

THE LAND

SE	AGRIBUSINESS
HD	UDP backs Saputo: Australia's largest private milk
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LP	<p>UDP backs Saputo: Australia's largest private milk processor, United Dairy Power (UDP), has backed Canadian dairy giant Saputo's bid for control of Warrnambool Cheese and Butter (WCB).</p> <p>United chief executive Tony Esposito said foreign ownership had been positive for the dairy industry and dismissed Saputo rival Murray Goulburn's (MG) claims that the co-operative structure was the best thing for dairy farmers.</p>
TD	<p>His own Victorian business is also poised to sell, or be partially sold, to an overseas buyer in the near future.</p> <p>"We have to be mindful here of what's happening," he said.</p> <p>"We've been watching co-ops go broke or sell out like Bonlac, Tatura and Dairy Farmers."</p> <p>He said farmer-owned co-ops were not focused and had bad business plans.</p> <p>UDP, wholly owned by Mr Esposito and with annual sales of more than \$200 million, has attracted strong interest from China, but also New Zealand and local investors.</p> <p>"It's not a matter if whether it's 100 per cent, 50pc or 10pc (that we sell) or whether it's a financial investor or an industry player. I'm very mindful I have to grow the business."</p> <p>Murray Goulburn may still increase its \$9.50 a share bid for WCB, while Saputo's \$9/share offer will rise to \$9.20 if it can secure 50pc of the target by January 22 when its offer will close.</p> <p>Saputo has confirmed it has about 27pc of WCB's share rights, but Bega Cheese, which holds almost 19pc of WCB, may ultimately decide the Saputo offer's fate.</p> <p>Saputo is pressuring Bega and 10pc shareholder, Lion, to sell their stakes, hoping Bega shareholders will want their directors to take the near-\$70m in profits the business would bank by selling its key holding.</p>
CO	mryglb : Murray Goulburn Co-operative Company Limited
IN	i010010502 : Dairy Cattle Farming i0 : Agriculture i01001 : Farming i0100105 : Cattle Farming ilsfarm : Livestock Farming i41 : Food/Beverages/Tobacco i413 : Dairy Products icnp : Consumer Goods ifood : Food Products
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