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MEDIA RELEASE

Landcorp farms to stop using PKE

Landcorp announced today that palm kernel expeller (PKE) will not be used on any of its farms from the end of this financial year.

Chief executive Steven Carden said that all Landcorp farms would transition to alternative feed supplements by June 2017.

“One of the real points of difference for New Zealand farming is our ability to grow grass and produce grass-fed animals. There is a growing interest in this food globally,” Mr Carden said.

“Landcorp wants our partners and customers to know they can trust that we farm sustainably and care for the environment. We need to anticipate shifting consumer expectations on how their food is produced and change how we farm accordingly.”

Mr Carden said that there were obvious times and conditions such as winter and seasonal droughts that meant having alternative food sources to pasture was necessary.

“Like many other farmers, we’ve found PKE to be an effective supplementary feed. But we don’t want to continue using it and we now have plans in place to adjust our farming systems and use other, locally-sourced, feeds.

“Our shift to remove PKE from our farms is expected to be virtually cost-neutral – and we think there are significant longer term gains in terms of our ability to attract new premium customers.”

Guy Salmon, the chair of Landcorp’s independent Environmental Reference Group said the group welcomed the announcement. “We’ve discussed this issue with Landcorp over the last year and it’s great to see this outcome. Landcorp is pushing itself to develop solutions to protect the environment that also make sense commercially.”

Mr Salmon said palm kernel, which was imported from Southeast Asia, had a large carbon footprint. The oil palm industry and government authorities were struggling to gain effective control over tropical forest clearance and peat fires driven by oil palm industry expansion.

At present, around 60% of Landcorp’s farms do not use any PKE. The supplement is not used on any livestock farms and a few dairy farms are already PKE-free.

In 2013/14, Landcorp’s peak year of using the supplement, it represented about 6% of the average total diet of a dairy cow. Last year that figure reduced to less than 4%.

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For further information please contact Richard Ninness on 04 382 1832 or 027 801 0561.

About Landcorp

Landcorp Farming Limited is a leader in New Zealand dairy, sheep, beef and deer farming. New Zealand's largest farming organisation, Landcorp strives for sustainable farming and best practice farm systems. Landcorp's Pāmu brand means "to farm" and reflects its commitment to farm with care and innovation to produce quality natural products. The brand is being used to develop new opportunities and partnerships for Landcorp and NZ farming.