

SE WestReg
 HD **Delicious investor menu**
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WA agribusinesses have much on their plate as they react to unprecedented interest from overseas investors.

Industry experts said in many cases the interest was unsolicited and covered everything from capital injections, to joint ventures and outright purchases.

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The approaches have local businesses unaccustomed to the attention scrambling to hire accounting firms and advisers to assess the merits of the offers and the people making them.

"Businesses are tooling up to assess whether people are serious because they are being approached by overseas companies and investors they have never heard of wanting to look at the books," one consultant said.

"They are not used to the idea of data rooms and opening the books so they're getting in professional help."

Most of the interest has come from Asia and centred on **dairy** and meat processors with export licences.

Harvey Fresh, Wellard, Craig Mostyn **Group** and Harvey Beef are some of the high-profile businesses known to have investors knocking regardless of whether there is a for sale or investors wanted sign on the door.

Meat processors with export capacity, including Yeeda Pastoral **Company**, V&V Walsh, Western Meat Packers and Fletcher International Exports, are all considered tempting targets.

Azure Capital director Adrian Arundell said there was a disconnect between the scale of operations potential overseas investors were seeking and the opportunities available in WA.

"We are seeing increasing interest coming down from Asia particularly with a focus on protein and people consistently looking at **dairy**, but outside of those sectors and the key businesses it is harder to find agricultural assets of major significance," he said.

"If you look down through the profile of businesses, the higher they are in terms of domestic consumption — or the smaller their export profile — the less interest there is for players coming out of Asia."

Mr Arundell said most of the interest was coming through investment banks and funds operating through Singapore and **Hong Kong** looking to supply consumers in **China**.

Melbourne-based consultant David Williams, who acted for Bega **Cheese** in the battle for Warrnambool **Cheese** and **Butter**, said dealing with **Chinese** investors was often a drawn-out process.

Mr Williams said off-shore investors were alerted to bigger, distressed assets on the market but were unaware of the opportunities to invest in successful smaller-scale food producers.

"They just don't see the smaller, what I'd call sweet, prizes that are around," he said.

Mr Williams noted Japanese investors had returned to the agribusiness sector.

"The main interest in distressed food assets is coming out of **China**, but the Japanese are active again — we haven't seen much of them for the past 10 years but they are back with a force in food," he said.

Japanese giant Mitsubishi grabbed a 25 per cent **stake** in Tasmanian **Dairy** Products in 2012.

Hong Kong-based William Hui has just purchased United **Dairy** Power, which operates in South Australia and Victoria, for about \$70 **million**.

Craig Mostyn **Group** chief executive David Lock said outside of the **dairy** sector there was a lot of "tyre kicking".

"Certainty there is an increasing appetite for export-oriented businesses," he said.

"The interest in businesses producing pork and poultry for the domestic market is less a lot less than in **dairy**."

There are about 1200 food manufacturing businesses in WA, ranging from small family operations to corporate entities.

The food manufacturing sector employs about 18,000 people.

CO	cmacp : Craig Mostyn & Co. Pty. Ltd.
IN	i41 : Food/Beverages/Tobacco i414 : Food Preserving/Speciality Foods i4141 : Frozen Food icnp : Consumer Goods ifood : Food Products
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