

Sustainable Tourism Adviser in (North Canterbury) Regions 2009 Karikaas Natural Dairy Products, March 2010



i. Business Vision

“Karikaas Natural Dairy Products Ltd is committed to the manufacture of safe and wholesome high quality dairy products in the most sustainable manner possible”.

Karikaas has long had a history of trying to run a sustainable business. “Sustainable” means “able to be maintained over a long period”. The basis of our business is to be here for the long haul. There are several mechanisms we employ to endeavour to achieve this on a number of levels. The first is to be profitable! Secondly we value our people, they are our most valuable resource and we need to look after them and their families. Thirdly, we value our other resources, which for us are mostly from the natural environment.

ii. Business Background

Karikaas is a small manufacturer of dairy products. We make very high quality Dutch style cheeses, in a traditional handcrafted manner. To compliment our range and market, we also manufacture a range of European style fresh products including buttermilk and yoghurt. A number of our products are unique in New Zealand, so we have little competition, but the niche is small. We concentrate on quality: consistent high quality products, made from high quality ingredients, with no additives, preservatives, stabilisers or fillers. Our workforce is local, employing 13 staff, 4 fulltime, and the remainder part-time, varying between 4 days and ½ a day. All staff live in North Canterbury, the majority in the Loburn/Okuku district. We have a small factory shop, servicing the local community and anyone else who is interested in visiting.

iii. Sustainable Business Practice

Many of the business practices we have introduced address one or more of the issues listed above. For example, we recycle all our pails. Our customers return all yoghurt pails, so we charge them only for the yoghurt, and we clean and reuse the pails. This reduces our cost structure and the resource demand of our business, helping to maintain profitability. It maintains our customers' satisfaction, leading to on-going business, because we are reducing *their* costs.

Specific Practices:

- Maintain flexible working conditions for staff
- Support staff to enable them to achieve the things in life they wish to achieve
- When we do need new staff, we start looking in the local community. We know we can't employ someone “ready-made”, so we'll take the time to train someone who is interested in what we are doing. Because they live here, they are likely to want to stay
- Recycle all plastics, cardboard and paper either in house (packaging materials) or to the transfer station
- Reuse all water used in the factory, via our wastewater irrigation system, which then grows grass, which we feed to our cattle
- All whey and yoghurt waste is collected and fed to pigs
- Reuse all cleaning liquids where possible. This reduces water use, power consumption and chemical requirements
- Support our local community in a number of ways, varying from sponsorship to schools etc, to business groups, to community groups etc

- Refusing to do anything, which compromises the “quality” of our products

Many of these measures do not have a direct cost, in fact many save money. Most of these primarily cost time and effort on the part of staff – time to think of them and effort to put them in place. The most important aspect with any successful on-going sustainability measure/practice is staff buy-in. Unless this happens, the practice and the objectives will not be sustained.

iv. Analysis of Sustainable Business Practices

Some of the most significant practices identified in the STAR action plan we have not yet completed. Many of them will never be ‘completed’, because they are designed to be on-going. The long-term aim is to continually look for new and better ways of doing things, which will improve our sustainable business practices. The important thing is to revisit your systems, and keep the momentum of evaluation going.

We have one project, which requires significant capital to install, but will pay for itself in time. We currently add heat to our yoghurt system to heat treat the milk to high temperatures in order to get a good gel set on the yoghurt. The yoghurt milk then needs to be cooled to incubation temperature. We want to recover this heat, and use it to preheat all water entering the hot water system.

This will have a three-fold effect. The first is the obvious one, which is that less energy will be required to heat hot water, one of the most expensive uses of power. The second is that we will use less cooling water, because we will be able to extract the heat more efficiently from that cooling water. Both of these objectives meet our sustainability objectives. The third effect is that the whole process is simplified making our production system more straight forward so there is less opportunity for error! This reduces potential stress on staff.

Since the capital costs are significant we have split this into stages. Each one can be costed and completed independently of the others, breaking the project into portions, which can be funded more easily. In the current economic climate this is useful, because we can do each stage as we can afford it, and we can wait years between stages if necessary. Stage one has been completed.

v. Assessment of the STAR programme

The reason Karikaas became involved with the STAR programme was because, while we have long had a history of aiming to improve our sustainable business practices, every now and again you need a prod to get you moving again. This opportunity came along and provided the prod we needed. It is always good to have someone independent check out what you are doing and seeing if there is a better way of doing things. A fresh set of eyes provide a different perspective - they don’t know your business like you do, so have no presumptions on how stuff could/should be done.

Specifically, we also wanted an energy assessment. The energy assessment was a very thorough investigation of our use of energy, where we use energy, the sources and costs of that energy (diesel boiler/electricity), the potential changes to be made, and a cost benefit analysis of any recommended changes. We didn’t learn anything new per se, however it did confirm my belief that heat recovery in the yoghurt line was something we should be looking to organise, and provided cost comparisons of a number of energy options. This was of significant value to us.

An extension I would like made to the STAR programme, would be the facilitation of an occasional get together after the initial programme, to see how well we have all continued to pursue the ongoing audits/evaluations of our activities. It might provide that occasional prod we’ll likely need to keep the momentum going.

After all the aim for us all is to continually look for new and better ways of doing things, which will improve our sustainable business practices.

vi. Future plans and outlook

Karikaas will continue to implement the actions currently identified, monitor the ongoing practices which will never be completed, and periodically re-evaluate our practices to see if there is anything else to be added to the raft of activities we already have in place. We intend to be here for the long haul, and be a sustainable business on many levels, economically, socially and environmentally.

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