



24th June 2016

Fonterra's Co-operative Philosophy



I am often asked about Fonterra's co-operative model and how this fits within globally recognized co-operative principles. We've recently published details of Fonterra's Co-operative Philosophy on our own [website](#) for Members' information.

To summarise there are five key requirements which must be met within Fonterra's co-operative structure:

1. Shares in [Fonterra Co-operative Group](#) can only be held by supplying shareholders.
2. Fonterra supplying shareholders agree to the dual commitment to supply milk and invest capital.
3. Supplying shareholders will be issued and must hold co-operative shares in proportion with their total milk solids supplied.
4. Control of Fonterra is exercised by its supplying shareholders who have voting rights in proportion to their total milk solids supplied.
5. Financial benefits and obligations that arise from cornerstone activities are allocated to supplying shareholders in proportion to their total milk solids supplied.

Our view is that all these requirements are consistent with all of the leading and globally recognised co-operative principles, for example:

1. Long term organizational sustainability and survival.
2. Open membership.
3. Members contributing equitably and controlling their organisations democratically.
4. Member benefits based on volumes supplied and/or the amount of business transacted.
5. Member equality.
6. Member autonomy.
7. Self-help and self-responsibility so that Members are in control of their own destiny.
8. Concern for the community i.e. sustainable community development through policies and investments approved by Members.
9. Social responsibility from Members.
10. Co-operation amongst co-operatives.

Announcing New Member

I'm thrilled to announce that the Cooperative Business NZ Board has recently approved Full Member status to Foodfirst Ltd, a leading food service provider with 22 outlets nationally. [Learn more about our latest Member.](#)



Please send me your logos!

While on the topic of Membership, we're producing a graphic displaying all 55 Members' logos. To ensure we publish only logos that are current and of consistently high quality, please send me your latest version. Thank you for your assistance.



Governance Seminar, AGM & Annual Dinner

We still have a few vacancies available at our next Cooperative Business NZ [Governance Seminar](#) to be held at Wellington's Basin Reserve on August 10th and 11th.

Those attending are also invited to attend our AGM and Annual Awards Dinner on the Wednesday (10th) evening at the same venue. Please confirm your attendance at the Seminar, AGM / Dinner, otherwise all three events by [emailing me](#).

Recommended accommodation is at the [Museum Art Hotel](#), opposite Te Papa Museum, which you can book by simply completing this [form](#). We look forward to seeing you there.

Cooperative Business NZ Director Nominations

As previously advised in my Newsletter dated 13th May and via separate email, nominations close at 5.00pm today for the two available Director positions. [Click here for more details.](#)

Kind regards,
Craig Presland