

SE Early General News
HD **WHEN eating pizza in China, there is a 50 per cent**
BY COLIN BETTLES
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WHEN eating pizza in **China**, there is a 50 per cent chance you will be consuming mozzarella **cheese** supplied by New Zealand's export dominant **dairy** co-operative Fonterra.

According to the **company**'s managing director of people, culture and strategy Maury Leyland, food service products -such as **cheese** - are critical to its strategic growth plans in **China** and other rapidly expanding Asian markets.

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Speaking at a high-level gathering of farmer directors of **dairy** co-ops from Australia and NZ in Auckland on Monday, Ms Leyland outlined the seven key strategic pathways underpinning Fonterra's **business** strategy, including "delivering on food service potential".

She said her **company** was already involved in exporting food service products to a range of different countries.

But Fonterra wants a bigger slice of the future action, given **China** and the world's growing middle classes and appetite for **dairy** products and other value added items such as mozzarella **cheese**.

Ms Leyland said Fonterra's **dairy** products were being **sold** through several food service channels, including quick service restaurants offering pizzas and hamburgers, while hotels, restaurants, cafes and bakeries also have growing demand.

On the back of that optimistic outlook, the co-op made a NZ\$72 **million** investment in new infrastructure and technology late last year that will see mozzarella output increase across two NZ plants to 50,000 tonnes a year by September 2015.

According to a recent Bloomberg report, Fonterra expects **China's cheese** demand to grow 20pc this year and next year.

Yum! Brands which operates Pizza Hut also estimates **China's** consuming class will double to 600 **million** people by 2020.

Fonterra also supplies global pizza chain Domino's Pizza, which together with Pizza Hut, has aggressive expansion plans in those key markets: good news for Fonterra's **dairy** farmer suppliers.

Fonterra's annual results last September showed food service was a high earner which grew 28pc in **China**.

Ms Leyland said Fonterra's established consumer brands were focused on offering "affordable, highly nutritious, valuable products in emerging markets".

But she said the co-op's food service **business** had forged ahead in recent times "in terms of prominence and growth".

"Food service is a big **business** for us and high growth," Ms Leyland said.

Details: www.farmonline.com.au

RE china : China | saustr : South Australia | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania |
austr : Australia | bric : BRIC Countries | chinaz : Greater China | devgcoz : Emerging Market
Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia

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