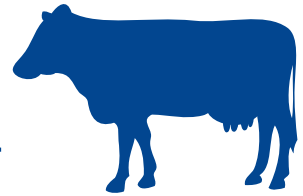


DAIRY WEEK



The weekly bulletin on the Australian and New Zealand dairy industry and international markets

Week ending October 21, 2011

www.dairyweek.com

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EDITORIAL - Perception and reality

Milk is a superfood. Proteins, fats, vitamins and minerals – it contains so many of the basic building blocks of human life. And it's versatile. From liquid milks to butter, cheese and yoghurt products – and that's just the basics. Maybe that's why humans have been consuming milk, from a variety of animals, for thousands of years.

And now our scientists and technologists have moved in and started developing an ever-growing range of products using milk as a basic ingredient, from supplements to suits (see DairyWeek October 14, 2011).

This year's International Dairy Federation summit in Italy posed the question, "Can dairy feed the world?" The answer is clearly yes. Whether it's a standalone product, or one ingredient in a recipe, dairy has the potential to be a vital link in the food security chain for a fast-growing world.

The next question is "Can dairy feed the world and still be sustainable?" The answer again is yes, but it will take some commitment from players at all points along the chain, from the farmer to the processor to the end user.

Sustainability is many things. It's ensuring that the dairy farm is run efficiently and

doesn't pour effluent into local waterways. It's finding ways to minimise power consumption in processing plants, and reducing the amount of waste that comes out. It's ensuring that the delivery chain is efficient and effective, delivering products to consumers with minimal fuel use and product wastage.

And it's all possible.

One of the biggest challenges in the New Zealand dairy industry right now is the perception of "dirty dairying" fouling once-pristine waterways. As with many public perceptions, there is an element of truth here. Until relatively recently the impact of effluent and nitrogen leaching on waterways wasn't fully understood, or even considered important. But that has changed, and the vast majority of New Zealand dairy farmers are making considerable investments to fence off waterways, manage effluent and balance the nitrogen budget on their farms.

The issue seems to be less about improving the sustainability of the farm, and more about getting the message to the public that the farm is, indeed sustainable. For many people, perception is reality, and changing that perception is the industry's biggest challenge.

DAIRY MARKET REVIEW October 21, 2011

Agrifax	USD per tonne					
	21 Oct 11	14 Oct 11	7 Oct 11	30 Sep 11	23 Sep 11	22 Oct 10
Butter	3900	4000	4000	4100	4200	4300
Skim Milk Powder	3300	3250	3250	3300	3400	3100
Whole Milk Powder	3500	3375	3375	3400	3500	3500
Cheddar Cheese	4000	4000	4000	4100	4200	4150
Casein	10100	10400	10400	10600	10650	8800

Agrifax Commentary:

Dairy commodity prices have firmed over the past week. Results from the latest GlobalDairyTrade (GDT) auction confirmed there is sufficient demand to absorb current supplies of Oceanic milk powder. GDT prices for both whole milk powder (WMP) and skim milk powder (SMP) firmed. An increase in WMP prices was not unexpected, but the amount of the increase in WMP did come as a surprise to some. The stronger prices for SMP appear to be driven

by demand. Supplies of SMP are likely to increase in the short-term as more milk is directed into the production of SMP.

Milk production in New Zealand appears to have peaked in the northern regions of the North Island. Peak milk flows in these areas are approximately 8-9% higher than they were a year ago. Daily milk collection volumes in the southern half of the North Island and in the South Island are still increasing.

NZ: Council calls ‘time out’ on Trading Among Farmers scheme

Stuff.co.nz, Andrea Fox, October 20, 2011

A plan by Fonterra directors to get legislation for the proposed Trading Among Farmers scheme passed into law before shareholders see the detail has been challenged by the watchdog shareholder council, *stuff.co.nz* reports.

In a letter to farmers, Fonterra Shareholder Council chairman Simon Couper says the council has asked directors for “an appropriate review period” before the proposal goes to Parliament.

It also wants at least six weeks to review the proposal after the board has handed over the final set of documents.

Trading Among Farmers (TAF) is part of the Fonterra board’s second attempt at a capital restructure.

It has looked at the risk of TAF being derailed this year, by new concerns in the shareholder base that farmer ownership and control of New Zealand’s biggest company will be threatened by it.

Farmers already concerned about emerging technical aspects of the proposal, were further alarmed when directors said the plan was for enabling legislation to be passed by the middle of next year and then detail would be presented to shareholders.

Couper said he had been questioned by farmers about the role of the council in TAF’s development.

Fonterra’s 10,500 shareholders voted overwhelmingly more than a year ago for TAF, but in the gap between then and getting legislation to allow it, new concerns have surfaced, *stuff.co.nz* reports.

[FULL STORY](#)

US: PepsiCo linked to yoghurt joint venture with Muller

Just-food.com, Sam Webb, October 14, 2011

PepsiCo could be set to join forces with German dairy giant Müller as part of its plans to enter the rapidly-growing US yoghurt market and grow its global dairy arm, *just-food.com* reports.

The Wall Street Journal, citing people briefed on the matter, said a joint venture to launch a yoghurt brand in the US is likely to be announced in the coming weeks.

PepsiCo has spoken of its desire to expand its range of

health and wellness products. Last year, the company set up a “global nutrition group”, a business unit focusing squarely on nutrition. PepsiCo said then it wanted to triple its nutrition business, home to brands like Quaker and Tropicana, to US\$30bn by 2020, *just-food.com* reports.

[FULL STORY](#)

FRANCE: Danone in “good shape” according to Q3 results

Just-food.com, Sam Webb, October 18, 2011

Growth in fresh dairy products and baby nutrition helped French dairy giant Danone to post rising third-quarter sales, *just-food.com* reports.

Dairy sales increased 3.5% to €2.4bn (US\$3.8bn), reflecting a 1.5% volume decline but a 5% increase in value.

Baby nutrition grew 5.5% to €845m, while overall sales across all divisions grew by 5.9% to EUR4.3bn, despite a “steep increase in commodity prices”.

In the US, strong growth in the Greek-style yoghurt segment contributed to its results, the company said. Results from the Danone’s launch of a revamped line under the Oikos name were described as “satisfactory”. Danone chairman and CEO Franck Riboud has described the US as an “emerging market” for yoghurt, *just-food.com* reports.

[FULL STORY](#)

UK: Dairy Crest refinances

Sharecast.com, October 14, 2011

Chilled foods provider Dairy Crest, probably best known for its Cathedral cheese product, has refinanced its debt on slightly more onerous terms, sharecast.com reports.

The group has arranged a new bank facility that will mature in October 2016 and has also raised £54.5m through a debt placement.

“Key financial covenants remain unchanged but margins

have increased slightly, reflecting current market conditions,” the company said.

A new five-year revolving credit facility of £170m, plus €150m from a syndicate of five banks, will replace existing bank facilities of £340m, sharecast.com reports.

[FULL STORY](#)

GERMANY: DMK to merge with Dutch cheese firm DOC Kaas

Just-food.com, Dean Best, October 14, 2011

DMK, Germany’s largest dairy processor, plans to merge with Dutch cheesemaker DOC Kaas, just-food.com reports.

Josef Schwaiger, DMK’s chief executive, said the deal was another way for the company to expand production to supply to markets outside Europe. EU quotas on dairy production are set to end in 2015 and there has been a wave of consolidation in the sector in recent years. Earlier this week, DMK urged Germany’s dairy producers to consolidate the country’s sector to ensure the country is

competitive in export markets.

Schwaiger said: “Against the background of consolidation in the European dairy industry, it is more important than ever before to combine forces across national borders in order to open up key non-European markets,” just-food.com reports.

[FULL STORY](#)

Goodman Fielder to merge NZ divisions

Ausfoodnews.com.au, Matt Paish, October 17, 2011

The giant Australian manufacturer Goodman Fielder today announced plans to merge its three retail-focused businesses in New Zealand, ausfoodnews.com.au reports.

In August 2011, Goodman Fielder announced that it was reviewing its baking, dairy and home ingredients businesses in New Zealand following a shock 17.3% profit drop in 2010/11.

In a statement released today, the company said it had

concluded that the integration of the three businesses will improve interaction with its key customers, suppliers and other stakeholders in New Zealand, while at the same time creating significant opportunities to reduce operating costs, ausfoodnews.com.au reports.

[FULL STORY](#)

AUS: Fonterra fined over cheese factory death

Abc.net.au, Lucy Barbour, October 17, 2011

Fonterra Australia has been fined \$300,000 for unsafe work practices after a worker was killed two years ago at a Victorian cheese factory, abc.net.au reports.

The sentencing was handed down in Victorian County Court today, after the worker at the Stanhope plant, in the

Goulburn Valley, was crushed by a stack of bags of salt.

Worksafe’s Michael Birt says the situation could have been prevented, abc.net.au reports.

[FULL STORY](#)

AUS: Lion dairy sites sold to United Dairy Power

Stock Journal, October 19, 2011

Lion has secured the sale of its Murray Bridge and Jervois cheese manufacturing sites to United Dairy Power, Stock Journal reports.

Lion Dairy & Drinks managing director Peter Kean said the sale was good news for its people and for the local communities.

“It is pleasing that a sale has been secured for these two sites as planned, meaning our people and their entitlements will transfer to the new owner,” he said.

“The sale of these assets is reassuring news for the local community, providing ongoing employment and economic

activity in the region.

“Lion wishes the team at UDP every success in the future and will work closely with UDP as the new owner to ensure a smooth transition over the coming months.

As part of the sale of the two sites, UDP has acquired the Caboolture brand, and they will also contract pack a number of Lion products at the sites, including Le Rice, Pura Sour Cream and Mozzarella cheese, Stock Journal reports.

[FULL STORY](#)

US and China shine for Yakult as it gets back on track post Japanese quake

Foodnavigator-usa.com, Elaine Watson, October 20, 2011

The US and China were the star performers in Yakult’s global probiotics empire in 2011 and are set for further significant investment in 2012, foodnavigator-usa.com reports.

In a Q&A in the Japanese firm’s 2011 annual report, chief executive Sumiya Hori said Yakult was enlarging plants in Guangzhou and Shanghai to meet growing demand, and was now supplying north and north east China from its new plant in Tianjin – which became operational in August.

A second plant in Guangzhou will come online in 2013.

Yakult, which will open its first US factory in Fountain Valley, California, in 2012, should also be firing on all cylinders again by the end of this month in its home market following the devastating earthquake in March, said Hori.

“The Yakult Honsha Fukushima Plant sustained damage to buildings and production lines, as did the Yakult Iwate Plant,

a subsidiary. Sales companies, too, suffered tremendous damage, with some on the Tohoku region’s Pacific coast witnessing the loss of buildings in the tsunami.

“Nevertheless... we were able to resume production at Iwate Plant in May and at the Honsha Fukushima Plant in June. Our goal is to fully restore operations by the end of October.”

Although sales in Europe had slumped 11% to ¥8.6bn in the year to March 31 as competition increased and the economy faltered, sales in Asia and Oceania shot up 13.4% to ¥25.5bn, while sales in the Americas (US, Canada, Brazil, Uruguay, Mexico, Belize, Argentina) jumped up 8.6% to ¥37.6bn, foodnavigator-usa.com reports.

[FULL STORY](#)

PEOPLE MOVEMENTS

UK: Tim Bennett wins Welsh Dairy Award

DairyCo, October 18, 2011

Tim Bennett, DairyCo chairman, has been awarded the annual Farmers Union of Wales-HSBC Bank plc award to the person who has made an outstanding contribution to the Welsh dairy industry, DairyCo reports.

Announcing the winner at an FUW reception on the eve of the Welsh Dairy Show in Carmarthen, the union’s president Emyr Jones said Bennett was a worthy winner due to the breadth and depth of work he has done - and continues to do - to support the dairy industry in Wales.

Bennett, of Derwendeg, Maesybont, Carmarthenshire, has spent the majority of his farming career milking pedigree Holsteins in partnership with his wife at Derwendeg. The herd yielded some 7,000 litres per annum with young stock reared as replacements for the dairy herd or for beef production.

Bennett was appointed DairyCo chairman in March 2007 and as a consequence of that appointment he also sits on the board of the Agriculture and Horticulture Development Board, DairyCo reports.

[FULL STORY](#)

EU reform plans target greener, fairer farm subsidies

Reuters, Charlie Dunmore, October 12, 2011

The EU's executive proposed making farm subsidies fairer and more environmentally friendly, in a bid to win support for keeping EU agricultural spending at about €55 billion a year (US\$75 billion a year) up to 2020, Reuters reports.

Critics of the bloc's common agricultural policy (CAP) had urged the European Commission to take advantage of high global food prices and cut the huge subsidies it pays to farmers in a reform of the policy from 2014.

But against a backdrop of increasing market volatility, resource scarcity and climate change, the Commission had already rejected calls for subsidy cuts, and said the reform should refocus spending on the threats facing EU farmers.

"The next decades will be crucial for laying the foundations of a strong agricultural sector that can cope with climate change and international competition. Europe needs its farmers. Farmers need Europe's support," EU agriculture chief Dacian Cioloș said in a statement.

The Commission's desire to keep overall farm spending at more or less its current level until 2020 was confirmed in proposals for the EU's next long-term budget for 2014-20, announced in June.

The budget stance is supported by pro-farming countries such as France, whose President Nicolas Sarkozy has pledged to defend the CAP with an eye on rural support in next year's presidential elections.

But the plans will face opposition from other countries such as Britain and Sweden, who want to see a sharp cut in EU farm spending to fund new growth-enhancing measures such as research and innovation, Reuters reports.

[FULL STORY](#)

AUS: Government report predicts continued fall in Queensland milk production

Ausfoodnews.com.au, Matt Paish, October 14, 2011

A report released today by the Queensland Government predicts the state's milk production will fall by 5% for the year 2011/12, ausfoodnews.com.au reports.

The report attributes the impacts of natural disaster recovery and the supermarket 'milk war' to estimated low production levels.

According to the Department of Employment, Economic Development and Innovation (DEEDI) report, the gross value of milk production in the State of Queensland for 2011-12 is forecast at AU\$229m, 5% lower than the final estimate for 2010-11.

Milk production in Queensland fell from 529 million

litres in 2009/10 to 510 million litres in 2010/11. The DEEDI report predicts milk production in Queensland in 2011-12 to be around 470 million litres.

Queensland Dairyfarmers' Organisation president, Brian Tessmann, said this report is the latest in a long list reporting that dairy farmers are facing a disastrous impact from "unsustainable" low retail prices of A\$1/litre for supermarket store brand fresh milk, ausfoodnews.com.au reports.

[FULL STORY](#)

AUS: Free-stall sheds ‘work’

Stock and Land, Louise Preece, October 17, 2011

In the chillier dairying regions of the Northern Hemisphere, farmers have successfully run ‘shedded’ dairy operations for more than a century, Stock and Land reports.

Dairy cows call free-stall barns their home for more than six months of the year and move back outside when the grass begins to grow again.

In Australia, there are a small number of producers bucking the trend of running their cows on pasture year-round, instead opting to see how a free-stall establishment could benefit their business.

In Gippsland, Nilma dairy farmers John Giliam and his wife Cobie are among this minority.

They installed a free-stall shed for their 300-head milking herd and admit the decision simply boiled down to the wet climate.

In the end, the desire to remove one element of risk fuelled the investment, Giliam said.

“When you feed silage in a paddock in a wet winter like this one, half of it goes to waste,” he said.

“We’ve been able to save the pasture and it’s economical.”

The couple are now in their third season with the shed and are counting their blessings after seeing exactly how wet this year has been.

“I really don’t think I would be as happy now, if I didn’t have the shed,” Giliam said.

“I couldn’t farm like I was anymore, I was getting so frustrated,” Stock and Land reports.

[FULL STORY](#)

UK: New Zealand farm scholarship launched in memory of Devon farmer

UK Farmers Guardian, Olivia Midgley, October 14, 2011

A scholarship which will allow students to live and work on a New Zealand dairy farm has been set up in memory of a dairy farmer, UK Farmers Guardian reports.

Rich Wigram was tragically killed in a motorbike accident while he was working on a farm in the country last year.

The 34-year-old, who was brought up on a farm in Devon, got a taste for New Zealand during a gap year from Plymouth University in 2004.

Later, he and his wife Lou emigrated and started work on a dairy farm.

Rich and Lou’s progression in the industry was impressive but achievable because of their hard work, the structure

of the New Zealand dairy industry and the abundance of opportunities to share farm. In all of his roles Rich was keen to mentor and develop his staff and had recently started to work as a networker for Fonterra.

Now a charity set up in Rich’s name is hoping to give students the chance to further their knowledge and experience of farming through a travel scholarship and work placement in the dairying industry in New Zealand, UK Farmers Guardian reports.

[FULL STORY](#)

NZ: Compliance continues to climb

DairyNZ, October 17, 2011

The recent Canterbury Region Dairy Report for 2010-11 shows dairy farmers continue to improve their effluent management, DairyNZ reports.

Released at the Lincoln University Dairy Farm (LUDF) open day on Thursday, October 13, the report shows the occurrence of common causes of non-compliance – effluent ponding, undiluted effluent and discharges in a buffer zone – are gradually reducing each year. There is also high compliance with nitrogen application rates.

However, while the report highlights positive gains, there’s still room for improvement.

The Canterbury Dairy Effluent Group, made up of representatives from DairyNZ, Federated Farmers, Fonterra, Synlait, NZ Dairies, SIDDC, AgITO and Environment Canterbury, will continue its work this year to lift effluent compliance.

DairyNZ environmental extension specialist Jeremy Burgess says overall 64.9% of Canterbury dairy farms were fully compliant with their effluent discharge consent or permitted activity conditions.

“But there is still room for improvement – from the design of the effluent system itself to ensuring conditions are right for its disposal,” says Jeremy. “Farm effluent application must be well managed, applying it to soil at the right time and place, to minimise any risk of ponding.

“Irrigators must be set up correctly and the effluent applied at the lowest rate possible, taking into account soil type, topography and soil moisture. And all staff must know how to operate the system and how to troubleshoot,” DairyNZ reports.

[FULL STORY](#)

UK: New scheme to recognise skills in the dairy industry

Farminguk.com, October 18, 2011

UK dairy farmers are set to benefit from a new continuous professional development (CPD) scheme that will help to recognise skills in the industry, farminguk.com reports.

Agriculture minister, Jim Paice, recently announced that the initiative will see initial investment from the government of £176,000.

DairyCo are providing the support and manpower to get this project moving using around £80,000 of levy funds and are coordinating a project with industry partners (RASE, Defra, Lantra, NFU Cymru, FUW, NFU, NFUS and Dairy UK) to develop the CPD/Skills recognition register.

The steering group will be chaired by RABDF Chairman, David Cotton, and supported by DairyCo board member

Tom Rawson as vice-chair. Cotton said: "I am delighted to have been asked to chair the new CPD programme, for me continuous learning has always been important. Being able to formalise some of this training will help demonstrate the professionalism of today's dairy industry."

CPD schemes formally recognise the new skills that an individual gains as their career progresses and uses these to the advantage of the individual, and the industry as a whole. Such schemes already exist in many industries, farminguk.com reports.

FULL STORY

Can dairy feed the world?

Just-food.com, Sam Webb, October 18, 2011

This week representatives from dairy companies around the world are gathered at the World Dairy Summit in the Italian city of Parma to discuss the role dairy can play in feeding a rapidly growing global population, while limiting the impact the industry has on the environment, just-food.com reports.

The challenges companies face are myriad, but they say co-operation between governments, NGOs and dairy companies can help ensure global food security.

The figures surrounding global food security are stark and make uncomfortable reading. The United Nations estimates that nearly one billion people are chronically malnourished and the global population is set to grow from seven billion today to nine billion by 2050.

Meanwhile, the world has become increasingly urbanised, resulting in economic migration to cities from rural, food-producing areas and the depletion of agricultural land.

Rapid population growth in emerging economies and the unexpected changes it brings to food demand, as well as a vulnerable agricultural system, add to the world's food-producing woes.

But dairy producers are well-placed to shoulder a large part of the burden, according to the International Dairy Federation, the organisers of the World Dairy Summit. This year the theme of the event is "sustainable food security".

IDF president Richard Doyle says milk and dairy products have an important nutritional role to play in human diet, but the industry must ensure the development of ever more intelligent systems that not only minimise environmental burdens, but also ensure high standards of animal health and welfare while delivering nutritionally valuable products into a well-organised food supply chain.

"The theme of sustainability and food security is of great significance to the global dairy community, perhaps now more than ever", he said.

"We need to find ways of balancing reducing environmental impact with an increase in production. Every stakeholder in the dairy chain has a stake in feeding the world population."

Much of the work is already under way, just-food.com reports.

[FULL STORY](#)

Dairy futures look bright

Weeklytimesnow.com.au, Simone Smith, October 20, 2011

Growth in the New Zealand-based dairy futures trading platform is a sign of confidence in the product as a risk management tool.

More than 5000 tonnes have traded on the NZX dairy futures market since it was launched a year ago.

Volumes of whole milk powder increased 129.5% between August and September, while between August and this month trading volumes for the year rose about 2500 tonnes to 5000 tonnes.

NZX head of derivatives Kathryn Jaggard said trading derivatives contracts start slow and build up as participants' confidence rises and more trades occur.

"Increased liquidity means increased levels of

participation," Ms Jaggard said.

"People see the market reaction, other participants in there and don't want to be left behind.

"I believe it will start to become the core to many businesses, just as it is to those who use coffee, cocoa futures ... this will become that to dairy industry participants."

Describing the growth as "organic", she said many participants traded small amounts for six months before reassessing, weeklytimesnow.com.au reports.

[FULL STORY](#)
[FULL RELEASE](#)

IDF summit targets negative perceptions of dairy products

Dairyreporter.com, Ben Bouckley, October 17, 2011

It is vital to counter negative public perceptions of dairy products amidst world consumers, according to the International Dairy Federation's (IDF's) scientific programme chair, dairyreporter.com reports.

Claus Heggum, chair of the IDF's scientific programme co-ordination committee (SPCC) and also chief consultant in food safety at the Danish Agricultural & Food Council, was speaking at the World Dairy Summit in Parma, Italy yesterday.

He outlined the IDF's scientific strategy in the face of sustainability challenges and nutritional issues that have found the world dairy industry under attack from some quarters.

With sustainable dairy production the keynote theme of the conference – underlined by the potential need to

feed three billion more people by 2050 (according to UN estimates) Heggum warned that:

“The current and future public debate on climate change is likely to impact negatively upon the public perception of milk production.”

“For national associations and dairy firms, it's essential to be very prepared for communication with public in the home countries so as to retain acceptance and even support for the future existence of the dairy industry.”

Heggum said it was essential that the industry, led by the IDF and its partners, identified positive messages and texts underlining the positive benefits dairy products brought to society, dairyreporter.com reports.

[FULL STORY](#)

AUS: Carbon tax “another blow to food and grocery manufacturing”

Ausfoodnews.com.au, Matt Paish, October 14, 2011

Research released today by the Australian Food and Grocery Council (AFGC) predicts that, under the Federal Government's carbon tax, Australian food manufacturers' operating profits will fall by an average of 4.4% in 2012-13, Ausfoodnews.com.au reports.

The carbon price of A\$23 per tonne will be a “real hit” to profits for Australia's largest manufacturing sector, according to the AFGC. Global management consulting firm A.T. Kearney undertook the research. It claims that losses in profitability could reach 15.6% for paper products and more than 11% for dairy and meat products.

AFGC Chief Executive Kate Carnell said that although the

A\$108 billion industry supports a price on carbon and many companies are already reducing their carbon footprints, the timing of the Government's carbon tax delivers “another blow to already stressed Australian manufacturers”.

Ms Carnell said that the carbon tax will increase the cost of Australian manufactured goods – but will not affect imports, which are already cheaper due to the high Australian dollar. She said that this will ultimately impact industry competitiveness affecting its capacity to employ, innovate and invest, Ausfoodnews.com.au reports.

[FULL STORY](#)

SWITZ: Tetra Pak CEO admits dairy consolidation pressure

Just-food.com, Sam Webb, October 17, 2011

Tetra Pak CEO Dennis Jönsson has said the consolidation in the dairy sector is putting new demands on the packaging company, just-food.com reports.

There have been a number of high profile deals in the dairy industry in recent years, including the merger of Campina and Friesland Foods in 2009 and Lactalis's takeover of Parmalat this year. Last week there was a call from German dairy processor DMK for more mergers and acquisitions in the German dairy industry so it can compete with processors

in markets like Denmark and the Netherlands.

Speaking to just-food at the World Dairy Summit in Parma, Italy, Jönsson admitted that Tetra Pak receives “bigger demands” from their customers when they unite to form larger entities with wider scope and enhanced purchasing power, just-food.com reports.

[FULL STORY](#)

International Dairy Federation taskforce doubles probiotic species on safe list

Nutraingredients.com, Shane Starling, October 18, 2011

An International Dairy Federation taskforce has updated a 2002 inventory of safe probiotic strains – from 112 to 221 – a list the group hopes will allow exemption from EU Novel Foods and US New Dietary Ingredient (NDI) regulations, nutraingredients.com reports.

The new list, that reflects advances in probiotic culture technology and knowledge, was presented at the IDF's World Dairy Summit in Parma, Italy, this week by the University of Denmark's Egon Bech Hansen.

The list was also referenced at an NDI Town Hall meeting at the SupplySide West trade show in Las Vegas last week by Ioannis Misopoulos, the director general of the International Probiotics Association (IPA).

He asked the Food and Drug Administration's Dietary Supplements chief, Dan Fabricant, PhD, if such a list would

exempt probiotic strains from NDI applications. Fabricant said the list could be used as evidence for exemption, on a case-by-case basis.

At the Town Hall meeting, Svend Laulund, from Danish probiotics supplier, Chr Hansen, told nutraingredients.com of the importance of the updated inventory (compiled in conjunction with the European Food and Feed Cultures Association (EFFCA)) that would be published imminently in the International Journal of Food Microbiology.

"An update was necessary, as the original list focused mainly on commercially available dairy cultures and omitted naturally occurring species and other varieties of fermented food products," nutraingredients.com reports.

[FULL STORY](#)

AUS: Doubts over dairy carbon compo

Weeklytimesnow.com.au, Leslie White, October 19, 2011

Dairy processors have received no indication they'll receive any extra compensation for the price on carbon, weeklytimesnow.com.au reports.

That's despite rumours the Federal Government is trying to find a way to soften the impact on the sector through regulation, at the behest of rural independents Tony Windsor and Rob Oakeshott.

The key independents are believed to have met with government on the issue of compensation for the dairy sector but no gains were made in the Clean Energy Bill which passed the House of Representatives last week.

Oakeshott said \$150 million was available to the dairy industry as part of the package to compensate high energy

users in food processing.

"For dairy farmers, the \$1.8 billion land sector package has a number of projects worth looking at in detail, and the lifting of the tax-free threshold is also worth consideration in personal circumstances," Oakeshott said.

Windsor did not return calls.

Murray Goulburn general manager industry and government affairs Robert Poole said the food processing package was welcome, but "won't address the whole issue", weeklytimesnow.com.au reports.

[FULL STORY](#)

NZ: Wang charges threaten plant

Stuff.co.nz, Andrea Fox, October 19, 2011

The future of a Chinese milk export plant at Tauranga is up in the air after corruption charges were laid in Hong Kong this week against its founder, former Crafar-farms bidder May Wang, and an arrest warrant issued for its bankroller, Jack Chen, [Stuff.co.nz](http://stuff.co.nz) reports.

The longlife milk plant has been idle since June because of production and handling problems in New Zealand and in China but its workforce was still being paid, a source said.

It is understood that UBNZ Assets Holdings, the Natural Dairy associate that runs the milk plant, is facing legal action from a freight forwarder owed hundreds of thousands of dollars.

The plant was set up by May Wang, now known as May Hao, who lives in Hong Kong after being declared bankrupt by the High Court at Auckland late last year.

Three charges were laid against her this week by Hong Kong's Independent Commission against Corruption.

UBNZ and Natural Dairy's complex bid to buy the Crafar dairy farming empire last year was rejected by the Government because it failed the "good character test", stuff.co.nz reports.

[FULL STORY](#)

US: 68,000 attend World Dairy Expo 2011

Agweb.com, October 18, 2011

All of the cattle are back home resting, as well as those dairy industry folks who participated in this year's big event, [agweb.com](#) reports.

The awards and ribbons are being brought out of the show boxes, producers are dreaming of how to incorporate newly discovered management tips into their operations, and commercial exhibitors are busy following up on the new contacts made while at the event. The 2011 World Dairy Expo will go down in history as a record-setting success.

The Dairy Cattle Show continues to attract elite show cattle fans from around the globe. This year, a record 2587 head of dairy cattle were exhibited by 1130 exhibitors. They converged on the show site from 37 states and seven Canadian provinces to vie for the coveted Grand Champion and Supreme Champion titles. Eastside Lewisdale Gold Missy, Grand Champion of the International Holstein Show, was crowned Supreme Champion and was exhibited

by Morsan Farms, Van Ruinen Dairy Ltd., Mark Butz and Gert Andreasen, Ponoka, Alberta. Junior Show Supreme Champion was awarded to South Mountain Voltage Spice-ET, Grand Champion of the Central National Jersey Junior Show, exhibited by Ben Sauder, Tremont, Ill.

The trade show set new participation levels, with 810 exhibiting companies on-site, displaying everything needed for dairy cattle management. First-time Expo companies numbered 130. Commercial exhibitors represented 28 countries this year.

Total attendance for World Dairy Expo was 68,006 visitors, with 2699 registered international guests from 90 countries. Visitors from Canada, Mexico, Ireland, China and Germany topped the list of international guests during the five-day event, [Agweb.com](#) reports.

[FULL STORY](#)

Dairy sector reveals greenhouse gas progress

Dairyreporter.com, Ben Bouckley, October 20, 2011

The results of collaborative efforts across the worldwide dairy sector to reduce global greenhouse gas emissions have been revealed during the International Dairy Federation (IDF) World Dairy Summit in Italy, [dairyreporter.com](#) reports.

In Parma, a reporting session of the Global Dairy Agenda for Action on Climate Change (GDAA), participants shared results showing that, according to the IDF, the sector continued to fulfill its commitments to cut greenhouse gas (GHG) emissions from 2009-2011.

Notable achievements since late 2009, according to the new GDAA report, include the publication and implementation of a common standard to assess the carbon footprint of milk and dairy products, and the publication of an international life-cycle assessment (LCA) methodology.

In addition to emissions reduction targets by stakeholders across the supply chain, the GDAA report also said that the dairy industry had also established practical tools to make GHG emissions easier to understand and manage across the

supply chain.

Richard Doyle, president of the IDF, said: "Our progress supports the conviction that dairy deserves to be a preferred source of nutrition.

He added: "By addressing the increasing the efficiency of milk and dairy production, we address the increasing demand for food on a global basis, and in particular protein demand."

Doyle said that, within two years, there had been widespread uptake "from many countries around the world", where the IDF's sustainability website details 400 case studies from 50 countries across the entire supply chain.

The IDF said the reporting session showed both that the dairy sector continued to fulfill its commitment to action and that it had support from other global agricultural organisations, [dairyreporter.com](#) reports.

[FULL STORY](#)

Dairy prices snap four month slide, up 1.7% overnight

Nzherald.co.nz, October 19, 2011

Average prices of dairy products rose for the first time since Fonterra's online auction in early June, led by increases in whole and skim milk powder, *nzherald.co.nz* reports.

The GDT-TWI Price Index rose 1.7% overnight, according to the latest results posted on the globalDairyTrade auction website. The average winning price rose to US\$3,540 a metric tonne, climbing from the lowest level in more than a year in the previous auction two weeks ago.

Commodity prices have recovered somewhat since sinking to a 12-month low at the start of October, based on the Thomson Reuters/Jefferies CRB Commodity Index. Hopes that European leaders can find agreement on how to tackle the region's debt crisis have soothed concerns global growth will be derailed, though China's economy slowed to a 9.1% pace in the third quarter, the weakest in two years.

Whole milk powder rose 5.7% to US\$3,503 a tonne in the latest sale and skim milk powder gained 3% to US\$3,292, *nzherald.co.nz* reports.

FULL STORY

Kiwi dairies keen on buying Indian farms, but obstacles remain

Foodnavigator-asia.com, Ankush Chibber, October 13, 2011

New Zealand's dairy firms, including Fonterra, are looking to buy up farms in India's burgeoning dairy sector, but may not find going down that road free of bumps according to a new government report, *foodnavigator-asia.com* reports.

New Zealand's Foreign Affairs, Defence and Trade Committee tabled the report "Inquiry into New Zealand's relationship with India" in the country's Parliament on 10 October.

In the report, the committee pointed out India's importance as a destination for Kiwi dairy products, pointing out that its demand for dairy products will double over the next 15 years, creating a massive supply challenge for the local industry.

India is currently the world's largest consumer and producer of dairy products, the report said, but its dairy market does hold multi-billion-dollar potential for New Zealand if tariff and regulatory barriers are removed.

Crucially, the report also said that Kiwi dairy giant Fonterra submitted to the committee that it was prepared to contribute resources for this purpose alongside the government in enhancing the relationship with India to this aim.

Fonterra has been the company that has taken a lead into entering India.

In November last year, it signed a Memorandum of Understanding with the Indian Farmers Fertilizer Co-operative and dairy farms promoter Global Dairy Health Pvt to jointly conduct a feasibility study into a pilot dairy farm in India.

If it were to proceed, in phase one, the pilot farm could have a herd size of around 3,000-5,000 cows, *foodnavigator-asia.com* reports.

FULL STORY

EU: Five member states to pay superlevy fines in 2010/11

Agra-net.com, October 18, 2011

Five member states face superlevy fines for exceeding their milk quotas in 2010/11, the European Commission announced this week, *agra-net.com* reports.

Denmark, the Netherlands, Austria, Cyprus and Luxembourg overshot their quotas by almost 200,000 tonnes, racking up fines totalling €55.57 million.

Production quotas were increased 1% this year in line with the 2008 CAP Health Check - part of the 'soft-landing' envisaged for the sector once quotas are abolished in 2015.

Member states have in the past called for surplus levies to be phased out altogether.

Yet "even though the decision to end the quota regime in 2015 was taken in 2008, member states must still apply the rules," EU Farm Commissioner Dacian Ciolos underlined on October 18.

Denmark and the Netherlands exceeded both their milk delivery and their direct sales quotas, Commission statistics reveal, while Austria, Cyprus and Luxembourg only overran their delivery quotas, *agra-net.com* reports.

FULL STORY

ALGERIA: Nestle opens milk powder plant

Just-food.com, Katie Smith, October 19, 2011

Nestle has opened a milk powder facility in Algeria to meet growing local demand, just-food.com reports.

The site in Oued Smar, about 20km south-east of capital city Algiers, will supply Nespray and Gloria packaged products to the rest of the country. The plant is Nestle's second factory in Algeria after it opened a bottled water facility in 2005.

“With this second factory, this is another footprint in Algeria which helps increase industry and business in the country,” Nestle Algeria managing director Bertrand Sigwalt told just-food.com.

[FULL STORY](#)

CHINA/US: Perrigo signs infant formula deal

Just-food.com, Sam Webb, October 19, 2011

US baby formula manufacturer Perrigo has struck a deal to expand the distribution of its products in China, just-food.com reports.

Perrigo formula will be distributed by Founder Pharma, a subsidiary of Chinese pharmaceutical group Southwest Synthetic.

Perrigo chairman and CEO Joseph Papa said: “Southwest

Synthetic is an exciting partner given its strong reputation and healthcare focus. Perrigo's high quality products and Southwest Synthetic's strong brand, marketing, and distribution should be a winning combination in the world's most robust infant formula market,” just-food.com reports.

[FULL STORY](#)

Australian Export Summary Update August 2011

Dairy Australia Year-to-date Export Report Updated October 20, 2011

The latest export summary from Dairy Australia has been released. Key points of interest include:

- Year-to-date exports for August 2011 decreased 11.7% in volume terms and 15.2% in value terms.
- Milk, mixtures and other cheese reported increases in volumes exported year-to-date August 2011, with these aforementioned products reporting increases of 18.4%,

18.0% and 1.5% respectively.

- Export values for most dairy products except mixtures and milk recorded decreases in value exported for year-to-date August 2011, the largest drop being for butter which decreased 61.1% comparative to August 2010.

[MORE INFORMATION](#)

Tonnes	2010/11 Jul - Aug	2011/12 Jul - Aug	% Change
Butter	6,734	2,431	-63.9%
Butter Oil	3,787	2,137	-43.6%
Cheddar	9,908	8,944	-9.7%
Other Cheese	14,134	14,345	1.5%
Milk	13,078	15,488	18.4%
SMP	19,532	16,178	-17.2%
WMP	19,223	14,958	-22.2%
Whey Products	6,698	4,263	-36.4%
Mixtures	15,503	18,299	18.0%
Other Dairy Products	12,343	9,733	-21.1%
Total	120,940	106,777	-11.7%

Value	2010/11 Jul - Aug	2011/12 Jul - Aug	% Change
Butter	32,589,118	12,669,871	-61.1%
Butter Oil	18,725,120	11,837,901	-36.8%
Cheddar	50,155,533	39,285,122	-21.7%
Other Cheese	66,810,244	65,923,092	-1.3%
Milk	17,285,377	18,599,862	7.6%
SMP	68,430,161	55,791,522	-18.5%
WMP	82,756,703	61,125,403	-26.1%
Whey Products	15,816,503	12,603,375	-20.3%
Mixtures	63,752,046	75,456,666	18.4%
Other Dairy Products	37,048,779	30,978,196	-16.4%
Total	453,369,584	384,271,010	-15.2%

We didn't raise UK recycling awareness early enough: Tetra Pak CEO

Foodproductiondaily.com, Ben Bouckley, October 17, 2011

Tetra Pak president and CEO Dennis Jönsson has admitted that his company didn't do enough to raise awareness of the recycling potential of cartons during their crucial formative years in the UK market, *foodproductiondaily.com* reports.

As a result research has shown that the company's aseptic cartons, which have a renewable content of 73%, suffer from poor perceptions concerning environmental qualities amongst some UK consumers.

This has in part hindered uptake – within a market dominated by plastic milk containers.

A recent report from Euromonitor International showed that only 35% of UK consumers surveyed thought that cartons were 'less harmful' to the environment (choosing 4 or 5 on a 5-point scale) compared with other packaging types.

This figure compared unfavourably with responses the same question in France (72%) and Germany (62%), with respondents more positive about the green status of Tetra Pak's cartons.

Tetra Pak announced last October that it would close its sole UK production plant in Wrexham, North Wales, due to reduced carton demand in the UK and Ireland.

This reverse taught the firm valuable lessons about communicating the sustainable benefits of cartons, Jönsson told *foodproductiondaily.com* at the International Dairy Forum (IDF) World Dairy Summit in Parma.

During a summit speech yesterday, Jönsson announced a company goal of 40% recycling of all beverage cartons by 2020, a tough target due to varying public awareness, regulations and collection systems.

"You have to do a good job early," Jönsson told this publication. "In the UK what we learned is that we didn't do enough early. When you do it late it's going to cost you. That's why it's so important."

Jönsson added that the UK market had taught Tetra Pak that "We have to start very early, in terms of creating awareness amongst consumers and government, for them to support us.

"In the end you have to be responsible and take on your responsibility as a company. You can't leave it to others, but at the same time you need to have municipalities, governments supporting you. Otherwise it's very tough," *foodproductiondaily.com* reports.

[FULL STORY](#)
[FULL PRESENTATION](#)

AUS: Parmalat eyes shift after big deal

Queensland Country Life, Andrew Marshall, October 17, 2011

Queensland-based Parmalat is looking to shift some of its milk and dairy product processing lines from Brisbane to Sydney after locking in a big portfolio of farmgate supply contracts with New South Wales farmers in the past four months, *Queensland Country Life* reports.

Parmalat has just secured about 130 million litres of milk a year from new suppliers in NSW to fill expanding local production needs at its big Lidcombe plant, including the controversial Woolworths house brand contract.

New recruits have been lured from the Southern Highlands, South Coast, Manning and Hunter valleys, with one Shoalhaven Valley farm set to deliver up to 14 million litres/year.

Parmalat's push into NSW has seen it raid supplies from its rival Lion (formerly National Foods) and Lion's big bulk milk supplier, Dairy Farmers Milk Co-operative (DFMC), to add to its existing pool sourced from the Riverina and the

Norco co-operative on the NSW North Coast.

With more NSW farmers being tempted to switch camps (at a base price of about 48 cents/l), Parmalat's commercial development manager, Vince Houlihan, said he would like to sign up another 40m litres after January to lift central NSW supplies to the Sydney plant.

The newly acquired Woolworths contract in NSW alone is worth more than 110m litres a year, while Parmalat's Pura milk sales total about 60m litres/year in the State.

To further utilise its Lidcombe site and reduce freight costs out of southern Queensland, Parmalat is also considering transferring some of its Pauls modified milk production to Sydney - specialty products like Trim, Skinny Milk, and PhysiCAL which launched in NSW this year, *Queensland Country Life* reports.

[FULL STORY](#)

Midland Group invests in Ugandan dairy sector

Agra-net.com, October 18, 2011

One of Uganda's biggest investors, the Midland Group, is constructing a US\$15 million (€10.98m) milk powder plant in the west of the country, *agra-net.com* reports.

Trading under the name of Pearl Dairy, the site will cover an area of 15 acres and will provide direct employment to 250 and over 10,000 jobs indirectly.

Building of the plant is already under way and is scheduled to be completed in the first quarter of 2012, according to Akash Kumar, Midland Group's managing director, *agra-net.com* reports.

[FULL STORY](#)

Toxic by-product in heat-treated baby formulas increases infant diabetes risk – study

Foodnavigator.com, Rory Harrington, October 14, 2011

Heat treatment of infant formula milk during processing produces elevated levels of a toxin that could contribute to a significantly increased risk of children developing health problems including diabetes, according to US scientists, *foodnavigator.com* reports.

The research from the Mount Sinai School of Medicines found that levels of Advanced Glycation End (AGEs) product tested were up to 100 times higher in baby formula compared to human breast milk as a result of heat processing undergone during manufacture.

AGEs - toxic glucose by-products previously tied to high blood sugar - are found in most heated foods and, in great excess, in commercial infant formulas, said the team led by Helen Vlassara MD, professor and director of the Division of Experimental Diabetes and Aging, and professor of

medicine Jaime Uribarri.

The British Specialist Nutrition Association (BSNA) told *FoodProductionDaily.com* it was aware of concerns over AGEs but said that heat processing was vital in ensuring the microbiological safety of infant formula. Current research suggested that AGEs "do not seem" to cause health problems, it added.

The study, published in the journal *Diabetes Care*, found that excessive AGEs can be present in infants both through the passive transfer of the inflammatory food toxin from maternal blood and by the ingestion of commercial baby formulas, *foodnavigator.com* reports.

[FULL STORY](#)

NETHERLANDS: FrieslandCampina expands milk powder production

Just-food.com, Katie Smith, October 14, 2011

Dairy giant FrieslandCampina has confirmed plans to expand its milk powder production in order to increase supplies to emerging markets, *just-food.com* reports.

The company is investing €13m (US\$17.9m) in its Leeuwarden factory by updating its equipment and increasing its output.

"With the investments we can supply our own operations in markets including Nigeria with milk powders, as a solution for growing markets," a spokesperson for FrieslandCampina said.

He added that the investment will also be used for exporting milk powders to other countries.

In August, the company's reported a fall in its half-year profits as earnings in Europe slumped. This was due to pressure on margins in Europe, investments in the organisation and negative currency translation effects, *just-food.com* reports.

[FULL STORY](#)

Irish Dairy Board opens €12.7m dairy ingredients plant in Britain

Businessandleadership.com. October 14, 2011

The Irish Dairy Board has today opened a new state-of-the-art dairy ingredients manufacturing centre in Leek, Staffordshire, [businessandleadership.com](#) reports.

According to the company, the 65,000 sq ft Adams Food Ingredients (AFI), which includes an innovation centre, was completed on time and on budget at a cost of €12.7m (£11m). It brings to €70m (£56m) IDB's capital development programme in Britain over the past five years.

The new AFI plant develops customised dairy ingredient solutions, aimed at customers in Britain and export markets.

It doubles the company's dairy-based food formulations capacity to over 20,000 tonnes per annum. The IDB said

it applies the most advanced technology in specialist dairy applications, offers customers a wider range of formulations and customised premix solutions, and gives greater flexibility to produce a range of packaging formats.

The facility, which will employ 50 people and replaces AFI's existing operation in Prince Street, Leek, was officially opened by Minister of State at the Department of Agriculture, Food and the Marine, Shane McEntee, [businessandleadership.com](#) reports.

[FULL STORY](#)

Canadian government funding for milk antibiotic residue test

Agra-net.com, October 17, 2011

An Alberta company has secured over C\$350 000 (€250 800) in federal development funding for its work on a device to enable dairy producers to quickly detect multiple antibiotic residues in milk, [agra-net.com](#) reports.

SciMed Technologies' new technology "will ensure quality control at all stages of the dairy food supply chain and result in increased quality assurance and enhanced food safety,"

the Canadian government said.

The project is being funded under the Canadian Agriculture Adaption Program (CAAP), [agra-net.com](#) reports.

[FULL STORY](#)

US cheese producer calls for overhaul of Geographical Indication rules

Agra-net.com, October 19, 2011

A US producer of Italian cheeses is calling for a radical overhaul of the system that protects the names of several European cheeses, *agra-net.com* reports.

Enrico Auriccio has built up a successful business in the States producing varieties of Gorgonzola and Parmesan to original Italian recipes.

But he is unable to export his Bel Gioioso branded products to the European market because the cheeses are those that are most strongly protected under the EU's PDO (Protected Designation of Origin) and PGI (Protected Geographical Indications) schemes.

"I do not think it is right for EU producers to impose EU rules on the rest of the world," he told delegates at the Summilk conference in Parma.

He called on members of the International Dairy Federation (IDF) to challenge the current hegemony of GI (geographical indication) rules.

By way of compromise, he suggested a new system whereby geographic names were added to cheeses such as parmigiano as they were at present: i.e. parmigiano romano, *agra-net.com* reports.

FULL STORY

US: Pastoral plans month-long cheese promo

The Gourmet Retailer, October 17, 2011

Throughout the month of October, Pastoral Artisan Cheese, Bread & Wine in Chicago is celebrating American Cheese Month with a full calendar of events, *The Gourmet Retailer* reports.

Pastoral is collaborating with the American Cheese Society (ACS), the Wisconsin Milk Marketing Board (WMMB), cheesemakers and others in the industry to host a variety of special events, free tastings, fundraisers and exclusive offers that celebrate the quality and craftsmanship of American cheese.

ACS created the first ever American Cheese Month to recognise and raise awareness of the quality and diversity

of American cheeses; to support and promote well-made cheese, local foods, family farms, traditional cheesemaking methods and sustainable production models; and to help generate funding for the American Cheese Education Foundation (ACEF) which educates people about the art and science of artisanal and specialty cheese.

American Cheese Month will be held annually each October, with special events and promotions planned in cities across the country, *The Gourmet Retailer* reports.

FULL STORY

Taiwan's largest dairy product traders fined for price-fixing

Focus Taiwan, Wu Ching-chun and Elizabeth Hsu, 19, October 2011

Fair trade authorities slapped the country's three largest dairy product traders with fines of up to NT\$12 million (US\$399,000) Wednesday for colluding to fix prices, Focus Taiwan reports.

The Fair Trade Commission (FTC) fined Wei Chuan Corp. NT\$12 million, while Uni-President Enterprises Corp. received a NT\$10 million fine and Kuang Chuan Dairy Co. was levied NT\$8 million, the FTC said.

The three companies, which between them control 80% of the domestic fresh milk market share, all raised their fresh milk retail prices in October after the Council of Agriculture adjusted the raw milk procurement price upward by NT\$1.9 per litre.

Taking a 1-litre carton of fresh milk as an example, the price of Wei Chuan's Lin Feng Ying milk grew from NT\$77 to NT\$83, while Uni-President's Rui Swei milk increased from NT\$76 to NT\$82 and Kuang Chuan's Ru Hsiang Shih Chia rose from NT\$76 to NT\$82.

All three products are priced differently and all three companies offered different reasons for their increases, but all underwent a price hike of the same scale of NT\$6 per litre, the FTC said.

FTC official Chang Chih-pin explained that the differences in the fines were because the enterprises are different from each other in terms of their market shares and operational revenues, as well as their willingness to cooperate with the FTC's price-fixing probe, Focus Taiwan reports.

[FULL STORY](#)

IDF Dairy Innovation Awards finalists and winners announced

Foodbev.com, Bill Bruce, October 18, 2011

FoodBev Media's Dairy Innovation magazine, in conjunction with the International Dairy Federation, has announced the finalists and winners in the 2011 IDF Dairy Innovation Awards.

This year's awards attracted over 100 entries from 25 countries in 14 categories ranging from products, to packaging, marketing and environmental sustainability.

Best new cheese:

- La Fromagerie, from Canada, with Mini Hors-D'oeuvre

Best new butter or spread:

- Ljubljanske Mlekarne, from Slovenia, with MU Vita

Best new ice-cream:

- Nanyang Polytechnic, from Singapore, with Frozherb

Best new dairy drink:

- Inner Mongolia Mengniu Dairy Group, from China, with Xinyangdau Zhenyang

Best new functional dairy product:

- Parmalat Australia, from Australia, with Vaalia Innergy

Best newcomer brand of business:

- Bright Dairy & Food Co Ltd, from China, with Mosili'an

Best health education or nutri-marketing initiative:

- Dairy Farmers of Canada, from Canada, with the Power4Bones campaign

Best school milk campaign:

- Korea Dairy Committee, from South Korea, with the Milk Mentor campaign

Best environmental sustainability initiative:

- Inner Mongolia Mengniu Dairy Group, from China, with Mengniu sustainability programmes

Best new ingredient for dairy foods or beverages:

- Meiji Co Ltd, from Japan, with Meiji Cocoa Liquid Type

Best new packaging innovation for dairy foods or beverages:

- Ecolan AB, from Sweden, with Ecolan packaging

Best consumer TV/cinema advertisement or social networking marketing campaign:

- SAMPRO, from South Africa, with Consumer Education Project of Milk SA – the Cow-dealer

Best print marketing, store promotion or POS:

- Coolio, from Belgium, with the Coolio promotion for Friesland Campina Mona

Best generic dairy marketing campaign:

- SAMPRO, from South Africa, with Consumer Education Project of Milk SA – the Cow-dealer

Special Lifetime Achievement Award

- MilkPEP, from the United States, with Power of Nine

Australian watchdog puts Coles and Woolworths on notice

Foodnavigator-asia.com, Ankush Chibber, October 14, 2011

Australia's top competition regulator has said that it would keep an eye on the country's two top supermarket chains over long-standing concerns that they were wielding too much power in the country's food sector, foodnavigator-asia.com reports.

Rod Sims, the incoming chairman of the Australian Competition and Consumer Commission (ACCC), made these comments in his first address to the Melbourne Press Club, where he put both Coles and Woolworths on notice.

"The two major supermarkets have significant market power, with many smaller suppliers feeling they lack a real ability to negotiate supply arrangements. The ACCC can and will watch closely to ensure any such dealings do not involve unconscionable conduct by the supermarkets," said

Sims.

"To give another example, supermarkets sell both branded and their own private label products. This vertical integration in the supply chain needs close scrutiny to ensure the supermarkets do not misuse their market power under Section 46," he continued.

Coles and Woolworths have been in a price war since January this year, starting with the two retailers slashing the price of their own brand milks, placing further pressure on branded suppliers who complained of being squeezed out of their margins, foodnavigator-asia.com reports.

[FULL STORY](#)

China Dairy - an exclusive report from NZX Agrifax.

This 55-page report on China's dairy industry provides an intelligent insight into the future direction of the entire global dairy industry.

The just released China Dairy Report from Agrifax is an essential read for any executive with an eye on the global dairy food market.

Understanding the China of tomorrow will influence the decisions you make today. China's impact on the direction of the global dairy industry is significant, and growing. To be prepared, planned and ready, you must understand the historical trends, the outlook and the opportunities.

NZX Agrifax dairy analyst, Susan Kilsby has produced this comprehensive report to capture the current position of the Chinese dairy industry and makes vital projections for consumer demand, domestic milk production and demand for dairy products worldwide. The China Dairy Report is an essential read for every executive and decision-maker with a commercial interest in the dairy industry.

Soft and hard copies are available for \$1897 + GST (up to five users).

To view a summary and the contents visit the website www.nzxagri.co.nz/agrifax

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