

## **AGRI-VIE INVESTS IN AWARD-WINNING LOCAL DAIRY PRODUCER**

*XX November 2009:* Agri-Vie, the private equity investment fund focused on agribusiness in Sub-Saharan Africa, has made its first foray into the dairy sector, by investing in the award-winning KwaZulu-Natal-based dairy producer Fairfield Dairy.

Over the last two decades since it was first established, Fairfield Dairy has built strong relationships with some of the country's leading retailers. In addition to its Fairfield brand supplied to Pick 'n Pay, it supplies dairy product house brands to Spar, Pick 'n Pay and Woolworths. The Woolworths Ayrshire products are also supplied by Fairfield.

According to Izak Strauss, director at Agri-Vie, Fairfield Dairy meets its strict investment criteria of investing in high quality agriculture businesses that have strong potential for further growth and expansion. "We looked at a number of potential opportunities within the dairy sector and Fairfield definitely stood out as a compelling investment given its fast growth and well-respected product range. We believe Fairfield has considerable room for expansion and are looking forward to being a part of the growth story."

Part of Agri-Vie's investment strategy is to become a long-term equity partner and maintain its exposure for a minimum of 5 years in order to realise the full potential of each deal. "We aim to take a long term view with all of our investments. Given the amount of time we spend looking for and identifying appropriate high quality companies, we want to stay with each company as they grow," says Strauss.

Founded in 1990 on the site of a vegetable packing firm near Curry's Post in KwaZulu-Natal, Fairfield Dairy continues to operate both from its original site as well as a new state-of-the-art facility situated in nearby Howick.

"Aside from its potential for further growth, we also identified Fairfield as a strong dairy play due to its excellent location," says Strauss.

According to Kevin Lang, founder, Chairman and major shareholder of Fairfield, the company's factories are situated in prime dairy country in the middle of the Natal midlands where high levels of rainfall make it perfect for pasture-based dairy farming.



At the National Dairy Championships in 2008, the company's high quality reputation was upheld when it dominated the prizes in the yoghurt category in particular. including best fat free yoghurt, best full cream plain yoghurt, best low fat fruit yoghurt and best fat free Bulgarian yoghurt. Numerous prizes were also won for its cottage cheese and maas. The company's product range includes milk and a wide range of other dairy products.

"As one of the main employers in the area, Fairfield also provides valuable employment to around 300 people in the local community," says Lang. "Fairfield was instrumental in establishing the Childline office in Pietermaritzburg and pays majority of its salary bill. We also support various orphanages in the area with dairy products and sponsor a number of sporting and cultural events."

"Our policy of promoting internally means we are able to provide career growth and social upliftment to a number of employees in the local area. With Agri-Vie's support, we are also tackling business transformation and empowerment on a broader basis in our business," says Lang.

"Fairfield Dairy has a strong management team and a very stable workforce. With nearly two decades of experience behind it, the company has built up an strong reputation for its products, making it a compelling investment for Agri-Vie," says Strauss.

**-Ends.**

#### **About Agri-Vie**

Agri-Vie is a private equity investment fund focused on agribusiness in Sub-Saharan Africa with a mission to generate an above average investment return, as well as demonstrable socio-economic development impacts through its equity investments. The fund was initiated by SP-aktif and Sanlam Private Equity with the cooperation of South African and international investors. The fund's vision is to be a catalyst for sustainable growth through investing in one of the foundation sectors of Africa's economies. Agri-Vie seeks to realise this vision through deploying development capital and management know-how according to sound investment and business principles. Visit [www.agrivie.com](http://www.agrivie.com) for more information.