

- ▶ China
- ▶ World
- ▶ Opinion
- ▶ Business
- ▶ Sci-Edu
- ▶ Culture/Life
- ▶ Sports
- ▶ Photos

- Services
- Newsletter
 - Online
 - Community
 - China Biz Info
 - News Archive
 - Feedback
 - Voices of Readers
 - Weather Forecast

Search

- About China
- China at a glance
 - Constitution
 - CPC & state organs
 - Chinese leadership
 - Selected Works of Deng Xiaoping



Home >> Business

UPDATED: 08:46, December 03, 2004

Mengniu sets up model dairy farm in Hohhot



The Hong Kong-listed China Mengniu Dairy Industry (Group) Co Ltd, joined forces with the Australia-registered Austasia Company part of Japfa group and the Indonesia-based Salim Group to open the international standard Inner Mongolia Mengniu Austasia Model Dairy Farm, yesterday in Hohhot.

According to Friday's China Daily, the three partners have together invested 200 million yuan (US\$24.1 million) in the largest farm in China, with each taking roughly one-third of the share. The new farm boasts a planned capacity of breeding 10,000 cows, with state-of-the-art technologies and covers an area of 8848 mu (589.86 hectares).

Construction of the project will be divided into three phases. The first phase has just been completed and the second and third phase will follow in the near future.

Barney G. Ward, designer of the farm, said the investors are expected to get returns in four to five years.

Mengniu Group has concentrated its business on the huge potential milk product market in China and currently does not have any foreign market expansion plans for the near future.

Niu Gengsheng, the group president, said yesterday: "For the time being, it is wiser for Mengniu to fortify our Beijing or Shanghai strength than squeeze into a market corner in New York or London, because the Chinese market shows vibrant growth momentum and the milk product industry will be a gold mine."

Mengniu's total revenue is expected to hit 10 billion yuan (US\$1.2 billion) by 2006, aiming at becoming one of the world's top 10 milk product providers within 10 to 15 years, according to Niu.

"Inner Mongolia's milk producers, including Mengniu and Yili, the largest milk product providers in China, have led and will continue leading the region's economic drive, and the opening of Mengniu Austasia Model Dairy Farm marks a big step towards the regional industry's internationalization goal," said Lei Eerdeni, vice-chairman of Inner Mongolian Autonomous Region.

The Austasia company is a subsidiary of Japfa group, specialized in cow breeding, and its business focuses on the introduction of new technologies to Asia. As a project investment company, Salim Group has accumulated an investment of 10 billion yuan (US\$1.2 billion) in China.

In an exclusive interview with China Daily, Austasia Company CEO Alastair Kenneth Pearson implied that he is negotiating with would-be partners in other parts of China for further co-operation in the milk industry.

Source: China Daily

Recommendation

- China Forum
- PD Newsletter
- People's Comment
- Most Popular

Related News

- Mengniu Dairy listed in HK



Comment on the story



Tell a friend



Print friendly format



Save this