

ASX RELEASE

BFC:ASX

March 27th, 2023

Leading one of Australia's largest dairy farm methane abatement trials

Key highlights

- BFC has won a competitive \$100,000 grant from the Government of South Australia for a comprehensive methane abatement trial on Dairy Farms
- The trial will aim to improve productivity via a reduction in the carbon footprint of farms, increasing milk production, improving the ratio of protein to fat in milk and overall returns to the farmer
- The introduction of a farmed Australian seaweed, may reduce methane production in Dairy cows by significant margins
- The trial commenced in February 2023 and will run throughout 2023 across a rolling number of farms, and it will further engage and retain relationships with our Dairy farmers
- Future potential for farms to create and harvest carbon credits
- Emphasises Beston's ability to execute on its growth strategy in an innovative and sustainable manner

Beston Global Food Company Limited (ASX: BFC, "Beston" or "Company") has won a significant grant from the Government of South Australia. As the issue of methane emissions continues to grow in line with climate change concerns, Beston has partnered with Sea Forest Pty Ltd ("Sea Forest") and a Group of South Australian Dairy farmers in a methane abatement trial.

Beston received a \$100,000 competitive grant from PIRSA for improved productivity on dairy farms trials by reducing their carbon footprint. Beston is partnering with Sea Forest to incorporate the use of alternate feed ingredients such as *Asparagopsis Armata*, an abundant red seaweed native to Australian coastal waters (as SEAFEED™) in the feed, used by Beston's dairy farmers. Sea Forest's SEAFEED™ feed supplement is derived from farmed seaweed and contains bioactive compounds which prevent methane production in ruminant livestock. This is achieved by competitively inhibiting the enzymatic pathway which produces methane at the last stage of digestion. Animals whose diets contain the supplement should have significant methane reductions, the level depending on feed and seasonal conditions.

Approximately 25% of current global warming is caused by methane related human actions, methane is estimated to be responsible for almost a third of global warming since pre-industrial times and is increasing faster now than at any time since the 1980s¹. Methane is produced in the guts of ruminant livestock because

of enteric fermentation. In Australia, agriculture contributes approximately 13% of annual greenhouse gas emissions with 42% of agricultural emissions in the form of methane emissions from mainly ruminant animals².

The value of production of the Australian agricultural industry is forecast to sit at \$81 billion in 2023-2024³, placing it at high risk from climate change. Economic threats such as droughts and floods are driving substantial pressure for methane-reducing solutions before the impacts of climate change are felt strongly within Australian and global industries.

Beston is undertaking the trial with expectations that it may lead to marginal increased milk volume production, an increased and improved ratio of protein to fat within milk and reduce the required feed supplement quantity for the dairy herd, resulting in an overall improved financial return to the farmer. An additional possibility of the trial through the improvement of the farms and its milk net carbon footprint, will be the creation and harvesting of carbon credits for the farmer.

The trial which launched in February 2023 and will run for a year across a rolling number of farms, assists Beston in achieving its growth strategy in a sustainable manner that engages and retains farmer relationships by increasing their milk volumes and quality and potentially reducing their production costs through a reduction in feed supplements, and the potential carbon credit benefit.

Fabrizio Jorge, Beston's CEO said: "It is extremely exciting to participate in a leading Australian methane abatement project for dairy farming. The Company is continually applying innovative measures to extract the maximum value for our partners, farmers, and shareholders. The trial will incorporate the use of cutting-edge methane meters and full SEAFEED™ verified traceability that are yet to be used anywhere else in Australia. This highlights our innovative approach in working alongside our partners and farmers in creating a more sustainable and profitable industry."

This ASX Release was approved and authorised for release by the Chairman of the Board of BFC.



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About Beston Global Food Company Limited

Beston Global Food Company is a proud South Australian multi award-winning company taking premium quality protein products (dairy, meat and plant-based proteins) to the world markets. The company provides direct and indirect employment for nearly 300 people. For more information please visit:

www.bestonglobalfoods.com.au

1. <https://www.edf.org/>
2. <https://www.climatecouncil.org.au/>
3. <https://www.agriculture.gov.au/>