



HD Australia, New Zealand : FONTERRA and NESTLE rework their joint venture
WC 267 words
PD 29 May 2014
SN Mena Report
SC MENREP
LA English
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Fonterra will receive \$NZ100 million (\$92 million) from Nestle after a series of deals restructuring the companies' joint venture in Latin America. Fonterra is the world's largest dairy exporter and the second biggest milk processor in Australia announced a shake-up of the 10-year-old Dairy Partners Americas (DPA) joint venture. Fonterra will take a 51% controlling stake in DPA Brazil and Nestle will hold the remainder. Fonterra and its local partner will acquire Nestle's share of DPA Venezuela but will continue to operate as a joint venture. Nestle will buy Fonterra's share in DPA's milk powder manufacturing business and acquire Fonterra's share in Ecuador. The joint venture performed well but it was time to realign the partnership to reflect the strategic priorities of Fonterra and Nestle in the region. This is a strategic focus on everyday nutrition in key growth markets such as Latin America, China and Indonesia.

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This deal enables the co-operative to drive more long-term value for its farmers and investors. Fonterra investors are allowed to own economic rights without voting power through a unit trust listed in Australia and New Zealand. Fonterra's business handles more than 900,000 tonnes of dairy and generates \$NZ3.5 billion in revenue. The company expects the transactions to be completed by the end of 2014 and it expects to receive a net cash payment of about \$NZ96 million. Fonterra announced an opening farm-gate milk price of \$NZ7 a kg of milk solids for the 2014-15 season.

CO foncop : Fonterra Co-operative Group Limited | nstlc : Nestle SA
IN i4131 : Non-frozen Dairy Products | i010010502 : Dairy Cattle Farming | i0 : Agriculture | i01001 : Farming | i0100105 : Cattle Farming | i41 : Food/Beverages/Tobacco | i413 : Dairy Products | icnp : Consumer Goods | ifood : Food Products | ilsfarm : Livestock Farming
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AN Document MENREP0020140529ea5t0047r