

CASE STUDY: FOOD MANUFACTURING**NORCO – PRODUCING HIGH QUALITY DAIRY PRODUCTS IN DEMAND THROUGHOUT AUSTRALIA AND ASIA**

Founded in 1895, this farmer's co-operative in northern NSW now exports across Asia.

A regional co-operative owned by dairy farmers, Norco has transformed itself into a diversified agricultural business that manufactures dairy products under contract and for export.

With the help of the NSW Government, Norco expanded its ice cream production facilities at Lismore to tap into lucrative domestic and export markets for manufactured dairy products. Norco's multi-million dollar investment in the latest refrigeration and storage technology increased the capacity of its Lismore factory from 50 million to 100 million litres of ice cream a year. It aims to export up to 75 per cent of that extra production.

An export strategy is vital for an ice cream business. "It means trading in someone else's summer while its winter here," Norco Chief Executive Officer, Brett Kelly, said. Norco already exports to the United States and Japan, and in 2014 it negotiated agreements to enter China.

"The fact that we are a farmers' co-operative not only appeals greatly to Australian consumers, many of whom want to see the benefits of milk production flowing back to farmers, but it is also viewed favourably in China as a guarantee of quality," Mr Kelly said.

COMPANY ACHIEVEMENTS

Norco sells milk and other dairy products under the Norco brand, and in 2014 it began supplying Coles branded milk. It manufactures ice cream as a contractor for Coles, Woolworths, Aldi and Sara Lee, and for Trader Joe's in the United States.

The co-operative is unique in that it not only processes and value-adds to its members' milk, it also services its farm base through a network of 23 rural supply stores.

Mr Kelly said the integrated business model is important in giving domestic and international customers confidence in its clean and green manufactured dairy products. "Being Australian

farmer-owned is a key marketing point of difference for our export customers."

Mr Kelly said Norco's location on NSW's north coast is ideal for transport logistics. "We're in a niche position that allows us to service the markets between Sydney and Brisbane."



The Norco ice cream production line

ASSISTED BY NSW TRADE & INVESTMENT

NSW Trade & Investment provided financial assistance through the Northern Rivers Jobs Plan for Norco's expansion of its Lismore factory. Increased production and storage capacity allows the business to take on greater volume.

"It's part of our sustainable business model, so our farmers can continue to produce milk with certainty," Mr Kelly said.

The new production facilities are also more energy efficient, producing cost savings that are re-invested in expanding the business.

NSW Trade & Investment also worked with Norco on its market entry strategy for China. "We spent a lot of time building credibility and acceptance which is so important when doing business in China," Mr Kelly said.

www.norco.com.au

May 2014



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