



Dairy for life

The Co-operative Difference Payment

2023/2024 Season



The
Co-operative
Difference



Together we make the difference

The Co-operative Difference
encourages the practices that
will strengthen the future for us all.

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What is The Co-operative Difference?

The Co-operative Difference is our framework for managing the things that...



**We need to
do today**



**We need to
be thinking
about for
tomorrow**



**We need to
consider in
the longer
term**

It doesn't mean losing your unique way of doing things on your farm. Instead, it's about working together as a strong Co-operative to protect and grow the value of our sustainable, nutritious, New Zealand milk.

As a Co-op, we need to celebrate and encourage the practices that will get us there. This guide explains how The Co-operative Difference payment will support this in the 2023/2024 season.

**People &
Community**

Milk



What is The Co-operative Difference Payment?

In June 2021, we changed the way farmers are paid for their milk through the introduction of a new milk payment parameter. This means that each farm's milk payment is influenced by their achievement of key practices on farm that are important for our future.

Why do we do this?

Getting the best returns for your milk is determined by our ability to access opportunities, markets, and premium prices.

It is also important that the wider community value our role and our approach to farming, animal wellbeing and guardianship of the land, so that dairy farming is seen as an attractive and respected career choice for future generations. This means staying at the forefront of issues such as quality, safety and sustainability.

That is what The Co-operative Difference is all about.



“
It’s fairly powerful when we’re able
to show our customers the story of a
bottle of milk within minutes. From
the warehouse, depot, supply chain
back to the farm – they can see it all,
no other dairy company can do that.

”

Tim Kirk

General Manager, Global Quality Fonterra

Our approach to recognition has three levels of achievement

Te Pūtake

The start of the journey

Our strategy is all about sustainable value. Farms who meet achievements for Co-op, Environment, Animals and People.



Te Tihi

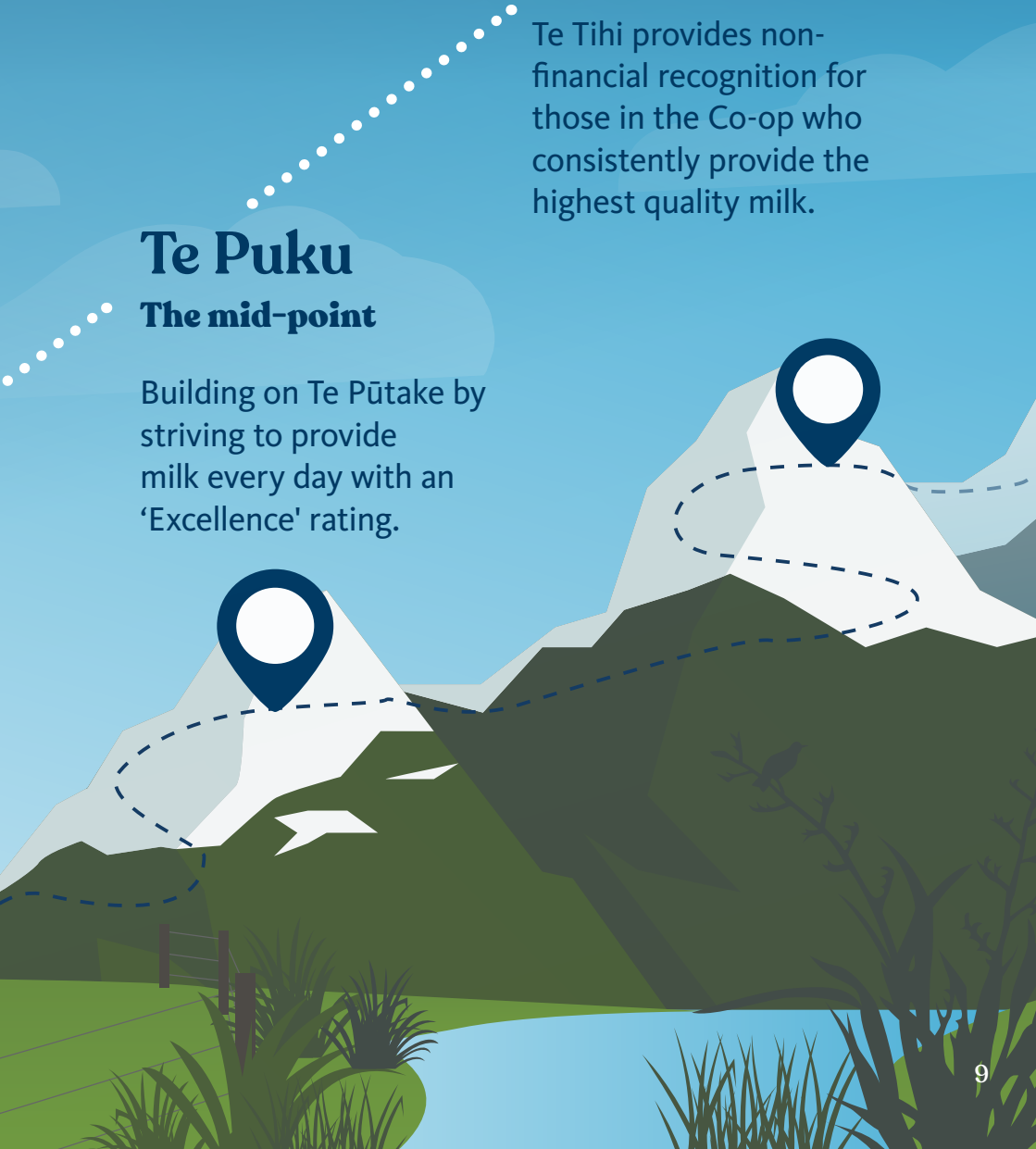
The summit

Te Tihi provides non-financial recognition for those in the Co-op who consistently provide the highest quality milk.

Te Puku

The mid-point

Building on Te Pūtake by striving to provide milk every day with an 'Excellence' rating.



Te Pūtake

7c kgMs on all
milk supplied

You must meet all four achievements and have them verified before the end of the season.



Environment

Farm Environment Plan in place with at least three out of five key practices being achieved.



Animals

Have and implement an Animal Wellbeing Plan developed with your vet.



Co-op and Prosperity

Complete your Food Safety Practices and Procedures online.



People and Community

Complete the DairyNZ Workplace 360 Assessment and achieve 100% on the foundation level.

Te Puku

3c kgMs on all
qualifying milk

- Once Te Pūtake is achieved, the next step is Te Puku which is all about milk quality.
- To achieve Te Puku, your farm must achieve milk quality excellence for at least 30 days during the season.
- Once this has been achieved, all milk supplied during the season that meets the milk quality excellence standard will attract the payment.

Te Tihi

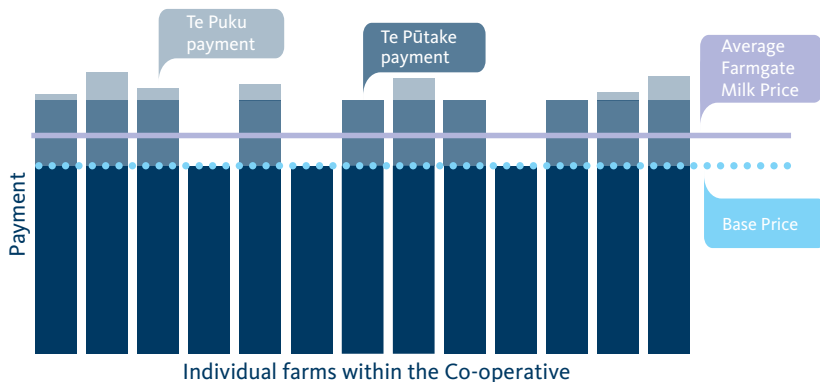
- Once Te Puku is achieved, the next step is Te Tihi which continues to be all about milk quality.
- To achieve Te Tihi, your farm must achieve milk quality excellence for at least 90% of days supplied in the season.
- Te Tihi is all about recognition of our leaders in the Co-operative and does not bring any additional financial recognition.

How does the payment parameter work?

Farms that sustainably produce higher quality milk help to increase the value of all our milk. That's why The Co-operative Difference payment was introduced.

The payment is implemented using a milk payment parameter, the same mechanism used to value the fat and protein components of your milk.

These parameters are the Co-operative's way of determining the specific value of each farm's milk and can result in each farm being paid slightly differently per milk solid, relative to the Co-op average.

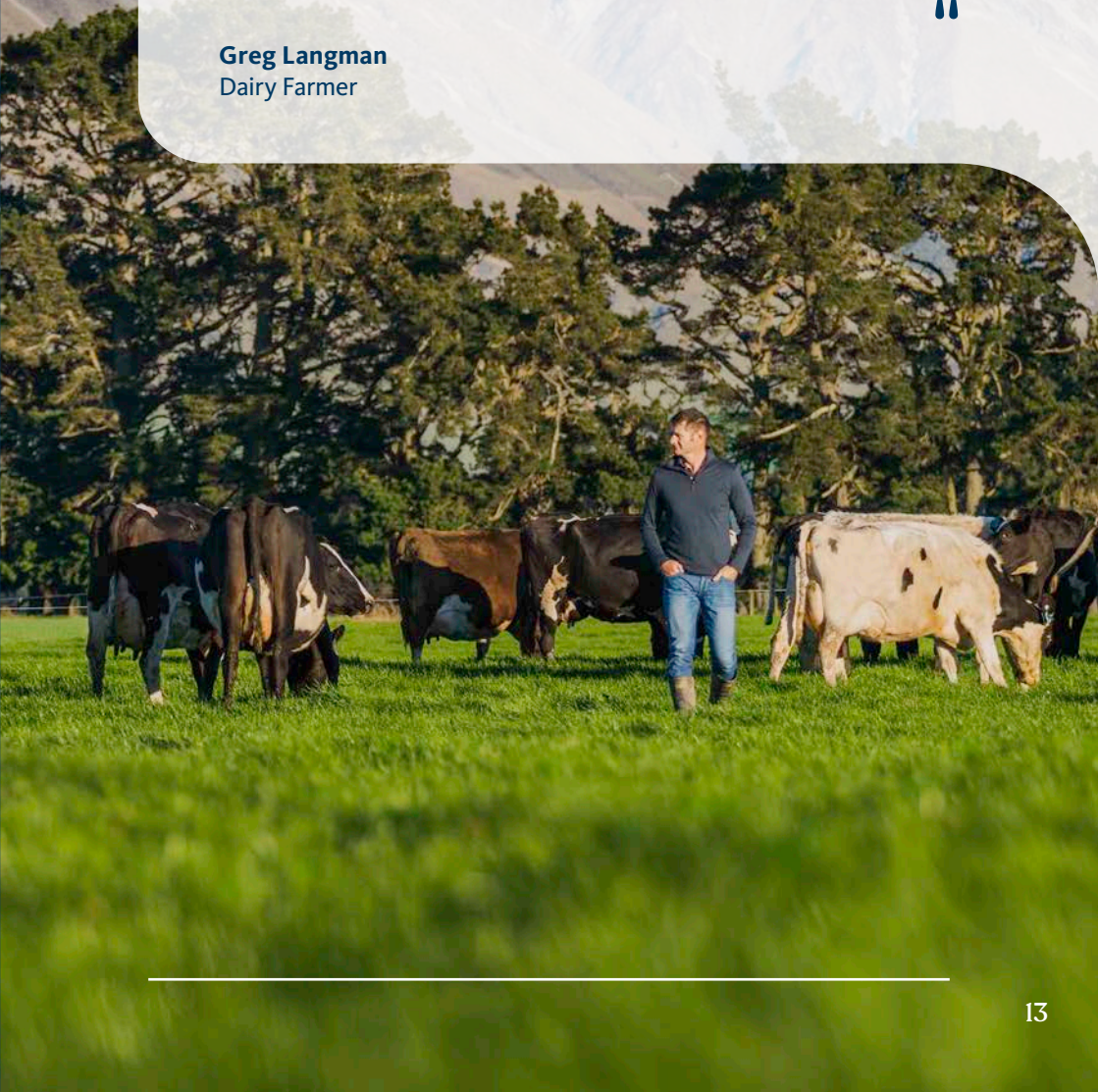


“

Sustainability is going to be the thing of the future, so the sooner people get into it, the more lead-in time they will have to modify their farming practices and at-risk areas on their farm.

”

Greg Langman
Dairy Farmer



What is the process?

Pre-Season

February 2023 – Achievements for coming season confirmed.

Prepare!

- Achievements will be shared on the Farm Source website, by email and on the My Co-op app.
- Get ready by understanding what's required, making any on-farm changes needed and gathering the evidence that you'll need for verification at your Farm Dairy Assessment.

2023/2024 Season

1 June 2023 – Verification commences.

- Verification of achievements takes place at your Farm Dairy Assessment.
- This is your one chance to get verified at no additional cost.
- If you don't meet all the requirements, your assessor will attempt to book a follow-up visit with you. Alternatively, if it is a single piece of evidence that is required, you can submit this direct to Fonterra by calling the Farmer Support Team on 0800 65 65 68.

June 2023 – 30 May 2024 – Verification continues

In preparation for verification make sure you have:

- Completed the dashboard on the Farm Source website at least 24 hours before your assessment.
- Reviewed the verification checklist to ensure you have all the required evidence you need.
- Talked to your Area Manager if you have any questions or concerns.

30 April 2024 – last day you can request verification of evidence.

1 May 2024 – last day to upload Winter Grazing Plans.

31 May 2024 – End of season and verification on-farm complete.

Post Season

31 July 2024 – Farm Dairy Records must be submitted by this date to confirm eligibility for the payment.

August 2024 – We'll confirm your achievements for the season.

September 2024 – You'll receive your Farm Insight Report. This report can help you to improve your efficiency and reduce your impact.

Payments made in the final retro payment for the year.

Want to know more?

Go to:

www.fonterra.com/makethedifference

Scan the QR code to be taken to the Fonterra home page.



Ready to get started?

Go to:

www.nzfarmsource.co.nz

Scan the QR code to be taken to the Farm Source log in page.



We are Good Together

We want to help you Make the Difference. If you want to talk about The Co-operative Difference or any of the changes, get in touch with the Farm Source team.



Service Centre
0800 65 65 68



The
Co-operative
Difference