

THE STANDARD

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HD	A NEW partnership between Fonterra and Chinese infant
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LP	<p>A NEW partnership between Fonterra and Chinese infant food manufacturer Beingmate will revolutionise the supply chain into China.</p> <p>The Darnum processing plant in Gippsland will play a key role in the deal, worth \$NZ615 million.</p>
TD	<p>Fonterra New Zealand will form a fully integrated supply chain deal with Beingmate, which has a 10 per cent share of China's infant formula market.</p> <p>Announcing the deal in Melbourne yesterday, Fonterra Australia managing director Judith Swales said the Darnum plant could be expanded to produce 100,000 tonnes per year with minimal investment.</p> <p>Ms Swales said the partnership was a "game changer" for dairy in Australia.</p> <p>Fonterra is planning to buy a 20 per cent stake in Beingmate then establish an Australian joint venture that will buy the Darnum plant to supply infant formula to Beingmate for its brand in China.</p> <p>The deal is subject to approval by the Foreign Investment Review Board.</p> <p>Under the deal, Beingmate would own 51 per cent of the Darnum plant.</p> <p>Fonterra's own infant formula brand, Anmum, will become more readily available in China through an exclusive distribution agreement with Beingmate.</p> <p>The infant formula market in China is worth \$NZ18 billion today and expected to be worth \$NZ33 billion by 2017.</p> <p>Fonterra also announced infrastructure investments in New Zealand that will increase its processing capacity by 10 per cent to meet growing production.</p> <p>shynes@fairfaxmedia.com</p>
CO	foncop : Fonterra Co-operative Group Limited
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RE	china : China austr : Australia victor : Victoria (Australia) apacz : Asia Pacific asiaz : Asia ausnz : Australia/Oceania bric : BRIC Countries chinaz : Greater China devgcoz : Emerging Market Countries dvpcoz : Developing Economies easiaz : Eastern Asia
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