

SE News

HD Infant formula dairy's hot item

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INFANT formula powder has confirmed its status as dairy's hottest item, with sales surging more than 30 per cent in the past year.

Supermarket figures for the 12 months to October last year reveal the amount of infant formula sold rose 31.6 per cent, while total sales rose 37.3 per cent to \$347 million.

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Value outstripped volume because of a 4.3 per cent increase in the average retail price per kilogram, to \$24.19, over the same period.

**Dairy** Australia analyst John Droppert said accurate data on infant formula sales was difficult to obtain because of the "grey market" of tins being bought from supermarkets and sent overseas.

The latest figures have come as a **Chinese**-linked **company**, Blue Lake **Dairy Group**, last week revealed plans to build a **milk** powder plant at Tantanoola, in South Australia's South East.

This would be the second powder plant to come on line in the region this year, after meat company Midfield's plan to build a plant at Penola.

Wattle Range Council Mayor Peter Gandolfi confirmed the shire had been in discussions with Blue Lake **Dairy Group** and said he was excited about the prospect of jobs and competition for **milk**.

Dairy Australia's Situation and Outlook report, released today, shows there is little excitement for the rest of the Australian domestic dairy market, with no growth in cheese and minimal increase in the volume of milk sold.

Supermarket sales of all **dairy** products for the year to October, except **butter**, were stable or dropped in value.

The value of UHT sales dropped 1.1 per cent, despite a 2.1 per cent volume rise to 192 **million** litres, with a lift of 6.4 per cent in branded product sales.

Private-label UHT milk sales dropped 3.3 per cent. The average price for branded UHT was \$1.37 a litre and 97c/litre for private label. Dairy spread volumes rose 4.7 per cent and increased 6.1 per cent in value to \$418 million.

Milk volumes sold through supermarkets increased 0.4 per cent to 1.3 billion litres, but values dropped 0.4 per cent to about \$2.04 billionDairy Australia said the rise in volume but drop in value reflected the increasing share of private-label fresh white milk sold by supermarkets.

Private-label milk now represents 63.4 per cent of sales, up from 61.8 per cent a year ago. The volume of yoghurt and snacks sold through supermarkets decreased 3.9 per cent, but their value increased 0.1 per cent.

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