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HD Dairy expansion hopes up

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LP MAJOR dairy expansion at Circular Head is moving closer, with Woolnorth's owner set to be taken over.

The historic Van Diemens Land Company is expected to be taken over by the newly incorporated Tasmanian Land Company.

TD TLC is offering cash or TLC scrip for VDL shares.

"If key VDL shareholders accept scrip, it is anticipated TLC will undertake a restructure of VDL to facilitate future capital raising and enable the company to substantially expand its dairying operations in Tasmania," VDL said.

The New Plymouth District Council, in New Zealand, owns 98.4 per cent of VDL.

VDL said the council had indicated it would accept the offer and take scrip.

That would give a green light for expansion (subject to approvals likely to be opposed by environmentalists).

VDL independent directors have recommended shareholders accept the offer, in the absence of a higher one.

TLC is offering \$2 per share.

VDL said that was a 45 per cent premium to net tangible assets of \$1.375 per share as at May 31 this year.

If a sale went ahead and expansion followed, it would be good news for Circular Head and the whole of the state, Circular Head Mayor Daryl Quilliam said.

He said it would mean new dairies and jobs.

A recent government funded project to provide power along Marcus River Rd would allow new farms.

Cr Quilliam said there was much land in the area for potential dairy expansion.

Not much was clear as yet about TLC, which has been incorporated in Australia.

There is believed to have been significant Chinese interest in Woolnorth.

Deputy Premier Jeremy Rockliff said: "Investment in Tasmania's dairy industry is strong and growing and our Agrivision 2050 plan, which is aimed at increasing the value of the state's agricultural sector to \$10 billion a year by 2050, is achievable."

"Recent developments in the dairy industry demonstrate just how achievable this target is, and that means more jobs in Tasmania.

"The dairy industry currently employs about 2000 Tasmanians in a range of on and off farm jobs; the potential for growth is impressive."

VDL shareholders have until 5pm on February 5 to accept the offer.

VDL announced a \$7.2 million annual profit earlier this year.

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