

SE SN-Viewpoint
HD **Dairy** demand promising

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News our newest food processor Pactum **Dairy** has scooped up the **buy** of a big parcel of neighbouring land is a promising sign.

The property, stretching across 7 ha, is one of the few remaining paddocks between the ring road along the eastern boundary of Shepparton, Doyles Rd, and the city centre.

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Its strategic location along the heavy vehicle bypass route made it doubly attractive to an exporter that is counting on sending a lot of trucks to Port of Melbourne.

Anyone who has visited the factory since the opening in May would be aware it is in a growth mode and **China** is the key market it is targeting.

Only last week a major Australian **dairy** player, Bega **Cheese**, announced a new deal with a **Chinese** retailer, and it wants the Shepparton Pactum factory to package the UHT **milk** for it.

The five-year deal will result in the listed **cheese company** exporting 20 **million** litres of long-life UHT Bega-branded **milk** annually to 300 supermarkets in south-west **China**.

Long-life **milk** suits the geographical disadvantage that Australia suffers from, which would otherwise disqualify us from selling liquid **milk** to our distant neighbours.

UHT **milk** also commands a premium price compared to the bulk product that has historically been popular with our Asian trading partners.

The agreements being made with Asian consumers represent an exciting advance for our **dairy** region.

Historically, Asia has been a major consumer of bulk commodities produced from **milk** grown in the Goulburn Valley.

Although the appreciating Australian dollar has put considerable strain on price, as reflected in Fonterra's recent announcement that it has downgraded the **milk** price forecast, our country remains a supplier of choice for sensitive, but big, food markets.

The **Chinese company** Bega recently concluded its deal with commands a 50 per cent share of all food and general merchandise sales to the region's 32 **million** people.

They are staggering numbers, which represents a huge potential demand, and with the recent decline in the dollar value, the prospects for **dairy** exports are still good.

CO becoop : Bega Cheese Ltd

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