

SE **Business**  
 HD **WA milk producer to siphon off assets**  
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Western Australia's largest **milk** producer, Lactanz Dairies, will again come to market at the end of this month with the \$30 **million** landholding finally expected to sell.

The operation, which consists of four farms in Scott River East in the southwest region of Western Australia, is tipped to appeal to offshore buyers that have set the pace in the sector.

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The assets, spanning 2208ha, are more attractive as a result of deal in June that saw the **group** regain control of its **dairy** herd, which stands at more than 4000 cows and 1500 rising heifers.

Lactanz Dairies has been on and off the market since 2012 and the **dairy** farm operation fell under the control of receivers Ferrier Hodgson last year, owing about \$21m.

In 2012, when the farms were first offered for **sale** by private New Zealand **company** Rosmerta, The Australian reported the properties had attracted interest from **Chinese** as well as eastern states buyers.

After the receivers were called in, buyers were worried by the fact that leading **milk** processor Brownes owned the **dairy** cattle on three of the four farms that make up Lactanz and had the **milk** supply locked up.

However, Brownes in June **sold** those three herds back to the farms under an arrangement which, combined with an additional purchase, would now see Lactanz marketed as a complete asset with its own cows.

An exclusive **milk** supply agreement is also in place until the end of June next year with Brownes **Dairy**.

Danny Thomas, of CBRE Agribusiness, has been appointed to handle the **sale** on behalf of Ferrier Hodgson. He noted the optimistic forecasts for the industry and increasing levels of interest from international investors.

"The declining Australian currency is enhancing the attractiveness of Australia as an investment destination, supported by strong domestic market fundamentals, increasing demand from export markets for Australian produce and the stability of the political landscape," he said.

Mergers and acquisition activity includes the Canadian **dairy group** Saputo's \$519m takeover of Warrnambool **Cheese** and **Butter**, Parmalat's \$120m acquisition of Harvey Fresh, as well as New Zealand **dairy** co-operative Fonterra's acquisition of a strategic **stake** in Bega **Cheese** and purchase of Northern Tasmanian yoghurt producer Tamar Valley **Dairy**. Fonterra and Murray Goulburn have expanded in Tasmania and a joint venture between Murray Goulburn and Mitsubishi has opened Tasmanian **Dairy** Products in Smithton.

CO ferhod : Ferrier Hodgson & Company

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