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## Laguna Bay raises \$280m for agribusiness

BY ADMIN ON JUNE 5, 2016

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(pictured: Tim McGavin)

Laguna Bay, the agribusiness manager, has had its first closing of \$280 million raised for the Laguna Bay Agricultural Fund, to be invested in a portfolio of businesses across Australia and New Zealand. The manager is already the largest olive oil producer in Australia.

The fund, which will have its final closing around May next year, aims to produce growing income yield, perseverance of capital and potential for significant long-term capital appreciation.

Like an increasing number of agribusiness investors, Laguna Bay looks for sustainability, including allowing farm owners to retain their family homestead, leaseback of some land and employment opportunities for farming family members.

The successful capital raising, assisted by Brookvine, is a sign of growing interest in the agribusiness sector as a long-term alternative asset class. Another well-known agribusiness investor, Mike Fitzpatrick, who was a pioneer in infrastructure investing too, told a seminar this year that the sector reminded him of infrastructure about 20 years ago.

Tim McGavin, co-founder and chief executive of Laguna Bay, said in a statement: "Australia is a major agricultural producer and exporter, and one of the world's lowest cost producers in the key commodities we export... Yet it needs a significant amount of patient and aligned capital structured to suit agriculture. We believe the fund will be an important participant in Australian agriculture."

The firm, based near Laguna Bay on Queensland's Sunshine Coast, was started in 2010 by McGavin and business partner Tim Biggs, who chairs the investment committee. An early investment involved the establishment through various acquisitions of a world top-10 olive oil production business.

One of its investments is the Cobram Estates olive oil producer which won the prestigious 'world's best olive oil' award at the New York International Olive Oil Competition three years in a row, 2013-2015, for one of its premium Australian oils. Laguna Bay also manages a business which produces 3 per cent of the world's almonds.

Biggs said: "With the right structure, institutional investors are attracted to agriculture as an asset class that generates a cash yield, offers a potential inflation hedge and provides diversification benefits with respect to most other asset classes."



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Laguna Bay has a six-person business advisory panel which includes Merv Peacock, the former CIO of AMP Capital and current investment committee chair at UniSuper, John Moore, the former Defence Minister, and Steve Hall, chief executive of Brookvine.

Mobile phone numbers remain confidential to the publishers of Investor Strategy News.

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