

# THE STANDARD

SE news  
HD **Milk** producer spends \$1.86m for third property  
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AUSTRALIA'S only publicly-listed **milk** producer has bought a third south-west farm as it eyes up to 13 more **dairy** properties across the south-west's "golden triangle" region.

The purchase steps up the aggregation plans for district **dairy** farms being pursued by investors, some of which have overseas links.

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In an ASX announcement, the Australian **Dairy** Farms **Group** (ADFG) confirmed it had signed a contract to **buy** the 244-hectare (603-acre) Ignatios **dairy** farm on Maddens Bridge Road at Glenfyne.

The **company** said it had bought the farm at a mortgagee auction last Friday for \$1,869,300 or \$7661 per hectare (\$3100 an acre).

Director Adrian Rowley said the **company** was listed on October 27 and about 30 per cent of its shares were bought by **Hong Kong** investment funds.

He said the **buy**-up of ADFG shares by those investors was a strong indication that **China** recognised the growth potential of the Australian **dairy** industry.

Mr Rowley said the **company** intended to use the Glenfyne farm as support for the two farms it acquired at Brucknell earlier this year.

Mr Rowley said the **company** was acquiring a portfolio of **dairy** farms to target the premium **milk** prices being offered by **dairy** processors for high-volume supplies.

ADFG's push is separate to another farm aggregation plan proposed by Tasmanian private investment **firm** Linear Capital, which is supported by **Chinese** investors.

That proposal involves vertical integration, with the **company** wanting to **buy** up to 50 south-west **dairy** farms to supply processing plants it aims to build in the region.

The processing plants would produce value-added products for overseas markets.

While the idea has aroused plenty of attention, including a farmer meeting tonight in Warrnambool, it is understood the **firm** has not yet bought any farms.

Mr Rowley said ADFG planned to **acquire** five to six **dairy** farms during the next two years to produce about 50 **million** litres of **milk**.

He said the **company** was carrying out due diligence, with a view to purchase another two to three farms in the "golden triangle" area between Warrnambool and Colac, south of the Princes Highway.

Its long-term goal is to **acquire** 14-16 farms.

"It is apparent that numerous good-quality farms remain available despite reported heightened interest in the **dairy** industry in recent months from other parties," the **company** said in its ASX statement.

Mr Rowley said the **company** planned to run about 1200 cows across its three farms, producing about 7.5 **million** litres of **milk**.

**CO** apaf : Australian Dairy Farms Group

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