

SE **Business**
HD **Back local agri, Brownes says**
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WC 437 words
PD 24 January 2014
SN The West Australian
SC TWAU
ED First
PG 90
LA English
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Australia is at risk of being left to cry over split **milk** as overseas companies gobble up domestic agribusinesses, according to Brownes managing director Ben Purcell.

Mr Purcell said the recent explosion of overseas interest in the **dairy** industry raised fundamental questions about the lack of domestic investment in food processing and agriculture.

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"We need to be less pleased with foreign investors paying over-the-odds for our businesses and more concerned about what it is that they can see that we can't see," he said.

Mr Purcell urged more debate on the issue as Canadian **dairy** giant Saputo celebrated victory in the long-running battle for control of Warrnambool **Cheese** and **Butter** Factory.

Victorian-based co-operative Murray Goulburn conceded defeat yesterday and will sell its 17.7 per cent share to Saputo as part of a deal that values Warrnambool at a maximum of \$537 **million**.

Saputo, Italy's Parmalat, **Chinese** conglomerate Bright Foods, Japan's Kirin are among the global heavyweights with a growing footprint in the Australian **dairy** industry, and Mr Purcell said it was time to consider their motivation.

"I think foreign investors, particularly Asian investors, have a fundamentally different view on long-term price and that is why they see value in things we don't see value in," he said.

Mr Purcell urged Federal and State governments and the Australian superannuation industry to do more to support Australian-controlled agribusinesses.

"Otherwise we could have a situation where a lot of the critical manufacturing and processing assets in the country are outside our control," he warned.

Murray Goulburn blasted Australia's regulatory process after losing the three-way battle with Saputo and Australia's Bega **Cheese** over Warrnambool.

The co-operative said it faced longer delays in having its bid approved by Australian Competition Tribunal than Saputo did in having its bid assessed by the Foreign Investment Review **Board**, putting it at a disadvantage.

Murray Goulburn will receive at least \$92.9 **million** for the sale of its **stake** to Saputo, and make a gain before tax and costs of about \$51 **million**.

Saputo will pay up to \$9.60 a share if its **stake** in Warrnambool passes 90 per cent. Warrnambool shares were trading at \$4.51 when the takeover battle kicked off in September.

Archer Capital-owned Brownes, Kirin-owned Lion and family-owned **business** Harvey Fresh are WA's three major **milk** processors.

Parmalat hinted at a big investment in WA processing last year when it entered the flavoured-milk market, with Harvey Fresh regarded as its prime target.

CO mryglb : Murray Goulburn Co-operative Company Limited | wcbfch : Warrnambool Cheese and Butter Factory Company Holdings Ltd

IN i41 : Food/Beverages/Tobacco | i413 : Dairy Products | i4131 : Non-frozen Dairy Products | icnp : Consumer Goods | ifood : Food Products

NS ccat : Corporate/Industrial News

RE austr : Australia | victor : Victoria (Australia) | apacz : Asia Pacific | ausnz : Australia/Oceania

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AN Document TWAU000020140123ea1o0003y