

SE **Business**
HD **Savvy investors flock to agriculture assets**
WC 397 words
PD 13 August 2014
SN The West Australian
SC TWAU
ED First
PG 14
LA English
CY (c) 2014, West Australian Newspapers Limited
LP

Agricultural commodities have a positive outlook this year, with Australia's poultry sector and New Zealand's **dairy** sector likely to be among the best-performing agribusinesses.

A Colliers International rural and agribusiness report found the businesses were showing significant growth and stimulating the **property** market.

TD

Tim Altschwager, national director of rural and agribusiness at the agency, said the change was influenced by an improving global economy, increased food demand and better availability of finance.

Mr Altschwager said the **dairy** market was strong in New Zealand and improving in Australia, with more than 40 per cent of Australian **milk** production exported, mainly as powder or processed product, driven, in particular, by **Chinese** demand.

"There is good value in most **dairy** regions," he said. "Lower asset values and higher **milk** prices will ultimately support and drive profitability. We anticipate activity in the next 12 months as investors seek to get a foothold in the Australian **dairy** industry."

"New Zealand is set for another bumper year, with continued domestic and offshore investment, especially in the **dairy** sector."

WA has had its share of major agribusiness **transactions**, including the Parmalat **purchase** of Harvey Fresh for \$117 **million**, Hancock Prospecting's 50 per cent **stake** in the Liveringa and Nerrima cattle stations in the West Kimberley for about \$40 **million**, Andrew Forrest's Minderoo **Group** snaring Harvey Beef for a reported \$40 **million** and the Macquarie **Group's purchase** of Jameson Farm in Wongan Hills for a reported \$30 **million**.

Colliers International WA agribusiness manager Greg O'Meara said the sector had experienced considerable activity in the first half.

"In addition to those major deals, there have also been a number of agri/industrial **transactions** where processing plants, mills and the like have been **sold** on a leaseback basis, allowing food and agribusinesses to invest and grow operations," he said.

These included the sales of the Milne Feeds **site** in Welshpool to Charter Hall for \$17 **million** and the Brownes **Dairy site** in Balcatta for more than \$50 **million**.

Interest in the sector in WA showed no signs of waning heading into the second half of the year, Mr O'Meara said.

Nationally, Colliers International director of research Mark Courtney said **wine** industry assets were still near the bottom of the cycle, presenting an opportunity for investors to take advantage of low entry costs.

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

NS ccat : Corporate/Industrial News

RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

PUB West Australian Newspapers Limited

AN Document TWAU000020140812ea8d00049