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HD Foreign interest in dairy farms 'frenzied'
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Scott River dairy farmer Ross Woodhouse has taken a swipe at local banks as overseas investors prepare to make their move to secure milk supply in WA.

The former Australian Farmer of the Year said on Monday China's COFCO was just the latest in a long line of companies to inspect dairies at Scott River.

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He said the interest from overseas was "frenzied" but up until now potential investors had balked at the cost of producing milk in WA.

Mr Woodhouse is one of at least three farmers in the region willing to sell their dairies and has been a sounding board for companies casting an eye over nearby Lactanz Dairies.

Lactanz, WA's biggest single milk producer, is back on the market more than 12 months after it collapsed under New Zealand-based owner Rosmerta, with debts of \$21 million.

It is estimated a big investor could buy Lactanz and three other dairies, producing a combined 45 million litres of milk a year for less than \$80 million.

"There is so much background noise about dairy now that someone could grab it," Mr Woodhouse said.

"There is a real opportunity to be an owner, or a partner, or to target milk supply to bring it out of WA to China."

Mr Woodhouse said he had built up his dairy operations from 93 milking cows to almost 3000 over 25 years, but faced a constant battle for banking support.

His bid to set up a new dairy at Dardanup had stalled despite a shortfall in milk supply in WA.

"We bought the land, the cows are ready to go, there is a management team," he said.

"Everything is in place now except the dairy and we can't get the banks to give us capital for the dairy."

The Department of Agriculture and Food WA confirmed last weekend it helped set up meetings between an international dairy company and farmers in the South West and processors in Perth in the past week.

DAFWA food trade development manager Terry Burnage and Western Dairy chairman Victor Rodwell also attended an investment forum in Melbourne last week, organised by Dairy Australia and Austrade.

Mr Burnage said WA, which contributed 3.5 per cent of the 9.2 billion litres of milk produced in Australia last year, was missing out.

“The world market for dairy products is increasing at about 18 billion litres of milk a year while WA’s production is falling,” he said.

Mr Burnage said DAFWA and Western Dairy wanted to work with processors to grow the industry.

IN i010010502 : Dairy Cattle Farming | i4131 : Non-frozen Dairy Products | i413 : Dairy Products | i0 : Agriculture | i01001 : Farming | i0100105 : Cattle Farming | i41 : Food/Beverages/Tobacco | icnp : Consumer Goods | ifood : Food Products | ilsfarm : Livestock Farming

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