

SE WestReg
HD **Brownes leader pushes support for local industry**

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The nation may be left to mourn the domestic industry, Brownes managing director Ben Purcell has warned, as overseas companies snap up Australia's agribusiness operations.

Mr Purcell said the recent explosion of overseas interest in the industry raised fundamental questions about the lack of domestic investment in food processing and agriculture.

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"We need to be less pleased with foreign investors paying over-the-odds for our businesses and more concerned about what it is that they can see that we can't see," he said.

Mr Purcell urged more debate on the issue, as Canadian **dairy** giant Saputo last week celebrated its victory in the long-running battle for control of Warrnambool **Cheese** and **Butter** Factory.

Victorian-based co-operative Murray Goulburn conceded defeat last Thursday and will sell its 17.7 per cent share to Saputo as part of a deal that values Warrnambool at a maximum of \$537 **million**.

Saputo, Italy's Parmalat, **Chinese** conglomerate Bright Foods and Japan's Kirin are among the global heavyweights, with a growing footprint in the Australian **dairy** industry.

Mr Purcell said it was time to consider their motivation.

"I think foreign investors, particularly Asian investors, have a fundamentally different view on long-term price and that is why they see value in things we don't see value in," he said.

Mr Purcell urged Federal and State governments and the Australian superannuation industry to do more to support Australian-controlled agribusiness operations.

"Otherwise we could have a situation where a lot of the critical manufacturing and processing assets in the country are outside our control," he warned.

Murray Goulburn blasted Australia's regulatory process after losing the three-way battle with Saputo and Australia's Bega **Cheese** over Warrnambool.

The co-operative said it faced longer delays in having its bid approved by Australian Competition Tribunal than Saputo did in having its bid assessed by Foreign Investment Review **Board**.

Murray Goulburn will receive at least \$92.9 **million** for the sale of its **stake** to Saputo, and make a before-tax-and-costs gain of about \$51 **million**.

Saputo will pay up to \$9.60 a share if its **stake** in Warrnambool passes 90 per cent, a \$5.09 premium to the trading price in September when the takeover battle kicked off.

Parmalat hinted at a big investment in WA processing last year, with Harvey Fresh regarded as its prime target.

CO mryglb : Murray Goulburn Co-operative Company Limited | wcbfch : Warrnambool Cheese and Butter Factory Company Holdings Ltd

IN i41 : Food/Beverages/Tobacco | i413 : Dairy Products | i4131 : Non-frozen Dairy Products | icnp : Consumer Goods | ifood : Food Products

RE austr : Australia | victor : Victoria (Australia) | waustr : Western Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

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