

Fonterra Australia finds success in sustainability

Innovation and sustainability are key drivers for Fonterra Australia, helping to maintain continued business viability and meet evolving consumer expectations.

One of Australia's dairy processors, Fonterra has eight manufacturing sites across the country, employs 1,600 people, and collects approximately 1.4 billion litres of milk each year.

Managing Director of Fonterra Australia, René Dedoncker said it's important that the business meet consumer expectations and that means adapting to improve sustainability credentials and outcomes.

"Fonterra is making great gains in sustainability, and I'm pleased to say we're on track to meet our commitment to make all packaging 100 per cent reusable, recyclable, and compostable, generating zero solid waste to landfill by 2025," Mr Dedoncker said.

"Our ability to develop and adopt innovative sustainability solutions will be critical for us to continue to deliver quality products to consumers from some of Australia's favourite brands like Western Star, Bega, Mainland and Perfect Italiano.

"With the business selling a pack of Western Star and Perfect Italiano every second and a Bega cheese product featuring in every second fridge in Australia, it's our responsibility to be proactively working to minimise our carbon footprint.



The Australian Dairy Products Federation (ADPF) commissioned Deloitte Access Economics to produce the report, '*Economic and broader contribution of the Australian dairy processing industry*', to provide an analysis of the industry's contribution to the economy and regional communities.

The Report found that Australia's dairy processing industry is making significant progress when it comes to corporate social responsibility, sustainability, and the environment, finding a 24.5% and 23.5% reduction in energy use and emission intensity in the last three years and a three per cent fall in landfilled waste in 2019-20 to around 14,900 tonnes, well below the average for the manufacturing sector.

"We have worked with all our partners closely to minimise our environmental impacts, from transitioning away from polyvinyl chloride (PVC) packaging to redesigning the cardboard sleeve for snacking on-the-go products, successfully diverting a significant quantity of waste from landfill," Mr Dedoncker said.

"We have all the natural advantages in Australia, with our pastured-based farming model so it's important that we are looking for ways to continue to ensure its longevity.

"Beyond our own impact as processors, it's important that we are also working closely with farmers to help get them access to funding and grants that will help to create even greater gains on farm, from reducing milk quality issues to improving water access and irrigation efficiency. A key component of this is investing in research and development that will help to accelerate sustainability across the industry.

"A major step for us has been the partnership with Sea Forest to see if using seaweed as feed for cows can safely reduce greenhouse gases on commercial farms. Initial laboratory

testing from Future Feed has found that some forms of seaweed preparations have the potential to reduce methane by up to that 80 per cent. Since then, we've expanded the trial to assess whether small amounts of seaweed will impact milk production, and so far, the results have been very encouraging. We look forward to the next phase of testing.

"It's these changes and innovations on farm that will help lead to not only positive environmental outcomes but also generate savings from the farmgate across the entire supply chain."

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