

Tim McKinlay, Director of the Portfolio Management and Monitoring group at Navis, told **AVCJ**. "This is the business of developing the 'Super Ducks' which are at the top of the Value Chain of all modern integrated processors for ducks."

With the Cherry Valley acquisition, Bangkok Ranch became the dominant supplier of duck genetics and new breeds worldwide, including to the China market. "The business is exciting because over many years Cherry Valley has established a dominant position with the very large Chinese producers," McKinlay continued. "China is by far the world's biggest market for duck – probably 70-80% of the total – and as food safety and cost-efficiency have become relatively more important, commercial processors have taken over production."

"Cherry Valley has retained control of the top-rung of the chain [the 'elite' stock] and therefore physical control of the IP," he concluded. With Cherry Valley's dominant market position in the supply of this genetic material, "growth will come from the continued industrialization of the market ... as consumers continue to demand increased levels of food safety."

So consumer stories will continue to fuel investment across the region for the foreseeable future – but they will also reward those most capable of understanding and tapping the unique aspects of the Asian consumer market in the globalized economy.

"My bottom line is that I would follow the

family structure changes in all the richest cities in emerging markets," maintains Dr. Roy. "Private equity in emerging markets should be focused on the changing household structure, and seek to exploit that through growth in sectors such real estate, pharmaceuticals and financials." ▾

Ducking the China consumer?

Kuala Lumpur-headquartered **Navis Capital**, a firm usually associated more with Southeast Asian, Indian and Australian consumer-focused investments than Greater China, found a novel way to play the China consumer proposition – via Bangkok and the UK. In April, it



Cherry Valley duck

injected \$50 million into its existing Thai investee Bangkok Ranch Co. Ltd. as part of the latter's c.\$100 million, 100% acquisition of Lincolnshire-based duck business Cherry Valley Farms, Ltd.

"The really exciting aspect of the deal is the genetics business,"