the pipeline.

25%
of French dairy farmers
engaged in Low-Carbon
Dairy Farming

**LOW-CARBON
LABEL,
RECOVERY
PLAN,
REGIONAL
FUNDING...
A WIDE RANGE
OF RESOURCES
USED TO
DEVELOP
LOW-CARBON
DAIRY FARMING**

Regional distribution of local deployment programmes



14,200
dairy farmers engaged in
Low-Carbon Dairy Farming
in mid-2021

The Cniel sets an example

The Cniel, through its associative activity, and the work of its hundred employees generates its own GHG emissions. The General Management of the Cniel decided at the end of 2019 to carry out a carbon assessment of its activity.

This appraisal showed that apart from the indirect emissions linked to the travel of these visitors, over which the Cniel has little agency, 90% of its carbon footprint is connected to our purchases and services ordered by the Cniel. It is therefore taking action in 2021 by setting up a transition plan consisting of a responsible purchasing policy and the optimisation of energy consumption.

Research and development**Going further by looking for new action levers**

The Low-Carbon Dairy Farming programme encourages farmers to optimise their practices to reduce their GHG emissions. It is based on proven practices, requiring little investment. It should lead to a reduction of approximately 20% of emissions in livestock farming. To prepare for the future and take things a step further, the Cniel is on the lookout for innovations. For this, it monitors, accompanies and finances a number of research projects with the Institut de l'Élevage and INRAE.

Research work in **genetics** carried out within the framework of Apisgene gives hope that, in a few years, farmers will be able to select dairy cows emitting less methane.

In order to strengthen **carbon storage in the soil**, trials are under way to test the effects of certain practices such as intercrop plant cover, dynamic rotational grazing, the addition of methanisation digestate to the soil, the management of hedgerows, etc. This is part of the OCBO programme which also provides for the creation of an observatory for storage/retrieval in soils.

The equivalent of virtual storage is also studied in the Albedo programme that evaluates how **grasslands** can increase the reflection of solar radiation, and thus reduce the current temperature increase.

In the field of **dairy cow feed**, promising work is being carried out to assess the impact of an algae derivative on the production of enteric methane in the Meth'Algues programme.

Reductions in GHG emissions by **dairy processing** are also being studied in several research programmes by exploiting savings in energy consumption during the delactosing stages in cheesemaking or drying in the manufacture of powders and by saving material in cheesemaking during coagulation and draining.

Support for SMEs with fewer R&D resources is essential. This is why a tool is being developed as part of the Life Render programme to give them access to **eco-design**, another way to reduce emissions.

**TEN PROMISING RESEARCH
TOPICS TO CONTINUE
EFFORTS TO REDUCE
CARBON EMISSIONS**

Experimentation

Acting by participating in the experimentation of environmental labelling on dairy products

The French Act on the fight against waste and on the circular economy (AGEC) provides for voluntary environmental labelling for all sectors. It also establishes an 18-month experimentation phase to determine the methods most likely to be adopted to roll out harmonised environmental labelling in each sector. The Association de la Transformation Laitière (ATLA) has decided to submit a dairy project to propose labelling that take dairy specificities into account and to test it with consumers. The Cniel is taking part in this experiment and contributing its expertise. This project is based on LCA (life cycle assessment), an internationally recognised method, and supplemented by 2 indicators that are not taken into account in LCA but to which livestock farming contributes: carbon storage (in kg eq CO₂/L of milk) and biodiversity (based on available data on agri-ecological infrastructure). It is one of 20 projects submitted to the ADEME, which will review it at the end of 2021.

Monitoring and anticipation

Acting by setting new collective progress goals

One of the Cniel's missions is to set and express a collective ambition for the future of the industry and to act as a driving force for all its stakeholders. After having included an initial objective of reducing the carbon footprint of the dairy sector by 2025 in its *France Terre de Lait* approach, the Cniel is going the extra mile by preparing the following stages for 2030 and 2050. The question that is now being asked of the industry is whether it is able, with new levers of action, to move towards carbon neutrality, under what conditions and within what deadline.

For this, on 12 October 2021, the Cniel launched a call for contributions from the research sector, technical institutes, start-ups, incubators, innovative companies, etc. so that all these drivers of the solutions of tomorrow, in farming and in industry, may submit their innovations at a forum where dairy professionals can assess the impact, feasibility and consequences of these innovations. At the end of this Forum scheduled for early 2022, the Cniel will be able, as part of its governance, to prepare a new ambition for the industry to alleviate the effects of climate change.

100% OF FARMS ASSESSED BY 2025



Challenges

Respect for animal welfare is essential to farming. Including this commitment in the Social Responsibility approach means making the welfare of dairy cows a condition for market for each litre of milk produced in France.

CONTRIBUTION TO THE UN'S SUSTAINABLE DEVELOPMENT GOALS



The dairy breeds used in dairy farming are a natural resource that farmers need to manage sustainably and with respect (target 12.2). Consumers of dairy products must be reassured that their consumption choices are in harmony with nature (target 12.8). Commitment no. 6 of *France Terre de Lait* therefore contributes to UN SDG 12, "Ensure Sustainable Consumption and Production Patterns".



The One Health concept reflects awareness of the links between human and animal health. Similarly, the One Welfare concept recognises interdependencies between animal welfare and human welfare. Animal welfare encompasses the health and physical welfare of the animal. By ensuring the welfare of dairy herds, *France Terre de Lait's* commitment no. 6 therefore also contributes to the United Nations' SDG 3, "Ensure healthy lives and promote well-being at all ages".

ASSESSING THE WELFARE OF DAIRY HERDS AND IMPROVING PRACTICES WHERE NECESSARY

OUR 2025 GOAL

100% of farms assessed
on the basis of 16 animal
welfare indicators

The indicator* is calculated from the number of farms assessed, after reporting the diagnoses in the national database of the charter of good farming practices.

WHAT IS THE CURRENT POSITION?

The animal welfare assessment of all farms started in 2020.



ANALYSIS OF OUR PROGRESS

The first welfare assessment diagnostics in dairy farming were able to begin in the second half of 2020, following a test phase of the Boviwell tool. This test involved 75 farms. It made it possible to study the feasibility of this assessment and to assess the difficulties of its implementation as well as the acceptability and understanding of the indicators by farmers and livestock advisers.

The Covid pandemic has had a strong impact on the performance of operational assessments. In mid-2021, the percentage of farms assessed corresponds to 1,800 farms. It is important to note that these are audits carried out in the transitional phase. In fact, implementation of the assessments will only be systematised in farming when the new version of the charter of good farming practices, of which animal welfare constitutes one of the chapters, is effective; that is to say around the beginning of 2022.

The evolution of the number of assessments carried out between the last half of 2020 (690 farms) and the first half of 2021 shows rapid gearing up of the system pending national deployment with the new charter of good farming practices.

The assessments was made possible by the training of technicians authorised to carry out the inspections to monitor compliance with the charter of good farming practices (technicians from dairies, farming consulting firms and Chambers of Agriculture, etc.). Run by a technical and training organisation, the Institut de l'Élevage, this one-day training course included a classroom session and a practical session at a farm. More than 390 technicians, that is to say the vast majority of technicians involved in the charter of good farming practices, have been trained.

In accordance with the initial objectives, a first analysis of the results of these diagnostics carried out in several thousand farms will be done in 2022 in order to identify the first areas of progress.

*to find out more about this indicator: link to the "indicateurs France Terre de lait" leaflet

ACTING: OUR ACTION PLAN

By identifying animal welfare as an unavoidable requirement, stakeholders in the industry have legitimised the Cniel in its role of implementing the organisation necessary for the evaluation of all French farms, via the Charter of Good Farming Practices. Animal welfare has always been fundamental in the rearing of a herd. The health and welfare of the cow and calf have an impact on the animal, the quality of the milk, the work of the farmer and technical and economic performance and operation of the dairy farm in general.

Governance

Acting by developing the Charter of Good Farming Practices

The interprofessional association has decided to use the Charter of Good Farming Practices (CBPE) to deploy welfare diagnostics in dairy farming. It is a “powerful” lever since **97% of French dairy farmers adhere to the charter of good farming practices.**

In practical terms, 2020 and 2021 were devoted to the revision of this charter and the adaptation of the entire system so that in 2022 animal welfare diagnoses may be deployed on a large scale throughout the country.

A revised Charter of Good Practices

The Charter of Good Farming Practices, created in 1999, is now in its fifth version. It will now have seven chapters: traceability, animal feed, environment, social sustainability, milk quality, health, and welfare, with the introduction in this chapter of the evaluation of welfare through 16 indicators.

New governance

A CBPE-Boviwell Steering Committee, made up of the two interprofessional associations deploying Boviwell, i.e. the Cattle and Meat interprofessional association (Interbev) and the Cniel, as well as the Confédération Nationale de l'Élevage, has been set up. This joint governance makes it possible to better manage the resources needed to deploy the Charter and Boviwell in all farms.

A new quality system

A third-party certification system for the approach is being devised in order to reinforce the seriousness and credibility of the system.

A new computer tool to facilitate the work of technicians

A computer tool to support the new Charter of Good Farming Practices and Boviwell is under construction. Shared with Interbev, it will facilitate the work of livestock technicians in the field. This tool, recognised as being of collective interest, has benefited from the government's Recovery Plan through the “structuring industries” call for projects.

**ANIMAL
WELFARE,
AN ESSENTIAL
ITEM OF THE
NEW VERSION
OF THE CHARTER
OF GOOD
FARMING
PRACTICES**

Research and Transfer

Acting on the thermal comfort of animals in hot weather

Dairy cows are particularly sensitive to high heat. The heat waves of 2018, 2019 and 2020 had consequences on their welfare, but also on the technical and economic results of the most affected farms.

This is why the Cniel has coordinated and financed a multi-partner development programme, bringing together the Institut de l’Elevage, livestock advisory bodies and veterinarians, on the dairy farming buildings of tomorrow. A summary of this research, published at the start of the year, presents an action plan and practical solutions to adapt buildings to high heat.

In February 2021, two sessions in which the **results were reported were organised in webinar format**. These sessions, open to farmers and all farming advisory bodies, proved popular as they brought together **390 attendees**. To allow stakeholders in the field to access the results of this research and adapt accordingly, an action plan is made available: “action plan to adapt your dairy farm to summer conditions”.



Results Summary of the “Farm buildings of tomorrow” programme disseminated in webinars

Territorial management

Acting so that each farmer thinks about their adaptation to climate change

After the Climalait programme that provides farmers with ways to adapt to climate change, the Cniel is now undertaking the deployment of these data and tools throughout the country. For this, the Criels are asked to pilot their own regional deployment programme, co-constructed with the interprofessional association and technical structures, and adapted to the needs and dynamics specific to each area. Three Criels already have this type of programme up and running: Nouvelle-Aquitaine, Grand Est and Nord-Picardie Ardennes. Depending on the region, these actions combine training of farmers, deployment of tools (Rami fourrager board game), on-farm trials, implementation of levers adapted to the region, etc. but also awareness-raising actions, in particular via the regional press.

These programmes help farmers to adapt their working tools to the two major impacts of global warming on their farms, namely the risk of heat stress on animals and the fodder autonomy of the farm. Severe heat stress can drop milk production by 20%. They therefore simultaneously support the commitments of *France Terre de Lait* relating to animal welfare, the economic performance of farms and the environment.

Research and development

Acting by directing the research strategy in animal genetics

The Cniel is a member of Apisgene, a joint stock company bringing together professionals from the ruminant sectors which directs, defines and finances research programmes in the genomics of dairy cattle breeds. The results of this research, via animal breeding cooperatives and advisory bodies, find direct applications that farmers can use to their advantage. They are offered increasingly wide choice of semen sources for their dairy cows to improve the performance of their herds. The progress made here also improves animal welfare.

The introduction of genomics in animal selection makes it possible to considerably diversify the selection criteria for livestock. In addition to production criteria (e.g. quantity of milk) or morphology (e.g. shape of the udder), it makes it possible to obtain animals with improved functional traits (e.g. resistance to disease, robustness). These functional traits, often directly related to the health of the animal, help improve the welfare of dairy cows.

This is how, for more than 15 years now, selection indexes relating to **udder health** in the large dairy breeds have been introduced. From 2021, there is the possibility in the Holstein breed of selecting animals **more resistant to paratuberculosis**. Other work carried out at Apisgene has also enabled semen selection companies to improve **foot health**. **Heat resistance** will no doubt also be part of the criteria sought in the future. The Calcalor project, started in early 2021, aims for example to better understand the genetic determinism of heat tolerance in cattle and the impact on offspring of heat stress suffered by cows.

**GENOMIC SELECTION MAKES
IT POSSIBLE TO OBTAIN HEALTHIER
AND MORE ROBUST ANIMALS
WITHOUT DEGRADING PRODUCTION**

IMPROVING THE LEVEL OF CONSUMER CONFIDENCE



Challenges

Acting to improve quality, the development of know-how and diversity is not enough. This needs to be highlighted. The French public wants to know the methods of production and manufacture, to be reassured about animal welfare and about everything that affects their own health. This commitment by *France Terre de Lait* is a fitting response.

CONTRIBUTION TO THE UN'S SUSTAINABLE DEVELOPMENT GOALS



Through their purchasing actions, consumers can show their preference for products whose production methods meet the United Nations' sustainable development goals, in particular that of reducing poverty and ensuring the transition to green economies and low-carbon emissions. To achieve this, it is necessary to "ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature" (target 12.8).

Providing this information for dairy products, with a science-based approach is precisely the objective of this commitment.

COMMITMENT 7

INFORMING ABOUT THE ESSENTIAL ROLE OF DAIRY PRODUCTS AND THEIR MODE OF PRODUCTION

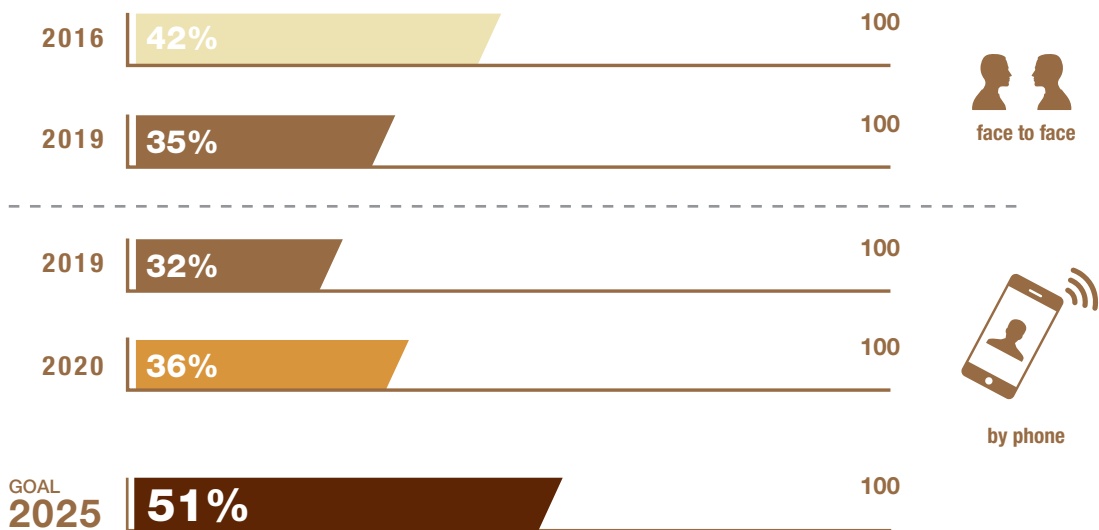
OUR 2025 GOAL

51% French people trust dairy products

This indicator* comes from an annual survey (InquietAlim) carried out among 2,000 individuals aged 18 and over. Respondents are considered to be confident in dairy products if they do not express any specific concerns.

WHAT IS THE CURRENT POSITION?

Dairy products remain at the top of the list of products inspiring consumer confidence.



ANALYSIS OF OUR PROGRESS

The 2020 telephone survey was carried out between 28 June and 23 July among 1,506 individuals representative of the French population aged 18 and over. Consumers were asked whether they had any concerns, and if so, which ones, regarding several food categories: fruit and vegetables, fish, meat, industrial products, milk and dairy products.

Addressing concerns was a scientific choice to move away from the notion of risk often linked to the idea of health risk to understand how consumer confidence in food was built and reinforced.

The slight increase in the aggregate confidence indicator between 2019 and 2020 is too moderate to be considered significant.

However, we observe an evolution in the factors of concern:

- **Hygiene and sanitary quality** remain the cornerstone values of the contract of trust for milk and dairy products: the rate of concern is therefore stable but slightly down (24% in 2019 versus 21% in 2020). Indeed, the Salmonella crisis

in infant formula and the various other local crises concerning raw milk cheeses had increased fears about health risks in 2019 by making the terms “bacteria” and “quality” appear as major.

- In 2020, “**origin**”, “**animal welfare**”, “**cow feed**” took precedence over questions about “**health**”; concerns about industrialisation are rising sharply (9% in 2019 versus 17% in 2020).
- **Concern about the origin of products**, namely, being able to identify where the dairy products consumed come from (15% of concerns about milk in 2019, 20% in 2020) are also increasing. The Covid pandemic has reinforced this concern. The French are attentive to the dangers of globalisation, of the loss of food autonomy. They want a model where we produce more locally, with short and localised production chains.

*to find out more about this indicator: link to the “indicateurs France Terre de lait” leaflet

ACTING: OUR ACTION PLAN

The power of action of the dairy interprofessional association in terms of gaining consumer trust consists in disseminating reliable and objective information on dairy products, their place in diet and their production methods. For this, the Cniel uses information channels adapted to each target and works with the public authorities to develop simplified information (e.g. scoring).

Communication

Acting for transparent and fair labelling

The Cniel uses its scientific, technical and legal resources within the framework of a working group associating the Association des Transformation Laitière (ATLA) with the aim of contributing to all the discussions and initiatives under way at French and European level aimed at improving consumer information through labelling.

This work is part of the extension of the historic action of the interprofessional association for the characterisation and defence of dairy names via labelling (Codex names, French cheese decree) in favour of the authenticity of information.

Defence of dairy names: the Cniel systematically takes action against businesses that sell products of plant origin that maintain confusion with milk or dairy products by the product names used, the packaging, the shelving or on-line sales. Sixteen actions by the Cniel targeted operators in 2020. It also conducted awareness-raising actions with the INPI and other government agencies, and even with a dictionary editor that had misused dairy names to designate plant-based products.

Nutritional information: discussions are currently under way at the European Commission to make a simplified nutritional information system mandatory on the front of Nutriscore-type products. The dairy profession argues with the public authorities that the Nutriscore algorithm does not allow the consumer to make an informed choice for the cheese category as cheeses are not sufficiently differentiated according to their nutritional density. In addition, the regulatory framework that the dairy sector has always defended, guaranteeing naturalness, prohibits the modification of certain recipes. It is therefore impossible to reformulate these products.

Environmental labelling: The French Act on the fight against waste and on the circular economy (AGEC) provides the framework for voluntary environmental labelling. An experiment launched in November 2020 has just been completed. Convinced of the need to provide consumers with more information on the environmental impact of products, the dairy industry took part in it, through ATLA, to propose a relevant system, taking into account dairy specificities.

**THE CNIEL
ENSURES
RESPECT
OF REGULATIONS
THAT PROTECT
DAIRY NAMES:
MILK, CHEESE,
YOGHURT, CREAM
AND BUTTER**

INFORMING ABOUT THE ESSENTIAL ROLE OF DAIRY PRODUCTS AND THEIR MODE OF PRODUCTION

Information on production methods: Since 2018, the industry has set a standard for so-called “pasture” products, and specifications for products derived from animals receiving GMO-free feed (<0.9%). The objective is to provide a framework for the increasingly numerous procedures that provide a guarantee on cow feed.

Information on farming methods: A consultation group for experimenting with the labelling of farming methods, set up at the Conseil National de l’Alimentation (CNA) highlighted the differences in approach between the stakeholders (opinion 85 of the CNA). The dairy sector affirmed its commitment to a collective progress process in terms of animal welfare within the framework of *France Terre de Lait* (see commitment 6 of *France Terre de Lait*) committing all farmers in the same way, where other stakeholders (NGOs, consumer associations, etc.) prefer to focus on segmented approaches.

Communication

Acting through targeted consumer information actions

France Terre De Lait – What If We Talked About It?

With the aim of increasing confidence in dairy products, the Cniel has launched a communication campaign based on the concept of “What if we talked about it?”

It aims to **answer consumers’ queries** and doubts about the dairy sector, its practices but also its products based on evidence and the commitments of *France Terre de Lait*’s approach.

This has resulted in different communication formats.

12 video capsules broadcast on YouTube and on www.produits-laitiers.com that answer specific questions broadcast on social media to people’s questions about dairy products.

- What’s in milk?
- 1000L of water to make 1L of milk?
- What is a dairy farm like in France?
- Milk quality?

The retrospective evaluation of this campaign showed that it had been accepted and appreciated by consumers who consider that it “says important things” (44% to 59% depending on the videos, for a standard of 25%) and that the “messages were particularly relevant (over 40% for a standard of 23%) and “credible” (nearly 60% for a standard of 23%).

Films for consumers explain the products, the dairy sector and its commitments. These films were also broadcast via the solidarity advertising platform Goodeed, which made it possible to finance 3 solidarity projects with Les Restos du Cœur:

- So, what’s in milk?
- Do cows cause pollution? (presentation of the commitment to reduce the carbon footprint of the dairy sector by 2025)



“What if we talked about it?” video capsules

Videos have also been developed in partnership with TV presenter, Jamy:

- Hey Jamy, what's in dairy products?
- How does a cow make milk?

An Agora and a manufacturing workshop at the International Agricultural Show

Every year, industry stakeholders establish a dialogue with the general public at the heart of the international agricultural show, on the Cniel stand. During the SIA 2020 that preceded the first Covid lockdown, two important educational activities were developed.

. **A production line of faisselle, yoghurt, fromage blanc or butter** made from milk collected at the show, allowed the trainers and students of ENIL (National Dairy Colleges) to show and explain milk processing techniques to visitors.

. **An AGORA space throughout the show** allowed the general public to meet industry stakeholders (farmers, processors, experts, etc.) and to interview them during 80 sessions on topics such as dairy cow feed, animal welfare, milk quality. 6,000 visitors took part.

An active network of educational farms and factory visits

Since 2014, the “Découverte à la ferme” network of 127 educational farms has allowed dairy farmers to present the world of farming and their work in visits organised with primary school teachers. Educational tools and a website are available to these farmers. In partnership with French Department of Education, more than 1,000 farm visits are organised each year. This pace slowed down in 2020 due to the pandemic but visits resumed at a brisk pace in June 2021.



BETTER KNOWLEDGE OF THE INDUSTRY BY DISTRIBUTION, RETAIL AND OUT-OF-HOME CATERING

Managers of dairy departments in large and medium-sized supermarkets, dairy and cheese shops and managers of collective catering establishments, who are in direct contact with consumers, must all become ambassadors of *France Terre de Lait*. *France Terre de Lait* will initiate awareness and information operations on guarantees and progress made by the industry to allow these professionals to showcase dairy products on their shelves, in their shops and in their restaurants.

. In collective catering, this awareness campaign will be steered through the Mon Restau Responsable® approach, its promotional tools and information media.

. In large and medium-sized supermarkets, the survey of department managers planned as part of *France Terre de Lait's* social commitment will make it possible to identify training needs on knowledge of the French dairy industry and dairy products.

Sustainable research

Acting by improving knowledge of dairy farming,
dairy products and their processing method

To ensure the reliability and credibility of information provided on dairy products and production and processing methods, the Cniel is supported by internal expertise, scientific monitoring and the results of research work that it builds up and finances with recognised organisations and laboratories (INRA, Inserm, CNRS, etc.). The Cniel devotes 6% of its expenses to it.

By way of example, in 2020 and 2021, five research programmes were launched to:

- better know and understand the evolution of the diversity of microbial populations (bacteria, yeasts, moulds) in PDO cheeses,
- understand the structure of milk fat globules and their evolution at the end of the homogenisation process,
- study the effect of dairy products and dairy fat on cognitive development in children,
- show the place of dairy products as an essential food group in a sustainable diet by balancing nutrition, the environment and socio-economic factors,
- explore the interaction between the consumption of dairy products and the intestinal ecosystem, more commonly known as the intestinal microbiome, an important topic in human health.

6%
of the Cniel's
research budget

41%
of French people consider
that dairy products are
an indispensable
part of their diet

EXPORTING HIGH VALUE-ADDED PRODUCTS



Challenges

For exports, the strategy of French operators for developing countries revolves around value-added products. The aim is to supplement local offerings and therefore export while allowing the simultaneous development of the dairy industry in these countries.

CONTRIBUTION TO THE UN'S SUSTAINABLE DEVELOPMENT GOALS

Avoiding the destabilising of local nascent and developing dairy industries through exports intended for third countries, and in particular emerging countries, makes it possible to contribute simultaneously to several sustainable development goals of the 2030 agenda.



Indeed, offering basic necessities at low cost in countries that are trying to organise their own local supply chains could undermine their sustainable industrialisation efforts (SDG 17). This commitment therefore makes it possible to “respect each country’s policy space and leadership to establish and implement policies for poverty eradication and sustainable development” (target 17.15).



Avoiding unfair competition is a means of promoting “inclusive and sustainable industrialisation, and [...] raise significantly industry’s share of employment and GDP in line with national circumstances, and double its share in least developed countries” (target 9.2). It also means ensuring, that we “progressively achieve and sustain income growth of the bottom 40% of the population at a rate higher than the national average” (target 10.1).



Beyond current initiatives, the industry’s contribution to North-South cooperation should be examined in order to reinforce the access of emerging countries to dairy science, technology and innovation (target 17.6).

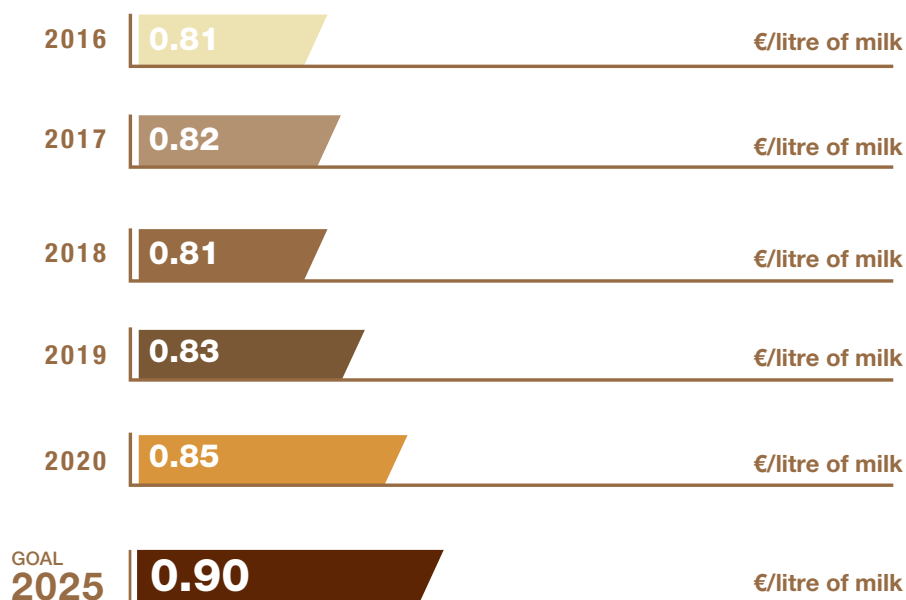
OUR 2025 GOAL

Valuation of dairy products exported outside the European Union amounting to **€0.90/l**

Increasing the added value of products exported to third countries supports the development of local industries in emerging countries by limiting competition with local products*.

WHAT IS THE CURRENT POSITION?

A stable valuation on a rolling average which masks a slight recovery in recent years.



ANALYSIS OF OUR PROGRESS

Over the past four years, this indicator, which reflects the level of added value of dairy products exported to third countries, has been progressing slowly.

The expression of the indicator in rolling value over five years partly explains the slowness of this progress.

However, recent French industrial investments in tools for the production of high value-added products, such as the production of infant formula for example, offer hope of a recovery in the situation.

*to find out more about this indicator: link to the "indicateurs France Terre de lait" leaflet

ACTING: OUR ACTION PLAN

The dairy interprofessional association has little room for manoeuvre in export policies. Nevertheless, in 2020, the Cniel took a strong decision during the Covid pandemic, preventing the stockpiling of powder liable to destabilise markets in emerging countries. This backs up Cniel's traditional actions to promote dairy products with high added value.

Consultation

Acting by establishing a dialogue with the relevant NGOs

In 2019, Cniel established a **dialogue with the Comité Français pour la Solidarité Internationale (CFSI)**. This Committee, which brings together 24 organisations involved in the fight against hunger and the fight against inequality in emerging countries, advocates a responsible export policy to Third Countries. In particular, it has contributed, along with other NGOs, to the campaigns "Mon lait est local" ("Keep my milk local" in West Africa) and "N'exportons pas nos problèmes" ("Let's not export our problems" in Europe).

At the end of this first ice-breaking phase, allowing everyone to get to know each other better, experts from the two organisations were able to dialogue in the course of 2020.

This made it possible to consolidate an economic inventory of the situation of French exports to West Africa and to focus, at the request of the CFSI, on exports of milk powders re-fattened with plant fats. It was found that the latter practice:

- was particularly destabilising for local markets because this product, once reconstituted, is sold at a lower price than local production - and was essentially the result of exports from other countries of the European Union. Following these technical discussions, which will continue as customs statistics are updated, it was decided to go further and launch a consultation process.

This consultation began in mid-2021.

The debates will focus on the definition of responsible exports, that is to say those not likely to harm local milk industries, with particular attention paid to re-fattened powders, but also to operations promoting dairy products in Africa carried out by the Cniel with European co-funding, with a reflection on possible collaborations in future promotion campaigns. The positioning of the French interprofessional association as a go-to interlocutor for cooperation aid and the development of local dairy industries will also be in the scope of discussions.

**THE CNIEL
AND RELEVANT
STAKEHOLDERS
NOW SHARE
THEIR ANALYSIS
OF THE
SITUATION
IN EMERGING
COUNTRIES**



EXCEPTIONAL COVID ACTION

Acting in the midst of the Covid crisis to avoid the stockpiling of powdered milk

The commitment of the French dairy industry to controlling its production volumes during a period of market imbalance was confirmed, in a decisive way, in April 2020, through the production smoothing programme implemented by the Cniel.

In the spring of 2020, France, like many countries around the world, faced an unprecedented situation in the context of the COVID-19 crisis. Due to the emergency health measures set up, trade was severely disrupted. The prospect of a global trade slump for several weeks gave a glimpse in the short-term of the **risk of stockpiling dairy products** and in the medium term of a possible depreciation of the value of these products and therefore the destabilisation of markets in emerging countries.

To this risk of over-stocking of dairy products was also added the fear of being unable to collect and process all the milk produced in France during the seasonal production peak, given the sometimes understaffed teams in some food processing units.

Consequently, in order to avoid congestion on the market and to avoid a drop in milk prices, the interprofessional association asked the European Commission for permission to set up, during April 2020, an **incentive measure to reduce production, financed from the Cniel's own reserves**. This consisted in directly compensating farmers in their efforts to restrict production. The budget allocated to this measure, initially set at €10 million, was finally increased to €15.4 million, given the strong adherence of operators to this programme. 22,000 farmers, in fact, limited their own production in April, thus reversing the national trend. While it had increased by 2.4% in the first quarter of 2020, French milk collection fell by 0.7% in April.

22,383

farmers limited their production in April 2020

15.4 million euros

paid by the Cniel to farmers at the height of the COVID crisis to reduce dairy production

Sustainable research

Acting by analysing and studying the strategies of European businesses in Africa

The Cniel is a CIRAD partner in a project that provides an **objective analysis of the positioning and strategy of French and European dairy firms exporting and investing in Africa**, needed to inform the industry and support its strategy.

A thesis in economic sociology, “CSR strategy of European firms exporting milk to Africa”, will help to understand how markets for milk and dairy products are formed in Africa, affected by the activities of local industry stakeholders. It will start in the second half of 2021. It will be based on field surveys carried out in Algeria and Senegal and will analyse the ability of businesses’ CSR strategies to support the development of inclusive local dairy industries which are vehicles of agricultural development.

**A PROJECT WITH THE CIRAD
TO CONTRIBUTE TO SUSTAINABLE
MILK COLLECTION IN AFRICA**