

SE Lifestyle

HD **Dairy** giant goes up for **sale**

BY ROGER HANSON and KAROLIN MacGREGOR

WC 515 words

PD 11 July 2014

SN Tasmanian Country

SC TASCOU

ED TasCountry

PG 3

LA English

CY © 2014 News Limited. All rights reserved.

LP

AUSTRALIA'S biggest **dairy** farmer, Van Diemen's Land **Company**, is to be **sold** by its New Zealand-based owners.

It is understood several investors have already expressed interest in the **company**.

TD

One of Australia's oldest companies, VDL is owned by Tasman Farms Ltd, which in turn is owned by New Plymouth District Council.

VDL owns and operates 25 **dairy** farms, most of them at Woolnorth, in the state's far North-West. It runs about 30,000 **dairy** stock producing 70-80 **million** litres or about 10 per cent of the state's **milk** production.

This year's **milk** production figures are up on last year, which could be another sweetener for potential investors.

The **company** also has a **dairy** support unit and stand-alone heifer rearing operation, and runs beef cattle and sheep on non-dairying land at Woolnorth.

Last year, the Tasmanian properties had a book value of more than \$170 **million**. New Plymouth District Council Mayor Andrew Judd said he would visit VDL's assets this week as part of the **sale** process.

Local VDL and Tasman Farms director Miles Hampton, who was formerly managing director of Roberts Limited, said the NZ owner had for some time been trying to sell down its **stake** in the **company**.

"Their strong preference is to retain some ownership, maintaining significant investment in VDL," Mr Hampton said.

"However, most potential purchasers want to secure the lot, so now the process will involve how the **sale** will look." Circular Head Mayor Daryl Quilliam said VDL was a vital part of the region's economy.

"They've got 25 farms and are a huge employer in the district," he said. "There are probably between 180 and 200 people working on farms, but there's more than 500 people living on the properties. All that money comes back into the community." Mr Quilliam said he hoped plans to expand the VDL operation, to include about 30,000 cows, would not be impacted by any potential asset sales.

"If it goes ahead we could be looking at another 100 people working, so that's a lot of extra jobs and more money coming into the community," he said.

"The **dairy** industry has both State and Federal government support, so I think it's a good industry to be involved with." The state's peak body for **dairy** farmers, DairyTas, is keeping a close eye on the **sale**.

DairyTas executive officer Mark Smith said they would be watching the **sale** process.

“VDL is an important asset to the Tasmanian **dairy** industry, so we will be observing with interest,” Mr Smith said.

“There is a lot of interest in the state’s **dairy** industry, so maybe this will present an opportunity for investors.” In the past 12 months VDL held talks with potential foreign partners to raise an additional \$180 **million** for a significant expansion in its operations. Among prospective investors is a consortium that includes New Zealand’s Fonterra and the **Chinese** Government-owned **China** Investment Corporation.

**IN** i010010502 : Dairy Cattle Farming | i4131 : Non-frozen Dairy Products | i0 : Agriculture | i01001 : Farming | i0100105 : Cattle Farming | i41 : Food/Beverages/Tobacco | i413 : Dairy Products | icnp : Consumer Goods | ifood : Food Products | ilsfarm : Livestock Farming

**NS** c182 : Asset Transactions | c18 : Ownership Changes | cactio : Corporate Actions | ccat : Corporate/Industrial News | ncat : Content Types | nfact : Factiva Filters | nfcpin : FC&E Industry News Filter

**RE** austr : Australia | tasman : Tasmania | apacz : Asia Pacific | ausnz : Australia/Oceania

**PUB** News Ltd.

**AN** Document TASCOU0020140710ea7b0000m