

Group 37 - Food4Life

Assignment 4: Blog Post



Is the Dutch dairy industry 'crying over spilled milk'?

These are challenging times to be a dairy farmer in the Netherlands. The removal of the EU quota system saw huge investment in the sector, but at what cost to the environment. Earlier changes in legislation – particularly in relation to phosphates

– has stopped expansion in its tracks and left farmers with large debts and uncertainty as to how they will pay them off. Cows have become a political football in the Netherlands with no knowing how the latest nitrogen crisis will be taken on in the ongoing coalition negotiations. One thing is for certain, the EU Green Deal and Farm to Fork strategies and climate change commitments mean that business as usual is not an option. So what next for the Dutch dairy industry? How can it transition to a sustainable system where farmers, consumers and the environment all benefit?

From our rapid analysis of the Dutch dairy system we noted that apart from farmers, who are well



FIGURE 1: THE STEREOTYPICAL DUTCH DAIRY FARM
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organised, the other main stakeholders are the usual suspects of FrieslandCampina (one of the top 5 dairy companies in the world), Rabobank (who almost exclusively finance the dairy sector, farmers and processors), the government (and opposition) as well as the EU, the environmental lobby and the research institutes.

Current trends show a stagnation of production going hand in hand with

a stagnation/decline in the dairy herd and decreased consumption of dairy products nationally. However, exports have been increasing and the processors are importing raw milk to meet demand. Sustainability and the contribution of agriculture to emissions, biodiversity loss and poor water quality are high on the political agenda and the Dairy Sector is keen to point to its sustainability credentials. However, many environmental advocates see this as mere green washing with no real system transformation. Dairy farmers are a small but powerful lobby group that are rightly or wrongly, fed up with being cast as the villains in the environmental debate. Consumers and voters want change, but do not seem willing to pay the premiums necessary for farmers to make a decent living from a smaller number of cows as evidenced by the very slow growth in organic sales and the small premiums paid by processors for 'sustainable' production.

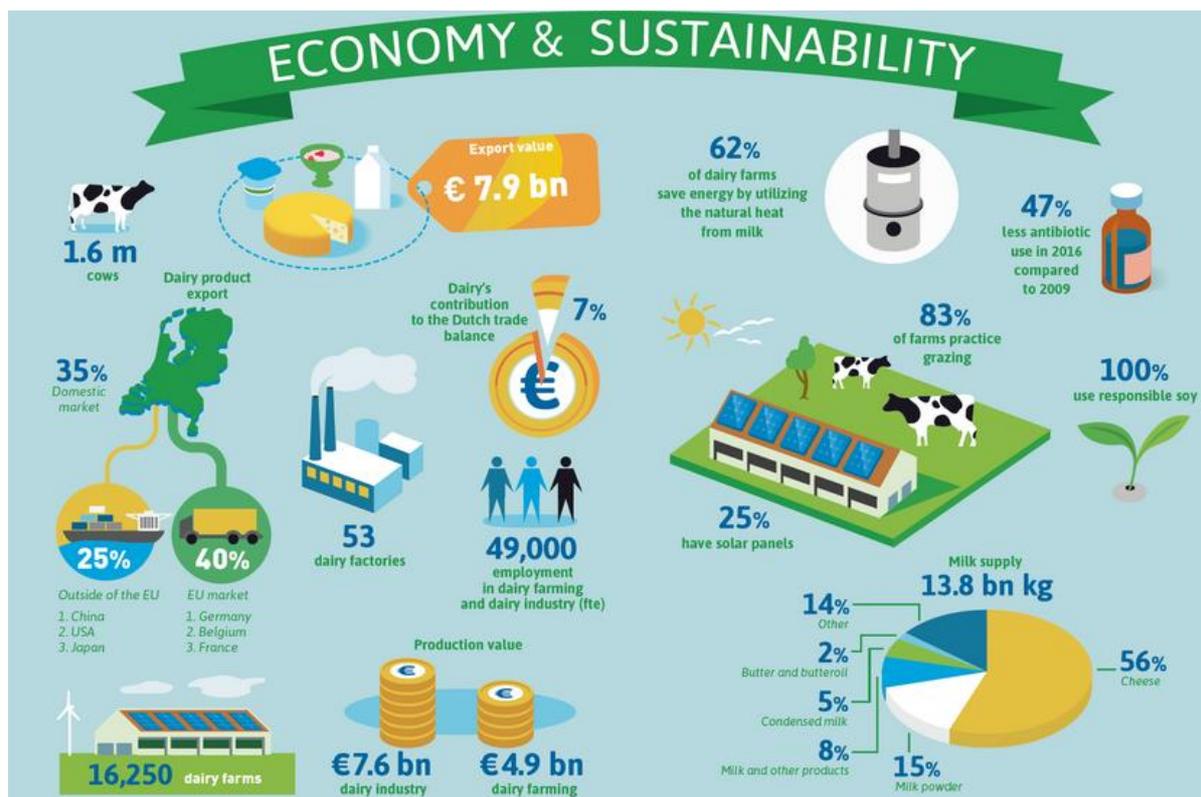


FIGURE 2: HOW THE DAIRY SECTOR PORTRAYS ITSELF IN THE NETHERLANDS - SOURCE: ZUIVELNL, JANUARY 2020

At Food4Life we identified ‘sustainable dairy production as a viable family business’ as the desired goal for our food systems transformation and we looked at several different entry points to achieve this. These are outlined in the table below:

Possible Entry Points	Possible interventions
Farmers Organisations	Engaging farmers to co-develop a realistic plan for transition to sustainable production systems with fair pricing.
Food Standards Authority/ Government Policy	Reviewed/ unified (new) marketing/ labelling strategy that harmonises metrics for sustainability, traceability and nutrition.
Consumer knowledge	Information campaign: paying more contributes to a sustainable dairy sector (focus on youth, schools).
Revenue Organisation / Government Policy	Taxation of less sustainable milk (e.g. taxation of imported feed) which will increase prices of conventional milk).
Financial Institutions	Realistic loan products specifically for farmers transitioning & combined with media campaign focused on shareholders (bank sustainability!).

TABLE 1: POSSIBLE ENTRY POINTS AND ASSOCIATED INTERVENTIONS

For real systems change it is likely that all of the above entry points and initiatives will need to be pursued. However, at Food4Life we felt we could have the greatest potential to effect change by engaging farmers themselves to co-develop a realistic plan for transitioning to sustainable production systems with fair pricing: leading the transformation coalition rather than positioning oneself as victim of the system. This initiative will enable us to engage a wide variety of stakeholders with different views to identify and resolve the potential trade-offs in the transition process.

Lessons Learned:

Bringing about Food Systems transformation is not for the faint hearted. It requires significant commitment of time and resources to achieve deliberate systems changes. The following key points resonated with us at Food4Life:

1. Spend time identifying and understanding all of the relevant stakeholders. Identify which stakeholders might be resistant and which might be enablers. Take the time to understand power dynamics and to challenge these through more diverse and inclusive dialogues.
2. Start from common ground, something all stakeholders can agree on. Focus the Food System Outcome to be achieved – the what, not the how.
3. Do your homework.
 - a. Take time to understand how the system has evolved. This will help understanding of different stakeholders positions.
 - b. Map the system and understand what's going on behind the arrows in your systems map. Networks, relationships and power dynamics will be key to transformation, we need to understand where the entry points might be
4. Collaboration is king and facilitation is key. Make space for tough conversations on the potential trade-offs of different perspectives on the how. There is no 'right' way. Facilitate solutions, do not impose them. Look for solutions that contribute to multiple Food System Outcomes simultaneously.
5. Build coalitions and commitment. Develop, resource and implement transparent mechanisms to hold stakeholders to account.

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