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DEALS A BRAZILIAN meat processing giant has swallowed smallgoods producer Primo **Group** as the trend for offshore companies to dine out in Australia gathers pace.

Brazil's JBS — the world's biggest food processing **company** — has signed a \$1.45 **billion** deal through its Australian offshoot to **buy** Primo, a 29-year-old family **business**.

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Australia's biggest ham, bacon and smallgoods producer, Primo had been 70.1 per cent owned by private **equity group** Affinity **Equity** Partners since 2011.

Its brands include Primo Smallgoods, Hans and Beehive, and it boasts a 3000-strong workforce and five processing plants across Australia and New Zealand.

The deal comes hot on the heels of a \$1.3 **billion** Singaporean-**Hong Kong** joint offer for breadmaker Goodman Fielder.

It also bookends a year in which Canadian **dairy** heavyweight Saputo waged a fierce battle for control of Warrnambool **Cheese** and **Butter** Factory, snapping up almost 90 per cent of the **group** in February.

IG Markets strategist Evan Lucas said the recent signing of a free-trade agreement with **China**, Australia's biggest trading partner, had helped put Australian agribusinesses front of mind among global investors.

"These sort of deals are probably going to be a fairly regular thing over the next year and a bit," Mr Lucas said.

It also comes as local movers and shakers Andrew Forrest, chairman of Fortescue Metals, and **billionaire** Gina Rinehart invest **millions** in beef and **milk** producers respectively to cash in on the expected boom in demand from **China**'s increasingly affluent middle-class.

JBS Australia chief Brent Eastwood said the acquisition provided a great opportunity for the **group** to expand Primo's sales into offshore markets, including **China**.

Primo chief Paul Hitchcock said he welcomed the deal. The **sale** is subject to regulatory approvals.

CO fdgl : Goodman Fielder Ltd | wcbfch : Warrnambool Cheese and Butter Factory Company Holdings Ltd
IN ifood : Food Products | i41 : Food/Beverages/Tobacco | icnp : Consumer Goods | i413 : Dairy Products | i4131 : Non-frozen Dairy Products
NS ccat : Corporate/Industrial News
RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

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