



The
**Co-operative
Difference**



The Co-operative Difference Environment Factsheet

The Environment achievement ensures that practices on farm are aligned with the expectations of our customers, consumers and communities. By adopting good management practices we protect our water quality, reduce our greenhouse gas emissions and maximise the use of resources; ensuring we remain one of the most sustainable sources of dairy in the world.



What do I need to do to meet the Environment Achievement?

Your farm must have a Farm Environment Plan in place, and you'll also need to be achieving at least 3 of the following 5 key practices:

- Your purchased Nitrogen Surplus is less than the highest 25 percent of Fonterra farms.
- You are participating in a product stewardship scheme for on-farm plastics and agrichemicals.
- There is no discharge of farm dairy effluent to water on the farm.
- Your feed inputs are at least 80% farm grown feed.
- You have plans in place to manage winter grazing risks and evidence that the actions in your plan have been implemented, such as photos and/or videos.

Further details about these practices can be found on the next page.



What do I need to do

To meet the environment achievement:

Achievement	Why it's important	How to get there
Your farm must have a Farm Environment Plan in place.	Every farm is different, so when it comes to protecting our environment Farm Environment Plans are a great way to develop the right solutions at a farm level. They're also great for showcasing the great work we're doing to our customers and community.	Fonterra offers a Farm Environment Plan service to all Co-op members at no additional cost. If you'd like to talk to one of our Sustainable Dairying Advisors, give us a call. Farm Environment Plans from other qualified providers will also likely meet the requirements.
In addition to this your farm must achieve at least three out of five key practices that are outlined below:		
1 Your farms purchased nitrogen surplus is lower than the highest 25% of Fonterra farmers. For last season the target to be under was 137 kg/N/ha, but we'll update this figure at the start of the season.	Purchased nitrogen surplus tells us how efficiently a farm is turning imported nitrogen like feed and fertiliser, into milk. The lower the nitrogen surplus, the lower the risk that we're losing those valuable nutrients into our waterways, or the atmosphere.	It's important to first understand your current purchased nitrogen surplus. You'll find this figure on your Farm Insights Report. If your number is close to, or over the target number, you should consider what actions you could take to reduce this number through reducing inputs or improving the efficiency with which these inputs are converted into milk.
2 Participation in a product stewardship scheme for both on-farm plastics and agrichemicals.	Responsible management of our plastic waste and agrichemicals is just the right thing to do; but increasingly our customers and communities are looking for companies that can show they are actively managing their waste.	Currently the approved product stewardship schemes are: <ul style="list-style-type: none"> • AgRecovery – managing all plastic drums and unwanted agrichemicals. • Plasback – collecting used silage wrap, silage covers and plastic drums. The contact details of these schemes are listed below.
3 No discharge of farm dairy effluent to water.	We all want clean, healthy waterways for our kids to swim in and safe water to drink. Spreading effluent onto land is also an effective way of recycling nutrients back into the farm system rather than losing them to the environment.	If you have an effluent treatment pond that has the capability to discharge effluent to water, permanently seal this up. You are not required to surrender the consent if you have one, however any evidence of a discharge occurring will result in disqualification from the payment.
4 80% farm grown feed fed across the season.	Farm grown feed sits at the heart of our low cost, low carbon footprint model of production. It's attributed to lower water use and improved levels of soil organic matter. Best of all, our customers value it and will pay for the privilege.	Carefully consider your feed inputs on the farm and how you can maximise the use of farm grown feed in your production system.
5 Winter grazing risk management practices in place.	Winter grazing is a naturally higher risk practice that needs to be well managed to minimise the effect on water quality and impact on animals' health and wellbeing. These risks to water quality are often increased where crops and supplementary feed are utilised to support higher stocking rates during the winter months.	Determine the level of risk associated with your wintering practice, and ensure these are managed through: <ul style="list-style-type: none"> • Development of a Winter Grazing Management Plan (available on the DairyNZ website, www.dairynz.co.nz) • Your current Animal Wellbeing Plan. • Use of Winter Grazing Checklist (available on the DairyNZ website, www.dairynz.co.nz)



Verification

We've got a range of checks and balances in place to validate the accuracy of data you provide.

- We automatically review all the data you submit in your Farm Dairy Records to check for accuracy.
- We verify the records of a proportion of farms each year.

At your Farm Dairy Assessment we will also check the following:

- Your Farm Environment Plan (if it wasn't developed by Fonterra).
- Evidence of record keeping for fertiliser and feed inputs.
- Receipts and/or evidence of participation in a product stewardship scheme for on-farm plastics and agrichemicals.
- We may also check the wintering practices are as described in your winter grazing management plan. You'll need photos or videos as evidence of your practices.
- That there is no opportunity for farm dairy effluent discharge to water.

The Co-operative Difference payment impacts the amount that everyone in the Co-operative gets paid for their milk, so. For this reason, the submission of inaccurate data may result in disqualification from The Co-operative Difference Payment for the current, and/or future seasons.

Support

- Give us a call on **0800 65 65 68** – our Service Centre team are there to answer any questions, and they can put you in contact with our team of Sustainable Dairying Advisors if required.
- Check out your Environment Report on the Farm Source website. This not only has your nitrogen surplus figures from last year but a full breakdown of the risk areas on your farm.
- Download the **DAIRY DIARY APP** to make keeping your records easy.
- Jump onto the AgRecovery and Plasback websites and sign up if you haven't already.
AGRECOVERY.CO.NZ and **PLASBACK.CO.NZ**
- Visit the DairyNZ website for all manner of resources relating to feed and managing the Nitrogen inputs on your farm. **DAIRYNZ.CO.NZ**

Frequently Asked Questions:

Q. How is the Farm Environment Plan verified?

If you have a Farm Source Farm Environment Plan, we'll be looking for evidence that the plan is being implemented at your Farm Dairy Assessment.

For plans completed by other providers the Farm Environment Plan must cover the industry agreed Good Farming Practices in core areas and include dates and actions being taken. Again, evidence of this will be checked at the Farm Dairy Assessment. If the Farm Environment Plan is part of an audited, regulated framework, then you only need to provide evidence that plan has passed its most recent audit.

Q. Can Agrecovery and Plasback cope with the increase in demand?

Yes. We've worked closely with them to ensure the service meets our needs.

Q. Do I need to participate in both AgRecovery and Plasback schemes?

This will depend on your product use on-farm. If you utilise both agrichemicals and plastic silage wrap or silage covers then you will need to utilise both schemes.

R. What does farm grown feed mean?

Farm grown feed is defined for the purposes of The Co-operative Difference as:

- Any pasture, forage or fodder crop that is grown in NZ for the purpose of feeding to stock.
It explicitly excludes the following feed types:
 - Concentrates and process by-products such as PKE.
 - Fruit and vegetable waste.
 - Grains and cereals.

Q. Does the farm grown feed definition include feed imported from off the milking platform.

The definition is not specific about where the feed comes from, as long as it is grown in New Zealand and meets the definition above.

Q. If effluent discharge to water is not in line with customer and community expectations then why do we still collect their milk?

As with all parts of The Co-operative Difference, we're working with our farmers to change practices and upgrade their systems. In time this will almost certainly form part of the Fonterra Farmers' Terms of Supply.

Q. I have infrastructure that works as both storm water diversion and effluent discharge, will this make me ineligible for this achievement?

Storm water diversion is still permitted, however there can be no infrastructure that would allow for effluent to be released into a stormwater diversion channel and all such infrastructure must be permanently blocked off or removed.

Q. My current Farm Environment Plan doesn't address the Good Farming Practices, does this disqualify me from this achievement?

Farm Environment Plans must address all of the Good Farming Practices to be eligible for The Co-operative Difference Payment.