

\$20m for Te Rapa plant expansion

FONTERRA IS pumping another \$20 million into its Te Rapa site to produce more export cream cheese and mini-dish butter to meet rising demand.

Robert Spurway, chief operating officer global operations, says this rise shows the shift in food preferences in China and wider Asia.

"Much of the demand we're seeing for mini-dish butter is from hotels, restaurants and commercial kitchens in China – all out-of-home eating places where consumers are choosing dairy."



Demand for mini-dish butter is rising, says Fonterra.

"Many of these marketers have in the past

trended towards non-dairy creams and spreads;

now we're seeing a desire for natural dairy in food

preparation and at the table."

The foodservice aspects are important, the co-op says, but more interesting is consumers daily choosing more dairy.

Consumer and food-service volumes in China grew 40% in the financial year to date versus the same period last year.

Recent butter imports have grown 20% annually – from 17,000 tonnes in 2009 to 63,000t in 2016.

"Recently we've seen demand, particularly from China, exceed supply," says Spurway.

"So this expansion is in response to the market – investing in capacity and delivering on our value-add strategy by converting more milk into higher-returning products."

"It will also give us more choices in the products we're able to make so we can be more responsive to our customers."

The expansions will see Te Rapa go from six cream product lines to eight, and butter production at least double from 250 million to 650m mini-dishes per year.

The additional cream cheese line will increase

plant capacity from

30,000t to 33,500t per year and add capability to make 5kg blocks in addition to the 20kg ones now produced.

The Te Rapa factory was built in 1967 for powder drying.

The cream plant was built in 1997 to make consumer and bulk butter and cream cheese. Another cream cheese line was added in 2013.

Te Rapa employs about 500 staff and makes 80,000 tonnes of cream products per year.

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There's money in honey

THERE'S MONEY in honey – specifically manuka grown on marginal land, says Manuka Farming NZ general manager Stephen Lee.

The company will run free Fieldays seminars at which experts will tell landowners how they can create sustainable new revenue from manuka plantations.

"Make money from manuka honey" is the theme. Lee says there is misinformation about growing manuka plantations "so we will present key findings from the High Performance Manuka Plantations Primary Growth Partnership (PGP) programme so that landowners can hear from experts".

The talks "will cover the whole value chain that can enable a landowner to understand how to get money from the honey".

The speakers will come from apiculture, forestry, finance and academia. Topics: financial grants and financing options, designing plantations for optimum production, dealing with disease risks such as myrtle rust, and ways to optimise bee health.

Manuka Farming NZ is interested in property owners or investors with at least 20ha, and hill country landowners, who could use manuka to protect erosion-prone land.

• Pre-register at www.manukafarmingnz.co.nz

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