

Fonterra's intensification model drives palm-based animal feed demand

Fonterra has introduced supplementary feeds such as imported palm-based animal feed which is changing dairying from pastoral to industrial. Palm-based animal feed imports have increased 2,700 fold since 1999. This is part of an overall trend of intensification of dairying in New Zealand. Agriculture is responsible for 49% of NZ's domestic greenhouse gas emissions. This increase doesn't factor in indirect emissions from forest destruction in Indonesia to grow supplementary feed for NZ's dairy herds.

Though some palm products are certified as sustainable through the Roundtable of Sustainable Palm Oil (RSPO), this is a weak certification by a self governing body. As it is, only 4% of all palm products produced globally are certified under the RSPO.

There is no need for New Zealand dairy to be produced at the expense of Indonesian rainforests, endangered orangutans or the climate.

The solution is Smart Farming or, what's known globally, as 'bio-logical' farming. Smart farming is about reverting back to more traditional farming practices. It's about less input and better output. It's about cutting down on chemicals, cutting back on herd numbers and looking after soil so that pastures thrive and last.



www.smartfarming.org.nz

Key players:



Wilmar is one of the world's biggest growers and producers of palm-based animal feed and palm oil. Wilmar owns more than 500,000 hectares of land in Indonesia and Malaysia. Over 200,000 hectares are already palm plantations. The company plans to clear a further 300,000 hectares with the vast majority in Indonesia. Some of Wilmar's plantations are on land that was once home to the critically endangered Sumatran tiger and orangutan.

International Nutritional Limited

JOINT VENTURE



50% OWNED BY FONTERRA



Fonterra's half owned subsidiary RD1 has joined forces with Wilmar in a joint venture called "International Nutritional Limited". Fonterra is importing palm-based animal feed as supplementary dairy feed to boost milk production through this joint venture. 1.1 million tonnes of palm kernel was imported into New Zealand in 2008, the majority of which went directly to Fonterra's dairy herd (95% of all NZ dairy farms).

Palm-based animal feed is an important economic product of the destructive palm oil industry and Indonesia is the biggest producer in the world.

Palm plantations...

...destroying Indonesian and Malaysian forests and the climate

Indonesia's forests are being destroyed faster than any other forest on earth. In total, Indonesia has already lost 72% of its large intact ancient forests.

A major driver of this destruction is palm plantation expansion. Key products produced from palm plantations are palm oil (used mainly in foods, cosmetics and now biofuels) and palm-based animal feed.

Forest destruction, fires lit to clear land for palm plantations and the conversion of carbon rich peatlands are significant contributors to climate change. As a result recent estimates from the World Bank rank Indonesia as the third largest greenhouse gas emitter on the planet after China and the US. It is essential to stop deforestation as it contributes around 20% of global greenhouse gas emissions annually.

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GREENPEACE

Fonterra implicated in rainforest and climate destruction

1 Rainforest destroyed in Indonesia and Malaysia for palm plantations



The habitat of rare and endangered species like the orangutan and the Sumatran tiger is destroyed as land is cleared for palm plantations.



Rainforest destruction and peat fires release huge carbon stores that are significant drivers of climate change.



Indigenous people lose their precious resources and cultural heritage

2 Fonterra's direct link to Wilmar – one of the biggest rainforest destroyers in Indonesia and Malaysia

Two key products from palm plantations are palm-based animal feed (palm kernel expellers known as PKE) and palm oil.

Palm-based animal feed is shipped to New Zealand. Over 1 million tonnes were imported in 2008 - around one quarter of the global production. It's estimated that less than 4% was from "sustainable" sources.



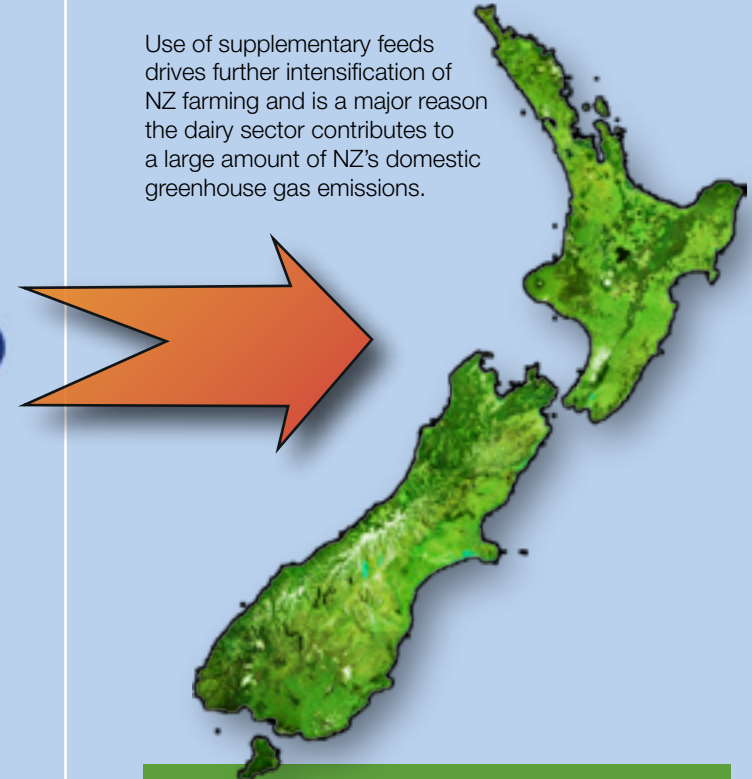
Palm grower Wilmar is one of the world's biggest rainforest destroyers and has a relationship with Fonterra through its half owned subsidiary RD1. RD1 has a joint venture with Wilmar to import huge amounts of palm-based animal feed into New Zealand.



3 Palm-based animal feed changing NZ dairying from pastoral to industrial



Use of supplementary feeds drives further intensification of NZ farming and is a major reason the dairy sector contributes to a large amount of NZ's domestic greenhouse gas emissions.



Greenpeace demands that New Zealand and Fonterra stop the import of palm-based animal feed.