

# Farming excellence program shows

Richard Loader

In its fifth year of operation, Te Ara Miraka – a farming excellence programme developed by central North Island dairy processing plant Miraka – is delivering positive results that will project well into the future as the farming practices become enshrined in its culture – the way things are done.

Located in Mokai, 30km northwest of Taupo, Maori owned Miraka is unique within the dairy industry using geothermal steam from the Mokai geothermal field to run its processing operations.

Each year 300,000,000 litres of milk is processed into powders, frozen milk concentrate and UHT products. Supplied from 104 local farms within an 85km radius of the factory – the short travel distance ensures a farm fresh advantage, resulting in superior quality products.

Grant Jackson, general manager – milk supply, says Miraka's vision is to be world class throughout its supply chain and milk procurement is a key part of that value proposition.

"Firstly, we wanted our farmers to be more resilient in regard to new regulations that were coming through the pipeline and the new social license expectations. We wanted them to live the Kaitiakitanga value that we have as an organisation. We wanted to create a platform by which we could resource and support our farmers to adopt good farming practices, not just to meet regulation, but to an excellence level so that we were future proofing them. We decided to do that also with an incentivisation mechanism."

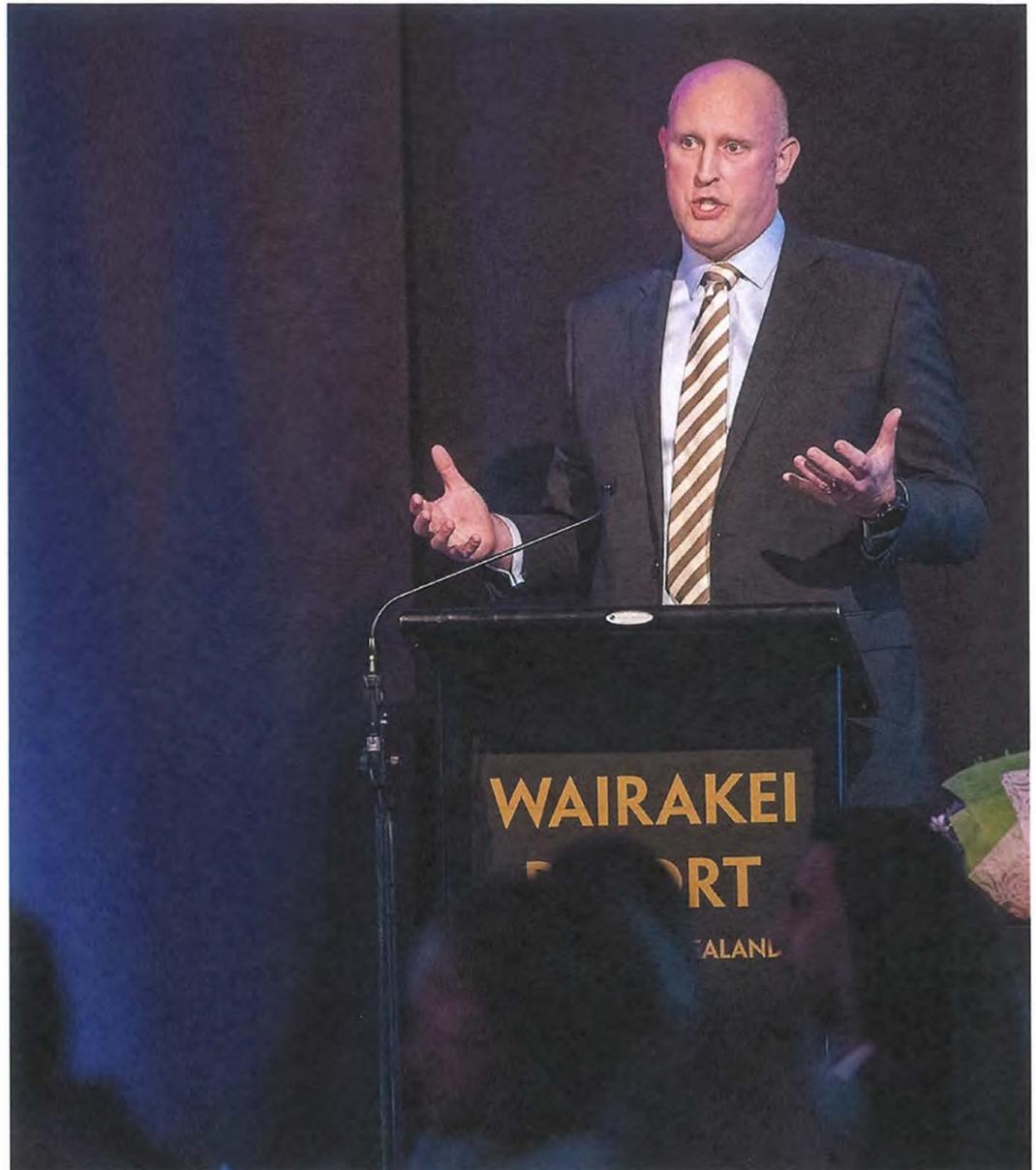
Over an 18-month process a forum of industry experts, professionals, auditors and farmers were assembled developing a list of 35 standards that mirrored community expectations around social license, customer expectations and where regulation was heading.

A secondary benefit of the programme provided a compelling traceability story that Miraka could take to its customers to leverage a premium for a differentiation beyond its geothermal footprint.

Of the 35 standards about half are mandatory that suppliers must fulfill to be part of the programme.

"Those mandatory standards are generally aligned with minimum legal requirements – things like validating the payment of minimum wage, having a health and safety plan in place and providing the five freedoms for animal welfare," explains Grant.

"Our view is that if you're not meeting those mandatory standards you're doing damage to the Miraka and industry brands."



• to page 12 Grant Jackson, general manager – milk supply, says Miraka's vision is to be world class throughout its supply chain and milk procurement is a key part of that value proposition.



## Miraka suppliers show farming excellence across the board

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To be a Miraka supplier you must be part of the Te Ara Miraka programme but for any particular year a farmer fails a mandatory standard they are provided with another chance.

If they fail a second year in a row the farmer loses their supply agreement with Miraka.

Grant says that while that does happen it follows a robust process of support and discussion to help the farmer get back on track.

"Once you pass the mandatory standards, you

can choose to participate in the financially incentivised part of the programme.

"For the incentivised standards, there's an annual on-farm assessment and farmers have the ability to upload evidence onto a portal – and an independent auditor will validate it on the portal or on farm. Points are awarded to provide up to a 20 cents per kilogram premium over and above the base industry price."

Since inception, Te Ara Miraka has proven to be very successful with a large uptake and mindset change over the time it has been running.

Grant tells the story that one of the incentivised

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standards was recycling plastics on-farm with less than 10% utilisation when the programme first started.

"In the first year we had 65% of our farmers recycling and now we're 93%. And there are many examples like that. One of the standards is in-calf rate. That's a really good indicator of good animal husbandry throughout the year and probably one of the hardest things a farmer has to accomplish. You need to have good nutrition, good body condition score, low stress on cows at all critical parts of the year to get the cow to cycle, hold and calve down. We recognise farmers in the top 50 and 10 percentiles of the industry each year. Last year

we had 20% of our supplier farmers in the top 10 percentile. The benefit for the farmer is that it's a key driver of profitability because it drives days in milk but for us it's a really good proxy for animal wellbeing."

When Miraka talks about intergenerational farming, it talks about 100 farms for 100 years and while they may not be the same farms over those 100 years they will be very well aligned with Miraka's values and be proudly part of its supply whanau.

"We hope that the great practices and disciplines the farmers pick up as part of Te Ara Miraka will mean they will be there for the long term."