

<b>COMPLAINT NUMBER</b>	17/233
<b>COMPLAINANT</b>	R. Barber
<b>ADVERTISER</b>	Fonterra Co-operative Group Ltd
<b>ADVERTISEMENT</b>	Television
<b>DATE OF MEETING</b>	8 August 2017
<b>OUTCOME</b>	No Grounds to Proceed

**Advertisement:** The “From here to everywhere” television advertisement for Fonterra featured a Raglan cooperative farmer talking about Anchor milk in Sri Lanka. He stated, in part: “being part of a co-op we all want to be involved in something bigger than ourselves... as an owner of our co-op it’s our responsibility to be able to give something back”.

**The Chair ruled there were no grounds for the complaint to proceed.**

**Complainant, R. Barber, said:** I would like to complain about the misrepresentation in the Fonterra advertisement currently running on the television where the advert is intentionally deceiving investors and farmers about Fonterra being a cooperative when it is not. The cooperative companies act is different to the companies act and this criminal organisation has no right to lie and deceive farmers and investors about the illegal status of the company... This add is making font era out to be something it is not for the purpose to defraud investors and bankers.

You can see that Fonterra was incorporated under the companies act and it has cooperative in its name that is illegal.

...

The add ran at 6.29 on TV one ON the 5/7/2017 this was an anchor add that appears to be part of a series of adds being run by Fonterra with no marketing value at all only to defraud and misrepresent Fonterra corrupt and illegal status ,,

If you are to ask Fonterra as to the purpose of the add then they have to disclose their agenda or lie, Am wondering with the election coming up these adds have a political motivation, and this is also illegal.

...

The nature of the complaint is that Fonterra's content is purporting to misrepresent its cooperative status. The reason for this could be to do with deceiving investors and farmers to invest in a capital structure that is fraudulent. Your jurisdiction for an advertisement would be automatic where breaches and contraventions of law are claimed. Without knowing the intention of the advert it is hard to know, may I suggest you contact Fonterra and ask them the reason for running the advert, if I remember correct is about milk in Sri Lanka or another country and it appears a bizarre marketing angle to promote a product through marketing in another country. So if you can ask Fonterra what they are marketing then this would greatly help. What were your impressions of what the add was marketing and the reason for the large expenses of advertising.

**The relevant provisions were Principle 1 and 2 of the Code for Advertising Food.**

**The Chair** noted the Complainant said the reference to Fonterra being a co-operative in the advertisement was misleading as it was incorporated under the Companies Act 1993. The Complainant also questioned the appropriateness of the Advertiser promoting the exportation of milk to Sri Lanka in the advertisement.

The Chair said the Advertiser was entitled to promote its products so long as the advertisement was prepared with a due sense of social responsibility. She confirmed the Advertising Standards Complaints Board were not the appropriate body to consider breaches of legislation, including the Companies Act. The Chair was of the view that Fonterra was a co-operative insofar as it operates a business model where it is owned and supplied by farmer shareholders in New Zealand. The Chair was of the view referring to it as a “co-op” was therefore, not misleading.

She said the premise of the advertisement was to illustrate the story of an individual farmer visiting Sri Lanka to see where milk he produced was being supplied and that was not misleading either.

The Chair said the advertisement before her was not in breach of Basic Principle 4 or Rule 2 of the Code of Ethics and ruled the complaint had no grounds to proceed.

**Chair’s Ruling:** Complaint **No Grounds to Proceed**