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Department of
AGRICULTURE
FISHERIES &
FORESTRY -
AUSTRALIA



- Listed on the ASX 1991
- Australia's leading dairy and juice company
- Ranked in Australia's top 100 companies
- Market capitalisation of \$900 million
- Employs 2300 people in all States of Australia
- Annual revenue in excess of \$1 billion
- Headquartered in Melbourne

NFL's core activities are the manufacturing and marketing of milk, dairy foods and juice

- ⇒ One in every three Australians consume one of our products every day
- ⇒ We are the largest supplier to the supermarket dairy case
- ⇒ We have leading brand positions in all markets
- ⇒ Only national milk / dairy operation



Australian Dairy Industry

- ⇒ Third largest rural industry

Vol.	9 bill litres
Value	\$7 bill
- ⇒ Significant dairy industries in all states but:-
- ⇒ Victoria represents 62%

Vol.	5.6 bill litres
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- ⇒ Murray Goulburn & Bonlac dominate at 4.3 bill litres





⇒ Dairy production categorised into two segments:-

→ Manufacturing Milk	Vol.	7.1 bill litres
→ Market Milk	Vol.	1.9 bill litres

⇒ Significant export industry with 49% volume exported

⇒ Consolidation to major players

Key Performance Drivers



⇒ Critical Scale / Mass

⇒ Winning brand position / category leadership

⇒ Lowest cost producer status

⇒ Alliances with key:

Suppliers	:	Farmers for milk supply
Customers	:	Grocery supermarket contracts
Vendors/		
Distributors	:	Route / corner shop 50% milk volume



- ⇒ Active capital management program
- ⇒ Leverage IT / Technology for competitive advantage
- ⇒ Industry deregulation



- ⇒ Farmgate Regulation
 - Regulation of price for market milk received by farmers
 - Currently under review via National Competition Policy
 - Phased deregulation 3-5 years
 - Industry restructure support package
- ⇒ Post Farm Gate Regulation
 - All states now deregulated (NSW July 1998, Qld January 1999)
 - Retail price regulated
 - Distribution boundaries for milk processors



