

SE **Business**  
HD **Chicken farms prices are far from paltry these days**

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FARmland values are expected to improve on the back of increased agricultural production over the next year with demand for poultry leading the way, according to a research paper by Colliers International.

The paper said the Australian agricultural property market, which has struggled since the global financial crisis, had bottomed and would have an improved year to June 2015, largely on the back of increasing food demand from Asia. And the best-performing part of the agricultural industry will be poultry, with the growth in production to increase by 1.1 **million** tonnes, a 3 per cent increase from last year.

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Global investors are picking up on the theme, with private **equity** giant TPG on track to reap a record haul from the **sale** of the Inghams Enterprises property portfolio for more than \$600 **million**. A deal on the **group's** poultry and industrial portfolio is expected to close next month with US real estate investment trust WP Carey in the mix for parts of that portfolio.

While many of Australia's agricultural products are set to benefit from the expanding Asian middle class, 95 per cent of chicken is consumed by the domestic audience as it is cheaper than beef, pork and lamb.

"The poultry sector is arguably the best financially performing agribusiness enterprise in Australia, currently based on the projections which show that chicken meat is to remain Australia's most consumed meat in the medium term," Colliers International's director of rural and agribusiness, Tim Altschwager, said.

"This demand is creating passive investment opportunities for acquisition of assets on **sale** and leaseback models for long terms of 10 to 20 years with double-digit yields," he said.

"Syndicates of private investors are developing and owning the new-age broiler farms producing **millions** of chickens per annum." The cotton, beef and **wine** sectors are also expected to improve, but on the back of increased demand from Asia.

Over the past two years the cotton industry has experienced record production and a number of property transactions have occurred in the Murrumbidgee Irrigation Area in the Riverina, according to the Colliers research.

"**China** is stockpiling cotton for future production, increasing the demand for cotton textiles which in turn makes them the largest importer of Australian cotton, accounting for 68 per cent of our total production," Mr Altschwager said.

As for the beef sector, Colliers International's director of research, Mark Courtney, said the market was affected by the drought, which caused a lot of properties to be placed in receivership. "It is important to note that gains have been made in the first half of 2014," Mr Courtney said, adding that a lot of the receiver stock was selling.

**CO** crydvf : W.P. Carey Inc. | inent : Inghams Enterprises Pty Ltd | tpgpar : TPG, Inc.

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