

Nestlé partnership sees extra payment offered to Fonterra farmers

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A new agreement will see Nestlé fund an additional payment to farmers who achieve one of the three levels of Fonterra's Co-operative Difference framework during the 2023/24 season. Depending on the number of farmers that meet these levels, Fonterra expects the additional payment to farmers to be about 1-2 cents per kilogram of milk solids.

Fonterra CEO Miles Hurrell welcomes Nestlé's continued support of farmers who are making continuous improvements with on-farm sustainability.

"By working in partnership, we can grow sustainably together as we aim to produce lower carbon milk into the future," says Hurrell.

Globally, Nestlé is investing 1.2 billion Swiss Francs (NZD2.25 billion) by 2025 to advance regenerative agriculture and reduce emissions, aiming to source 50 per cent of their ingredients through regenerative agriculture methods by 2030.

Jennifer Chappell, Nestlé New Zealand CEO says their success relies not just on working with processors, but also farmers who share this vision.

“Nestlé has sourced dairy from New Zealand for well over a hundred years and we will continue supporting farmers, alongside our partners, to develop new economic opportunities and reduce their greenhouse gas emissions.”

Fonterra has an ambition of being net zero by 2050, with 2030 targets including a 30 per cent intensity reduction in on-farm emissions, which Nestlé welcomes.