

SE **Business**

HD **Asian funds lift dairy farm listing**

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Asian investment funds have dominated the share register of Australia's first listed **dairy** farm, which began trading on the ASX on Tuesday after raising \$9.3 **million**.

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Of the 12 institutional funds backing Australian **Dairy** Farms, two are from Australia.

**Company** director Adrian Rowley attributed the lack of interest from local investors to complacency about food supply. "I think they do take the food supply for granted here whereas in Asia it is a huge issue and at the forefront of their minds," he said. "They understand the strategic value." The **company's** shares rose 10 per cent to 22¢ in afternoon trade. Its listing has enabled Australian **Dairy** Farms to settle two properties near Warrnambool and inject \$2 **million** into its balance sheet.

Mr Rowley said the **company** was planning to **buy** another 12 farms in the region to meet its goal of owning 14 properties that would produce about 50 **million** litres of **milk** a year by 2016.

Domestic investors have traditionally been reluctant to invest in agriculture assets because of the risks. Mr Rowley said this spring had been drier than 2013. "However the local region where the existing farms are located, colloquially known as the Golden Triangle, has lived up to its prime location reputation in providing regular rain despite poor conditions in other Victorian and South Australian locations."

Although media reports have suggested that **Chinese** investors are eager to **buy dairy** farms, Mr Rowley said he had not noticed any transactions to support that.

Joshua Taylor, the chief financial officer of Australia's biggest **dairy** operation - Van Diemen's Land **Company** - said although Asian buyers were interested, they were reluctant to directly to invest in **dairy** farms.

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