**Report on China’s Raw Milk Powder Market Supply and Demand**

Price: USD 4900 (RMB 30000)

2013.07

# Research Background

Raw milk powder (including whole milk powder and skimmed milk powder) are the major dry milk products in China. As important milk-based raw material products, raw milk powder is widely applied in processing and manufacturing industries such as formula milk powder, dairy beverage, reconstituted milk, soybean milk powder, ice cream, bakery products, and daily chemicals. With an annual output of nearly 1 million tons, China is one of the main raw milk powder (mainly whole milk powder) producers in the world, and also the biggest raw milk powder consumer in the world with an annual consumption of over 1.5 million tons. Domestic-produced raw milk powder is unable to meet the increasing demand both in quantity and in quality. Going through several setbacks, China’s raw milk powder industry reached its peak in 2006-2007 when there was a booming demand of raw milk powder (especially whole milk powder) in the international market. Therefore, China’s raw milk powder industry created a historical new record and the price of raw milk powder kept on increasing. Meanwhile, due to the increasing demand, capitals inside and outside the industry all entered the raw milk powder industry, which led to an unprecedented growth of newly-added and expanded production capacity. However, in 2008, the demand for raw milk powder in the international market went down, and the melamine events also stroke a serious blow on China’s raw milk powder industry. Due to the serious credit crisis in China’s domestic-produced raw milk powder industry, imported raw milk powder enjoyed unprecedented favor. The credit of domestic raw milk powder recovered to a certain extent in recent years due to the regulation of the market, China’s import of raw milk powder still increased once and again as the price-quality ratio of domestic raw milk powder is not as good as that of imported products. Especially, China’s import of raw milk powder from New Zealand reached the trigger level ahead of time once and again. In the recent decade, China’s production and sales of raw milk powder kept an overall increase despite the setbacks. Due to the great demand of raw milk powder in domestic market and the increasing dependence of domestic consumers upon imported raw milk powder, there is a great space for further increase in the gap which domestic milk powder is unable to bridge.

This report mainly researches into the status quo of China’s raw milk powder market and the predictable prospect. The data quoted in the report not only include data from home and abroad, but also, more importantly, data acquired by researchers who conducted field investigation. The research method of this report integrates both paper work and field investigation, which combines a number of ways such as on-spot visit and telephone interview, etc. The investigated institutes include whole milk powder importers, traders and dealers, as well as the production enterprises and industry associations of dairy products, bakery food, and soybean milk powder industry. The content of this report includes the overall development of China’s raw milk powder industry, the policy environment of raw milk powder industry, import and export of raw milk powder, basic condition of raw milk powder market, raw milk powder market capacity and growth trend, competition and main competitors in raw milk powder market, profit of raw milk powder industry, as well as the future development of raw milk powder market. This report is written by senior researchers who are familiar with China’s diary industry chain and the world dairy industry, and will be an important reference for production enterprises, investment institutions, and other researchers trying to learn about and explore China’s raw milk powder market home and abroad.

 **Content**

Research Background

Main Conclusions

1.Overview of Raw Milk Powder and Processing Industry

1.1 Overview of Raw Milk Powder and Products

1.1.1 Concept of Raw Milk Powder

1.1.2 Raw Milk Powder Types and Processing Workmanship

1.2 Development of Global Raw Milk Powder Processing Industry

1.2.1 Global Raw Milk Powder Output and Distribution

1.2.2 Global Raw Milk Powder Consumption

1.2.3 Global Raw Milk Powder International Trade

1.2.4 Global Raw Milk Powder Price Trend

2. Policy Environment of Raw Milk Powder Processing Industry

2.1Relevant National Quality and Safety Standards

2.1.1 Raw Fresh Milk

2.1.2 Raw Milk Powder

2.2Policy for Dairy Products Industry

2.2.1 Industry Layout

2.2.2 Access Threshold

2.3 New Regulations for Raw Milk Powder Industry

2.3.1 Notice on Further Strengthening the Work of Quality and Safety of Dairy Products by General Office of the State Council

2.3.2Measures for the Administration of Dairy Products Import and Export Inspection and Quarantine Supervision

3．General Analysis of China’s Raw Milk Powder Market

3.1Milk Source Production and Raw Milk Powder Processing

3.1.1 Milk Source Production

3.1.2 Raw Milk Powder Processing

3.2 Raw Milk Powder Trade

3.2.1Raw Milk Powder Trade Policy

3.2.2Overview of Raw Milk Powder Trade

3.2.3Raw Milk Powder Import

3.2.4Raw Milk Powder Export

3.3 The Impact of Melamine Event on China’s Raw Milk Powder Production and Trade

3.3.1 Impact on Produciton

3.3.2 Impact on Trade

3.4 China’s Raw Milk Powder Market Capacity and Growth Trend

3.5 Estmate of China’s Raw Milk Powder Matket Future Development

4．Analysis of China’s Raw Milk Powder Application Market

4.1 Overview of Application Market

4.2 Formula Milk Powder

4.2.1 Baby Formula Milk Powder

4.2.2Adult Formula Milk Powder

4.2.3Other Flavored Milk Powder

4.2.4 Estmation of Raw Milk Powder Demand by China’s Formula Milk Powder Market

4.3Dairy Beverage

4.3.1 Modulated Dairy Beverage

4.3.2 Fermented Dairy Beverage

4.3.3 Estmation of Raw Milk Powder Demand by China’s Dairy Beverage Market

4.4 Reconstituted Milk

4.4.1 Reconstituted Yogurt

4.4.2 Reconstituted Modulated Milk

4.4.3 Estmation of Raw Milk Powder Demand by China’s Yogurt and Modulated Milk Market

4.5 Soybean Milk Powder

4.5.1 Overview of China’s Soybean Milk Powder Production and Consumption

4.5.2 Estmation of Raw Milk Powder Demand by Chian’s Soybean Milk Powder Market

4.6 Ice Cream

4.6.1 Overview of China’s Ice Cream Production and Consumption

4.6.2 Estmation of Raw Milk Powder Demand by China’s Ice Cream Market

4.7 Bakery Food

4.7.1 Overview of China’s Bakery Food Production and Consumption

4.7.2 Estmation of Raw Milk Powder Demand by China’s Bakery Food Market

4.8 Other Food and Application

5．Analysis of China’s Raw Milk Powder Production Profit

5.1 Analysis of Raw Milk Powder Production Cost

5.2 Analysis of Raw Milk Powder Gross Profit

5.2.1 Analysis of the Break-Even Point of Domestic Raw Milk Powder

5.2.2 Profitability of Domestic Raw Milk Powder Industry

6. Analysis of China’s Raw Milk Powder Market Competition

6.1 Analysis of China’s Raw Milk Powder Production Enterprises

6.2 Analysis of China’s TOP10 Raw Milk Powder Production Enterprises

6.2.1 Heilongjiang Wondersun Dairy Co., Ltd.

6.2.2 Beijing Reward Group Co., Ltd.

6.2.3 Inner Mongolia Yili Industrial Group Company Limited

6.2.4 Heilongjiang Dairy Group

6.2.5 Heilongjiang Feihe International, Inc.

6.2.6 Nestle (China) Co.,Ltd.

6.2.7 Heilongjiang Yaolan Dairy Co., Ltd.

6.2.8 Shandong Dezheng Dairy Industry Co., Ltd.

6.2.9 Hangzhou Wahaha Group Co., Ltd.

6.2.10 Xi’an Yinqiao Biotechnology Co., Ltd.

7. Analysis of China’s Main Raw Milk Powder Importers

7.1 Importers of Whole Milk Powder

7.1.1 Main Foreign Trade Companies

7.1.2 TOP 15 Foreign Production Enterprises

7.1.3 Main Domestic Trade (Logistic) Companies

7.1.4 TOP10 Domestic Production Enterprises

7.2 Importers of Sweet Whole Milk Powder

7.2.1 Distribution of Sweet Whole Milk Powder Source Countries

7.2.2 TOP10 Importers

7.3 Importers of Skimmed Milk Powder

7.3.1 Main Foreign Trade Companies

7.3.2 TOP15 Foreign Production Enterprises

7.3.3 Main Domestic Trade (Logistic) Companies

7.3.4 TOP10 Domestic Production Enterprises

7.4 Analysis of China’s Import of Raw Milk Powder from Australia

7.4.1 General Analysis of Import

7.4.2 Analysis of China’s Importers of Raw Milk Powder from Australia

7.4.3 Limitations of China’s Import of Raw Milk Powder from Australia and Estimation of Its Prospect

8．BOABC’s Suggestion on Operation Strategy to Access into China’s Raw Milk Powder Market

8.1 Analysis of Threshold and Opportunity to Access into China’s Raw Milk Powder Market

8.1.1 Analysis of Acces Threshold to Raw Milk Powder Processing Industry

8.1.2 Analysis of Opportunity to Access to Raw Milk Powder Market

8.2 Suugestions on Operation Strategy to Access into and Develop China’s Raw Milk Powder Market

8.2.1 Product Types for Implementing “Blue Sea Strategy” to Develop High Added Value

8.2.2 Implementing Brand Strategy to Occupy the High-End Market

8.2.3 Combining with Other Processing Dairy Products to Reduce Operation Risks

8.2.4 Expanding International Market and Extending Market Space

Appendix 3

Appendix 1：Balance Sheet of China’s Raw Milk Supply and Demand, 2011-2013

Appendix 2：Balance Sheet of China’s Whole Raw Milk Powder Supply and Demand, 2011-2013

Appendix 3：Balance Sheet of China’s Skimmed Milk Powder Supply and Demand, 2011-2013

Appendix 3：List of China’s Main Impoters of Whole Milk Powder ( with import volume of over 1,000 tons )，2012

Appendix 4：List of China’s Main Impoters of Skimmed Milk Powder ( with import volume of over 500 tons )，2012

Appendix 4：List of China’s Top 50 Impoters of Whole Milk Powder, 2012

Tables and Figures

Figure 1-1 Processing Flow of Whole (Sweet) Milk Powder

Figure 1-2 Processing Flow of Skimmed Milk Powder

Figure 1-3 Global Distribution of Whole Milk Powder Production, 2011

Figure 1-4 Global Distribution of Skimmed Milk Powder Production, 2011

Figure 1-5 Trend of Fonterra Whole Milk Powder Online Trade Price, 2012.06-2013.06

Figure 1-5 Trend of Fonterra Skimmed Milk Powder Online Trade Price, 2012.06-2013.06

Figure 3-1 Changes of China’s Dairy Cattle Inventory, 1997-2012

Figure 3-2 Regional Distribution of China’s Raw Milk Output, 2012

Figure 3-3 Trend of Average Raw Milk Purchase Price in 10 Main Regions in North China, 2008-2013

Figure 3-4 Changes of China’s Whole Milk Powder Production, 1999-2012

Figure 3-5 Regional Distribution of China’s Whole Milk Powder, 2012

Figure 3-6 Changes of China’s Skimmed Milk Powder Production, 1999-2012

Figure 3-7 Trend of China’s Raw Milk Powder Trade, 2007-2012

Figure 3-8 Distribution of China’s Skimmed Milk Powder Source Countries by Import Volume, 2012

Figure 3-9 China’s Average Monthly Import Price of Raw Milk Powder, 2004-2013

Figure 3-10 Trend of China’s Raw Milk Powder Export by Month, 2007-2013

Figure 3-11 China’s Milk Powder Export Market in the First Four Months of 2013

Figure 3-12 Changes of China’s Per Capita Consumption of Milk by Urban Residents, 2004-2012

Figure 3-13 China’s Dairy Products Structure, 2012

Figure 4-1 Changes of China’s Baby Formula Milk Powder Output, 1999-2012

Figure 5-1 China’s Import Price of Whole Milk Powder (FOB) by Month, 2009~2012

Figure 6-1 Regional Distribution of China’s Whole Milk Powder Production, 2011.04

Figure 6-2 Milk Source Distribution of Beijing Reward Group Co., Ltd.

Figure 7-1 Types of China’s Whole Milk Powder Importers by Import Volume, 2012

Figure 7-2 Types of China’s Skimmed Milk Powder Importers by Import Volume, 2012

Figure 7-3 Trend of Whole Milk Powder Production and Export in Australia, 2003/04-2012/13

Figure 7-4 Trend of Skimmed Milk Powder Production and Export in Australia, 2003/04-2012/13

Figure 7-5 Main Target Market of Australia Skimmed Milk Powder Export, 2009-2012

Figure 7-6 Price of China’s Raw Milk Powder Import from Australia by Month, 2007-2013.

Table 1-1 Whole Milk Powder Production in Major Production Countries in the World, 2011

Table 1-2 Skimmed Milk Powder Production in Some Production Countries (Regions) in the World, 2011-2013

Table 1-3 Skimmed Milk Powder Production in Major Production Countries in the World, 2011

Table 1-4 Skimmed Milk Powder Production Some Countries (Regions) in the World, 2011-2013

Table 1-5 Whole Milk Powder Consumption Some Countries (Regions) in the World, 2011-2013

Table 1-6 Skimmed Milk Powder Consumption Some Countries (Regions) in the World, 2011-2013

Table 1-7 Whole Milk Powder Export in Some Countries (Regions) in the World, 2011-2013

Table 1-8 Whole Milk Powder Export in Some Countries (Regions) in the World, 2011-2013

Table 1-9 Whole Raw Milk Supply and Demand in New Zealand, 2011-2013

Table 1-10 Whole Milk Powder Supply and Demand in New Zealand, 2011-2013

Table 1-11 Main Target Markets of New Zealand’s Whole Milk Powder Export, 2007-2012.

Table 1-12 Import of Skimmed Milk Powder in Some Countries (Regions) in the World, 2011-2013

Table 1-13 Export of Skimmed Milk Powder in Some Countries (Regions) in the World, 2011-2013

Table 3-1 Raw Milk Production in China’s Ten Major Produciton Provinces, 2012

Table 3-2 Distribution of China’s Whole Milk Powder Source Countries, 2002-2012

Table 3-3 Direction of China’s Milk Powder Import Flow by Quantity, 2012

Table 4-1 China’s Raw Milk Powder Application Market, 2012

Table 4-2 Output of China’s Main Baby Formula Milk Powder Producers, 2012

Table 6-1 List of Wondersun’s Main Dairy Products Output, 2008-2012

Table 6-2 Development Course of Beijing Reward Group Co.,Ltd.

Table 6-3 Profit of Yili Group（combined）, 2010~2012

Table 6-4 List of Yili Group’s Main Products Series

Table 6-5 List of Yili Group’s Main Products Output, 2008-2012

Table 6-6 List of Heilongjiang Dairy Group’s Main Products Output, 2008-2011

Table 6-7 Quarterly Operation Performance of Feihe International, Inc. (by Every Three Months) 2010-2011

Table 6-8 List of the Production of Feihe International, Inc. 2009-2011

Table 6-9 List of Yaolan Dairy’s Main Products Output, 2008-2012

Table 6-10 List of Shandong Dezheng Dairy’s Main Products Output,2008-2012

Table 6-11 List of Xi’an Yinqiao’s Main Products Output, 2008-2012

Table 7-1 List of China’s Main Raw Milk Powder Import Volume by Main Importers (Over5,000 ), 2012

Table 7-2 List of China’s Top 10 Whole Milk Powder Importing Trade Companies, 2012

Table 7-3 List of China’s Top 15 Foreign Whole Milk Powder Processing Enterprises, 2012.

Table 7-4 List of China’s Top 20 Domestic Whole Milk Powder Importing Trade (Logistic)Companies, 2012

Table 7-5 List of China’s Top 10 Domestic Production Enterprises Importing Whole Milk Powder, 2012

Table 7-6 List of China’s Top 10 Whole Sweet Milk Powder Importers, 2012

Table 7-7 List of Skimmed Milk Powder Import by Main Foreign Trade Companies in China, 2012

Table 7-8 List of Top 15 Foreign Processing Enterprises of Imported Skimmed Milk Powder, 2012

Table 7-9 List of China’s Top 20 Domestic Trade (Logistic) Companies of Imported Skimmed Milk Powder, 2012

Table 7-10 List of China’s Top 10 Domestic Production Enterprises of Imported Skimmed Milk Powder, 2012

Table 7-11 Balance Sheet of Raw Milk Powder Supply and Demand in Australia, 2011-2013

Table 7-12 China’s Raw Milk Powder Import from Australia and New Zealand, 2007-2012.

Table 7-13 List of China’s Top 10 Skimmed Milk Powder Importers from Australia, 2012..

Table 7-14 List of China’s Top 10 Whole Milk Powder Importers from Australia,2012