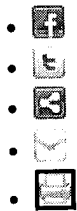




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\$11.75m bid from neighbours secures Brighton Downs



By Jon Condon 24 May 2013

The Australian Agricultural Co has signed a contract to sell its Brighton Downs station in Queensland's Channel Country, accepting an \$11.75 million post-auction bid from neighbouring beef producers, the Britton family.

The property was passed in at auction on Wednesday after a single floor bid of \$10.25 million from Boullia producers Rick and Ann Britton, and Rick's brother Peter and wife Carolyn, who are based at Mt Landsborough, Winton.

The Brittons own country to the north and northwest of Brighton, and will divide the property to run it in separate lease parcels. Peter Britton already operates the Franklin and Mt Gigeon blocks adjoining Brighton directly to the north, while Rick and Ann own Locknow, one property removed, further to the west.

"We bought it because this country does not come up very often," Peter Britton told Beef Central this afternoon.

"We're hoping like hell it rains, because there's not a lot of grass on it at the moment – but it gives us a bit of area to spread some cattle out on," he said.

The Brittons were final bidders when Brighton was passed in to them three years ago for \$12.75 million (with a lot more cattle involved) but Peter said he thought it was "dearer this time, because it's a lot drier."

Asked what Brighton would have been worth before the live export collapse and broader cattle market downturn since the onset of drought, he said "substantially more."

AA Co had previously sought to sell Brighton Downs at auction in late 2010 when it was passed-in to the Brittons for \$12.75m, but that process included 8000 plus cattle. Just 4500 were included in Wednesday's auction.

Some onlookers suggested the reduction in the number of cattle offered this time was partly driven by the current demand for under-stocked properties from cattlemen in droughted areas seeking to 'buy grass.'

If a conservative stock value of \$500 is apportioned to the 4500 steers included in the deal, it values Brighton Downs (420,000ha) at about \$23/ha bare, on the current market.

While Brighton is one of only a handful of larger northern cattle properties to change hands over the past two years, marketing agent Dick Allpass from Elders said it was way too early to call it as a turning point in the northern property market.

"There are some indications of more life, but potential buyers are still very cautious," Mr Allpass said.

"I think there is increasing interest, but money is still hard to come by, and there are not that many investors around willing to pay that sort of money," he said.

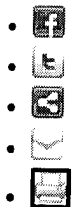
"The market is perhaps consolidating, and in the process of turning around, but there is a fair lag time involved. But if the dollar keeps going down and this rain produces some impact in grazing areas, it could start to re-inject some confidence."

AA Co managing director David Farley earlier said the sale of Brighton Downs was part of the company's strategy to refocus its assets and capital in Northern Australia. A company spokesman this week said Brighton was regarded as 'non-strategic' because the class of cattle it has traditionally handled would in future pass through AA Co's proposed Darwin abattoir.

Brighton Downs is a 420,000ha station situated on the channels of the Diamantina River near Winton and is principally used for staging and growing AA Co company-bred and bought cattle on grass.

"With our strategy of growing our South East Asian supply chain through our proposed Darwin abattoir, now is the right time to be refocusing on Northern Australia," Mr Farley said.

"We are continually assessing which of our assets are appropriate for a business whose operations are increasingly focused in the north."



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