

Dairy firm Fonterra approves sale of two joint venture farms in China

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The farms in Shandong province will be sold to Singapore-based AustAsia Investment Holdings for \$115.5 million. Fonterra, which owns the farms with a joint venture partner, has a 51% stake in the business and will receive NZD 88 million in total asset sale proceeds, which includes cash on completion.

The sale of the JV farms is unconditional and requires no further regulatory approvals. Fonterra CEO Miles Hurrell says the sale is another important milestone for the Co-operative and aligns with its strategy of prioritizing New Zealand milk.

“The sale of the JV farms allows us to focus even more on our farmer owners’ milk and follows the sale of our two wholly-owned China farming hubs earlier this year.

“Greater China continues to be one of our most important strategic markets. We remain committed to our China business, bringing the goodness of New Zealand milk to Chinese customers in innovative ways and partnering with local Chinese companies to do so. We are well placed to continue to grow our business in Greater China,” says Mr Hurrell.

Fonterra sold its two wholly-owned China farming hubs in Shanxi and Hebei provinces to Inner Mongolia Youran Dairy in April for NZD 552 million.