



**HD** Fonterra **dairy** cooperative will partner with **Chinese milk** giant for **billion** dollar deal in infant **milk** powder market

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Global **dairy** cooperative Fonterra will invest \$550 **million** in **Chinese dairy** giant Beingmate to increase access to the **billion** dollar infant **milk** market.

The deal includes a 20 per cent share of the **Chinese company** and joint ownership of Fonterra's state-of-the-art **milk** powder facility in Gippsland, south-west Victoria.

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Under the proposed agreement Beingmate will own a majority share in the Gippsland facility but operations will continue to be run by Fonterra.

Managing director of Fonterra Australia, Judith Swales, says the value of the infant **milk** formula market in **China** will nearly double in the next three years.

"The market is \$18 **billion** all up and we see that growing to \$33 **billion** by 2017 so that's significant.

"This is a game changer for the **dairy** industry in Australia and Fonterra given that they [Beingmate] are the market leader in infant formula in **China** with a 10 per cent market share."

Fonterra will concede a 51 per cent **stake** of its Gippsland processing factory to give Beingmate better access to safety protocols into the **Chinese** market.

In return Ms Swales says Fonterra will get unprecedented reach in **China**'s infant formula market.

"For our infant formula **brand**, that is manufactured in New Zealand, it gives us access to 80 thousand outlets.

"It also creates a demand pipeline for products from our Darnum facility in Gippsland."

The partnership will increase investment in Fonterra's manufacturing facilities in New Zealand and Europe and increase the volume of the **company's** products exported to **China**.

Fonterra's proposed deal needs approval from the Australian Foreign Investment Review **Board** (FIRB).

**CO** foncop : Fonterra Co-operative Group Limited

**IN** i4131 : Non-frozen Dairy Products | i01001 : Farming | i0 : Agriculture | i41 : Food/Beverages/Tobacco | i413 : Dairy Products | icnp : Consumer Goods | ifood : Food Products

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**IPD** dairy

**PUB** Australian Broadcasting Corporation

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