

SE News
HD **Primo gobbled up**
BY PAUL GILDER
WC 403 words
PD 22 November 2014
SN Gold Coast Bulletin
SC GCBULL
ED GoldCoast
PG 76
LA English
CY © 2014 News Limited. All rights reserved.
LP

AUSTRALIAN food companies remain at the top of the global menu after the local arm of a Brazilian-owned meat processing giant gobbled up smallgoods producer Primo **Group** in a **billion**-dollar deal.

JBS Australia, a division of Brazil's JBS SA, the world's biggest food processing **company**, yesterday announced it had signed a \$1.45 **billion** deal to **acquire** the 29-year-old family **business**.

TD

Primo, which is Australia's biggest ham, bacon and smallgoods producer, had been 70.1 per cent owned by Asia-Pacific based private **equity group** Affinity **Equity** Partners since 2011.

The NSW **company**'s brands include Primo Smallgoods, Hans and Beehive, and it boasts a 3000-strong workforce and five processing plants across Australia and New Zealand.

The deal comes hot on the heels of a \$1.3 **billion** Singaporean-**Hong Kong** joint offer for breadmaker Goodman Fielder and bookends a year in which Canadian **dairy group** Saputo waged a fierce battle for control of Warrnambool **Cheese** and **Butter**, falling just short of a full takeover in February.

A separate \$3.4 **billion** attempt by US agribusiness Archer Daniels Midland to take over grains handler GrainCorp was blocked by Treasurer Joe Hockey on national interest grounds late last year.

IG Markets strategist Evan Lucas said the recent signing of a free-trade agreement with **China**, Australia's biggest trading partner, had helped to put Australian agribusinesses front of mind among global investors.

"These sort of deals are probably going to be a fairly regular thing," Mr Lucas said. "**China** has put the Australian foodbowl at the front of peoples' minds and this brings a **company** like Bega **Cheese** into play." It also comes as local movers and shakers Andrew Forrest, chairman of Fortescue Metals, and **billionaire** Gina Rinehart invested **millions** in beef and **milk** producers respectively to cash in on the expected boom in demand from **China**'s increasingly affluent middle-class.

JBS Australia chief Brent Eastwood said the acquisition provided a great opportunity for JBS to expand Primo's sales into offshore markets, including **China**.

"JBS intends to position Primo **Group** as the platform for exports in smallgoods to Asia," Mr Eastwood said.

Primo **Group** chief Paul Hitchcock said he welcomed the **sale** to JBS. "While it will remain very much **business** as usual for our employees, suppliers and customers, this transaction offers tremendous opportunities for Primo," he said.

CO fdgl : Goodman Fielder Ltd | fribol : Grupo JBS SA

IN ifood : Food Products | i41 : Food/Beverages/Tobacco | icnp : Consumer Goods | i412 : Animal Slaughter/Processing | i4122 : Meat Processing

NS gcat : Political/General News

RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

PUB News Ltd.

AN Document GCBULL0020141123eabm0002v