



ADF National Dairy Farmers' Summit

Thursday 13 March 2014

Theme 3: Social Licence - Public Trust

Introduction

- Dairy operates with in communities, not in isolation. Is dairy a valued contributor to the community or a taker of resources? Will the industry have the support of the community or will it be regarded with distrust – or disregarded all together?
- We need to be ready to have an open conversation with communities about what we do in our businesses; about the food we produce, and the benefits we provide to communities.
- This theme deals not only with doing what we think is the “right thing” for the environment, animal welfare, and food and nutrition, but taking that further to gain the acceptance and trust of communities on environmental, social and economic issues.

Where we have been

The dairy industry has traditionally operated with a low level of scrutiny from the Australian community.

Dairy's relationships with the marketplace have three important dimensions,

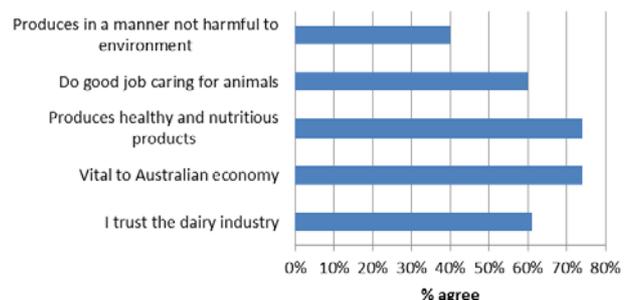
- Consumer – the ultimate arbiter of our product
- Customer – channel to the market and consumers
- Community – enabler and stakeholder

Dairy foods have been regarded as an “essential” highly nutritious food, with the highest household penetration of any food group - around 95% of Australian household have some dairy products in the fridge. National Health and Medical Research Council Australian Dietary Guidelines recommend milk, cheese and yogurt as part of a healthy diet.

Customers around the world regard Australian dairy products as safe and high quality. This reflects a food safety framework that is rigorous without being overly prescriptive, overlaid with individual companies' quality parameters. In the past this has been sufficient to access most markets of choice, both at home and overseas.

The dairy industry also has a largely positive image among the Australian community. There is a high level of trust in farmers from the community in general, even

Community perceptions of dairy



Source: Dairy Australia Dairy Monitor, Mar 2013

with an increasing “rural-urban” divide. Most people trust that the dairy industry does the right thing and is making an important contribution.

Nevertheless there have been times when this support has been tested – when water supplies are threatened, when cases of serious animal abuse are brought to light, when influential activists have targeted aspects of dairy’s production system – such as bobby calves. The industry has dealt with these threats in the past – although largely in a reactive or defensive way.

The development of the industry’s Sustainability Framework is recognition of the increasing expectations of customers as to the sustainability of agricultural practices, and demands to better demonstrate the dairy industry’s food production credentials. The framework will monitor and report on targets about our industry prosperity, dairy people, care of our animals, community nutrition and reducing environmental impact – to demonstrate the industry’s commitment to improvement.

While “damage control” is important, to paraphrase the words of Oscar Wilde – “the only thing worse than being talked about is not being talked about”. There is a need to talk about industry contribution, not only to justify our practices, but also to get the community support we need to maintain competitiveness.

Where we are going

Customers and consumers have traditionally driven the development of food safety and quality systems. While this will continue, the future is likely to be different – with community playing a much greater role in driving expectations across many aspects of the dairy business.

In a world of scarcer natural resources and greater societal scrutiny, social licence will be granted by the communities in which the dairy industry operates. There are a range of interest groups that will continue to strongly influence the community’s attitude to animal production systems – a mix of pragmatic and activist groups. These groups will influence the operating environment for livestock industries such as dairy.

Consumers will continue to be bombarded with conflicting messages about diet based on the latest research, and will be increasingly sceptical about who is delivering the messages. Dairy’s place as an essential and nutritious food is far from secure, as competition from substitute products mounts.

Having a social licence to operate can be likened to building up a bank of goodwill and trust that can be drawn on from consumers, customers and community when issues inevitably arise. Building this bank will require the industry to be proactive, honest, and willing to change practices.

Questions for the workshop

1. What does successful community licence look like to you?
2. What are the most important risks to the industry’s social licence?
3. How can the industry continue to earn and protect its social licence?
4. How can the industry best get positive messages out about our practices?
5. How do we capitalise on existing community support?
6. What are the top 3 things the industry can do to build our social licence?