

Media Release



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Opportunity knocks: China dairy demand a boon for local exports

For immediate release

Australian Dairy Farmers Limited
Level 2, Swann House
22 William Street
Melbourne Victoria 3000

Phone +61 3 8621 4200
Fax +61 3 8621 4280

www.australiandairyfarmers.com.au

ABN 76 060 549 653

Australian Dairy Farmers (ADF) has described the unprecedented demand for dairy products in China as a tremendous opportunity for Australia.

ADF President, Noel Campbell, said recent indications by New Zealand dairy exporter, Fonterra, that it cannot increase production fast enough to meet Chinese demand, highlighted the scale of the potential opportunity.

"This presents a tremendous potential trade opportunity for Australia, on top of the nearly \$3 billion worth of products the dairy industry exports annually," Mr Campbell said.

"The scale of China's thirst for dairy, in particular milk powders, is absolutely unprecedented and the fact that a global dairy giant like Fonterra has said that it cannot currently meet that demand, tells us a great deal.

"We also know that Australian farmer-owned co-operative, Murray Goulburn (MG), has said that global demand for dairy, whole milk powder in particular, has been at near record levels for an unprecedented period of time.

"In meeting this demand, we need a Free Trade Agreement (FTA) with China that removes roadblocks to export growth and delivers meaningful commercial outcomes for the local industry, sooner rather than later."

Mr Campbell said China is the Australian dairy industry's largest international market with 72,516 tonnes of produce exported in the 2012-13 financial year, while New Zealand, which has an FTA with China, supplied 716,400 tonnes.

"This disparity serves to illustrate the as yet unrealised potential for Australia to significantly increase the volume of dairy exports to China," he said.

"We must act immediately in demonstrating our willingness and capability to meet this demand before our competitors do."

Mr Campbell said ADF would continue to work constructively with the Federal Government in advancing the case for FTAs with China and Japan.

"We understand an FTA with China will not be easy, however the potential benefits to Australian dairy and therefore the economy as a whole, are only too clear to see," he said.

"Opportunity knocks, and we must be ready to embrace it."

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For further information please contact:

Karl Liebich
ADF Communications
Tel: (03) 8621 4200 Mobile: 0409 296 339
Email: adfcommunications@australiandairyfarmers.com.au