



**ICN – Major Projects Forum**  
**Melbourne, 1 August 2011**

**~ Food Manufacturing and Export ~**

**Opportunities in the Dairy Industry**

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# *Opportunities in the Dairy Industry*

Dairy is a substantial industry in Australia

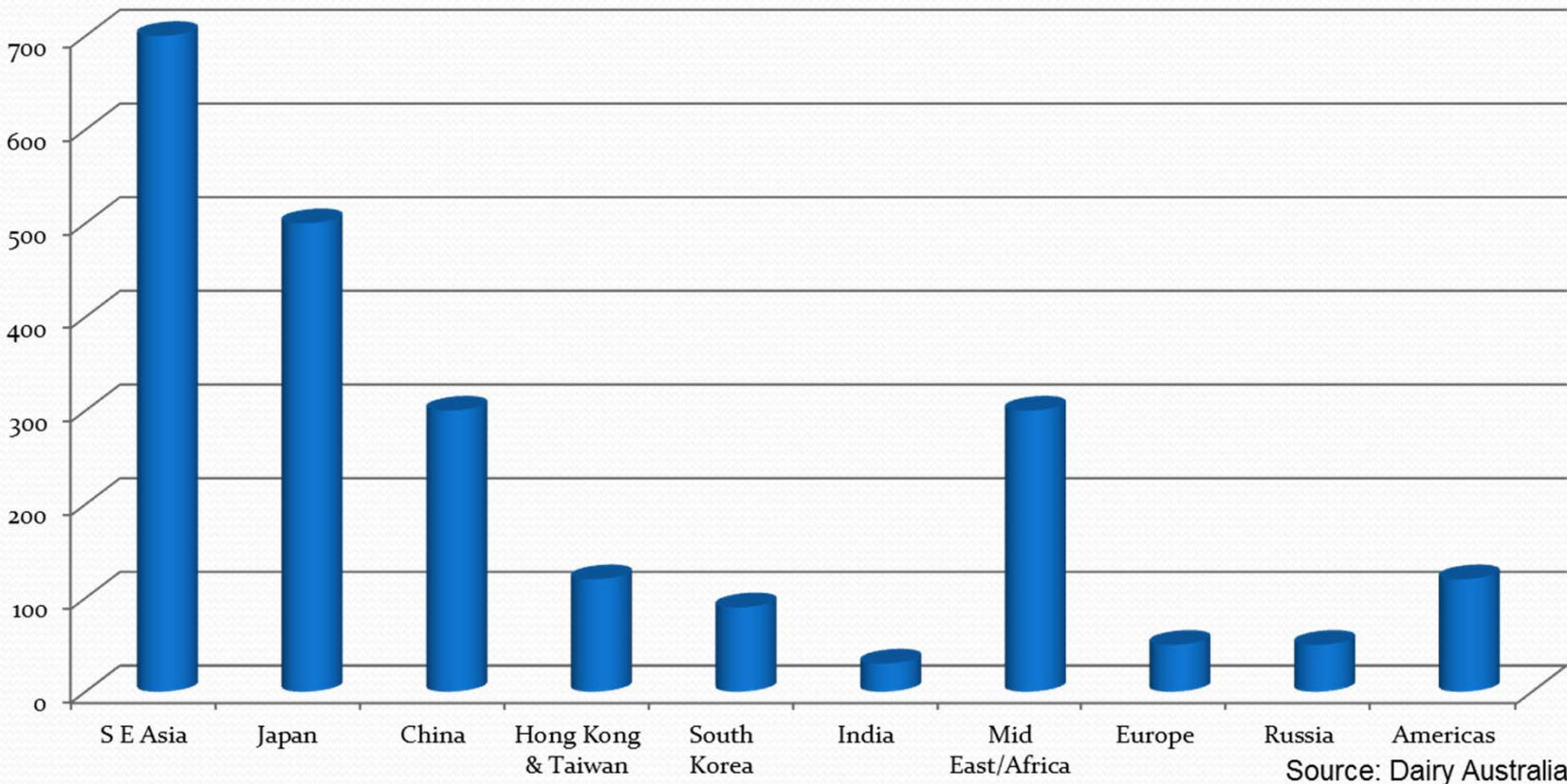
- The third largest agri-food industry, and Victoria's largest
- Exports \$2.5bn (to over 100 countries)
  - Mainly: Japan, China, S E Asia, Mid East...

Victoria is Australia's largest dairy state

- 65% of national milk production
- 85% of dairy exports (largest user of the Port of Melbourne)
- Drought/GFC combination was a major set-back...
- Long term growth potential remains positive – particularly for export

# Opportunities in the Dairy Industry

## Victoria's Dairy Exports (A\$m)



# *Opportunities in the Dairy Industry*

Significant global demand growth prospects for dairy over the next decade

Key Drivers :

- Economic growth - especially China, India, Russia, Latin America  
– more expenditure on food and nutrition of choice
- Recognition of the nutritional value and versatility of dairy foods ~ Asia
- Limited milk production capacity in many regions drives import growth to meet demand



# *Opportunities in the Dairy Industry*

Strong export growth potential for Victoria...

- China
  - Growing gap between demand and local supply
  - Consumer preference for imports remains
  - Addressing local supply chain issues over time

India - Emerging, local production unable to meet demand

S E Asia - Growing demand, limited local industry

Mid East - Steady growth

Mature markets with modest growth prospects...

Japan - still Australia's (Victoria's) largest export market

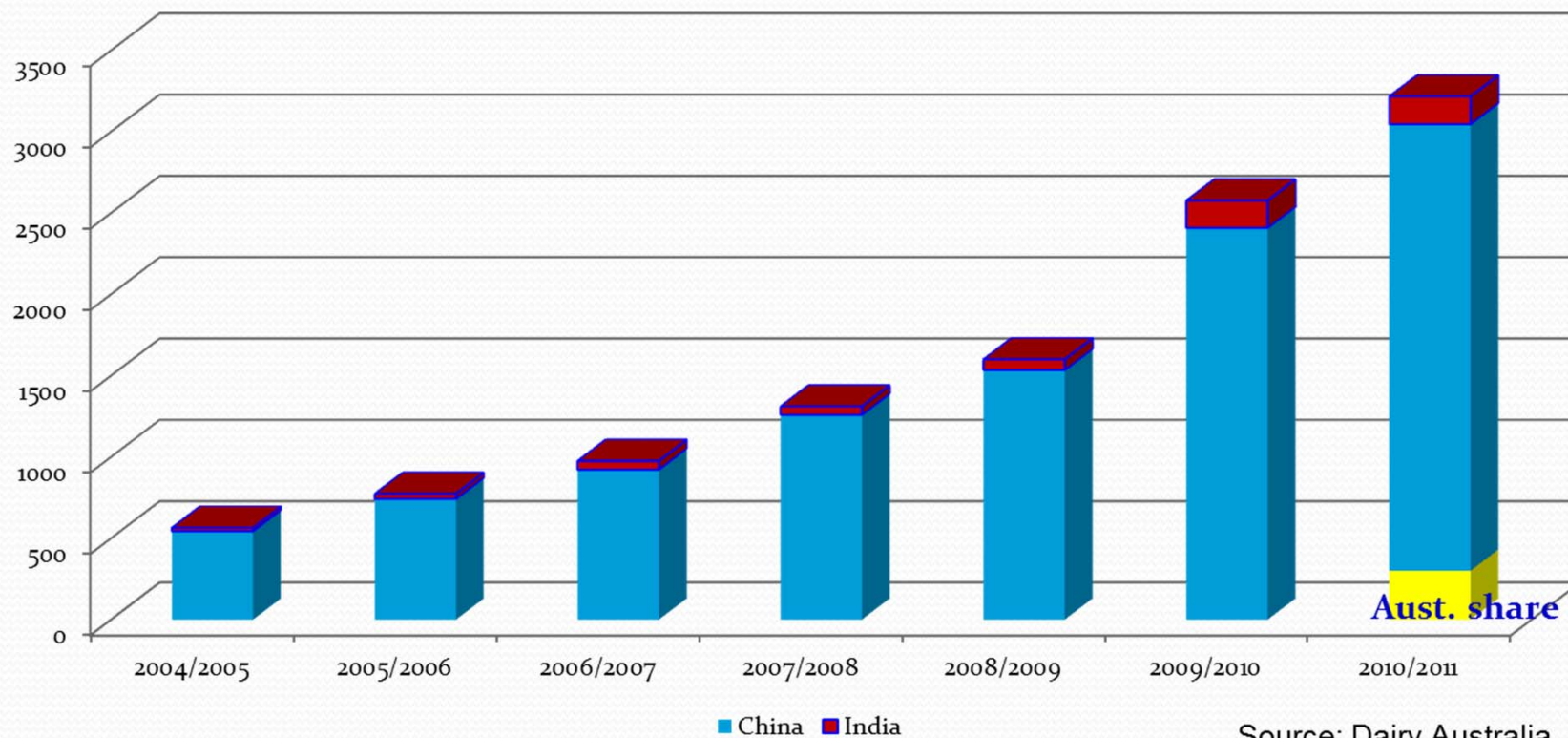
Europe

North America



# Opportunities in the Dairy Industry

## Dairy Product Imports – China and India (US\$m)



Source: Dairy Australia



# *Opportunities in the Dairy Industry*

Recurring themes in global dairy trade

- Sustainability...Environmental, Commercial, Business models
- The drive to develop both local industry and imports to meet demand
- Quality & Food Safety....Traceability
- Managing volatility – Dairy commodity prices, and currency



# *Opportunities in the Dairy Industry*

Victoria offers...

Internationally competitive milk supply base

High quality dairy ingredients and nutrients

“Niche” products – fresh, ESL

Dairy herd development

Technical expertise and services - Factory and Farm

Key considerations

Strong long-term international market conditions

Regenerating sustainable milk supply growth in Victoria

Innovation, Differentiation , Brand development

Capital and Expertise to support growth

- Large scale and small scale, “Inbound” and “Outbound”

