



SE News
HD **CHINA: Bega Cheese** secures Chongqing supermarket supply contract.

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Australian **dairy firm** Bega **Cheese** has secured a contract to supply **Chinese** retail **group** Chongqing General Trading **Group** with UHT **milk**.

Bega said the deal is expected to generate revenues of approximately A\$100m (US\$88.7m) over five years.

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Bega CEO Aidan Coleman said: "The **company** is very pleased to form this partnership with CGTG and it is a strong endorsement of the reputation of the quality of Bega product and the bio security of Australia as a **dairy** producing nation. We see this as a first step in developing a comprehensive UHT offering in the future."

Australian and New Zealand firms are looking to increase their presence in **China** amid growing consumption of **dairy** products.

The Bega brand has been **sold** in **China** since 2000 and Bega Cheese has exported **milk** powder, infant formula and cream cheese to the market.

press release follows:

As part of the continuing international development of Bega **Cheese** Limited (Bega), the **company** today signed a supply and distribution agreement with one of **China's** leading retail groups, Chongqing General Trading **Group** (CGTG) whereby Bega will supply CGTG with Bega branded UHT **milk** produced in Australia for distribution in **China**.

The agreement is expected to generate revenues of approximately \$100 **million** dollars over five years. Bega and CGTG see this as the basis for a broader commercial relationship in the future.

The Chongqing municipality in Southwest **China** is one of the fastest growing regions in **China**. It has a population of 32 **million** people and GDP growth in 2013 of 12.3%. CGTG is the leading retail **group** in the region, with a 50% retail market share across food and general merchandise.

On hand in Chongqing from Bega for the formal signing were Barry Irvin & Executive Chairman, Aidan Coleman & CEO and Paul van Heerwaarden & General Manager Sales and Marketing.

Mr Coleman said that "the **company** is very pleased to form this partnership with CGTG and it is a strong endorsement of the reputation of the quality of Bega product and the bio security of Australia as a dairy producing nation. We see this as a first step in developing a comprehensive UHT offering in the future".

Dr He, Chairman of CGTG, said his **company** was excited to partner with an iconic Australian **company** like Bega **Cheese**.

"**China's** consumption of **milk** and **dairy** products is increasing rapidly. CGTG is delighted to work with Bega to satisfy that need".

The signing of the Chongqing agreement represents an expansion of Bega **Cheese**'s products entering the Chinese market. The **company** has had a presence in the **Chinese** market for over 14 years, the Bega brand has been **sold** in **China** since 2000 and Bega **Cheese** through its wholly owned subsidiary Tatura Milk Industries has been a major Australian exporter of high value **milk** powder, infant formula and cream cheese to the **Chinese** market.

Executive Chairman Barry Irvin commented "we are very proud of our long term **business** relationships and we look forward to a long term relationship with CGTG. We are confident our relationship will grow and that CGTG's many customers will be delighted with the excellent quality and range of Bega products they are able to purchase."

original source: Bega **Cheese**

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