

# GROW WITH THE FLOW

FONTERRA'S NEWFOUND APPRECIATION FOR THE HIGH PRODUCTIVITY PERFORMANCE-BASED STANDARDS SCHEME HAS COME AT JUST THE RIGHT TIME FOR THE DAIRY INDUSTRY'S GROWTH, GIVING ITS TANKER FLEET GAINS IN SAFETY, EFFICIENCY AND PRODUCTIVITY THROUGHOUT.

Story by Bianca Dohnt

In the last year, Australian milk exports have grown a staggering 17.9 per cent\*. The impressive figure represents only a fraction of the country's dairy industry, which Dairy Australia Senior Analyst, John Droppert, says has just entered a period of recovery after two struggling seasons. "The challenges for domestic-focused regions are still significant, however Dairy Australia's forecast for 2017/18 milk production remains a growth range

of between two and three per cent on the 2016/17 total of 9.02 billion litres. This implies a forecast total of around 9.2 billion litres for 2017/18," he says. Fonterra is a farmer-owned co-operative and one of the world's largest dairy exporters. This year in Australia, Fonterra will collect two billion litres of milk, an increase of 400 million litres on last year. The Australian business collects and distributes milk from 1,300 farmers in Victoria and Tasmania using its own bulk

liquid transport fleet, which Fonterra General Manager of Logistics and Distribution, Brendan Miller, currently oversees. Brendan phrases the dairy industry's growth in an earthier way than Dairy Australia, saying, "When the grass is growing, the milk is flowing". In line with that growth, the Australia-based division of the Fonterra fleet has also blossomed over the last few months, he says. "Even through the tough seasons,



Fonterra has been growing in terms of milk supply and now has a waiting list of new suppliers who would like to supply," Brendan says. The Australian fleet of prime movers has now reached 58, he says, and Volvo Trucks has supplied every single vehicle for the last 15 years. "Our milk fleet is Volvo, they are the only trucks we use," he says – adding that the most important aspect of a Volvo truck is its high level of safety features. "Volvo sets the benchmark against all of the other brands in terms of safety. The dynamic steering, cruise control, lane departure warning and cab structural support are key ways we protect our drivers and the road-using public. In addition, the two-step entry of the Volvo allows easy driver entry and exit." Each vehicle Fonterra purchases is built to suit its specific requirements at the



Volvo facility in Queensland, Brendan explains. "As part of each build, Volvo sends one of its engineers down to our site in Melbourne to help design the

vehicle to maximise the payload and ensure it's fit for purpose," he says. "They provide expert advice on the gearing, engine and transmission specifications,

as well as ensuring we have the right horsepower to get the job done." The Australian fleet is regionally-based and travels over hilly terrain and rough roads, particularly in the Gippsland region of Victoria and in Tasmania, so Brendan says it's important that the fleet has the increased power to pull up the hills. "We specify the Volvo FM 500hp and 540hp prime movers as they can get up and around the regional roads with no trouble at all," he says – adding that the farm access routes can be particularly tough on the vehicles, so Fonterra has a strict four-year replacement cycle for its prime movers. "Driving out on the farms is a particularly harsh environment for the vehicles," he says. "They clock up a lot of hours on the PTO running the pumps and on the engines. The Volvos are very



reliable and you can get a lot of runtime out of them before they need a service." All of the Fonterra Volvos are serviced through the Volvo Trucks dealership in

Clayton, Brendan says. "They're on call whenever we need them and know the vehicles inside out, so they keep our vehicles in safe working order for the

**FAST FACT**

Fonterra runs a fleet of 58 Volvo trucks with anywhere between 130-150 drivers, depending on the season. The company services over 1,300 suppliers and runs a scheduling system to efficiently organise the routes based on access and availability.





Fonterra General Manager of Logistics and Distribution, Brendan Miller.

whole of life. We have a good partnership with Volvo, the whole team is really helpful."

Brendan adds that Volvo was also particularly helpful in Fonterra's recent foray into the high productivity Performance-Based Standards (PBS) scheme. First investigating the scheme about two years ago, Brendan says the Volvo team worked with the National Heavy Vehicle Regulator (NHVR), as well as certifiers and assessors to get its vehicles approved under the complicated program. "As Volvo has a team of local engineers that understand the Australian regulations,

conditions and our unique PBS scheme, Volvo has the knowledge and experience to guarantee the vehicles will be suitable and high quality, which is a capability we couldn't find in some other OEMs." Now, the company has 15 PBS-approved tankers in a variety of combinations including 26m A-doubles, and 20m and 19m truck and dogs all manufactured locally by Byford Engineering. "We have over 1,300 suppliers with varying levels of access, so we have a lot of different configurations," he says. "A lot of the farms we visit have tight access that require the smaller, more manoeuvrable

truck and dogs, and we have the larger 26m A-doubles for the bigger farms with better access."

Though Brendan says the PBS scheme has had its challenges since it was introduced a decade ago, it has improved immensely as the authorities work ever more closely with the fleets to get a better understanding of the types of movements and paths to farms. "The discussions continue and the permits and access continue to improve," he says. "As access opens up further, we will be moving the fleet entirely to the 26m high capacity A-doubles."

Brendan praises local vehicle and trailer manufacturers, as well as the government and authorities for their ability to embrace the PBS scheme, pointing out that the increased capacity of the high productivity vehicles aligns closely with the transport industry's continued focus on increasing safety. "Some of these PBS-approved combinations can provide a 20-30 per cent capacity increase, which ultimately takes trucks off the regional roads and makes the roads safer for the community," he says. "It also means transport companies are running newer vehicles with the latest in safety technology that enable safer driving and reduce risk for the driver. While we could be considered late to investigate PBS, we are a convert from here on out."

As the Australian dairy industry continues to grow in line with Dairy Australia's predictions, the capacity increases will become more and more important. "We need to be able to find efficient ways of transporting bulk milk from farms as the demand increases," Brendan says. "By working together with our truck supplier, Volvo, and tanker supplier, Byford, on PBS-approved combinations, Fonterra is well placed to grow alongside the dairy industry." <sup>TM</sup>

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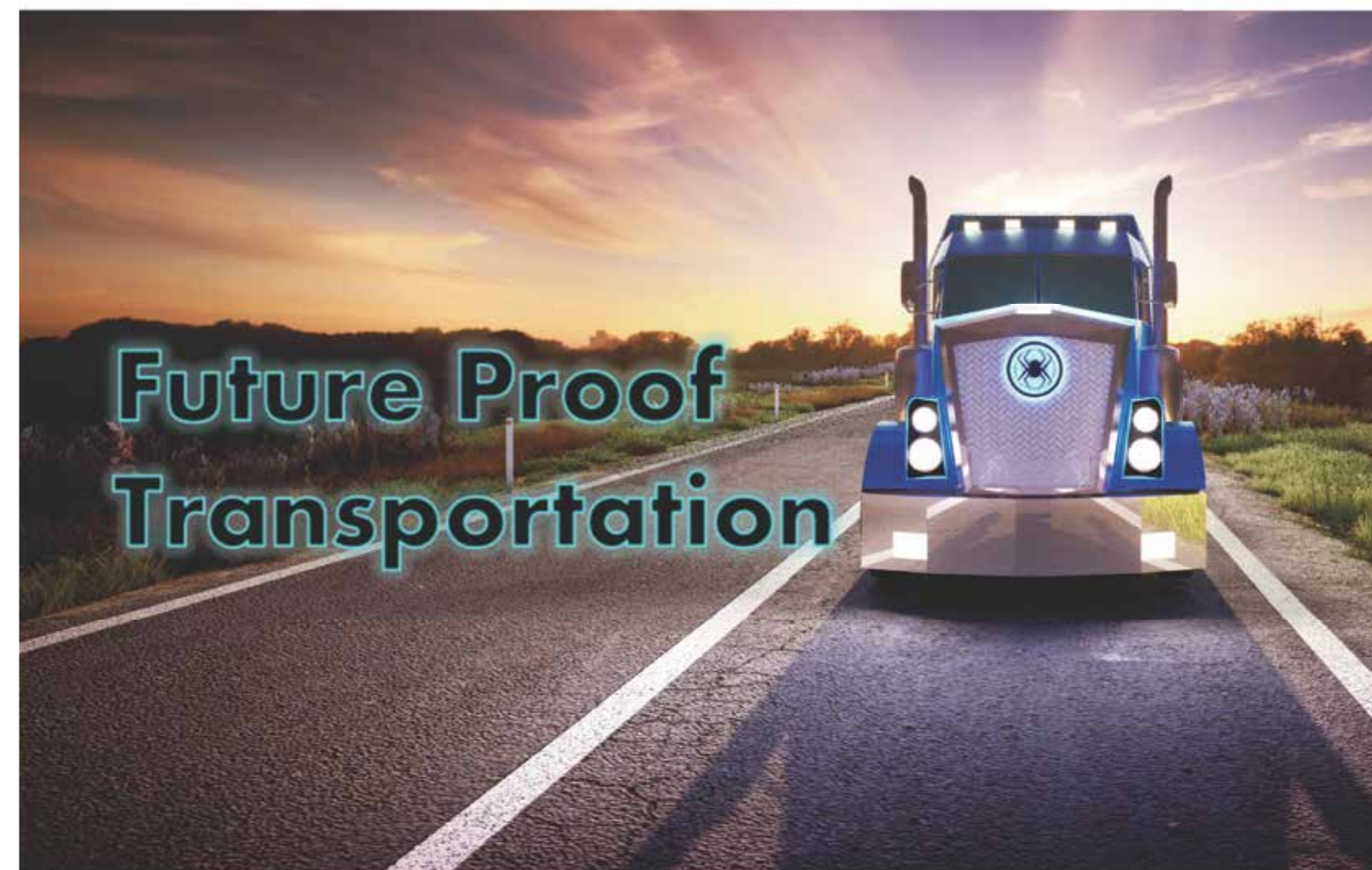
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