

HD IN BRIEF

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IN BRIEF

**China** market chased

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FONTERRA outlined a plan yesterday to take a 20% **stake** in **Chinese** infant food manufacturer Beingmate and said it would spend \$555 **million** on expanding its **milk** powder-making capacity in New Zealand.

The co-operative said it intended to form a global partnership with Beingmate that would help meet **China**'s growing demand for infant formula.

The partnership would create a fully integrated global supply chain from the farm gate direct to **China**'s consumers, using Fonterra's **milk** pools and manufacturing sites in NZ, Australia and Europe.

Fonterra will shortly start the process to issue a partial tender offer to gain up to a 20% **stake** in Beingmate.

After regulatory approvals are gained and Fonterra satisfactorily completes the partial tender offer, Fonterra and Beingmate will set up a joint venture to purchase Fonterra's Darnum plant in Australia and establish a distribution agreement to sell Fonterra's Annum **brand** in **China**, the **company** says.

Fonterra chief executive Theo Spierings described the **Chinese** infant formula market as the world's biggest growth story in pediatric nutrition.

Labour offers carrot

LABOUR in New Zealand will offer first-home buyers two-bedroom properties in Auckland for as little as \$360,000, party leader David Cunliffe has announced.

Labour's KiwiBuild policy would build 100,000 affordable homes over 10 years and sell them at cost, he said, adding a similar home now cost \$485,000.

The policy would result in a couple earning \$75,000 being \$200 a week better off than under National's housing policy, Mr Cunliffe said.

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