Milkgroound Food partners with DKSH to take Chinese cheese into global markets

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The partnership with DKSH gives Milkgroound Food access to established distribution channels while using Hong Kong to test products and gather consumer insights before entering Southeast Asia and the Middle East

Shanghai Milkgroound Food Tech Co., Ltd. is turning to an international distribution partner to take its cheese business beyond China, launching its products in Hong Kong as the first step in a broader push into Southeast Asia and the Middle East. The company announced a strategic partnership with DKSH at a press conference in Hong Kong, formally bringing Milkgroound Foodâ??s cheese products to the market through the Swiss-headquartered market expansion services provider. The partnership marks a shift in the way Chinese cheese brands are approaching overseas marketsâ??from isolated export trials toward a more structured strategy built around established distribution networks and local market intelligence.

DKSH has more than 160 years of experience in Asia and operates across 35 global markets. Under the partnership, Milkgroound Food will use DKSHâ??s distribution network to establish an initial presence in Hong Kong, while using the market as a testing ground for future expansion into Southeast Asia and the Middle East. The first focus will be retail and foodservice channels. For Milkgroound Food, Hong Kong offers more than a new sales market. Its mature consumer environment provides a relatively controlled setting in which the company can test how consumers respond to Chinese-developed cheese products, from taste and nutritional positioning to packaging and usage occasions.

That feedback will also flow back into the companyâ??s domestic innovation pipeline. The international expansion is planned in three stages. The first involves launching two ambient high-calcium cheese sticks in Hong Kong and gathering consumer feedback. The second will incorporate those insights into product development, supported by Milkgroound Foodâ??s Global Cheese R&D Innovation Center. The third will use the experience gained in Hong Kong to support expansion into broader international markets.

The approach reflects a growing realization among Chinese food companies that international expansion is not simply a distribution challenge. Products that succeed at home can require changes in formulation, positioning, packaging and consumption occasions before they can compete in established overseas markets.Â That makes Hong Kong both a commercial destination and a product-development laboratory.

The company intends to use direct engagement with consumers in the market to understand preferences around taste, nutrition, packaging and how cheese products are consumed. Those insights can then inform subsequent product iterations before the company moves into more geographically diverse markets. The strategy also reflects the changing economics of China's cheese industry.

China has historically been a relatively small cheese-consuming market compared with mature dairy markets, but changing diets, rising demand for convenient nutrition and the development of new cheese formats have created opportunities for domestic manufacturers. As local companies build greater capabilities in product development and manufacturing, overseas markets represent a potential next stage of growth. The challenge is competing in markets where consumers already have established preferences and where international dairy companies have strong distribution and brand recognition.

Partnering with DKSH gives Milkgrooound Food a way to avoid building an international commercial infrastructure from scratch. Instead, the company can leverage an established market network while concentrating its own resources on product development, consumer learning and expansion. The partnership is also intended to provide insights into broader premiumization and functional-food trends. Those learnings could ultimately influence Milkgrooound Foodâ??s products in China, creating a two-way flow between international market development and domestic R&D.

The companyâ??s longer-term ambition is therefore not simply to export existing products. It wants to develop cheese products that retain characteristics suited to Chinese consumers while gaining acceptance among consumers in other markets. That is a more demanding proposition than traditional export growth. It requires companies to balance local taste preferences with broader consumer expectations around nutrition, convenience and product functionality.

Milkgrooound Foodâ??s three-stage approach is designed to reduce that risk by starting with a relatively focused market before expanding geographically. Hong Kong provides an initial test of product-market fit. Product development follows based on consumer feedback. Broader international expansion comes only after the company has accumulated experience in adapting and commercializing its products outside mainland China. This partnership adds a Chinese cheese producer to its portfolio at a time when Asian food markets are becoming increasingly interconnected and Chinese consumer brands are looking for international growth.

Milkgrooound Food, is attempting to build an export model in which distribution, consumer research and product innovation reinforce one another. The ultimate goal is to develop what the company describes as â??Chinese cheese that pleases palates worldwideâ?•â??products rooted in Chinese consumer preferences but capable of competing for attention in international markets.

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