



Purchase of organic dairy products (milk, butter, yoghurt, etc.)

Federal Procurement Agency, Austria

- Reduction of 4,406 t CO₂e
- Support of organic farming, whose animal feed is neither consisting of, nor containing genetically modified organisms



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Benchmark

Dairy products from
conventional farming

- 16,422 t CO₂e/year
- 5,721 toe/year

GPP 2020 tender

15 % from organic farming

- 14,953 t CO₂e /year
- 5,210 toe/year

Results

- Savings:
4,406 t CO₂/ 3 years contract
1,535 toe/ 3 years contract

Contract tendered

- Tender for dairy products (milk, butter, yoghurt, etc.) by the Federal Procurement Agency (FPA), Austria.
- Supply contract: contract over a period of 3 years – 2015-2017 (public bodies that use this contract order the dairy products via fax or email directly from the supplier or via FPAs E-Shop).
- Value: about 10.5 Million € (without VAT).

Procurement approach

An open procedure was chosen for the tender.

The tender consisted of eight regional lots.

The bidder (retailer or vendor) had to be certified according to the International Featured Standard Food. Among others, the standard is supposed to improve the safety and quality of food. A company certified with this standard proves that the food it provides is produced in accordance with the existing legislation.

The product portfolio that the supplier offers has to include certain dairy products also in certified organic quality.

Award criteria

The following award criteria was included in this tender:

- Total price
- Shortened delivery period
- Amount of products that are free from genetically modified organisms

Contract clauses

The tenders included i. a. following contract clauses:

- Minimum order to reduce the amount of deliveries
- Pooling of deliveries so that there is a maximum amount of three deliveries per week
- All deliveries have to use solely returnable packaging

Criteria development

The environmental criteria used in this tender cover the following three aspects:

Increase of the share of organic content: The suppliers have to offer certain dairy products also in organic quality. Moreover, the suppliers were asked to offer further dairy products in organic quality.

Reduction of the delivery intervals and thus the delivery distances: The reduction of delivery distances is achieved with regional lots, the minimum order and the pooling of deliveries to a maximum of three deliveries per week.

Reduction of packaging waste: All deliveries have to use solely returnable packaging.



Results

The following table offers the savings of greenhouse gas emissions (t CO₂e) and energy, that are due to 15 % of organic dairy products.

	CO ₂ e Emissions	Energy consumption
Low Carbon Solution	14,953 t CO ₂ e/year	5,210 toe/year
Benchmark	16,422 t CO ₂ e/year	5,721 toe/year
Annual savings	1,469 t CO ₂ e /year	512 toe/year
Total savings (3 years contract period)	4,406 t CO ₂ e	1,535 toe

Calculation basis

Benchmark: 100 % of the dairy products come from conventional farming.

Low-Carbon-Solution: 15 % of the dairy products (by value) come from organic farming. 85 % of the dairy products are from conventional farming. The reduction of the delivery distance (a maximum of three deliveries per week and minimum orders) is not included in the calculation because data is missing about the „old“ delivery distances and how they are going to change with the new provisions.

For the calculation, we assumed that one third of the dairy products ordered in this contract is

milk (3.5 % fat), one third is yoghurt-butter and one third is yoghurt (0.9 % fat).

We used the following emission factors¹:

Milk from conventional farming 3.5 % fat: **1.19 kg CO₂e/kg milk**

Milk from organic farming 3.5 % fat: **1.03 kg CO₂e/kg organic-milk**

Butter from conventional farming: **27.59 kg CO₂e/kg butter**

Butter from organic farming: **23.52 kg CO₂e/kg organic-butter**

Plain yoghurt from conventional farming 0.9 % fat: **0.82 kg CO₂e/kg yoghurt**

Plain yoghurt from organic farming 0.9 % fat: **0.72 kg CO₂e/kg organic-yoghurt**

For the calculation of energy savings, we assumed that all CO₂e-emissions in the life cycle of dairy products derive from natural gas. This is a very simplistic assumption because the greenhouse gas emissions from farming are connected with other processes like for example the higher content of humus in the soil and thus a higher fixation of CO₂, that cannot be translated into energy consumption.



Lessons learned

The market for organic dairy products is much bigger than the market for organic poultry meat. Furthermore, the price differences between dairy products from conventional farming and organic farming are relatively low, except for butter.

The topic “regional origin” is a very important topic for public buyers. This also becomes apparent in the case of dairy products. Nevertheless, this topic cannot be included in the tender because of the legislation.

Because dairies cannot cope with the logistic costs, they offer their products not directly but via trading organisations.

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¹ Source: Lindenthal et al., FiBL Österreich: Bilanz CO₂ eq, Vienna 2009

About GPP 2020



GPP 2020 aims to mainstream low-carbon procurement across Europe in support of the EU's goals to achieve a 20% reduction in greenhouse gas emissions, a 20% increase in the share of renewable energy and a 20% increase in energy efficiency by 2020.

To this end, GPP 2020 will implement more than 100 low-carbon tenders, which will directly result in substantial CO₂ savings. Moreover, GPP 2020 is running a capacity building programme that includes trainings and exchange. – www.gpp2020.eu

About PRIMES



Across six countries in Europe; Denmark, Sweden, Latvia, Croatia, France and Italy, PRIMES project seeks to help municipalities overcome barriers in GPP processes, many of which lack capacity and knowledge.

PRIMES aims to develop basic skills and provide hands-on support for public purchasing organisations in order to overcome barriers and implement Green Public Purchasing. This will consequently result in energy savings and CO₂ reductions. – www.primes-eu.net



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