

SE **Business**
HD **Plea to banks as dairy investment frenzy mounts**

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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 yesterday that **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 baulked 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 at the weekend that 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 on the growing **dairy** market.

"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 to take advantage of overseas demand.

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