

# Farmer Engagement with Fonterra Shareholders' Council

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## Executive summary

The purpose of this study is to explore if there is a “disconnect” between Fonterra farmers and their Co-operative and in particular the Fonterra Shareholders’ Council. As a body one of its primary roles is to represent farmer shareholder views - which raises the question of how effective it can be if there is a problem connecting broadly with the shareholder base.

What has seemed to work well in the past has been more difficult to replicate due to the consolidation of the dairy industry from many smaller regional dairy companies. This provided shareholders with incredible access not only to the factory but also the directors and management of their Co-op.

The issue of engagement is not an issue that is isolated to Fonterra or the Fonterra Shareholders’ Council. Other sectors in the primary industry in New Zealand have similar challenges in keeping engaged with its farmer base. Whether it be Dairy NZ, Beef and Lamb NZ, the Deer industry or Fonterra – all have explored ways to engage their farmers through segmentation strategies. (Bell, 2013)

For example in 2004 Colmar Brunton sent out surveys via mail and email to 14,548 Fonterra farmers. A total of 34.4% responded. Utilising statistical techniques they conducted a segmentation of farmers. This breaks farmers up into five key groups based on their attitude to dairy farming and the industry.

1. Strategic Investors (16% of farmers, 16% of Milk Solids)
2. Progressive Optimists (24% of farmers, 35% of Milk Solids)
3. Passive Smaller Players (20% of farmers, 18% of Milk Solids)
4. Sitters (19% of farmers, 14% of Milk Solids)
5. Striving Young Farmers (22% of farmers, 17% of Milk Solids) (Colmar Brunton, 2004)

One of the issues seen in all these groups is that farmers are a diverse group of people and will engage at different levels for different reasons. I will not explore segmentation in this report except that it is something we must acknowledge if we are to engage farmers effectively. If we want to represent their views then they will need to be engaged and communicated with on a number of different levels that reflect where they are at in the segment. For example: Passive small players felt that Fonterra was doing a reasonable job in their eyes and they have enough information and are not hoping to get more involved with their co-op. Therefore targeting this group with more information would not be as successful as targeting the Progressive optimists – for example.

There also seemed to be a need to understand farmer engagement better and explore if the disconnect was in fact real and to what extent. It is also important that the farmer define engagement. In other words what engagement looks like to them; at what level and how do they want to be engaged. As a body the Fonterra Shareholders’ Council may have a preconceived idea of what engagement looks like but is that how farmers see it?

In order to do this a qualitative survey was carried out with 8 Fonterra farmers in Hamilton Ward 6. The survey was conducted by way of face-to-face interviews around the kitchen table on the farmers' farms. There was a range of age, farm size, cow numbers milked and farm systems within the ward.

Although this method uncovered some great insights around engagement that could be compared throughout the country it is also acknowledged that each ward or at least region is unique and will face different issues. However there are trends that are likely to be similar throughout the country. For example: the Colmar Brunton survey the segmentation results were broken down by each ward throughout the country (at the time there were 25 wards). In every ward each of the segments were represented therefore indicating that issues regarding engagement are relevant throughout the country. (Colmar Brunton, 2004)

Overall my survey showed that although some farmers do feel somewhat disconnected from their Co-op, as it has evolved over time, there are others who are happy with their level of engagement and connectedness. However it was clear from all those interviewed that more work needs to be done on communicating timely relevant information for farmers to give them the trust and confidence they require of the group charged to represent them.

## Introduction

It is often expressed from many farmers that there is a disconnect between farmers and Fonterra. There is a feeling that a lot of farmers don't want to engage with their Co-operative simply because it has got so big and what chance do they have in really making a difference. Therefore first of all we must determine whether or not there is a disconnect and if so what we can do to improve engagement.

In this report I will explore ways that the Fonterra Shareholders' Council can better engage meaningfully with its' farmers. This is particularly important to me because of my role as a Shareholder Councillor. I believe it is critical not only for the future of a strong and robust co-operative, but also for a favourable milk price for all New Zealand dairy farmers. A strong co-operative means actively engaged farmers that are not willing to jump to competitors for short-term gain. My concern is that if we end up with a fragmented dairy industry, as we have seen in other sectors, dairy farmers will be the ones who loose out due to an unsustainably low milk price.

For the future strength and longevity of our Co-operative it is imperative that the Fonterra Shareholders' Council engages effectively on a personal level with its farmers if we want to ensure Fonterra still remains a Co-operative for future generations of New Zealand farmers. It is an opportunity we have to take leadership and bring farmers with us on this continually evolving journey to give them the tools and knowledge required to instil trust and confidence for our co-operative to last another hundred years.

*"When everybody is free to pursue self interest, the best contribution to the general welfare is provided"* (Elshof & de Bie)

This is how we must engage, by identifying each farmer's self interest, and engaging at that level. For each it may be different, but for each it will be meaningful and personal.

## Background

New Zealand dairy industry started in 1814 with the first cattle imported by early European settlers. By 1846, just six years after the Treaty of Waitangi was signed, the first exports started. The first dairy co-operative was started Otago in 1871 by a group of eight farmers. This was the first of over 400 co-ops to be established throughout New Zealand.

Refrigeration in 1882 opened new markets to New Zealand's agriculture industry and as a result substantial trade to the United Kingdom developed, with the UK becoming our largest export market until the 1970s.

Many different kinds of dairy products exported to a huge range of markets since then have changed the landscape of the industry, which eventually included major consolidation. (Fonterra Co-operative Group, 2015)

Co-operatives in the agricultural sector are common as they provides their members with collective strength and security to ensure its products are processed and marketed in a more efficient way than could be achieved alone. Things haven't changed that much from the 1900's in the fact that co-operative members still provide capital in relation to their supply of product. What has changed- in some cases- is the flexibility allowed for its' members to share up over time to help them better manage their own growth strategies.

However the relationship between the co-operative and its' members remains the same in that it is formalised through a set of Co-operative Principles that outline what responsibilities members have to the Co-op and visa-versa.

## Fonterra

On June 18, 2001, the shareholders of the two largest remaining dairy co-operatives in New Zealand, namely the *Kiwi Dairy Cooperative* (predominately Taranaki based) and the *New Zealand Dairy Group* (predominately Waikato based), voted to merge their co-operatives to form what is now known as the *Fonterra Co-operative Group*.

*Our name says it all. Fonterra means 'spring from the land' which is where it all begins and where our future lies.* (Fonterra Co-operative Group, 2015)

The formation of Fonterra created a fully integrated manufacturing and marketing global co-operative, owned then by 12,500 New Zealand dairy farmers.

While approximately 70% of the shareholders of both the legacy co-operatives voted during the merger process, this level of participation, in the now dominant Fonterra co-operative, has not been repeated.

"It is essential that all stakeholders in the Fonterra Co-operative recognise the risks that the co-operative will be exposed to, if Fonterra farmers, who are the co- operative members

and owners, do not participate in the activities of the co- operative from an informed position”. (Gasquoine, 2004)

Many of the co-operative members do not recognise the unique differences that exist between the co-operative business model and those of an investor-driven company.

In New Zealand Fonterra still collects 86% (down from 95% at formation) of milk and therefore sets the benchmark for the price of milk. This milk is under threat from investor driven companies. If Fonterra were to loose enough milk that it became inefficient in processing that milk – the milk price paid to farmers would not be maximised. This is ultimately to the benefit of investor driven companies.

### Fonterra’s Values & Principles

Fonterra’s Values & Principles form the foundation on which all our actions should be based. They should not be compromised for financial gain or short-term expediency. Fonterra’s Values & Principles were revised in 2010. They express an aspiration of the type of organisation we strive to become.

The four Values express the highest level of what we stand for:

1. Co-operative Spirit
2. Do What is Right
3. Challenge Boundaries
4. Make it Happen

They define the character of our organisation and the people we are. Supporting each Value are Principles, which provide further guidance on behaviours and actions. They should be referred to in situations where a critical or key decision is to be made.

Our Values & Principles define the fabric of Fonterra’s culture and the “Fonterra Way” of doing things. (Fonterra Shareholders Council, 2015)

Fonterra Co-operative Principles – (see appendix 1)

## Structure – Governance and Representation

### Governance – Fonterra Board

A board made up of 13 directors governs Fonterra. Nine of these are farmer directors and are elected by the supplying shareholders. The remaining four are independent directors appointed by the Board and approved by shareholders at the Annual General Meeting. The appointed directors are selected to ensure the board has the appropriate skills and competencies to lead.

The Board is responsible for the leadership, direction and oversight of Fonterra. It is accountable to its’ shareholders for the overall performance of the Co-operative. They then employ a management team that at present is led by Theo Spierings. This team is structured

to complement the Fonterra Strategy and reflect its' focus on dairy nutrition and emerging markets.

### Representation – Fonterra Shareholders' Council

The Fonterra Shareholders' Council (FSC) is an elected national body of farmer shareholders. One of its' key roles is to represent the views of all Fonterra shareholders as suppliers, owners and investors.

The FSC is made up of 37 Shareholder Councillors elected from throughout New Zealand to represent a geographical ward. (See appendix 2) *ward map*

### Our Vision

***Proud Fonterra Farmers***

### Our Mission

***“To improve Farmer returns through effective monitoring and strong representation”***

### The Foundation Blocks

- A trusted, credible and relevant voice
- Education/Development/Succession
- Co-operative Purpose
- The Future

(See appendix 3 &4)

### Our Strategic Priorities

1. To protect and improve farmer interests through effective performance monitoring
2. To lead effective and transparent representation
3. To lead the development of a knowledge and participative farmer base
4. To positively influence our co-operative through informed, quality decision making
5. To build strong and effective stakeholder relationships



## Fonterra Shareholders' Council Structure

(Fonterra Shareholders Council, 2015)



### The Network Program

The Fonterra Network was established in the 2003/04 period to assist with two-way flow of information between suppliers and Fonterra. The Network has been a key communications channel for the Co-operative, in particular around initiatives like the Capital Structure consultation.

Talk amongst farmers is a big influencer and concise, relevant, visual or word of mouth communications are preferred over printed material. This preference provides a strong platform for continued success and growth of the Network channel. Shareholders also revel in positive stories about their Co-operative.

While undoubtedly one of the most effective channels for face-to-face or verbal communications with suppliers, the quality of the interaction depends heavily on the quality and enthusiasm of the individual Networkers. There is much variation in the skill levels of individual Networkers, their commitment to the programme and their embodiment of farming best practice.

Moreover, due to the commercial sensitivity of business decisions (more so under TAF) and the speed with which information is communicated via online channels, there is generally little or no opportunity to provide Networkers with depth of information in advance of supplier communications.

Currently in each ward there is approximately one networker per 15-20 shareholders

The ongoing role of the networker will be vital for representation to be most effective and for the dissemination of information not only out to the shareholder base but more importantly back up. (Fonterra Co-operative Group, 2015)

### The Measure of Success

One of the ongoing discussions is the effectiveness of the FSC and how do we monitor and measure success. Although it is hard to measure it is important to have accountability to shareholders in what we do. This is well documented in quarterly reports to shareholders and also the final annual report. But how does Council measure itself and its effectiveness?

One way has been by way of voting statistics. Every year the FSC runs the Director elections for three farmer elected Directors. There is an assumption that the more votes that are cast within a ward then the more connected or engaged those shareholders are. We will explore this more in the results of the survey.

Another measurement is by way of monthly ward reporting whereby each Councilor compiles a report of activity they have had in their respective ward each month. This should give an indication of how much engagement they have had for the month and what issues are reported and fed back to the Leadership team and the Board. This is a good measure of what contact has been made over the month and specifically gives a good indication of what is happening within a ward at a given period in time. What however becomes difficult is the fact that for each councilor it requires more time than is possible for many as they are also shareholders themselves often with farming operations to run. The tension then becomes

how much time is allocated to be most effective and so time management becomes a real issue.

This is where the mobilization of the Network Group is vital to provide continuous information broadly from the shareholder base. This is an area that has been identified as needing to be developed further to get the most out of a passionate group that have the future success of the Co-operative at their core.

### The Challenge of Effective Engagement

The challenge of effective engagement is not new nor is it specific to Fonterra or just to co-operatives. The challenge is as broad as it is wide and affects many industries and organisations in the agricultural sector.

For example not only Fonterra but Dairy NZ, Beef and Lamb NZ and Deer NZ have all carried out extensive segmentation research in an attempt to group farmers with similar views and experiences together to enable targeted communications, research, development and extension activities to these groups. In essence this is an attempt to better engage with its' target group to better meet the needs that they have. This may be referred to as finding their "Self Interest" and therefore being able to connect at that level.

### Self Interest

"Acting in a way that is most personally beneficial" Adam Smith explained that it was possible to achieve the best economic benefit for all - even when - and in fact *because* – individuals tend to act in their own self interest.

"When everybody is free to pursue self interest, the best contribution to the general welfare is provided".

The economic and strategic choices on the farm are a result of the performance of the company. The member (shareholder) wants to secure his income and sustainability. In this the obvious self-interest plays a role. On the base of this mutuality a long-term relationship can develop. Is that mutuality sufficient? Member involvement is a crucial factor and can become stressed. (Elshof & de Bie)

### Engagement

Therefore for FSC – engagement has to do with connecting with farmers on a level that will add value to them. From Fonterra's perspective – they need to add value by way of profitability and delivering an adequate dividend to shareholders (members) if they want them to remain loyal. For the Shareholders Council – they need to add value by way of strong representation, effective monitoring or efficient dissemination of relevant information that will benefit the shareholder in their decision making for their farming operations.

Similarly it is important to note members are involved for different reasons. The Friesland Campina study outlines four types of involvement:

1. Affective Involvement – around feelings
2. Calculative Involvement – financially motivated

3. Imperative Involvement – no alternative
4. Normative Involvement – values and standards

When you identify and understand the types of involvement shareholders have – then you can effectively engage with them. (Elshof & de Bie)

Due to the size and scale of Fonterra and the continually evolving Co-operative – some shareholders can feel isolated and less connected than in the past. Historically shareholders were a part of smaller regional co-operatives and had tight relationships with directors and management. In most cases they lived just down the road and were easy to access. In short – if a farmer had an issue he could pick up the phone at any time and talk to a director or be at his house within minutes for a face-to-face discussion. As the Co-operative has evolved – largely due to new technologies – the need for smaller co-ops became less relevant and efficiency gains could be made from scale. For example before milk cooling and effective transportation milk needed to be processed very locally. This is not the case any longer where in fact milk can now travel from one island to the other if it is needed.

This isolation of shareholders is not confined to Fonterra. Friesland Campina processes 85% of all Dutch dairy farmers milk from 15,000 members. It is one of the five largest dairy companies in the world. Co-ops are becoming more professional and larger. “The members are in charge” (the boss), it is the members that determine policy. The question is: are the members of Friesland Campina still experiencing this as a result of the scaling and professionalism? It appears that the co-operative is at a greater distance from the members. Member involvement is a crucial factor and can become stressed. Do the members see the increased value to make effort for their Co-op – for example compliance costs – for the purpose of the strategy? (Elshof & de Bie)

Fonterra does see the importance of having a well-connected shareholder base. Part of the strategy behind “Farm Source” is to take a more traditional regional approach to engagement and leveraging its’ co-operative strength.

Farm Source was developed to support the Co-operatives farmers, its’ owners. It was designed to help farmers make the most of the access they have to the exclusive benefits of being a part of a co-op as strong as Fonterra is. This feeds directly into a farmers self interest – to be more profitable through reducing on farm costs. It is also designed for them to take advantage of local knowledge in each region and be able to access a whole new world of information and advice.

Not only is it about tapping into the collective strength to get better pricing on farm inputs but also to get back to the regions with advice and expertise and leadership to streamline the decision making process. It’s about keeping sight of the Co-ops grass roots – the farmer – the owner.

### Perception

Although Farm Source will help address *some* of the issues around connectedness and engagement – the reality is that perceptions need to change. The old saying that “perception is reality” is often too true and there needs to be a lot of work done to dispense of this. In a recent survey conducted by Fonterra 84% of New Zealanders did not know that Fonterra was a co-operative owned by its now 10,500 farmers. But rather the perception was that it was a big corporate taking advantage of its’ farmers. (Jacqueline Chow, 2015)

The challenge is in timely effective information communicated to farmers. Too often this is not the case and a vacuum is created which is then filled with gossip and hearsay for the most part. This is what some farmers hear and make decisions or draw conclusions on and they soon begin to loose trust and confidence in Fonterra.

Last year a survey was carried out to get a better understanding of shareholder communications. The data was gathered by “The Research Agency” for Fonterra. In May 2014 for example it was found that in an average month a Fonterra shareholder would have 209 communications interactions. Of this 23% were Fonterra related and 77% other. (The Research Agency, 2014)

As a result of all the data collected there has been a review on what is effective and what is not. What has been opened and what has not. It is hoped this data will help deliver better farmer communications going forward and give insights as to what and how to communicate most effectively.

### A Changing Co-operative

Fonterra is a rapidly changing and evolving co-op. With communications moving more and more digital and less personal contact, it is important that the focus remains squarely on the Co-op. We visit the past to get a glimpse of our future. It is imperative that to remain a vibrant, effective business that we remain together as a Co-op. Together we can accomplish much more than each individually.

“Shareholder communications is undoubtedly one of the biggest differences between managing a corporate and a co-operative. In the corporate world, you can afford to map out a strategy and pursue it without too much dialogue with your shareholders. In the co-operative, you have to take your shareholders every step of the way. You must constantly invest in ensuring they understand the major issues facing the business because, time and again, they will be required to support the initiatives needed to address those issues. When those initiatives involve major change, the level of understanding among shareholders must be such that 75% are prepared to commit to this change when it is put to the vote”. (Ferrier, 2004)

### Engagement and Fonterra Shareholders’ Council

Much in the same way we have discussed Fonterra and the issues around engagement and connectedness growing Co-ops experience around the world – these issues are even more relevant for the FSC. The fact that the primary role of the Council is to improve farmer

returns through effective monitoring and strong representation means that engagement with its' farmer base is of great consequence.

It is often asked, "How relevant is the Shareholders' Council"? I would argue that it is only as relevant to the level it is engaged with its farmer base.

Therefore each ward throughout the country could have differing levels of engagement and therefore relevancy depending on the level of engagement each Councilor has within their ward. However, strong representation is only one part of Councils role.

Effective monitoring can be more easily measured. The FSC puts out quarterly and annual reports as to what its work program has been which is tangible and can be more easily measured by shareholders.

What is more difficult to measure is engagement or level of representation. The greatest challenge is the effective personal engagement of the shareholder-base to deliver relevant and timely information that will build the trust and confidence required from farmers to ensure we have a globally relevant Co-operative of the future.

### The Tensions

With the introduction of Trading Among Farmers (TAF) and the NZX rules – disclosure of certain information is restricted. There is therefore a tension that Fonterra has – and the FSC – in regards to releasing market sensitive information. This can cause a perception in the shareholder base that information is being withheld and so there must therefore be a lack of transparency. This can lead to a feeling of mistrust among farmers, which is not conducive to a strong vibrant engaged Co-operative.

Therefore the need for effective personal engagement is even more important and a key role for the FSC in two-way communication with farmers.

## The Survey

### Method

Eight farmers were asked to take part in a survey that would last 40-60 minutes. They were asked either in person or by phone to participate in the survey - which was to be conducted by way of face - to - face interviews around the kitchen table on their farms. The author conducted all interviews alone for consistency purposes and each is farming within the geographical boundaries of Fonterra's Hamilton Ward 6(*refer appendix 2*). The interviews were taped and then summarized after the interview. The names of the interviewees have been withheld to maintain confidentiality.

The interviews aimed to gather a brief description of their business (scale, ownership, history) and whether they felt connected in the broad sense to their Co-operative. They were then asked questions about their understanding of the Fonterra Shareholders' Council, who they were, what they did and in what ways that they engaged – if any with them. The whole premise was to understand if shareholders were engaging and how they wanted to

be engaged to enable them to be connected to the Co-op to the degree they deemed beneficial. They were also questioned about if they had any particular views about the Fonterra Shareholders' Council and also their engagement with their own Councilor. Finally, interviewees were asked to give their views on the future role of Council as they see it and what it is that Council does that is most important to them.

Of the eight farms surveyed they ranged from 600 cows on 165 hectares to 220 cows on 75 hectares. The average was 350 cows on 117 Hectares.

(For survey question see appendix 5)

## Purpose

The purpose of the survey was to better understand how Fonterra Shareholders' Council and its Councilors can engage with the farmers it represents more effectively and to gain an understanding of how farmers want to be engaged. This approach was taken primarily to get qualitative information as opposed to quantitative. There is vast information that has been gathered via quantitative surveying over many years and so this approach allowed the interviewer to also assess mood and sentiment behind the information shared – which in of itself tells a powerful story.

## Results

Below are the results from the questions asked. Because the interviews were discussions with the participants I have compacted the questions into themes and tabulated the most common answers to enable better analysis. The actual questions used to guide the conversation are in the appendix.

Q1. Do you feel connected to your Co-op?

Yes	25%
No	63%
Sometimes	12%

This was a general question and was hard to differentiate between the Council and the Co-op as a whole. Most said they felt disconnected but after some discussion some said it was sometimes. For those that felt disconnected it was for the most part out of frustration.

Q2. What is your understanding of the role of FSC?

What they do	100%
Who sits on council	100%
How they are elected	100%

All had a good understanding of what Council was there for. That it was to represent and monitor – in their words to be a watchdog and monitor and to be a conduit between the farmer and the board.

Q3. Do you think the FSC is effective?

Yes	12%
No	38%
Don't know	50%

Although all understood what Council was and why it was established there was only a small proportion that felt Council was effective for what it was set out to do. More concerning than the 38% that felt Council was not effective, was the 50% that didn't know.

Q4. In what ways do you currently engage with FSC?

Discussion groups	37%
Shed meetings	25%
Results meetings	25%
E-mail communications	75%

Initially most said they did not engage with the shareholders council however after prompting they realized there were many avenues that they did. It just was not necessarily that obvious.

Q5. What is most important to you for effective engagement from FSC?

Want more information (access to)	38%
Effective communications	88%
Listen	63%
Want to know what you do (effect)	75%

Q6. Voting.

A) Do you vote?

Yes	100%
No	0%

B) Would you choose not to vote?

Yes	50%
No	50%

Although all stated that they voted – the voting statistics for the Hamilton ward in the 2014 Fonterra elections were 34.41% by farm and 40.16% by kg Milk Solids (or production). Interestingly half stated they would choose not to vote if they did not know the candidate well enough to make an informed decision and it was decision too important to leave to chance. The reasoning behind this was that those that did vote must be more informed.

### Summary of key findings

Connection and engagement are different. If a farmer feels disconnected it does not necessarily mean disengaged. There seems to be a frustration of wanting to engage more



effectively by farmers but the FSC is not communicating effectively and so there is a disconnect more out of frustration. The Council must be careful how engagement is defined as some that were interviewed expressed that they were satisfied with the level of engagement they had although they never went to any meetings. This I would define as passive engagement. Interestingly most wanted access to more information not less. How to deliver this in a personal effective way is the challenge.

Although there was a good understanding of FSC and its' role – what was more concerning was the number that did not know whether the Council was effective or not. They “hoped so”. This gives opportunity for Council to:

1. Communicate better what it is doing and the outcomes to keep shareholders better informed, and
2. Set up some KPI's so that shareholders can have transparency of the Councils work program and monitor it

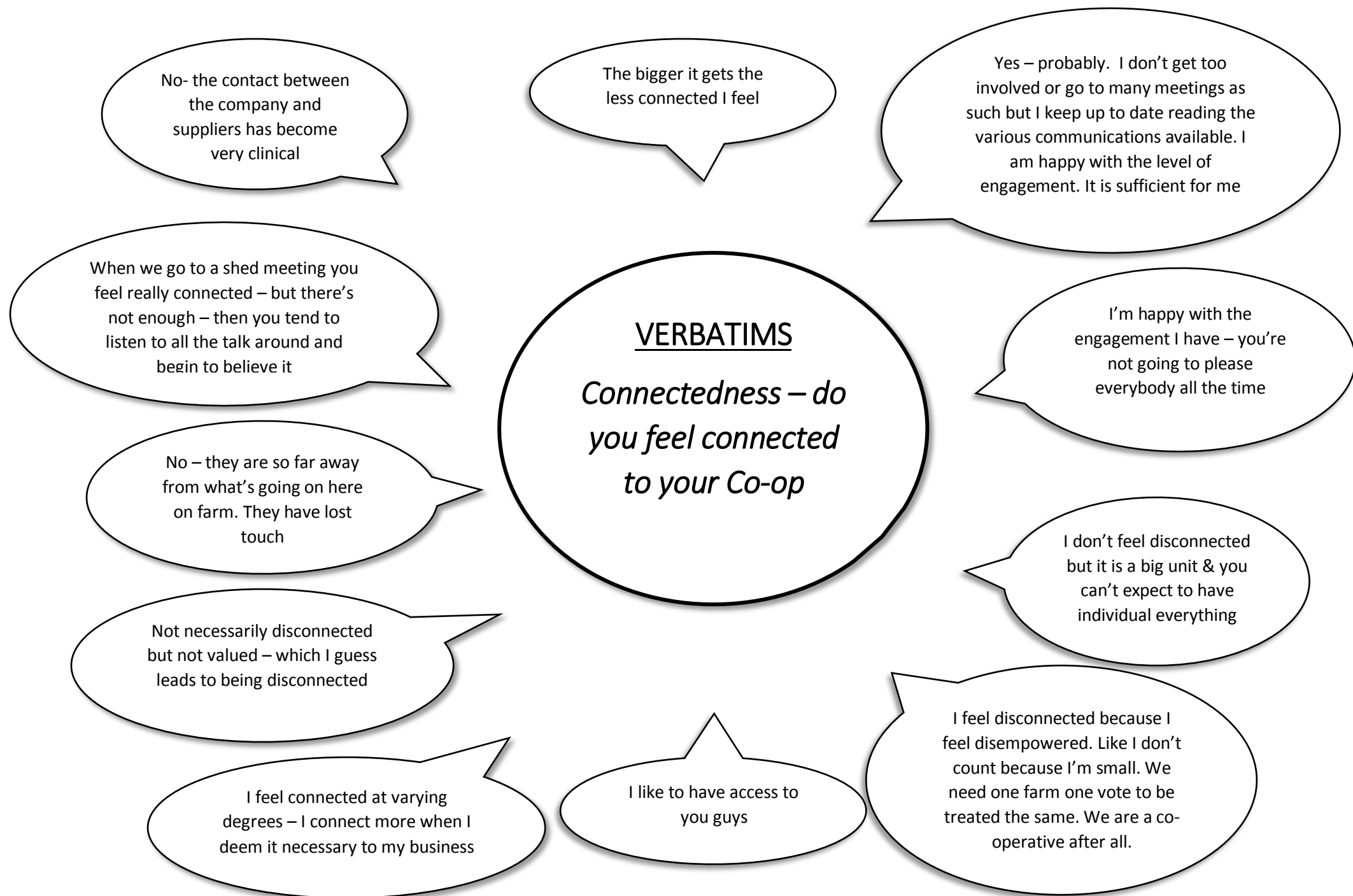
Interestingly, when voting was discussed, comments were made as to choosing not to vote. It was felt by the majority that it was hard to make a decision in particular when electing Directors because it was such a big decision. The Council runs this process and a lot of work goes into giving every opportunity to inform shareholders. This is an area that the Governance and Ethics Committee in Council is working on.

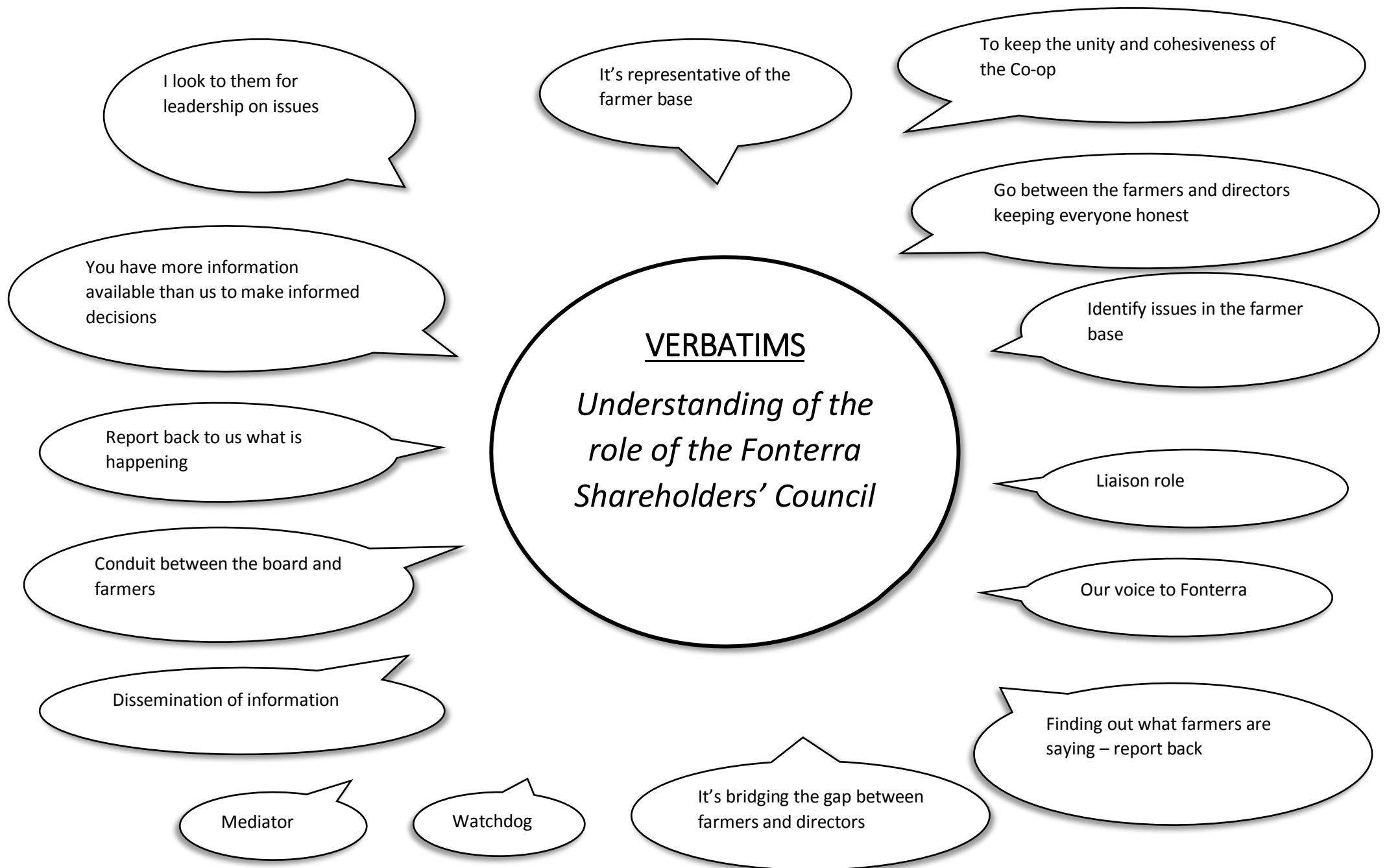
However, if Council looks to the voting statistics to gauge how effective engagement is in any given ward, I would say it is a crude measurement at best. Therefore a set of KPI's may be a better way to measure effective engagement.

Following are verbatim from farmers during their interview in relation to the questions asked. *(A full list of these can be found in appendix 6)*

### Verbatims

The interview process gathered over eight hours of information through a conversational process. From all of this I have taken verbatims from each of the farmers in relation to each question asked and the discussion that ensued. On the following pages I have put the theme of the questions in the centre and the responses from each of the farmers around the outside. These have been repeated verbatim.





VERBATIMS  
*The effectiveness of  
the Fonterra  
Shareholders'  
Council*

We need some  
assurances that farmers  
voice is being heard

Don't know – I don't  
hear from them

I trust them to do the right thing –  
that's what you're elected for – it's  
your job

You get more information than me  
– so I trust that 37 of you can come  
to the right decision

Half the time you don't hear  
what's happening till you  
read about it in the media

I have no idea. I have faith  
they're doing the job they  
say

Just don't loose touch  
like it appears the board  
& management have

There is a lot of faith lost – it's  
got away from farmers too  
much

Lack teeth

## VERBATIMS

### *Priority for you for the Fonterra Shareholders' Council*

Access to more  
information for us

Need a more direct line to FSC

That things are kept honest

Communicate what you're  
doing to give us confidence

Compliance issues – to keep  
costs down for farmers

More shed meetings to discuss  
our issues

You're the voice and feeling of  
the coalface

Communication – we need  
assurances because a lot of  
what we hear is not right

Communication – that is what we are asking –  
that you are talking to the directors on our  
behalf and what is being discussed – so that we  
can have confidence that FSC is doing its job –  
that part is lacking – otherwise you may as well  
not be there and we just be a company not co-  
op and they can do what they like.

Think about your farmers

Listen to your farmers

Represent – Report  
back

It would be helpful to have  
Council business available for  
shareholders to see

Clear understanding of  
strategy &  
communicating it

More communication of  
what FSC is doing &  
achieving

I want personal regular communications from our councillor – we know you so will read it

I like bullet point com's – simple & often. A monthly update on what FSC has achieved would be good but not a long story – just the facts

We have all the resources available now – email, Facebook, twitter etc. – but it is worse than ever. It was better when we were a community and went down to the local school for a BBQ and a bunch of farmers discussed how they felt about the Co-op. The rep was there to hear it. That personal side has slipped away. Just because they've sent stuff out doesn't mean it's read.

I would like more about what the FSC is doing – more information but not all the detail – you can use a link for that

## VERBATIMS *Communications*

A lot of the stuff you get has no personality. It is drab & I don't read it

If I wanted more I can ask for it. I think we get plenty of information

I like informal means of communication – face to face – you can send me all the crap you like but I probably won't read it.

I want a clear picture of the results from what the FSC does

I read most things that come and are happy with that to keep connected with the Co-op

Wouldn't hesitate to call  
if I had an issue

Must be able to connect personally  
with farmers. No point having all the  
knowledge and not being able to  
connect

I see you around and  
that's what I like - to  
know I have access

VERBATIMS  
*Your Shareholder  
Councillor*

I have contacted my  
councillor in the past and will  
continue to if the need arises

Back in the day of supply reps we  
were much more conversant with  
our farmers – it was more of a  
community back then

Shed meetings are great to  
come to with no agenda and  
just to be heard

Monitor strategy with the vision of the board – are they succinct?

Transparency

Forward planning

Communicate – we don't know what you're concerned about and we don't know what you've done to fix what you're concerned about

I see why FSC is there and it should be good but I wonder if we need it. Sometimes seen as a handbrake

VERBATIMS  
*Future Role of FSC –  
your Priorities*

Need to communicate better what you're doing to build trust and confidence – don't be silent as it creates a vacuum

That they are able to pass on farmers' views and they're being listened to

We need a better measure of what FSC are doing and its' effectiveness

Get back to regional engagement like the past. Get out of Auckland

Discussion about the importance of a strong Co-op to protect the milk price for all NZ dairy farmers

LISTEN

Farmers' voice



Yes – but can be hit and miss if you don't have enough information

Yes – accident if we don't but will often just vote for the incumbents as we've got to know them

## VERBATIMS

*Do you exercise  
your voting rights?*

If I don't feel I have enough information to make an informed vote I will choose not to vote

Yes – but if I didn't know anyone I wouldn't vote

There is no point throwing votes around if it is random

## Further information gathered

After reviewing the information received during the interviews we were able to put into place some of the learning's – which gave us further information. In my ward we called a Networker meeting to discuss the current situation that farmers were facing – which for their cash flows was a grim outlook for the foreseeable future. We decided that farmer engagement was critical and could not wait. We needed to reach as many farmers as possible to get them out talking to not only give them an opportunity to express their concerns but also look after the “Top Paddock” as Doug Avery puts it. In other words look out for fellow neighboring farmers who may be struggling during a particularly tough time. In worse cases this may lead to depression and it is important for farmers to open up, talk and be prepared to ask for help when needed. Also for those around to be able to identify when help may be required for those that may not ask for it.

It was decided to hold BBQ's around the ward at different networkers farms every week for six weeks leading up to calving. Farmers from each area were invited by their networker to attend a BBQ near them where they could discuss any topic they wanted relating to Fonterra. No topic was taboo and we started with a blank white board with no preconceived ideas – this was to be farmer led and we were there to just shut up and listen.

The feedback from these to date has been very positive. It was an opportunity for farmers to have their concerns discussed in a forum that was conducive to good open discussion. It was also a good opportunity to give the networkers some exposure among their farmers and showcase the benefit of having a connected network operating.

From this we have been able to collate all the topic information that was raised by farmers at these BBQ's ready for another round of meetings looking to engage farmers at the next level and that is on an educational level. One of the things farmers have been telling us from these BBQ's is that they want more information and want to up skill in different aspects of the Fonterra business so as to understand it better. The reasoning is that as understanding of the business and strategy are grasped then they will have far more confidence going forward.

Once we present the information back to each group – they will decide which direction they want to go. With this in mind they will take more ownership which proves much more successful.

The challenge that lies ahead for us is that when confidence levels do rise – will we continue to engage? We must and to do so will require a clear strategy.

## Discussion

As previously mentioned – this method of surveying allowed the interviewer to assess mood and sentiment. At the beginning of every interview each person was very forthright in discussing the current issues relating to Fonterra and the effects it has on their businesses. What was interesting from an engagement viewpoint was that there was clearly a desire to engage given the opportunity.

## Connectedness

Although half those interviewed felt disconnected it is important to note that does not necessarily mean disengaged from the Co-op. History plays a large role in peoples attitudes because it is often through that long history of our co-operative that connects and engages our farmers. This is affective and normative engagement discussed earlier from the Friesland Campina study (feelings, values and standards). Therefore for those that see the Co-op as a non-negotiable for the future – although they may not feel connected – they remain passively engaged. This is the challenge for the Fonterra Shareholders' Council to turn that passive engagement into active engagement.

## The Role of FSC and Communication

The role of FSC seems to be well understood by those surveyed however the perceived effectiveness or lack is not. I say perceived because it was unclear to many as to whether the Council was effective or not. They felt it was Councils' job and that they trusted that the 37 members elected to the role were doing the job but they had no real means to measure that effectiveness. However – particularly in the current Fonterra climate – that trust was wearing quite thin and there was concern from farmers not only regarding the strategy of Fonterra but also of the FSC effectively monitoring. It was evident that they want more concise information from Council in a timely fashion with the ability to link to more detailed information should they require. All felt it was important that we communicate what council is doing and the results it has achieved and they would like a clear way to measure what and how effective FSC is achieving its' goals.

## Priorities and future role

### Better Communication

At the top of the list as described above – more communication from council and specifically from councilors in their given wards. It was felt that personalized communication from their own councilor they know is better than generic versions from Auckland. *(Many reflected here on the monthly updates coming now from area managers and councilors as communications they were drawn to because they personally knew the authors)*

### Access to Information

Similarly they want access to more information and need a clear understanding of strategy. When it comes to future role of Council monitoring strategy with the vision of the Board to ensure the strategy lines up with vision is vital. This must be clear if vision is to dictate strategy – not the other way around.

### Listen to Farmers

To represent farmers you must listen to them and be their voice back to the board. We've already talked about the importance of communication.

### Strong Co-operative

Finally FSC should be clearly demonstrating the importance of a strong co-op and communicating that importance in relation to protecting maximum milk price paid to all New Zealand dairy farmers.

## Your Councillor

None would hesitate to get in touch if they had any issues but they commented that councillors needed to be able to connect with farmers better. In the past supply reps were a lot more conversant. You can't just rely on sending emails to engage suppliers. We want to be heard and know that someone is listening and shed meetings are a great place for that because we all get to discuss issues as opposed to larger meetings we are talked to. That is probably a lot to do with the design but if the goal is to connect – then you have to be in smaller meetings where everyone gets input.

## Recommendations for Council

- 1) Time management – the effective use *of* and delegation *to* the network is critical. We have a great network of farmers that we must take advantage of. It effectively breaks each ward down so that each group is manageable – 10 to 20 farmers per group. For maximum effective engagement there just is not enough time for an individual councillor to do it all
- 2) Turn passive engagement into active engagement. For example those that have been attending shed meetings to get off farm, have a BBQ and share their concerns. Many of these don't travel to the larger meetings but will go to their neighbours' farm for a BBQ and chat.
- 3) Communications
  - i) From council as a whole
    - a. What we do – Agenda on fencepost. By posting this information publically for our farmers to see will help them see and appreciate the process Council works to. It also gives greater transparency and the ability for farmers to engage and be part of the process early on if they so desire.
    - b. What we've achieved – Minutes on fencepost. This again gives transparency but also helps close the loop for all those involved – including farmers. They can see what was on the agenda and can also see what actions have been agreed to. This then gives them an opportunity to follow up and keep us accountable. All of this encourages active engagement and helps build trust and confidence in what Council does.
  - ii) From councilors individually
    - a. Regular brief updates –monthly (bullet point with link to more information). At least follow-up individual email every time a councilor has contact with a farmer
    - b. Explore viability of separate update from that of milk supply
    - c. Every time a council press release is sent each councilor sends to network who in turn send to their farmers (this increases involvement at every level increasing connection and fills the void)
- 4) Develop a tool to measure the effectiveness of council – e.g. KPI's dashboard

- 5) Develop educational workshops on topics chosen by farmers in each ward
- 6) Ward engagement plans. Be aggressive in planning. The feedback I have received so far is that we will need local (not ward) shed meetings quarterly as well as the bi annual results meetings with board and management. This would mean for most wards 16-20 shed meetings per year. This is only achievable with the effective use of the network and delegation. We need to raise the ability and capability of networkers.
- 7) Investigate some sort of CRM system for councilors to track conversations and contacts with shareholders

It is important that Council continues to develop a leadership role for the farmers it represents by getting out in front of issues and not allowing a void or vacuum to be created and fuelled by speculation in the media.

A great example is a conversation I had recently at the National Fieldays in Mystery Creek with a farmer who described it well. He said – *“as a farmer I just want to concentrate on my business, which is to farm profitably and sustainably. I don’t want the distraction of what is or isn’t happening within Fonterra to take me away from my focus. The reason this is happening for me now is that I have lost confidence and trust that you (Shareholders Council) has got my back. We elect you to monitor and represent and I need confidence that you’re doing that.”*

## Summary

Every farm and every farmer have different things that motivate and drive them and it would be foolish for us to adopt a “one shoe fits all” approach to engagement.

What is evident is that there is no magic bullet for optimum engagement. The only reality is that it will require time and effort on the part of every Councillor on the FSC. It is also evident that we must do everything we can to gain the trust and confidence of the shareholders we represent through personal effective engagement if we want them to remain connected to their Co-operative.

As referenced earlier – as co-operatives get larger the connectedness of its members becomes an issue as they feel less and less valued through greater separation. Fonterra is also taking practical steps to address this issue with its regional modelling through Farm Source hubs in an attempt to reconnect again with its farmer base at a greater level.

What has been interesting in the survey is that when asked, there were more farmers who felt connected than was perhaps anticipated. Also some who may have been viewed as disconnected in fact stated that they were happy with the engagement they have and remain connected through the vast amount of information that is available to them. This goes to show “you cannot judge a book by its cover”.

One common theme that came through from all who were interviewed was that they in fact wanted more information made available not less. It is important however to understand what it is they require. They want more direct communications from the Fonterra Shareholders’ Council in terms of what they are doing and the results of the various work

streams Council has running. Even more specifically they feel that regular personal communication from their Councillor would be more likely read – because it is from someone they know. The communications should be concise and to the point with the possibility of a link to further information.

It was stated by the majority interviewed that bulk communications from professionals lacked personality, were drab, sounded like spin and in general felt forced.

Probably most poignant was that for those that felt disconnected it often came down to a feeling of not being heard or valued by the Co-op. This led to discussions around governance and representation and particularly around voting. There is a feeling among some shareholders that the “Big guys” have all the power because voting rights were based on production and not by farm. This was viewed as un-co-operative because we are not all treated the same and it leads to behaviours within the Co-op that may not be productive. For example smaller shareholders feeling the need to have to rally together to accomplish something they could not do on their own. It almost seems to be encouraging a co-operative within a co-operative – which is a behaviour that will eventually divide and be destructive. This led into discussion of “One farm One vote”, and the “new democracy” idea that generated some discussion before and after the 2014 director elections.

This raises an opportunity for the Fonterra Shareholders’ Council to take some real leadership. Being the representative arm of the Co-op it is vital that farmer perceptions of the Council are positive. If farmers are feeling undervalued because of not being heard then the Council has missed the mark. However to gain farmers’ confidence we must be able to display that we are making a difference through strong representation and effective monitoring. Presently from those surveyed – they are not convinced of this. Therefore we must communicate more effectively and regularly what we are and also as importantly report back the results to close the communication loop. There is no point telling them what you do if you don’t tell them what difference has been made *because* of what you do. It was suggested by some interviewed that the best method of communication was from the local councillor at regular intervals in a bullet point format.

One of the priorities brought up in the survey was that shareholder councillors remain at the “coal face” so as to keep in touch with what’s really happening in the shareholder base. However it was seen as an impossible job for one person to do effectively and highlighted to me the importance of the role of networkers. To be most effective council needs to continue to delegate responsibilities to the Fonterra networkers to spread the load. The effective use of the network going forward will be vital to the success of engaging and connecting with farmers effectively. Because the “network” is of great consequence to success it will also be vital that each Councillor keep networkers fresh. There will need to be regular monitoring to ensure we have the right people in the networker role that will ensure maximum farmer engagement.

Therefore it is important that council continues to communicate and have in place measurements to monitor its own effectiveness including the network group throughout the country. Shareholders want to see specific goals and specific outcomes communicated

back. This has a positive effect in building trust and confidence in Councils' role and ultimately the strength of the Co-op as a whole.

### Acknowledgements

Thanks to all the farmers in the Hamilton ward who participated in the survey – without you input I wouldn't have been able to complete this report.

Also thanks to the farmers who have and are continuing to come out to shed meetings for a BBQ and some robust discussion about our Co-operative. Thank you for engaging and your efforts to connect. I am ultimately here to represent your views to council and the board and the in last six weeks I feel as though we are really getting somewhere in this space.

For many of you growing up in a Co-op has been a part of life and it is great to see how passionate you are to see it continue for future generations to enjoy what has come from so much sweat and tears of those who have been before us.

Thanks too to Wade Bell from Dairy NZ and Kellogger in helping point me in the right direction.

Also the staff in the Fonterra Shareholder Council office – helping me dig out information when required. The Fonterra staff that helped me get internal information to reference and particularly Trusha Patel for the initial planning time you set aside for me.

Thanks too to my family for putting up with me trying to make computers do what I know they should do even though I had no idea.

Finally to the Kellogg staff and my fellow kelloggers – it has been a great six months and I look forward to continued long lasting friendships and networks.

## Appendix 1 – Co-op Principles



### It applies to Fonterra's cornerstone activities

Fonterra's cornerstone activities are the collection, processing and marketing of supplying shareholders' milk and the activities that have a strong link to selling or adding value to supplying shareholders' milk.

### Co-operative Principles

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 to their total milksolids supplied.
4. Control of Fonterra is exercised by its supplying shareholders who have voting rights in proportion to their total milksolids supplied.
5. Financial benefits and obligations that arise from cornerstone activities are allocated to supplying shareholders in proportion to their total milksolids supplied.

### How these Principles are applied

MAINTAIN CO-OPERATIVE CULTURE	<ul style="list-style-type: none"><li>• Fonterra exists for the mutual benefit and sustainability of its supplying shareholders.</li><li>• Fonterra is committed to co-operative ownership of cornerstone activities.</li><li>• Transactions between Fonterra and its supplying shareholders must be transparent and fair.</li><li>• Supplying shareholders acknowledge that Fonterra must act in the collective good of all supplying shareholders.</li></ul>
ACCEPT ALL SHAREHOLDERS' MILK	<ul style="list-style-type: none"><li>• Fonterra will collect all supplying shareholders milk that meets the Terms and Conditions of Supply.</li><li>• Fonterra must provide supplying shareholders with timely, transparent and economic signals as to the value of their milk.</li><li>• Fonterra will provide supplying shareholders with timely, relevant information and services to help manage their businesses.</li></ul>
MAXIMISE SUSTAINABLE RETURNS	<ul style="list-style-type: none"><li>• Supplying shareholders invest in the collection, processing and marketing of their milk to enhance its value.</li><li>• Fonterra's principal purpose and priority focus is to maximise the sustainable value of supplying shareholders' milk.</li><li>• Payout is of primary importance to meeting supplying shareholder needs.</li><li>• Economic sustainability is fundamental to ensuring the co-operative's longevity.</li></ul>
INFORM, EDUCATE AND CONSULT	<ul style="list-style-type: none"><li>• Fonterra will keep supplying shareholders well informed in a timely, transparent and balanced manner consistent with their status as owners of the company.</li><li>• Fonterra will consult fully with supplying shareholders before implementing any significant changes that impact upon shareholders.</li><li>• Well informed supplying shareholders can and should participate actively in their co-operative.</li><li>• The commitment to inform, educate and promote the benefits of the co-operative extends to all stakeholders.</li></ul>

PROUD FONTERRA FARMERS



## Appendix 2 – Ward Map



## Our Mission Statement

**“To improve Farmer returns through effective monitoring and strong representation”**

- **A trusted, credible and relevant voice**
- **Education/Development/Succession**
- **Co-operative Purpose**
- **The Future**

## The Foundation Blocks

### A trusted, credible and relevant voice

- ✓ With respect to performance monitoring and other communications we need to be clear, honest and correct to ensure the Council is the voice for Shareholders and can compete with the noise in the market from commentators.

### Education/ Development/Succession

- ✓ Encompassing the government, councils, the public and internal. There needs to be a pool of qualified people ready to take up governance positions if there is a need for large-scale changes to the Fonterra Board.
- ✓ Farmers need to be developed, educated and skilled enough to ask the right questions and operate in a sustainable manner.
- ✓ The culture of the Council needs to be developed to ensure we always do the right thing and to expect be treated as partners with the Board.

### Co-operative Purpose

- ✓ Ensuring an enduring Co-operative and driving to maintain the core purpose of the Co-operative.

### The Future

- ✓ Ensure the Co-operative has a mandate from government, the public and business to continue to operate. This encompasses sustainability, demand and development.

## Appendix 4 – Co-op Values

FONTERRA  
SHAREHOLDERS'  
COUNCIL



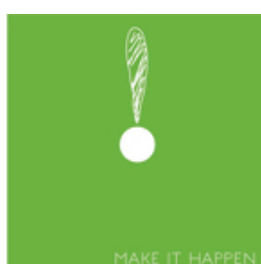
- ✓ Represent Shareholders' views
- ✓ Trust, respect and have faith in fellow Councillors
- ✓ Add value as an independent, cornerstone stakeholder
- ✓ Act as an integral part of a motivated team



- ✓ Act as a conduit of information
- ✓ Be open, honest and forthright
- ✓ Speak with confidence backed up by knowledge
- ✓ Act with integrity and credibility



- ✓ Have the courage to challenge when things don't seem right
- ✓ Treasure independent, diverse thought
- ✓ Nurture and develop for the future
- ✓ Act with a well informed, independent voice
- ✓ Make a difference – achieve and work with sense of purpose
- ✓ Learn from success and mistakes



- ✓ Provide leadership
- ✓ Be passionate, committed and diligent
- ✓ Step up; take accountability
- ✓ Engage in assuring educated outcomes
- ✓ Enjoy the journey and celebrate success

Proud Fonterra Farmers

## Appendix 5 – Survey Questions

Thanks for your willingness to participate in this survey. As discussed I have outlined some questions to get you thinking before our visit – which should take about 40 minutes

The purpose of this is to better understand how Fonterra Shareholder Council and its Councillors can engage with its farmer shareholders more effectively and to gain an understanding of how farmers want to be engaged. The survey will be conversational using the questions listed below as a guide.

Should you have any questions please contact me. Ross Wallis 0276377460 or [rosswallis@slingshot.co.nz](mailto:rosswallis@slingshot.co.nz).

**Q1:** Do you feel connected to your Co-op?

- How?
- Why?

### **A. Understanding and current role of Shareholders Council**

**Q2:** What is your understanding of the role of FSC?

- What do they do?
- Who sits on it?
- How councillors are elected?

(Prioritise what's most important to you)

**Q3:** In what ways do you currently engage with FSC?

- What communications do you receive?
- How do you engage with your councillor?
- At meetings etc.
- Not at all

(Prioritise what's most important to you)

**Q4:** How can FSC better engage with its farmers?

- What does that look like to you?
- How and what communication do you want?
- Are there particular views you have about the FSC?
  - o Yes – explain
  - o No – why not?

### **B. Your Shareholders Councillor**

**Q5:** How often do you hear from your Councillor? (direct/indirect)

- Want more or less?

**Q6:** Have you ever contacted your Councillor?

- If not in what circumstances would you?

**Q7:** What issues would you like your councillor to focus on your behalf?

(Prioritise what's most important to you)

### **C. Future Role**

**Q8:** For you – what are the most important things the FSC should be doing?

(Prioritise what's most important to you)

(This survey is will make up part of a study for the Kellogg Rural Leadership Program applied project that Ross Wallis is conducting on effectiveness of the FSC engagement with its farmers. All participants will remain confidential)

## Appendix 6 – Verbatims

### Connectedness – do you feel connected to your Co-op?

No- the contact between the company and suppliers has become very clinical

When we go to a shed meeting you feel really connected – but there's not enough – then you tend to listen to all the talk around and begin to believe it

No – they are so far away from what's going on here on farm. They have lost touch

Not necessarily disconnected but not valued – which I guess leads to being disconnected

I feel connected at varying degrees – I connect more when I deem it necessary to my business

I like to have access to you guys

I feel disconnected because I feel disempowered. Like I don't count because I'm small. We need one farm one vote to be treated the same. We are a co-operative after all.

I don't feel disconnected but it is a big unit & you can't expect to have individual everything

I'm happy with the engagement I have – you're not going to please everybody all the time

Yes – probably. I don't get too involved or go to many meetings as such but I keep up to date reading the various communications available. I am happy with the level of engagement. It is sufficient for me

The bigger it gets the less connected I feel

### Understanding of the role of the FSC

I look to them for leadership on issues

It's representative of the farmer base

Liaison role

Our voice to Fonterra

You have more information available than us to make informed decisions

Report back to us what is happening

Conduit between the board and farmers

Dissemination of information

Watchdog

Mediator

Finding out what farmers are saying – report back

Identify issues in the farmer base

To keep the unity and cohesiveness of the Co-op

Go between the farmers and directors keeping everyone honest

It's bridging the gap between farmers and directors

#### The effectiveness of the FSC

Don't know – I don't hear from them

We need some assurances that farmers voice is being heard

You get more information than me – so I trust that 37 of you can come to the right decision

I have no idea. I have faith they're doing the job they say

Half the time you don't hear what's happening till you read about it in the media

Just don't loose touch like it appears the board & management have

There is a lot of faith lost – it's got away from farmers too much

I trust them to do the right thing – that's what you're elected for – it's your job

Lack teeth

#### Priority for you

Communication – that is what we are asking – that you are talking to the directors on our behalf and what is being discussed – so that we can have confidence that FSC is doing its job – that part is lacking – otherwise you may as well not be there and we just be a company not co-op and they can do what they like.

Access to more information for us

Clear understanding of strategy & communicating it

Communication – we need assurances because a lot of what we hear is not right

Compliance issues – to keep costs down for farmers

Think about your farmers

Listen to your farmers

Represent – Report back

It would be helpful to have Council business available for shareholders to see

More communication of what FSC is doing & achieving

You're the voice and feeling of the coalface

More shed meetings to discuss our issues

Need a more direct line to FSC

That things are kept honest

Communicate what you're doing to give us confidence

### Communications

I want personal regular communications from our councillor – we know you so will read it

A lot of the stuff you get has no personality. It is drab & I don't read it

I read most things that come and are happy with that to keep connected with the Co-op

If I wanted more I can ask for it. I think we get plenty of information

I like bullet point communications – simple & often. A monthly update on what FSC has achieved would be good but not a long story – just the facts

I want a clear picture of the results from what the FSC does

I like informal means of communication – face to face – you can send me all the crap you like but I probably won't read it.

I would like more about what the FSC is doing – more information but not all the detail – you can use a link for that

We have all the resources available now – email, Facebook, twitter etc. – but it is worse than ever. It was better when we were a community and went down to the local school for a BBQ and a bunch of farmers discussed how they felt about the Co-op. The rep was there to hear it. That personal side has slipped away. Just because they've sent stuff out doesn't mean it's read.

### Your Councillor

Wouldn't hesitate to call if I had an issue

Must be able to connect personally with farmers. No point having all the knowledge and not being able to connect

I have contacted my councillor in the past and will continue to if the need arises

Back in the day of supply reps we were much more conversant with our farmers – it was more of a community back then

I see you around and that's what I like - to know I have access

Shed meetings are great to come to with no agenda and just to be heard

### Future role FSC – priorities

Monitor strategy with the vision of the board – are they succinct?

LISTEN

Farmers' voice

I see why FSC is there and it should be good but I wonder if we need it. Sometimes seen as a handbrake

That they are able to pass on farmers' views and they're being listened to

Need to communicate better what you're doing to build trust and confidence – don't be silent as it creates a vacuum



Communicate – we don't know what you're concerned about and we don't know what you've done to fix what you're concerned about

We need a better measure of what FSC are doing and its' effectiveness

Transparency

Forward planning

Discussion about the importance of a strong Co-op to protect the milk price for all NZ dairy farmers

Get back to regional engagement like the past. Get out of Auckland

### Voting

Yes – but if I didn't know anyone I wouldn't vote

Yes – but can be hit and miss if you don't have enough information

Yes – accident if we don't but will often just vote for the incumbents as we've got to know them

If I don't feel I have enough information to make an informed vote I will choose not to vote

There is no point throwing votes around if it is random

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