



VDM Changes – Implications for Milk Collection

Presentation to Road Controlling Authority

April 2010

Confidential to Fonterra



Dairy for life

■ Current

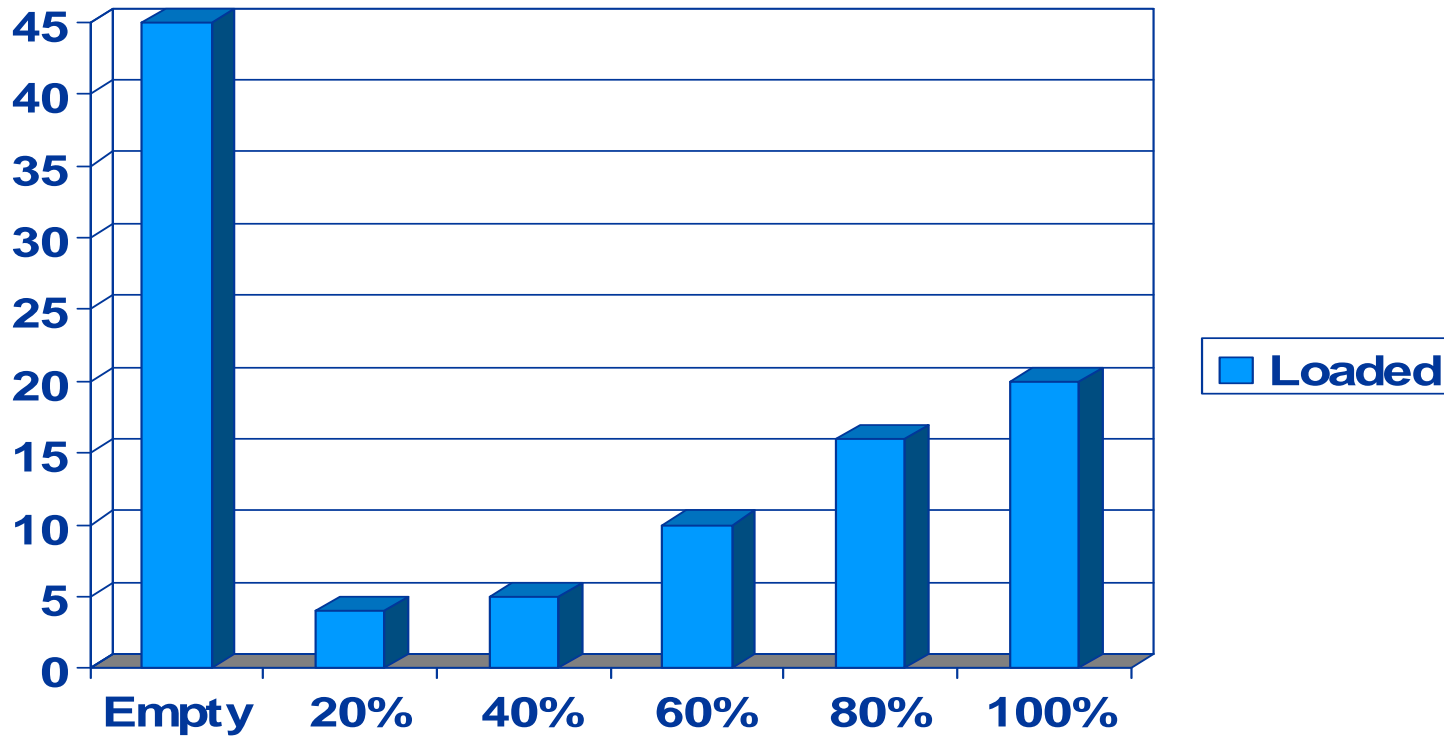
- 3,200 loads on peak day
- 70 million km's pa
- 403 trucks

■ 20 year view

- 2-3% compound = 50-70% more volume
- More sites or site expansion
- Impact on truck numbers



- RUC increase 9% in total operating cost
- 20% of km's fully loaded



■ Issues

- Effect on optimisation
- Time sensitive product – alternative routes
- Operating on 2nd tier roading network, limitations – supplier and factory
- On farm access

■ Opportunities

- Niche areas
- Bulk transfer
- “Superflush” insurance







Thank you.