

THE LAND

SE EARLY GENERAL NEWS
HD **Charlton feedlot sale not an end to feed activities**
BY Andrew Marshall
WC 410 words
PD 22 May 2014
SN The Land
SC FTLAND
PG 11
LA English
CY Copyright 2014 Fairfax Media Publications Pty Limited. . Not available for re-distribution.
LP

WHILE Elders is about to sell its 776-hectare feedlot and cropping **property** at Charlton in Victoria it could well be looking to expand its lotfeeding activities elsewhere, says chief executive officer and managing director Mark Allison.

The decision to make use of Charlton's capital value to help trim the **company's** debt load was not a sign Elders would quit its involvement in the feedlot sector, including its Killara operation near Quirindi in northern NSW, or its Indonesian facility.

TD

While Charlton is one of Victoria's biggest beef feedlots with 150 hectares of livestock infrastructure, feed mills, flaking plants and related facilities, Mr Allison said its contribution to Elders balance sheet had been variable at times considering the capital expenditure involved.

It was "not absolutely necessary" to future plans.

The **site**, estimated by industry analysts to be worth about \$10 million, is currently custom feeding cattle for Elders' clients, operating at near-capacity because of the good availability of stock and grain in southern NSW.

Killara, owned fully by Elders since 2010, was considered more strategic to the **company's** broader network operations and was not in Elders **sale** catalogue.

"It could be that we invest further in lotfeeding in Australia and overseas, once we've reduced our debt to acceptable levels," Mr Allison said.

The **company** was making a "conscious and deliberate decision" to prioritise capital where it was needed most and producing the best returns.

That priority had also led to Elders' New Zealand merchandise and livestock operations and its part-owned Elders Primary Wool assets going on the market.

Elders has about 108 staff in NZ, plus another 100 contracted agents associated with its sites across the North and South islands, but has closed four unprofitable branches in the past year.

The **company's** merchandise, agronomy, seed and fertiliser business in NZ has notched up losses for the past two trading years.

The Elders brand has been in the NZ market for some time, but the **company sold** out once before to a management-run syndicate, which subsequently offered the business back to the **company** about six years ago.

Elders' live export business was also making decisions about how it responded to opportunities in short-haul markets to Indonesia and Vietnam or long-haul routes to **China** and Eastern Europe.

ANDREW MARSHALL

IN i4221 : Animal Feed | i41 : Food/Beverages/Tobacco | icnp : Consumer Goods | ifood : Food Products

RE austr : Australia | nswals : New South Wales | apacz : Asia Pacific | ausnz : Australia/Oceania

PUB Fairfax Media Management Pty Limited

AN Document FTLAND0020140521ea5m0003c