

Fonterra to invest \$150 Mn in New Zealand

05 September 2024 | News

Fonterra has a thriving food service business in Asia where demand is growing by integrating dairy into traditional foods such as laksa and milk tea



Dairy for life

Fonterra has a thriving food service business in Asia where demand is growing by integrating dairy into traditional foods such as laksa and milk tea

Fonterra is set to invest \$150 million to build a new UHT cream plant at its Edendale site in Southland to meet growing demand through its food service business.

Fonterra CEO Miles Hurrell shared the news while in Malaysia on a senior New Zealand business delegation with the Prime Minister.

Fonterra has a thriving Foodservice business in Asia where demand is growing by integrating dairy into traditional foods such as laksa and milk tea. In Malaysia, Fonterra is looking to build on solid foundations where half of New Zealand exports to the country are already dairy.

Miles Hurrell says the investment is part of the cooperative's strategy to grow further value by expanding its food service business in Asia and increasing production capacity for high-value products.

"Demand for UHT cream continues to strengthen. Globally, we're expecting demand to increase by more than 4 per cent year on year between 2023 and 2032.

"This is the second announcement we've made in as many weeks about expansions at our sites to cater for growing demand.

"We believe prioritising our Ingredients and Foodservice channels will create more value for Fonterra and this expansion is

a good example of the direction the Co-op is heading," says Hurrell.