

MEDIA RELEASE

Synlait Milk Launches its ISO 65 Accredited Dairy Farm Assurance System

Synlait Milk launched its internationally accredited ISO 65 dairy farm assurance system called Lead With Pride to its 150 strong milk supply base today.

The only system of its kind in Australasia, Lead With Pride recognises and financially rewards certified milk suppliers for achieving dairy farming excellence.

"It is about demonstrating industry leadership in food safety and sustainability, and guarantees the integrity, safety and quality of pure natural milk produced on certified dairy farms,

"It enables our world leading health and nutrition customers to differentiate their products using Gold Plus or Gold Elite certified milk that has been sustainably produced," says Synlait Milk CEO Dr John Penno.

Gold Plus and Gold Elite certified suppliers will receive premium payments on a monthly basis up to a maximum of \$0.12/kgMS above the standard milk price paid by Synlait Milk.

"We are working with some of New Zealand's best dairy farmers and we believe their desire for excellence should be rewarded. Lead With Pride gives them that opportunity," said Dr Penno.

In addition the Agribusiness and Economics Research Unit at Lincoln University have modelled the financial impacts of becoming certified.

Dr Andrew West, Vice-Chancellor at Lincoln University said "The analysis has shown that certification is likely to lead to significant improvements in farm profitability for the majority of suppliers. We expect these farms will also be able to attract the best young farming talent."

Lead With Pride certified suppliers will be independently audited by AsureQuality. Suppliers must meet, and in some cases, exceed industry best practice across four pillars of dairy farming, including Environment, Animal Health & Welfare, Milk Quality, and Social Responsibility.

The pillars focus on areas such as improving nutrient management through efficient water and fertiliser usage, improving biodiversity, increasing milk quality standards, improving employment practices for dairy farm workers as well as demonstrating New Zealand's animal health & welfare standards are being exceeded.

The first Synlait Milk supplier to achieve ISO 65 certification was announced at today's official launch. Synlait Milk expects to have 30 certified suppliers within 12 months.

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Background Information

The Four Pillars

Environment

For dairy farming to be sustainable, our industry's environmental practices must be sustainable too. To become Certified Members, our suppliers must achieve excellence in efficient water and irrigation management, effective effluent management, improved biodiversity, soil quality, emissions and energy management.

Animal Health & Welfare

The health and welfare of a herd impacts directly on milk quality. Certified Members exceed New Zealand's Animal Health & Welfare standards. This includes accurately monitoring and recording animal health events and outcomes so better decisions can be made in the future and performance improved.

Milk Quality

Our best suppliers are dedicated to food safety. They do this by monitoring milk quality daily and focusing on practices that ensure the absolute integrity of the pure natural milk they produce. Our Certified Members are recognised for excellence in areas that our customers consider essential, including dairy presentation and infrastructure, hygiene practices, milk cooling, residue management and staff training.

Social Responsibility

Taking a comprehensive human resources approach, farmers create more opportunities for success, they also attract the best employees. Certified Members take a systems approach to recruitment, management, training and health & safety. They create a sense of teamwork on farms and standout as an employer that our industry respects.

Lead with Pride Levels

Gold

Known as good practice this is the standard that is currently being met by all Synlait milk suppliers. There is no ISO 65 certification or premium payment paid for milk at this level.

Gold Plus

Known as best practice Gold Plus has additional standards above 'Gold' that must be met. These requirements cover the four pillars. Suppliers are ISO 65 certified and premium payments are paid for their milk up to a value of \$0.06/kgMS.

Gold Elite

Known as leading practice when Gold Plus certification has been maintained for a minimum of 12 months only then can Gold Elite certification be obtained with additional requirements in all four pillars. Suppliers are ISO 65 certified and higher premium payments are paid for their milk up to the value \$0.12/kgMS.