

# Review points to co-op sell bid

BY MEGAN McNAUGHT

TATURA Milk could be gearing itself up for sale.

The co-operative told suppliers this week that it will hold a "strategic review" of its operations.

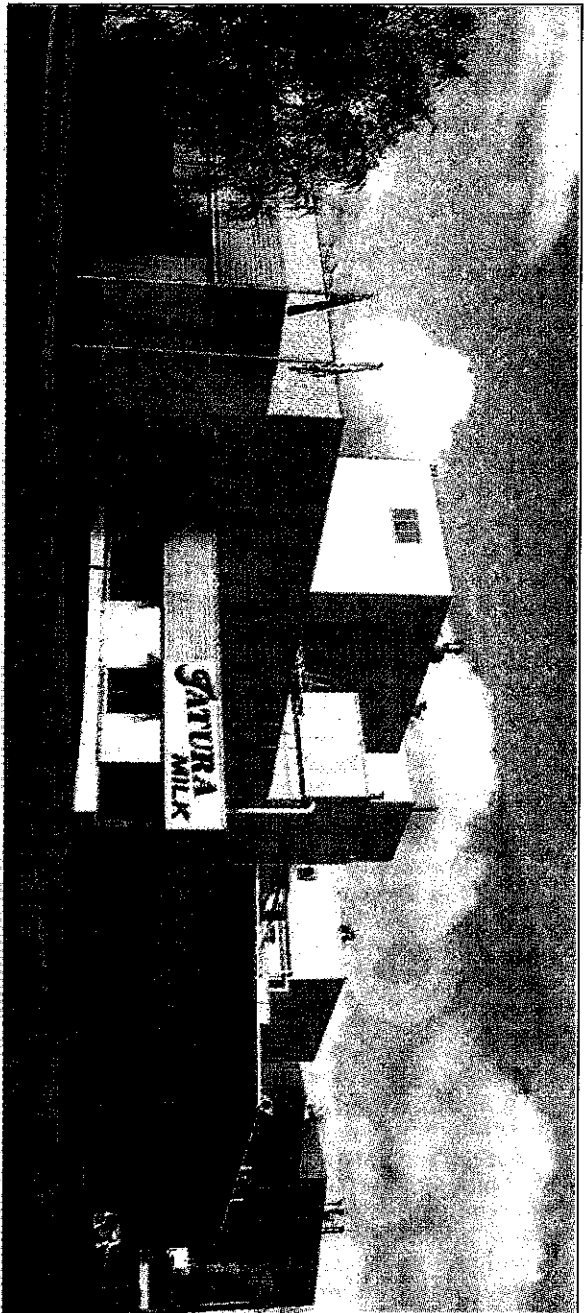
The move comes amid strong recent rumours that giant Fonterra was keen to buy the 100-year-old co-operative.

There has also been a general feeling among suppliers that something had to change.

Tatura Milk chairman, Ian Bertram, said the co-operative had decided to take matters into its own hands.

"The question we had to ask ourselves was, where to from here?" Mr Bertram said.

"There is no question that the manufacturing sector is under pressure and sometimes change is necessary."



**Options:** Tatura Milk will hold a "strategic review" of its operations.

Mr Bertram said the aim was to grow the company for the benefit of its 350 suppliers.

The review would look at all options, including discussions with other companies, before making recommendations.

It would then be up to the board to decide what options, if any, would be put to shareholders. Any change would require a 75 per cent shareholder approval to go ahead.

The review is expected to take six months.

Tatura Milk has also dropped

the number of fixed-\$1 shares needed to become a supplier from 10,000 to 100 to encourage new suppliers.

During the past year Tatura Milk has been plagued by rumours of possible takeovers, first by Warnambool Cheese and Butler and then Fonterra. Chief executive officer Barry Lieritch said the rumours were unfounded.

"We did not have any offers on the table and we still don't," he said.

"But we would be naive to

think that we are not an attractive prospect.

"We are going in with a completely open mind. If we can do something better to improve the situation for farmers in the long term, then that is good."

Supplier Stewart Gawne, of Ardmona, said he thought the review was a good move.

"If we were to move away from being a co-operative then I would want to know that all of the research had been done first," he said.

"I accept that we are in a

changing environment and we have to be flexible in the direction we will go."

Liz Kerrins, of Tatura, was not surprised by the news.

"It is not a great outcome. We have got a long family history with the company, but the dairy industry has definitely changed in recent years," she said.

Yvonne Crawford, of Tatura, saw the review as a positive.

"They have been trying to tough it out for a long time," she said.