



KANEMATSU CORPORATION

Kanematsu and dsm-firmenich start promoting joint initiatives for reducing the environmental impact of livestock products by utilizing a feed additive that reduces cattle methane emissions

Kanematsu Corporation (hereinafter “Kanematsu”) and dsm-firmenich AG (hereinafter “dsm-firmenich”) have entered into a basic agreement and partnership for reducing the environmental impact of livestock product supply chains by utilizing Bovaer®, a feed additive manufactured by dsm-firmenich that reduces enteric methane emissions from ruminants, as well as for accelerating the adoption of livestock products through higher added value.

◆Livestock products and greenhouse gas emissions

Livestock products are an essential part of our diet. According to Japan’s National Agriculture and Food Research Organization or NARO, beef, pork, and chicken together make up 60% of the Japanese diet. In addition to meat, we also consume a variety of livestock products such as eggs, milk, cheese, and yogurt.

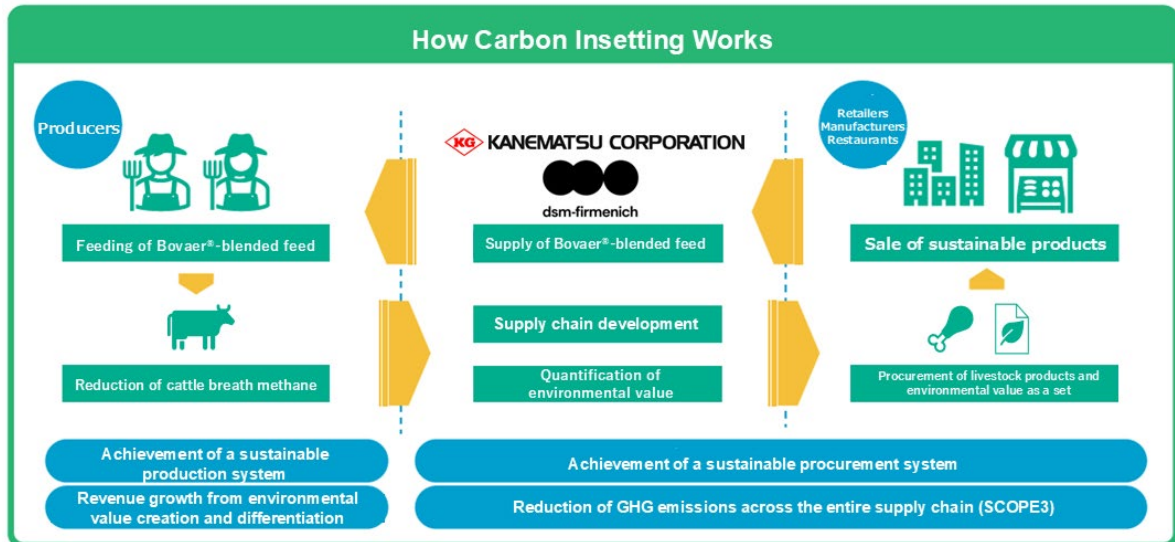
Meanwhile, methane emission from burps of cattle and other ruminants (enteric methane) is the second-largest source of methane after rice farming in the Japanese agricultural industries. These methane emissions are said to account for 5% of the total global greenhouse gas emissions from all industries. As the demand for livestock products continues to rise each year, reducing the environmental impact of the livestock industry—especially methane emissions from cattle burping—has become a major challenge.

◆dsm-firmenich's product: Bovaer®

Bovaer® is a feed additive for cows and cattle (and other ruminants, such as sheep, goats, and deer) researched and developed over the last 15 years. Just a quarter teaspoon of Bovaer® per cow per day consistently reduces enteric methane emission by on average 30% for dairy cows and even higher percentages, on average 45%, for feedlot beef cattle. The feed additive Bovaer® therefore contributes to a significant and immediate reduction of the environmental footprint of dairy and beef products. Bovaer® is now commercially available in 70 countries and has been tested in over 150 farm trials, across 28 countries, resulting in over 100 peer reviewed scientific publications.

◆Partnership details

Kanematsu and dsm-firmenich will cooperate not only to supply Bovaer® to producers, but to facilitate the conversion of methane emission reduction into environmental value. In addition, by offering downstream companies with livestock products produced and environmental value as a set, combined with traceability, we also aim to help them reduce Scope 3 emissions through carbon insetting*1. As such, we aim to accelerate climate change mitigation efforts and strengthen ties with supply chain partners, thereby co-creating a more sustainable supply chain.



*1 Carbon insetting

A strategy whereby the benefits of GHG emissions reduction and elimination efforts carried out within a supply chain are leveraged within the same supply chain (e.g., acquiring or retiring carbon credits created by producers, utilizing those credits to reduce product emissions). Antonym of carbon offsetting, which involves tapping into environmental value created outside of the supply chain (e.g., acquiring carbon credits created by companies in other supply chains).

Kanematsu possesses extensive global networks, expertise, and experience in the fields of agriculture and food, developed over many years in the trading business. Leveraging these strengths, we are determined to promote the green transformation as one of the key initiatives under our medium-term management plan, integration 1.0, with a priority area being “GX for Agriculture and Food.”

Ongoing carbon insetting-based initiatives for “GX for Agriculture and Food” include our partnership with Green Carbon, Inc. for the reduction of rice paddy methane emissions, as well as our partnership with TOWING Co., Ltd. for the promotion of carbon storage and regenerative agriculture on farms through the use of a biochar called “Soratan.”

Under our partnership with dsm-firmenich, we will integrally offer Bovaer® to downstream companies as a new solution for “GX for Agriculture and Food,” aiming to promote the green transformation across agricultural and food supply chains together with our business partners involved in them.

◆About dsm-firmenich

As innovators in nutrition, health, and beauty, dsm-firmenich reinvents, manufactures, and combines vital nutrients, flavors, and fragrances for the world's growing population to thrive. With our comprehensive range of solutions, with natural and renewable ingredients and renowned science and technology capabilities, we work to create what is essential for life, desirable for consumers, and more sustainable for the planet. dsm-firmenich is a Swiss company with dual headquarters in Kaiseraugst, Switzerland and Maastricht, Netherlands, listed on the Euronext Amsterdam, with operations in almost 60 countries and revenues of more than €12 billion. With a diverse, worldwide team of nearly 30,000 employees, we bring progress to life every day, everywhere, for billions of people. www.dsm-firmenich.com

Website: www.dsm-firmenich.com

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