

SE **Business**  
HD **Forrest eyes big dairy plays**  
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WC 410 words  
PD 28 October 2014  
SN The West Australian  
SC TWAU  
ED First  
PG 1  
LA English  
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Mining **billionaire** Andrew Forrest has emerged as the potential new owner of WA's biggest single **milk** producer as he weighs up more investment in farming and food processing.

It is understood Mr Forrest's Minderoo **Group** recently cast an eye over both Lactanz Dairies, near Scott River in the South West, and the Brownes **dairy** processing plant in Balcatta.

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Mr Forrest's interest in the local assets was revealed as WA-based livestock exporter Wellard celebrated a \$100 **million** deal to supply 22,500 **dairy** cattle to the Sri Lankan Department of Economic Development.

Wellard will source Friesian Jersey-cross heifers from around Australia and ship them to Sri Lanka over the next two years.

The Wellard deal, financed by Rabobank and backed by Australia's Export Finance Investment Corporation, includes management and veterinary support.

Wellard will also set up a farm and build a **dairy** as Sri Lanka builds on the success of earlier consignments of 2000 cattle.

Lactanz, which has no link to the Wellard deal, boasts about 4000 milking cows and 1500 rising heifers. It churns out about 16 **million** litres of **milk** a year under a supply contract with Brownes, which expires at the end of June.

In the hands of receivers Ferrier Hodgson for more than 14 months, Lactanz is being marketed by CBRE for about \$30 **million**.

Expressions of interest close on Friday, with Minderoo believed to be one of a number of interested parties. The others include **Chinese**, Indonesian and Middle East interests.

Local processors Brownes, Harvey Fresh and Lion are also keeping a close eye on the **sale** as they battle for **milk** supply in WA.

Brownes owner Archer Capital has been trying to sell off part or all of the WA processor. The private **equity** fund has made no official comment on a **sale** process which values Brownes at more than \$200 **million**.

Industry analysts said securing Lactanz could provide Mr Forrest with a significant bargaining chip in negotiations on the future of Brownes.

Mr Forrest snapped up Harvey Beef from another private **equity** fund, Pacific Alliance **Group**, for about \$45 **million** in May.

The Sri Lanka deal is a boost for Wellard after a major fire on its flagship vessel the Ocean Drover this month which left one crewman injured.

The Ocean Drover is almost certain to be towed to Singapore for repairs that are expected to cost about \$10 **million**.

**IN** i010010502 : Dairy Cattle Farming | i0 : Agriculture | i01001 : Farming | i0100105 : Cattle Farming |  
ilsfarm : Livestock Farming

**NS** ccat : Corporate/Industrial News

**RE** waustr : Western Australia | apacz : Asia Pacific | ausnz : Australia/Oceania | austr : Australia

**PUB** West Australian Newspapers Limited

**AN** Document TWAU000020141027eaas0004m