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FAO reveals that the environmental impact of the dairy sector accounts for 2.7%

IDF welcomes the new FAO report on “Greenhouse gas emissions from the dairy sector” as a significant step to quantify the GHG emissions from the dairy sector and provide an informed basis to target emissions mitigation within the supply chain.

In the recent years, IDF has been particularly active in placing environmental considerations at the top of its priorities. Further to a strategic plan on environment in 2008, IDF identified the need to undertake a report of this nature and has encouraged FAO to do so.

The dairy sector has already implemented a significant number of initiatives to mitigate GHG emissions. A Green Paper captures specific actions implemented in a number of key areas to address the environmental impact on climate change. It is an online catalogue of initiatives and improvements already made and those in progress as compelling evidence of the dairy sector’s commitment. With more than 270 case studies, the IDF Dairy Sustainability Website (http://www.dairy-sustainability-initiative.org) is a transparent portal that shares best practices and actions taken by the global dairy sector to improve its overall performance.

This interim FAO assessment provides the dairy sector with a robust benchmark for future targeted actions. It will help to identify the key areas of impact and work out practical and cost-effective adaptation options to mitigate greenhouse gas emissions from the dairy sector.

Great success for the 2010 IDF Dairy Innovation Awards

170 entries from 29 countries in 12 categories

Submit your case studies to the Green paper online at www.dairy-sustainability-initiative.org

Mark your diary IDF World Dairy Summit 2011 under the theme of “Sustainable Food Security” will take place from 15 to 19 October 2011 in Parma, Italy
Expert View

Dairy's bright future
Andrew Ferrier, Fonterra
Chief Executive Officer

At your annual meeting in November 2009, you announced a solid result in a tough environment characterized by market volatility. How does Fonterra keep the good momentum?

Despite an extremely challenging financial environment, confidence is high and the outlook for dairy is good.

According to the UN, the world’s population will double by 2050, which means there will be an even greater need for quality, versatile protein. In addition, rising incomes in developing economies such as China and South-East Asia, means increased consumption of protein, including dairy products.

Dairy is internationally regarded as one of best providers of nutrition, and Fonterra is well positioned to meet demand. New Zealand is the world’s largest exporter of dairy ingredients and accounts for more than a third of the world cross-border dairy trade.

Certainly Fonterra’s farmer shareholders have been given great confidence. Our Co-operative reported a strong result for 2008/2009 with record earnings in our consumer business and the second highest distributable profit to our shareholders ever, despite the global economic downturn.

What are the exciting new uses for Dairy? What drives research and innovation at Fonterra?

To meet growing milk production in our Ingredients division we have just opened the world’s largest and most efficient milk powder drier, ED4, at our Edendale plant in New Zealand’s South Island. ED4 can produce one tonne of whole milk powder every two minutes and has significantly reduced the cost per kg of final product.

We are continually asking ourselves how we can add more value to dairy ingredients, and have invested significantly in R&D. The Fonterra Research Centre in Palmerston North, New Zealand, is the world’s largest dairy ingredients research facility and employs many of the world’s leading experts in dairy science.

How does IDF help to exploit the opportunities and address the challenges that face the dairy sector and Fonterra in particular?

IDF has the important responsibility on behalf of the global dairy sector of providing sector-wide input into the establishment and modification of food standards, methods of analysis and various policies, guidelines and practices in a wide range of areas, for example good farming practices, environment including carbon footprints and sustainable practices, food assurance, milk and product composition etc. Such standards, policies and guidelines can and have had a significant effect on the ability of the New Zealand dairy industry and Fonterra to operate in the global market place.

The 2010 IDF World Dairy Summit will take place in Auckland in November. The previous IDF WDS took place ten years ago. What are the major developments achieved by the dairy sector during this period?

Since the IDF World Dairy Summit was last held in New Zealand in 2001, dairy commodity prices have trended upwards in real terms - which is good news for our farmers. In New Zealand the amount of milk solids processed has increased from 1.1 billion kg of solids to 1.3 billion kg of solids, and we’ve also made significant gains in on-farm productivity and labour efficiency.

We are doing all of this in a way that will sustain dairy’s long-term future. Fonterra’s energy use has reduced by 15 per cent per unit of production since implementing an energy efficiency program in 2003. In 2009 Fonterra met its 90 per cent recycling and re-use target, and over the last seven years has diverted more than 18,000 tonnes of paper, cardboard and plastic and a huge amount of organic waste away from landfill, equivalent to 7450 tonnes of greenhouse gas emissions.

Dairying is the single most important primary economic activity in New Zealand. In November Auckland will be hosting the 2010 IDF World Dairy Summit, and I encourage you to take this opportunity to see our operations first-hand. The IDF World Dairy Summit has a line-up of challenging, knowledgeable speakers and technical tours of dairy plants, research and service facilities around the country are available.

Andrew Ferrier
The IDF delegation made a substantial intervention informing CCMAS about its concerns, while also referring to the recommendation from CCMMP that sampling plans should be based on valid statistical principles that would meet the requirement for fair international trade in milk and milk products.

IDF drew particular attention to its concerns with two sections of the explanatory notes, which suggested that an adequate compliance assessment of a lot can be performed by testing a single sample and comparing the analytical result with a specification limit taking only analytical uncertainty into account.

IDF expressed reservations concerning this approach because it appears to compromise one of the objectives of Codex, namely to ensure fair practices in trade. This is because the proposal outlined in section 8 fails to provide adequate protection to either the importer or exporter, particularly for dairy products where sampling error is of similar magnitude as analytical error, or where sampling uncertainty is significantly larger than analytical uncertainty. Other delegations were of the view that some provisions went beyond the scope of the Guidelines and some recommendations were too prescriptive and referred to decisions that should be made by governments when assessing compliance with standards.

CCMAS therefore agreed to advance the explanatory notes to the guidelines on measurement uncertainty, but to substantially revise them to avoid referring to compliance assessments of lots. Hence, section 8 was substantially revised, with input from IDF. The passages dealing with compliance assessment and instructions to authorities were removed. Section 9 dealing with Use of Measurement Uncertainty and Definition of a Dispute Situation was deleted altogether. The Proposed Draft Guidelines, amended, will be forwarded for adoption at Step 5 by the 33rd Session of the Codex Alimentarius Commission. With these changes, it is believed that the serious concerns IDF had with these explanatory notes have been addressed.

**IDF activities in the field of fermented milks and probiotics**

The scientific community, consumers, and the food industry share a continuous and growing interest in fermented milks and probiotics. IDF is involved in this important research field with several activities that are carried out in collaboration with international renowned academic and industry partners.

In 2010, IDF, Institut Pasteur, and the International Scientific Association for Probiotics and Prebiotics (ISAPP), jointly are organizing the second edition of the IDF Elie Metchnikoff Prize. This prize celebrates outstanding scientific discoveries with regard to fermented milks and promotes further research and innovation in the dairy industry. The award ceremony will take place on 9 June 2010 at the forthcoming IDF Symposium on Science and Technology of Fermented Milk in Tromsø, Norway.

Since 2007, IDF has been collaborating in the area of probiotics with the European Branch of the International Life Sciences Institute (ILSI Europe). In May 2008, ILSI Europe organized a workshop in association with IDF to discuss evidence of the functionality of different probiotics, and formulate recommendations to help design the next generation of probiotic studies. The former IDF Joint Action Team on Probiotics provided a technical contribution to this work. ILSI Europe recently published this evaluation of evidence of the functionality of different probiotics “Guidance for Assessing the Probiotics Beneficial Effects: How to fill the GAP” in the Journal of Nutrition.

Last but not least, IDF collaborates with the European Food and Feed Cultures Association (EFFCA), to update its widely used 2002 Inventory of Microorganisms with a Documented History of Use in Food. The revision will take into account the evolution in taxonomy and as such responds to new regulations on risk analysis of microorganisms which entered into force since 2002. The resulting updated inventory would avoid the need for a full risk assessment of the species listed in the Inventory, and this greatly benefits the dairy sector.
Auckland, New Zealand, 8, 9 & 10 November 2010

The Dairy Leaders’ Forum will kick off the IDF World Dairy Summit and focus on the trends, changes and challenges taking place in the market place and the implications for industry players. CEOs from across the industry supply chain will articulate and debate the strategies and rationale for their business in a panel discussion.

Among the topics to be discussed will be the complexities of the international dairy business, the difficulties dairy farmers face, how engineering and packaging companies supplying the dairy industry are endeavouring to keep up to date, and how analysts assess the viability across the supply chain. Lastly a representative of the consumer perspective will put everything into context.

This year Dairy Leaders’ Forum will feature CEOs from major entities in the global supply chain including:

- Andrew Ferrier of Fonterra,
- Cees ’t Hart of FrieslandCampina,
- Ken MacKenzie of AMCOR,
- Niels Graugaard of GEA,
- Jerry Kozak of National Milk Producers Federation, and
- Jacqueline Pieters of Rabobank.

The take away will be a vision of where the industry is going in the coming months, new insights and solutions.

The Dairy Policies and Economics (DPE) conferences will examine the developments in trade policy and will review the world dairy situation. Delegates can expect stimulating debates as different strategies are promulgated. This conference is being addressed by some very knowledgeable people with considerable expertise in global trade issues including Mrs Fischer Boel, former European Commissioner for Agriculture and Rural Development, Joe Glauber of USDA and the Minister of Trade from New Zealand, Tim Groser with many more of equivalent stature.

A complete overview of the programme is available at www.wds2010.com