

# THE STANDARD

## Burra Foods flags interest in Koroit plant

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Dairy processor Burra Foods has joined Bega Cheese as among the list of potential buyers of Murray Goulburn's (MG) Koroit plant.

Burra Foods chief executive Grant Crothers said the Gippsland-based dairy processor "may be interested", in buying what he said was a "quality asset" such as the Koroit factory.

"I have said we are looking to expand our business," Mr Crothers said.

"You have to work out if it will make some money. How do you get it to be profitable?" he said.

Mr Crothers said any purchase would depend on whether or not it added value to Burra's business model.

"The whole dairy industry is looking to expand," he said.

"We are always interested in investing in increased capacity in Gippsland, so we are always looking at our options," Mr Crothers said.

Plans by Canadian dairy giant Saputo to sell off the Koroit plant soon after it acquires it have firmed up with the company's bid to buy all of MG getting clearance this week from Australia's Foreign Investment Review Board.

Saputo is to sell off the Koroit plant to appease concerns by the Australian Competition and Consumer Commission that Saputo would have too much control of the regional milk market if it kept MG's Koroit plant. Saputo already owns the Warrnambool Cheese and Butter factory at Allansford.

Bega Cheese has said it's interested in buying the plant but will make no decision about bidding until the sale process was revealed after May 1.

It's believed the Koroit plant could be valued at between \$200 and \$300 million.

Kyabram-based milk supplier and dairy processor Australian Consolidated, which draws milk from western Victoria, has said it was still to make a final decision about bidding for the plant.

ACM managing director Michael Auld said the company would make a decision after it found out "what's for sale, what comes as a part of it - around milk supply - and we understand in a bit more detail."

"But it's less likely, rather than more likely," Mr Auld said.

Other potential purchasers are rumoured to include the NSW dairy cooperative Norco and Chinese interests.

In other developments, MG said its chief executive officer Ari Mervis will leave MG after its sale.

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