



## THE SOUTHLAND TIMES

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### 'Fonterra scepticism'

By Juliet Larkin

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Any move by Fonterra to list on the stock exchange is a long way off and farmers are unlikely to rush to sell their shares, say those in the dairy industry.

Southland dairy farmers and agribusiness consultants were cautious in their response to news that the dairy giant was considering a full or partial listing to raise capital.

If the listing did go ahead they doubted there would be a rush to cash up on shares, resulting in a boon for Southland Federated Farmers. Southland dairy farmers chairman Rod Pemberton said there was a lot of speculation about a listing but it was still at a very early stage.

"I'm pretty neutral on it. I haven't seen enough data on it."

He said he believed most farmers would not cash in any shares as they had not done so when investment company Dairy Equity Ltd was set up this year, which gave farmers an avenue for selling shares.

The issue that most concerned farmers was that they retain control of the co-operative, he said.

SBS agribusiness manager Malcolm Little said he believed a lot of unbundling in the industry would take place in the next five years, which would show what the real price was for shareholders, which may not be as high as the assessed fair-value share of \$6.56.

Presently, it was not a level playing field and suppliers to West Coast dairy co-operative Westland Milk Products put in less money but got about the same payout as Fonterra shareholders.

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