

2.0 DAIRY PRODUCTS

Malaysians consume about 40 litres of milk per person annually. Total consumption is estimated at around 600 million litres liquid milk equivalent (LME). Currently, local production of milk is about 25 million litres. Thus, there is a considerable market for imported milk in Malaysia valued at between M\$250 million and M\$300 million.¹ The authorities hope to raise local milk production to between 85 and 90 million litres by the year 2000 and so there will be a considerable market for imports for the foreseeable future.

The size of the market for milk and milk products in Malaysia attracts substantial commercial interest. At least six major companies are now involved in processing and packing. The dairy manufacturing industry in Malaysia is developed but depends largely on imported dairy raw materials. The main products manufactured locally are sweetened condensed milk, evaporated milk, recombined HT milk, ice-cream and yoghurt products. Lately the consumption of condensed milk has been decreasing in relative to the consumption of fresh milk and milk powder. According to documentation distributed at a March 1989 Symposium on Milk conducted by the Danish Dairt Board in Kuala Lumpur, sweetened condensed milk and powdered milk and powdered milk account for about 35% and 27% respectively of the total milk equivalent market in Malaysia. About 14% of the total requirements are marketed as infant formula, 6% as evaporated milk and 10% as other dairy products like butter, cheese and ghee. Ready-to-drink milk makes up about 8% of the milk marketed. An estimated 62% of the liquid milk requirement is locally produced fresh milk.

2.1 Development

The Federal Agricultural Marketing Authority (FAMA) is actively promoting the consumption of fresh milk. A drink-fresh-milk campaign was launched in 1986. This was followed with a second campaign in 1988. Advertising of fresh milk was done through the media. Special fresh milk retail outlets - 'Segaria' - were set up in Kuala Lumpur as part of the promotional activities. These outlets sell fresh milk from the Department of Veterinary Services. FAMA is planning to set up 'Segaria' outlets in the other major towns. (Business Times, 8th March, 1989)

In an article in the Star of 3rd March, 1989, the agricultural counsellor of the Danish Embassy, Mr. Cansten Philipsen expressed the Danish hope of playing a role in modernising and building up the Malaysian dairy sector. He said that Danish dairy companies could provide their expertise and experience in the production of advanced milk products like yoghurt and ice-cream and the supply of farming and processing equipment and machinery. Mr. Philipsen said that an immediate area of co-operation would be the im-

1. C\$1 = M\$2.30 approximately at current exchange rates (late November/early December 1989).