



Media release

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FONTERRA'S FARM SOURCE™ TO SELL LIVESTOCK DIVISION TO CARRFIELDS LIVESTOCK

Fonterra has today announced that it will sell the Farm Source™ livestock division to Carrfields Livestock – an established livestock agency provider.

Richard Allen, Farm Source™ Stores Director, says the decision to sell was made in the context of a larger review underway within the Co-op.

“In the context of the review of the Co-op’s assets and investments, we have made the decision to sell the livestock division to Carrfields Livestock. This will better serve the livestock team and the farms they service.

“While Farm Source’s livestock division has contributed positive returns since inception, we believe the investment required to maintain and grow this division can be more effectively targeted towards improving core areas of the Farm Source™ business,” says Mr Allen.

Farm Source™ is working with Carrfields to develop a range of partnership offerings to ensure a positive connection and competitive offer remains for Fonterra farmers.

Craig Carr, Carrfields Group Managing Director, says this acquisition is both exciting and a strategic opportunity for Carrfields Livestock to fill gaps in their current national network.

“This acquisition will take the Carrfields Livestock team to over 150 plus livestock agents spread right across the country. This strategic partnership will offer Farm Source™ clients and Fonterra farmer owners access to a nationwide agent and sale yard network provided by a New Zealand family-owned business,” says Mr Carr.

Farm Source™ and Carrfields Livestock are committed to ensuring a smooth transfer of employees and clients, minimising any disruption to the business with Carrfields Livestock’s ownership commencing 1 March 2019. For a small number of employees who will not have the option to transition to Carrfields Livestock, Farm Source™ will support them in identifying new opportunities within the Co-op.

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About Fonterra

We're a global dairy nutrition company owned by 10,000 farmers and their families. We've built our expertise on the legacy of the thousands of farmers who've made New Zealand a world leader in dairy. With a can-do attitude and a collaborative spirit, we're a world leading dairy exporter. Our 22,000 people share the goodness of dairy nutrition with the world through our innovative consumer, foodservice and ingredient solutions brands, and our farming and processing operations across four continents.

About Farm Source™

Farm Source™, with a network of 70 stores nationwide, helps farmers get things done by understanding their needs and delivering excellent customer experiences, online shopping and knowledgeable staff they can count on to deliver everything they need to run their business. Farm Source, and previously as RD1, has had a livestock division since 2005. Today, it has approximately 25 agents supporting farmers across the country. In 2017, Farm Source™ Livestock facilitated the purchase of almost 200,000 animals.

About Carrfields

Carrfields is an iconic rural services company operating throughout New Zealand. With trading relationships and operations across the globe they provide improved access to the most relevant products and services for New Zealand's farmers via their technology, livestock, irrigation, contracting, grain and seed, machinery and wool businesses. Coming from humble beginnings over 40 years ago, the family owned business has grown to be a trusted partner for New Zealand's farmers.

Carrfields Livestock agents offer clients expertise to help them achieve maximum returns, by providing a range of national and international marketing options. For more information, visit <http://www.carrfields.co.nz/> .