

Kanematsu Make Inroads into Dairy Cow Feed Business in Vietnam

Kanematsu Corporation (Minato-ku, Tokyo, President: Masayuki Shimojima, "Kanematsu") has agreed to contribute funds to Dalat Milk Joint Stock Company (Dalat Milk, "DM"), a Vietnamese dairy producer, and to enter into a business tie-up with DM for the supply of dairy cow feed. Kanematsu and DM will jointly establish and manage a factory for TMR dairy cow feed (the TMR Center) and undertake the production of corn silage and other feed products to expand both sales in Vietnam and exports to Japan and South Korea and so on. The TMR Center will be fully operational by 2015 with a target of increasing production by at least 100,000 tons by 2019.

Kanematsu has maintained the top share in sales of dairy cow feed in Japan for many years. Specifically, we undertake the production and sales of compound feed for dairy cow in Japan and the collection and processing of forage in the U.S. and Australia. Kanematsu has always made efforts to supply safe and secure high-performance feed in a stable manner. Through the business tie-up described above, we will supply forage, corn, soybean meal and other feedstuff with DM and also increase sales of dairy cow feed and the production bases for feedstuff in the growth market in Vietnam.

DM, based in the Dalat highland, where it remains cool even in summer, collects raw milk from thousands of dairy cows on its own dairy farms and others surrounding them. It also grows and produces forage crops on its vast farmland, comprising hundreds of hectares. DM produces the dairy products using integrated processes. It is noteworthy that although milk powder and long-life milk dominate the Vietnamese market, DM provides freshly produced milk and yogurt products, mainly to the high-end market such as exclusive supermarkets and coffee shops, and that it has increased its sales tenfold in the past five years.

It is expected that the consumption of dairy products in Vietnam will expand owing to an increase in demand for them as the diversification of foods advances while eagerness for consumption is seen among the younger generations and the Vietnamese economy grows. Accordingly, the dairy feed business and a breeding/feeding control method must be developed. Kanematsu will contribute to the development of the dairy feed business in Vietnam through the improvement of milk production and quality by providing Japan's leading-edge dairy technology.

[Dalat Milk Joint Stock Company] (Exchange rate: 1 yen = 215 Vietnamese Dong)

Address: Dalat, Lam Dong, Socialist Republic of Vietnam

Foundation: 1976

Business description: production and sales of raw milk and dairy products, dairy farming, and production and sales of agricultural products

Paid-in capital: 320 million yen (as of December 2012)

Net sales: 550 million yen (as of December 2012)

URL: <http://www.dalatomilk.com/>



Contact:

Public Relations Department, Kanematsu Corporation

Tel: +81-3-5440-8000