

# Bega District News

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HD \$100million China deal for Bega Cheese  
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As part of the continuing international development of Bega Cheese, last week the company 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.

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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 per cent.

CGTG is the leading retail group in the region, with a 50 per cent retail market share across food and general merchandise.

On hand in Chongqing from Bega for the formal signing were executive chairman Barry Irvin, chief executive officer Aidan Coleman and general manager sales and marketing Paul van Heerwaarden.

"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," Mr Coleman said.

"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," Dr He said.

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.

"We are very proud of our long term business relationships and we look forward to a long term relationship with CGTG," Mr Irvin said.

"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."

The companies were initially brought together by the Victorian Department of Environment and Primary Industry.

Mr Irvin and Mr Coleman acknowledged the efforts of Minister Peter Walsh from Victorian Department of Environment and Primary Industry and former Queensland Government Minister Craig Wallace in bringing together the two businesses.

**CO** becoop : Bega Cheese Ltd

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

**RE** austr : Australia | china : China | nswals : New South Wales | chongp : Chongqing | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRICS Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia

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