



FrieslandCampina 

nourishing by nature

Frank van Ooijen
Corporate Director Sustainability

Food Security & Genetic Diversity
An agrofood business perspective



Who we are: a global player in dairy with a cooperative foundation

- Over 140 years history as a dairy cooperative
- 2nd dairy coop in the world



- 5th processor of milk globally
- Annual sales EUR 11.4 billion
- Dairy factories in 30 countries, sales in 100 countries
- Milk production of dairy farms from 19,000 member farmers is 10 bn kg p.a.
- Member farmers = shareholders

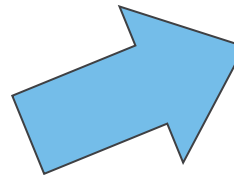


Figure 1: Global dairy top 20, 2014

#	Last year	Company	Country of headquarters	Dairy turnover, 2013 (USD billion)	Dairy turnover, 2013 (EUR billion)
1	1	Nestle	Switzerland	28.3	21.3
2	2	Danone	France	20.2	15.2
3	3	Lactalis	France	19.4	14.6
4	4	Fonterra	New Zealand	15.3	11.5
5	5	FrieslandCampina	Netherlands	14.9	11.2
6	6	Dairy Farmers of America	USA	14.8	11.2
7	7	Arla Foods	Denmark/Sweden	12.5	9.4
8	9	Saputo	Canada	8.8	6.6
9	8	Dean Foods	USA	8.6	6.5
10	12	Yili	China	7.6	5.7
11	11	Unilever*	Netherlands/UK	7.5	5.6
12	10	Meiji	Japan	7.4	5.6
13	17	DMK	Germany	7.1	5.3
14	15	Mengniu	China	7.0	5.3
15	14	Sodiaal	France	6.6	5.0
16	18	Bongrain	France	5.9	4.4
17	16	Kraft Foods	USA	5.8	4.4
18	20	Muller*	Germany	5.0	3.8
19	19	Schreiber Foods*	USA	5.0	3.8
20	13	Morinaga Milk Industry	Japan	4.8	3.6

A typical Dutch Farm

Generation 2
generation

Family owned

Average
87 cows

Meadow
grazing

Average farm:
670.000 kg milk per year



Our social purpose is aimed at three global challenges..



Food and nutrient security for a fast growing world population

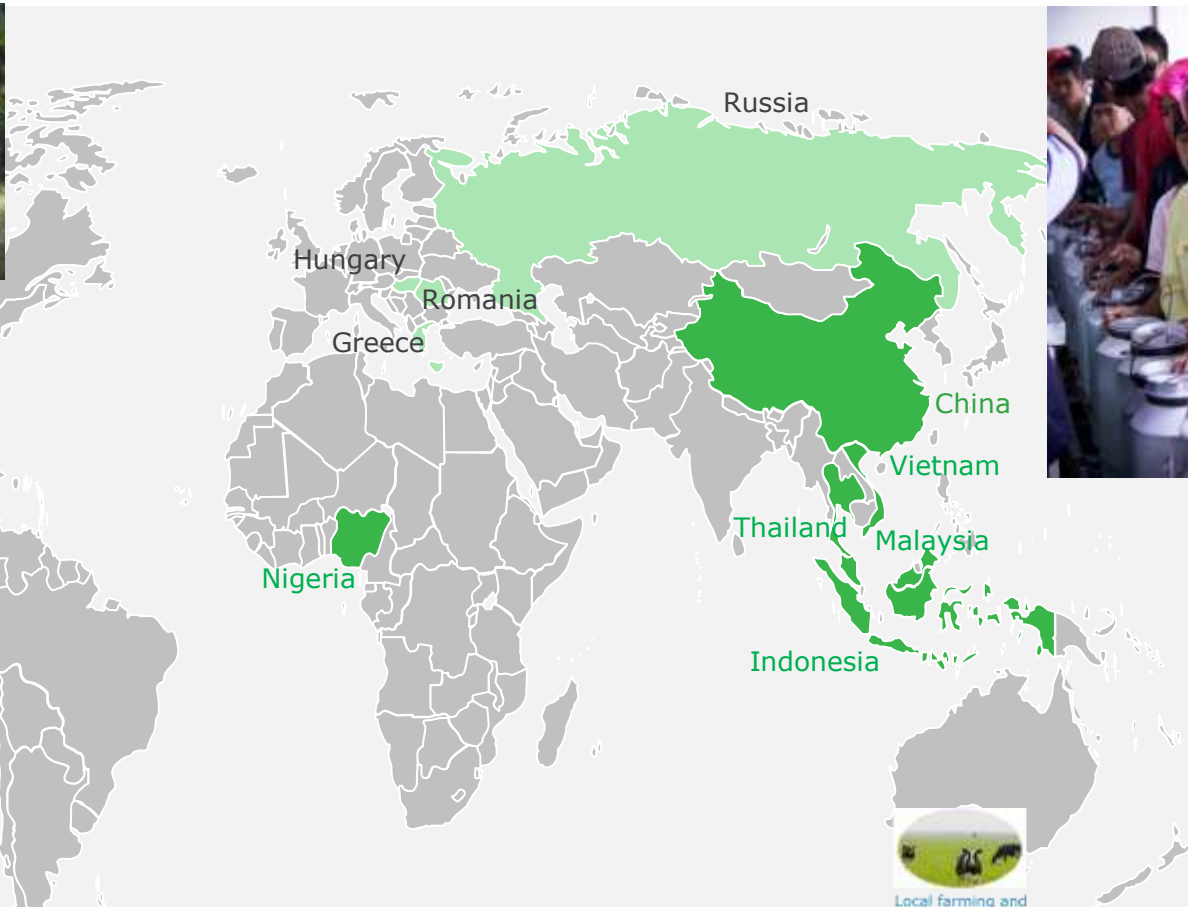


Helping small farmers in dairy worldwide (aging farmers is a major issue)



Building more efficient & sustainable food supply chains

Our Dairy Development Program supports the development of >40,000 local farmers



- **Primary DDP markets:** countries that require significant DDP support to guarantee business growth and continuity
- **Secondary DDP markets:** countries that are relevant for leveraging best-practice and coordination of interdependent activities



Bringing our thorough 'Grass to Glass' expertise all over the world through various initiatives



Farmer groups in Vietnam

- Local dairy farmers work together as part of a group and are paid a bonus for the volume of milk they supply and given a discount on purchase of animal feed and other inputs. Groups can eventually evolve into a co-operative



Improved infrastructure in Nigeria

- Milk collection points set up in Nigeria to improve sales opportunities so that farmers supply more milk and boost their incomes



Knowledge partnerships in China

- Sino Dutch Dairy Development Centre in order to increase the safety and productivity in the Chinese dairy chain.
- Partnership with the Chinese Agricultural University and Wageningen University and Research center

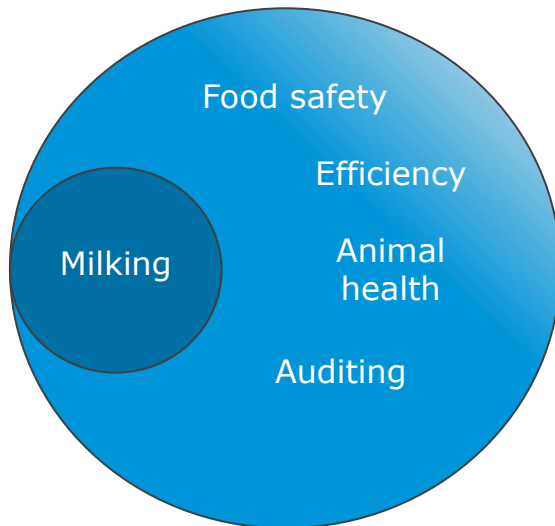


Helping Indonesia to become self-sufficient in fresh milk

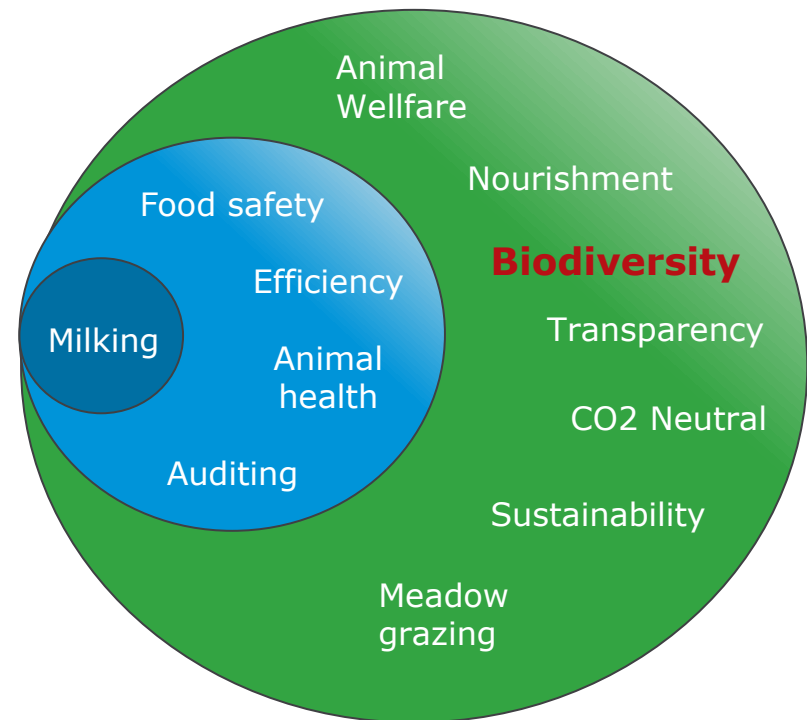
- Dairy Village Programme Indonesia is a collaboration agreement with the Indonesian government to increase local fresh milk production by fifty percent in 2025, thus reaching the country's goal of self-sufficiency in fresh milk.

Over the years key characteristics of sector, cooperative and farms have changed

From: producing safe milk



To: nourishing millions of consumers responsibly



So, what do we think and do about biodiversity ("genetic diversity")?



Biodiversity of soil, pasture and natural farm environment is the backbone of our farmers' business model



That's why biodiversity is an integral part of our sustainable dairy farming program



We promised climate neutral growth and we are reducing 1,400 ktons of CO2 eq (2020)



We are on our way to use 100% sustainable agricultural commodities (soy, palm, cocoa, paper, tropical fruit, sugar, etc.)



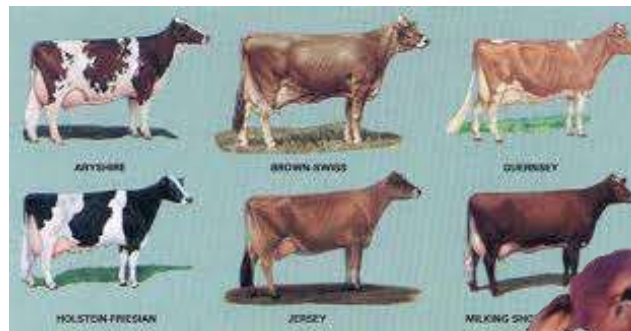
Conservation of traditional dairy cattle breeds for future food security is very important!!
(we are NOT in breeding)

Our farmers mostly prefer Holstein Friesian: local breeds in DPP (Asia and Africa)

Holstein Friesian is known to be the world's highest-production, most robust and resilient dairy animal. You will find them in every corner of the world.



But there are many more dairy cattle breeds:



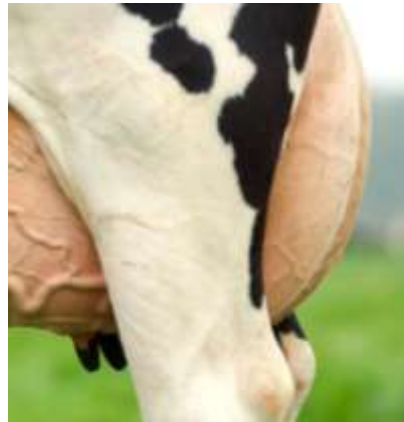
Sustainable dairy farming is one of the four pillars of our CSR policy

Sustainable dairy farming

Energy and
climate



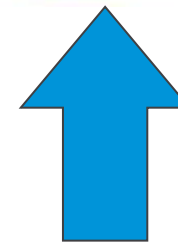
Animal health
and welfare



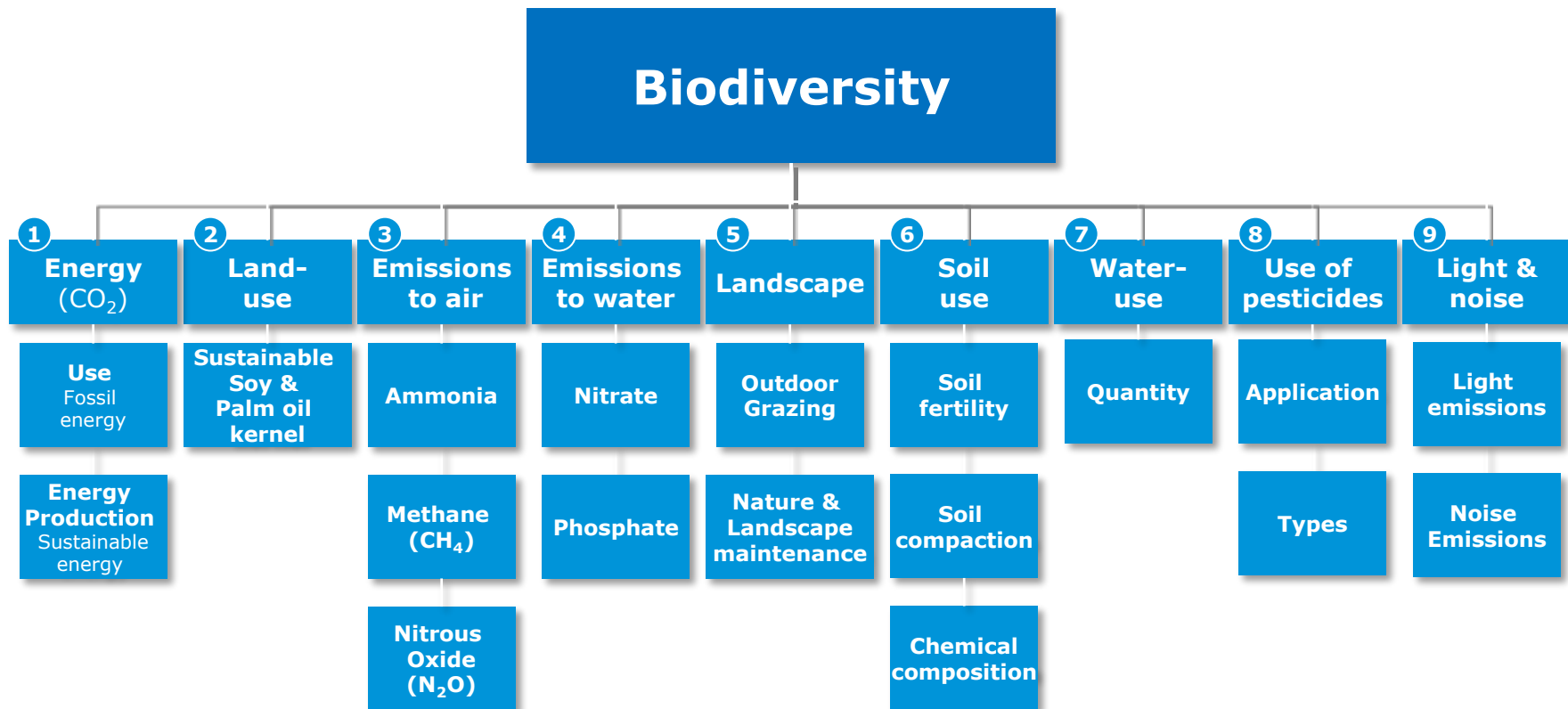
Biodiversity



Outdoor
grazing



The 'pressure factors' constitute the framework for biodiversity actions





Mineral efficiency through the Recycling Indicator tool

December 22, 2014

Dutch dairy farmers and dairy industry target mineral efficiency through Recycling Indicator

From 1 January 2015, all dairy farms in the Netherlands with a phosphate surplus will be obliged to complete the Recycling Indicator (Dutch: KringloopWijzer) form. This administrative tool enables dairy farmers to optimise their business operations. In addition, it also enables them to achieve responsible development of their business within specified environmental constraints.

The Recycling Indicator gives individual farmers **insight into the efficiency of their mineral recycling, and also tells them how to optimise their business operations. By improving the way they recycle minerals on their farms, dairy farmers can save on feed, artificial fertilizer and/or manure disposal.** Better recycling of nitrogen and phosphates and lower emissions of ammoniac and greenhouse gases will also enable farms to develop more responsibly.

The Recycling Indicator is linked to a central database. This central database allows farmers to automatically upload digitally available data on their farms to the Recycling Indicator.

Pivotal role FAO Commission on genetic resources for food and agriculture

In the last 30 years, the FAO Commission on genetic resources for food and agriculture has played a key role in conserving (animal) genetic resources in the world. In the interest of global food security.....

