

The Advertiser

SE **Business**
HD **Our food producers on top of the global menu**

BY PAUL GILDER
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AUSSIE food companies remain a global target after the local arm of a Brazilian-owned meat processing giant brought home the bacon by gobbling up smallgoods producer Primo **Group** in a **billion**-dollar deal.

JBS Australia, a division of Brazil's JBS SA, the world's biggest food processing **company**, yesterday announced it had signed a \$1.45 **billion** deal to **acquire** the 29-year-old family **business**. Primo, which is Australia's biggest ham, ba-con and smallgoods producer, had been 70.1 per cent owned by the Asia-Pacific based pri-vateequity **group** Affinity **Equity** Partners since 2011.

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The NSW **company**'s 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 and bookends a year in which Canadian **dairy group** Saputo waged a fierce battle for control of Warrnambool **Cheese** and **Butter**, falling just short of a full takeover in February. A separate \$3.4 **billion** attempt by US agribusiness Archer Daniels Midland to take over grains handler GrainCorp was blocked by Treasurer Joe Hockey on national interest grounds late last year.

IG Markets strategist Evan Lucas said the recent signing of a free-trade agreement with **China**, our biggest trading partner, had helped to 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.

"**China** has put the Australian foodbowl at the front of peoples' minds and this brings a **company** like Bega **Cheese** into play." It also comes as local movers and shakers Andrew Forrest, chairman of Fortescue Metals, and **billionaire** Gina Rinehart invested **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 JBS to expand Primo's sales into offshore markets, including **China**, adding: "JBS intends to position Primo **Group** as the platform for exports in smallgoods to Asia. There is a vast opportunity for the export of Australian pork related smallgoods . . . that has thus far gone largely untapped." Primo **Group** chief Paul Hitchcock welcomed the **sale** to JBS. He said: "While it will remain very much **business** as usual for our employees, suppliers and customers, this transaction offers tremendous opportunities for a producer of high quality products like Primo.

"We look forward to being part of JBS and capitalising on its international distribution network." The **sale** is subject to regulatory approvals.

CO fdgl : Goodman Fielder Ltd | fribol : Grupo JBS SA | afipp : Affinity Equity Partners Pte Ltd

IN ifood : Food Products | i41 : Food/Beverages/Tobacco | icnp : Consumer Goods | i412 : Animal Slaughter/Processing | i4122 : Meat Processing | i81502 : Trusts/Funds/Financial Vehicles | i8150203 : Private Equity | ialtin : Alternative Investments | ifinal : Financial Services | iinv : Investing/Securities

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