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HD Beston set to revitalise SA dairy processing industry

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LP THE investment sector is savouring the prospect of another export food chain business listing on the [Australian Securities Exchange](#) as management at Adelaide newcomer Beston Global Food Company reports strong interest in next week's public float.

Beston's relatively short ancestry began with a modest organic dairy investment in SA and a stake in the lucrative southern rock lobster export trade earlier this year.

TD In recent months, it has expanded to include beef processing ties in Vic, two mainstream dairy factories, several dairy farms and a specialist food ingredients and research business in Sydney.

The company's board includes some high-profile agribusiness names GrainCorp chairman Don Taylor, former Elders and Santos chairman and Flinders University chancellor Stephen Gerlach, and investment banker, wine company boss and IOOF Holdings chairman Roger Sexton.

Dr Sexton, who has been an Australian Bureau of Agricultural Economics economist and director of the Industries Assistance Commission, has led a two-year push to establish the company, drawing on his own trade relationships in Asia and the investment experience of his Beston Pacific Asset Management company.

Beston Global first tested investors' appetites in February, seeking and receiving \$22.4 million in a private capital raising which funded its 26.5 per cent holding in the Paris Creek bio-dynamic dairy farm processing business in the Adelaide Hills, plus a 35pc buy of Ferguson Australia's lobster and seafood harvesting and processing business, and the \$2.1m purchase of a 170-hectare dairy milking 347 cows at Wellington.

Its next step is to use up to \$130m raised in this month's [ASX](#) float to diversify its food footprint with a \$3.5m, or 40pc, stake in the Paterson family's meat processing and food services business Scorpio Foods.

Scorpio produces frozen and cooked red meat, pork and poultry products for the domestic and export market from Vic plants at Colac and Shepparton, including burger patties, Italian sausages and 95pc of the meat used in Australian baby foods.

Beston's dairy activities will ramp-up considerably next month after its agreement to buy the United Dairy Power processing plants at Murray Bridge and Jervois for \$4.5m, once the [ASX](#) listing is complete.

The mothballed sites, originally part of the Dairy Farmers group, were key assets in a \$70m UDP sale to Hong Kong's Five Star United Food early last year, but were soon back on the market after the new Chinese owners went into receivership in Australia in November last year.

Beston chief executive officer Sean Ebert said his company had organised with suppliers and the former UDP management committee to ensure the Murray Bridge plant got back to producing cheddar by early September and a return to whey powder production from the Jervois site.

Murray Bridge will also produce specialist Italian cheeses and retail dessert packs pitched at markets in Korea and Japan when Vic processor Australian Provincial Cheese relocates to SA to service new contracts, including Costco in Asia.

Jervois' whey output would go towards producing lactoferrin protein used in infant formula and a key ingredient for Beston's Sydney-based health-food partner Neptune Bio-Innovations.

Neptune, another partner company set to receive a capital injection after next week's ASX float, has research and processing connections in Brunei where it will be involved in exporting branded halal food products.

CO oloupk : Beston Global Food Company Ltd

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