



# Australian Dairy Farms Group

ASX Code: AHF

18 November 2014

AMENDED ANNOUNCEMENT

Australian Dairy Farms Group – (ADFG or the Group)

ASX Code AHF

## Australian Dairy Farms Group Purchases Ignatios Farm

### Highlights

- ADFG has signed an unconditional contract for the purchase of Ignatios Farm - another dairy farm in South West Victoria's "Golden Triangle" of dairy farming only a 16 km drive from the Group's existing Brucknell Farms
- The acquisition is a good quality support farm for cropping, hay making and grazing non-milking livestock
- Facilitates increased milking capability on existing Brucknell Farms by enabling relocation of non-milking young stock and dry cows
- 603 acres (244 hectares); black river flats with permanent creek frontage and prime grazing land plus 40 mega litre surface dam and high volume bore water licence
- Purchased at mortgagee auction for \$1,869,300 or \$3,100 per acre (\$7661 per hectare)
- The property is held in several titles providing ownership flexibility
- Licence from Mortgagee to immediately harvest existing hay crop for summer feed on existing Brucknell Farms

In accordance with its strategy for aggregation of high quality dairy farm property and maximising its milk production capabilities, ADFG, as Australia's first ASX listed dairy farmer is pleased to confirm that it has made a valuable addition to its dairy farm portfolio by acquiring the **Ignatios Farm** at Glenfyne near Cobden and Warrnambool in South West Victoria's "Golden Triangle" dairy region.

**Ignatios Farm** was purchased for \$1,869,300 excluding GST. No livestock were purchased. The purchase price will be paid from existing cash reserves and bank facilities (with the gearing in line with the Group's objective of 30% gearing).

ADFG has named the previously un-named farm "**Ignatios Farm**" in recognition of its former owner.

### Farm Strategy

**Ignatios Farm** will initially be used predominantly as a support farm for the Group's Brucknell North and Brucknell South Farms and future farms that the Group progressively acquires.

Aside from the significant crop of grass hay, which can be immediately harvested and baled as fodder for use on the Brucknell Farms, **Ignatios Farm** will be used to accommodate young stock (non-milking heifers and calves from the autumn and spring seasons of 2014, which need to be grazed and grown until approximately two years old before becoming milkers) and drying-

**AUSTRALIAN DAIRY FARMS LIMITED**

ACN 057 046 607

Level 1, 41 Edward Street, Brisbane QLD 4000 | GPO Box 6, Brisbane Qld 4001  
Phone: +61 07 3020 3020 | Fax: +61 07 3020 3080 | Email: [shareholders@adfl.com.au](mailto:shareholders@adfl.com.au)

**AUSTRALIAN DAIRY FARMS TRUST**

ARSN 600 601 689

off stock (milking cows, which have ended their milking cycle in the two month preparation for calving by building up their body resources and health with specialised nutrition).

ADFG estimates that the property has a comfortable carrying capacity of 500 – 600 non-milking livestock as well as providing hay and silage outputs. This means that the high quality milking platforms at the Brucknell Farms and other new farms acquired by the Group can be utilised to their maximum potential for milk production. It is estimated that an additional 100 milking cows are able to be quickly added to the average in-milk cow stocking rate of 935 cows year round on the Brucknell Farms.

**Ignatios Farm** will provide significant efficiencies as a facility that can service multiple milking farms which will then justify a specialised farmer responsible for the Group's calf rearing management. This will also remove costs currently associated with leased outblock land currently used by the Group for non-milking livestock.

### **Property Summary**

The main buildings (4 bedroom house, garages and dairy shed) on **Ignatios Farm** have been disused for a considerable period while the property has been in the mortgagee's hands and will require superficial renovation work to be carried out. However the foundations and structure of these buildings are sound and of reasonable quality and renovation costs are not expected to be material.

Other buildings such as hay sheds and others are in satisfactory condition for immediate use.

**Ignatios Farm** has the medium term (2-3 years) capability of being returned to prime milking platform with pasture renovation and fertilisation and could then ultimately be used primarily for milking. This will reflect in both higher production volumes as well as increased land value within this period.

The property is held in 5 titles and is located on fully sealed roads (Warrnambool – Cobden Road and Maddens Bridge Road) approximately 40 km east of Warrnambool and 12 km west of Cobden.

**Ignatios Farm** is well watered with a large capacity - (120 megalitre – (ml)) bore and a 40 ml surface dam, situated in a generally high rainfall as well as a permanent creek frontage in a well-established traditional dairy district with good quality shelter for livestock from established windbreaks and adjacent natural bush.

### **Other Farms on the Radar**

Due diligence is in progress on other dairy farms for milk production in the preferred "Golden Triangle" area. It is apparent that numerous good quality farms remain available despite reported heightened interest in the Dairy industry in recent months from other parties. This acquisition by ADFG is one of the few that appear to have resulted in formal sale contracts.

ADFG intends to adhere to its previously stated policy of considering only good quality farms with strong current milk production and minimal development work requirements at reasonable market prices, as well as support farms for this purpose.

**For additional company information please contact:**

Adrian Rowley

Director

Australian Dairy Farms Group

Mobile contact +61 (0) 4880 3768

Melbourne: +61 3 9629 9900

Email: [adrianrowley@adfl.com.au](mailto:adrianrowley@adfl.com.au)

**For Media enquiries:**

Simon Hinsley

NWR Communications

Mobile contact +61 (0) 401 809 653

Email: [simon@nwrcommunications.com.au](mailto:simon@nwrcommunications.com.au)

**About Australian Dairy Farms Group**

**Australian Dairy Farms Group (ADFG)** is Australia's first ASX listed dairy farmer. Its focus is on aggregating high quality dairy farms in Victoria, initially in the South Western region with particular emphasis on the famous Golden Triangle region between Warrnambool and Colac south of the Princes Highway to the coast around Port Campbell.

The Group listed on ASX on 28 October 2014 after raising approximately \$9.3 million from a range of institutional, professional and retail investors. At listing the Group had two adjoining dairy farms in full production in the Brucknell locality, about 35 km east of Warrnambool and approximately 2.5 hours' drive from Melbourne CBD.

**Australian Dairy Farms Group** is listed as a stapled security comprising one fully paid share in **Australian Dairy Farms Limited** (the Company) and one fully paid unit in **Australian Dairy Farms Trust** (the Trust). Within the structure, the Company is the operator and manager of the dairy farm properties which are leased from the Trust as the registered owner

Investors and existing security holders are encouraged to follow the progress of the Group and are invited to register to have the various updates sent by email in future. Details of this facility will be mailed to security holders in the near future.