

**The Australian**  
**Costa Group brings private equity on board**  
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AGRICULTURE: Costa Group, Australia's largest producer of fruit and vegetables, has agreed to sell half of itself to US private equity concern Paine & Partners.

The transaction, the terms of which weren't disclosed, is expected to be finalised later this year and will see the two companies form a 50-50 owned company that will be led and operated by Costa's current management, according to a joint statement yesterday.

The deal highlights the continuous interest to invest in Australia's food and agriculture sector. Agricultural investor PrimeAg Australia on Thursday unveiled plans to establish a \$600 million fund to invest in Australian cropping properties and water entitlements. On Monday, China's state-owned Cofco reported it had completed a \$136m takeover of unlisted Tully Sugar, in the process beating off competing bids from Bunge and another backed by Louis Dreyfus Commodities.

Costa is Australia's leading vertically integrated grower and marketer of fresh produce and over more than a century of operations has seen its annual revenue grown to more than \$600m through more than 4000 employees. Besides Costa, Paine & Partners has previously invested in the fresh produce industry through the purchase of a stake in Seminis, the world's largest fruit and vegetable seed company.