

Key data/information in this sample page is hidden, while in the report it is not.

2 Competition

2.3 Tianrun Dairy acquired Tianao Farming

On 30 Sept. 2014, Xinjiang Tianrun Dairy Co., Ltd. (Tianrun Dairy) - located in the Xinjiang Uygur Autonomous Region in Northwest China - announced that it would issue XX million shares at the price of USDXX (RMBXX) per share to acquire 100% shares of Xinjiang Tianao Farming Co., Ltd. (Tianao Farming).

Tianao Farming is a subsidiary of Dairy Group of Xinjiang Production and Construction Corps, which concentrates on grass planting, dairy breeding, dairy product processing and sale. It was established with an investment of USDXX million (RMBXX million), and raised revenue by selling raw milk and calves. At present, it owns 10 large dairy farms covering XX million m² with XX cows.

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3 Cooperation

3.1 Mengniu cooperated with Baidu.com: Cloud Farm

Since Sept. 2014, Inner Mongolia Mengniu Dairy (Group) Co., Ltd. (Mengniu) has been using a new term - "Cloud Dairy Farm" - in its internet marketing, designed to emphasize the traceability of its products. In 2013, it introduced a QR code on-pack allowing consumers to scan this in to trace products back to the dairy farm which provided their original milk. Now, Mengniu has raised its game further by cooperating with Baidu.com and launching the "Cloud Dairy Farm" - this not only allows consumers to see images of the farm and related text, but also to watch videos of the farms and the manufacturing processes used to produce the products. This gives it a new promotional tool and it is also a new mean of collecting data from its consumers.

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4 Project plan

4.1 Junlebao Dairy entered into infant formula market

On 3 Jan. 2014, Jiangsu Junlebao Dairy Co. Ltd. (Junlebao Dairy) signed a construction project with the government of Zhangjiakou City, Hebei Province, which is for the construction of a dairy farm and infant formula production plant.

The project was started up in April 2014. It involved the plant (scheduled for completion in August 2015, with a capacity of XX t/a) which is to be supplied by the dairy farm (to be completed in 2017 with XX cows). The company expected the project to generate annual sales

of USDXX billion (RMBXX billion) once completed. Zhangjiakou city has strong local milk production of around XX million t/a and an established reputation in dairy processing. According to the local government, its high quality milk has attracted several large dairy processors like Mengniu, Yili, Modern Dairy and Synutra to set up plants there, and these 4 companies' local processing capacity amounts to XX t/a.

Junlebao Dairy, a subsidiary of Mengniu, mainly focuses on fresh milk and yoghurt. The company performed well in the markets in North China and Northeast China, and achieved sales of about USDXX million (RMBXX billion) in 2012, mainly due to the success of its premium products in this period. It claims 4th position in the national yoghurt market.

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