

Melamine issue lands Fonterra on shame list

4:00AM Wednesday Nov 12, 2008

Fonterra has been named in a top-10 world list of companies most criticised for their impacts on the environment, health and communities.

The list, compiled by Swiss-owned RepRisk, a consulting firm that analyses companies' exposure to controversial issues and news, was headed by Sanlu Group, the Chinese joint venture in which Fonterra held a 43 per cent stake.

Big Chinese rival Inner Mongolia Yili Industrial Group took second, and Fonterra was ranked sixth most vilified in the September "top 10" list issued by RepRisk.

China Mengniu Dairy was in 10th place - also because of the disclosure that 22 Chinese companies had produced milk tainted with melamine.

The RepRisk rankings "were heavily influenced by the contaminated Chinese milk powder scandal", it said.

Fonterra specifically came under fire for its association with Sanlu and was criticised for not earlier making public information about the contamination.

Sanlu took first place because of claims that though it discovered farmers or brokers diluted milk with water and added melamine to boost its protein level, it did not make an official product recall until after the New Zealand Government intervened.

Thousands of babies were made ill and several died after drinking the contaminated milk powder.

Fonterra spokesman Graeme McMillan said it was surprising that the company was featured in a ranking based on media coverage of high-profile news events.

"Our research tells us that people have differentiated quite clearly between the large number of Chinese dairy companies involved and Fonterra," he said.

"But what's disappointing is to see Fonterra listed separately and when there has been no question over the quality and integrity of our products and supply chain, made with milk sourced outside China."

- NZPA