



ASX Release

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FRESH MILK FOR FIJI

Agreement for Organic Dairy Farm & Processing Facilities to be set up in Fiji

Australian Natural Proteins Limited (ASX: AYB) (“AYB” or “Company”) is pleased to announce that it has entered into a binding Heads of Agreement with the Fijian-based, Anthony Family, to set-up an organic dairy farm with its own processing facilities to produce fresh milk and other dairy products for the local Fijian market, with potential export opportunities.

With all milk in Fiji currently only sold in UHT packs, AYB and the Anthony Family aim to purchase a 1,000 acre organic farm and build an initial herd of 500 cows in order to produce 2.5 million litres of organic milk with the potential to increase this to a target range of 5 million litres within 3 years.

Commenting on the agreement, Paul Duckett, Executive Chairman of AYB, said:

“Following the completion of the planned acquisition of our Australian dairy facilities, Australian Natural Proteins, will combine their expertise in farming and production with the Anthony family’s expertise in order to embark on this exciting opportunity to expand its business into Fiji.”

“The Anthony family have over 50 years of experience in the dairy industry in Fiji, having established the country’s milk supply and distribution.”

With the complete execution of its Dairy Complex (5 farms) acquisition in South Eastern Australia currently underway, the company will also be able through its Australian production volume be in a position to “swap” production for finished products into the Fijian market. The current combined milk production of these 5 farms is over 24 million litres per annum with a herd of 3,500 cows.

The property will also be used to build a pasteurising and bottling plant (likely A\$500,000), and using the expertise of the Anthony family to supply the local market. The full volume of production initially will go direct to the consumer market in Fiji.

Fiji has a permanent population of approximately 900,000 and annual visitors of 754,000. Currently total Fijian milk production is circa 8 million litres per annum through the farmer co-operative FCDCL, and the balance of the demand which is estimated to be another 80% is supplemented by expensive imports.

Currently local UHT milk sells in Fiji for \$2.60 litre (A\$1.80) and imported UHT milk around F\$3.00 to F\$3.60 litre (A\$2.00 to A\$2.40). With AYB farm and processing costs initially estimated at A\$0.85 per litre and the ability to charge a premium for its fresh product, there is a massive opportunity for the company to generate a very sizable profit per annum from this venture in the very short term.



The Company wishes to thank all shareholders for their patience and support. We look forward, on the successful completion of this and the 5 farm acquisition transactions, to the resulting benefits that would flow in terms of increasing shareholder value.

Paul Duckett
Executive Chairman

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