The Courier-Mail Business Daily

JETSETTERS CAN TRAVEL NOW AND PAY LATER

MONEY SAVER, HQ P33

PROTEIN SOURCE: Poultry now represents more than 35 per cent of total meat consumption.

Brisbane firm AAM backs poultry future

GLEN NORRIS

A BRISBANE-based agricultural investment firm has become the nation's biggest operator of free-range chicken farms after a $50 million acquisition in South Australia.

AAM Investment Group, which also operates the largest portfolio of livestock yards in Australia, is diversifying into poultry as chicken becomes the fast growing source of protein for Australians.

A fund raised by AAM purchased seven poultry farms northeast of Adelaide that include 42 sheds producing 10 million chickens a year for Ingham's.

AAM managing director Garry Edwards said the farms offered a reliable and regular source of income underpinned by the long-term contract with Ingham's, Australia's largest poultry processor.

Chicken consumption has increased 4.1 per cent per annum over the past 25 years and now represents more than 35 per cent of total meat consumption. Mr Edwards said AAM raised $36.2 million to fund the acquisition, some of it from farmers seeking to diversify their risk and provide income during times of drought.

Mr Edwards (pictured) said that his experience growing up on a small cattle farm in the Hunter Valley had taught him that farmers needed easier access to capital.

"Our farm was too small and did not have enough capital," Mr Edwards said. "I am now trying to solve the problem I started with."

He said AAM was looking at other acquisitions in the poultry sector or other areas of agriculture, working with farmers who wanted access to capital or plan for succession.

"The level of sophistication has increased in farming," Mr Edwards said. "The family farm has to be more business oriented to realise the significant amount of opportunities in the sector.

"The family farm will always be the core of farming. We are just providing the right platforms for growth."

Founded by Mr Edwards in 2007, AAM now trades over $1 billion of livestock annually.

Its network of six livestock yards, including at Gracemere in central Queensland, currently handles more than 754,000 cattle and 2,268,000 sheep annually.

Deloitte forecasts 'Goldilocks' economy

THE stars remain aligned for global growth despite the threat of a trade war, according to Deloitte Access Economics.

And the outlook is good news for Australia and the Queensland economy, Deloitte partner Chris Richardson said. A combination of US tax cuts, global interest rates near record lows, a pick up in world infrastructure spending and Asian reforms will keep the international economy in "Goldilocks" mode throughout 2018, he said. But a raft of challenges remain.

"The most immediate risk is that 2018 sees a descent into a global trade war that hurts all and helps none," Mr Richardson said in his latest business outlook report.

But he added that was a "pretty small risk".

"The much more likely outcome is a happy one – that Asia will again lead global growth in 2018," he said.

That was good news for Australia, where the outlook "remains good, but seems likely to fall shy of being great".

Deloitte predicts the Reserve Bank of Australia will not raise official interest rates until early next year.

Deloitte said the Queensland economy was still running well below full-speed but "on the way back up". An retailers can look forward to a slightly brighter future.

"Retailers in Queensland aren't yet doing the happy dance, although we think things will continue to gradually improve," he said. "The recent strong job growth should help with that, although weak wage gains will continue to keep a lid on retail growth for some time yet."

Markets tipped for a soft opening

DAVID SIGSTON

AUSTRALIAN investors should brace for a soft opening today after Wall Street and European markets closed the week at a loss.

CommSec chief economist Craig James said investors were spooked about the jump in US bond yields, while technology stocks were down on Wall Street.

"We're likely to see a soft opening in trading here," Mr James said yesterday. "From a global perspective, nothing is inspiring us to move higher."

The local market was down moderately on Friday, largely due to losses in the mining sector. The benchmark S&P/ASX200 was down 12.2 points, at 5868.8 points, while the broader All Ordinaries was down 12 points at 5964.4.

Mr James said there had still been gains in the past two weeks despite the market closing down on Friday.

In the US, the Dow Jones Industrial Average fell 202.09 points to 24,462.8, the S&P 500 lost 22.98 points to 2670.15 and the Nasdaq dropped 91.93 points to 7146.13. Despite Friday's decline, the S&P gained 0.5 per cent for the week.

The Australian dollar was lower against the US dollar and was trading at US76.7¢ yesterday. Mr James said inflation would be in the spotlight for local investors this week.

The Australian Bureau of Statistics (ABS) will release March quarter consumer price index tomorrow, with growth tipped to increase by around 2 per cent for the year.

Also, the ANZ and Roy Morgan will issue the weekly gauge of consumer confidence, and the Reserve Bank assistant governor Christopher Kent will speak at a Housing Industry Association breakfast.

On Friday, the ABS will release the producer price indexes that will provide a measure on inflation across the business sector.