China dairy firm invests $51.5 Mn in new intelligent processing park

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Anhui Liangdianshui Dairy Products is investing RMB350 million in a new intelligent dairy industrial park as demand for domestically processed cheese, butter and other value-added products expands

Anhui Liangdianshui Dairy Products Co., Ltd. is investing RMB350 million (US$51.55 million) in a new digital and intelligent dairy industrial park in Huaiyuan, Anhui, as the company moves to expand its deep-processing capacity and strengthen its position in China's growing value-added dairy market.

The foundation stone for the project was laid on August 18, 2026, at the Huaiyuan Economic Development Zone. The facility will cover about 4.53 hectares, with a total floor area of 53,000 square metres, and will bring together production workshops, cold-chain storage, a digital exhibition centre and supporting office and living facilities.

Once fully operational, the park is expected to process 51,000 tonnes of deep-processed dairy products annually, including butter and cheese. The project is projected to generate an annual output value of around RMB710 million ($104.57 million), giving Liangdianshui Dairy a significantly larger platform for developing higher-value dairy products.

The investment is part of the company's broader digital and intelligent transformation. Rather than focusing solely on expanding physical production, Liangdianshui Dairy plans to connect research and development, manufacturing, warehousing and sales through digital systems, creating end-to-end control over its operations.

The project is being developed around three principles—digital empowerment, intelligent manufacturing and green development—reflecting the changing priorities of China's food-processing industry. For dairy manufacturers, greater digital integration can improve production management, inventory control, traceability and coordination with cold-chain logistics, particularly as companies expand into more specialised product categories.

The timing of the investment also reflects a wider opportunity in China's dairy market. Demand for products such as cheese, butter and other deep-processed dairy products continues to grow, but the country remains dependent on imports for some high-end dairy raw materials and products. That dependence has created space for domestic companies to expand processing capabilities and capture a greater share of the value generated further down the dairy chain.

The shift is closely linked to China's efforts to revitalise its dairy sector and improve the industry's technological and processing capabilities. As the market matures, increasing milk production alone is no longer the only route to growth. The ability to convert dairy inputs into differentiated, higher-value products is becoming increasingly important for domestic processors.

Huaiyuan project represents a bet on that transition. By combining large-scale processing capacity with digital manufacturing and integrated cold-chain infrastructure, the company is positioning the new park as a domestic base for deep-processed dairy products and as a platform for competing in segments where China still has considerable scope for import substitution.