

Speech on the 3rd International School Milk Conference Made by President of Inner Mongolia Mengniu Milk Industry Group Mr. Niu Gensheng

School Milk is “the 2nd Hope Project”

(April 12,2005)

Our distinguished guests, ladies and gentlemen :

The nation depends on talents, the talent comes out of hard work, doing hard work needs good health, and good health should be paid attention early. On the opening of the 3rd international school milk conference, on behalf of Inner Mongolia Mengniu Milk Industry Group, as well as millions of milk farmers in the western region, I extend my warm wish to the conference!

Today the “United Nation’s meeting” of world milk industry is opening in China, where the milk industry is developing in fastest speed with the largest market potential. This will undoubtedly have a far-reaching significance in history. As we all know, developed countries in milk consumption lay stress on school milk program without exception, and this deserves a study made by all developing countries.

To achieve a comparatively well-off life depends on health; to become health depends on milk pot. In fact, even microorganism that can not speak and without feeling knows the nutrition value of milk, let alone human being that has mind. In order to guarantee milk supply to students, most rich countries adopt mandatory measures, and even make laws for that. Our eastern neighbor Japan and south neighbor Singapore follow that way. China has a vast land and the development is not balanced with distance between the rich and the poor. Perhaps it is not the right time for a united legislation in the whole country, but in some regions, it is possible for early legislation on this. For example, in Beijing, Shanghai, Guangzhou and coastal developed regions, as long as the GDP/person exceeds USD4000, it should take lead in making laws on drinking milk, and this is our point of view.

Secondly, laws on drinking milk should cover all children. This is our “2nd hope project”. Children in rich region should have milk to drink, so do children in poor region. If the income is not enough to guarantee milk for children, legal assistance should be provided. Government, enterprise and social organization should bear this responsibility together.

In the past when we implemented “the 1st hope project”, we mainly put emphasis on intelligence. In the future, “the 2nd hope project” will stress on physical strength. Intelligence is important, but physical strength is more important. To put emphasis on physical strength is the foundation of intelligence. The reason China lost in many culture and sports matches is not that our skill is far behind but our physical strength is weak. The reason many Chinese scientists pass away in their youth is not their intelligence problem but their weak physical strength. If the body stops working, no matter how clever the brain is, it will stop working. Therefore, if one wants to improve intelligence, he must develop physical strength first. Education and drinking milk need to start from children, one is brain health, and another is body health. Two “hope projects” are just like “two legs” which should accompany a person in whole life.

How to implement “the 2nd hope project”? In Europe, the way is making laws, and United Nations adopted the way to help school milk program in Africa. We suggest doing two things well at present. The first is doing the education on popularizing milk. Chinese people lack the habit of drinking milk-in developed countries people like to drink milk, while Chinese people like to eat meat. But the reason of lacking habit of drinking milk mainly lies in insufficient understanding on milk. Therefore, the biggest problem of China milk industry is market education, which is how to make the whole cake big. Under this situation, I hope everyone talk less about the surrounding but more about efficiency, and put strength on solving major problems at present.

Another thing we suggest to do is making effective adjustment through economic lever to realize “co-drinking milk” among children in poor region and rich region. This is the implementation of “common prosperity” target on children. I think when school milk program is inviting public bidding, it is better to bundle a rich region with a poor region so as to form a kind of “match of sub-object”. For instance, Shanghai and Jinggangshan can form a “match”, Beijing and Yan’an can form a “match”. It should be stipulated in the bidding rules of school milk program, if an enterprise wins the bidding in Shanghai, it should take a former revolutionary region like Jinggangshan with it; if an enterprise wins the bidding in Beijing, it should take former revolutionary region like Yan’an with it...so and so. Urban area is matched with rural area, and the poor is bundled with the rich, the worker is combined with the farmer. If the successful enterprise in bidding earns 600,000 yuan on school milk program in rich region, at least it should put 300,000 of it to make up into poor region so as to realized the objective of using the rich to help the poor, using industry to help agriculture, and using the urban area to bring up rural area. In a word, our point of view is, in the end, the enterprise should not get profit from school milk program.

Thirdly, we should hold a correct view on the security of school milk. We should not rash advance, and nor should we stop eating for fear of choking. Here there is a saying “be careful in getting evidence and be bold in hypothesis”. The promotion of school milk program in China ever slowed down due to security accidents. What is the reason of the accidents? Whether it is the problem of the whole milk industry, or it is the problem of executive system? In fact, I think it is “the pain of system”. Some enterprises that do not have condition to produce school milk in terms of equipment, technology, and criterion are permitted to supply milk to campus strangely. The root of the problem lies in local region protection as well as the restriction of rules and regulations in different regions. As the result, between good products and good students, there are three kinds of “badness”—— bad teacher, bad leader, bad system —— finally, good products are stopped up at the door, while bad products are sent into the campus.

Therefore, the lawmaking on school milk program must get rid of the obstacle of system with every means.

However, we should not be so critical on implementing school milk. There is no one hundred percent perfection in natural law. Although there is air crash, but airplanes must take off in the sky every day; although there is car crash, every day cars must go into street. It is no reason to stop all the airplanes and cars because of an accident, so does school milk program. We should solve whatever problem we meet, “act according to circumstances” and should not stop at original place.

Finally, let’s talk about the relationship between milk industry and agriculture and the relationship between milk and economy. In developed country, the production value of milk industry accounts for over 20% of total production value of agriculture, while in China, the production value of milk industry accounts for less than 1% in the total production value of agriculture. In fact, “ a glass of milk makes a nation strong” is a worldwide issue. Milk issue is not only an issue of strengthening the physical strength of our nation, but also a quick way for a country to change from agriculture civilization to industry civilization. As what we promote: “the prosperity of milk industry makes the prosperity of agriculture, and the prosperity of agriculture makes the country strong”, “citizen can get healthy with a glass of milk, which makes a farmer’s family rich.” Milk industry forms a bridge between city and rural area, which is good for the elimination of the two-dimensional economic structure in China; milk industry makes large number of farmers to change into industry workers under the circumstance of leaving land but not leaving hometown. It effectively promotes the progress of industrialization and urbanization

It is a short time since Mengniu’s establishment. When it was set up, “1st there was no factory,secondly there was no milk source and thirdly there was no market”. Through several years’ development, present Mengniu “1st has a world model factory, secondly has international model farmland, and thirdly has No.1 sales volume of liquid milk.” On one hand, consumers in the whole country is our market; on the other hand, we are the

market for numerous farmers: in the past, farmers depended on “annual pay”.They can get in only one time in a year; at present they get “monthly salary”, and can receive milk payment from us every month. Currently we bear three responsibilities: we bear the first responsibility for farmers and employees to make the rural area become well-off and do not let the employees become laid off workers; we bear the second one for consumers to make the old happy, make children strong and let our nation people become healthy; the third responsibility we bear for share holders to make good finance interactive relationship in domestic and abroad. On the promotion and pushing of school milk program, Mengniu will always contribute itself to this great cause which benefits contemporary people and our future generation.

Finally, I wish school milk program become “the 2nd hope project” to benefit our future generation in future centuries.

I also wish friends from domestic and abroad to be healthy, prosperous in career, to exchange frequent visits and keep our friendship as long as the heaven and earth endure.

Thank you !