

Summa Mulls Acquiring Australia's GrainCorp

By [The Moscow Times](#)

October 30, 2012

The  **Moscow Times**

Investment and trading group Summa has asked the state development bank Vneshekonombank to fund a possible acquisition of Australia's GrainCorp, sources told Reuters on Wednesday.

Summa Group's interest in the Australian company comes at a time of consolidation in the global grains sector amid intense competition for trading power to feed fast-developing countries seeking food security.

"There was an appeal to VEB [from Summa]. Summa is still interested in global grain business," a source familiar with the matter said.

However, Summa may drop the request because GrainCorp could be too expensive, another source with knowledge of the plans added.

Summa, co-owner of grain trader United Grain Company, and VEB declined to comment.

U.S. agriculture giant Archer Daniels Midland made a \$2.8 billion bid for GrainCorp on Oct. 22, sending shares in Australia's last independent grains handler soaring as markets bet on a higher offer price or rival bids being flushed out.

GrainCorp is one of a number of possible deals involving the acquisitive Summa Group, which is viewed in the industry as having close ties with Russian Prime Minister Dmitry Medvedev.

Summa, owned by tycoon Ziyavudin Magomedov, bought a 49 percent stake in the state grain trader UGC for 6 billion rubles (\$180 million) this year and aims to acquire a 56 percent stake in transport group FESCO.

VEB agreed in September to provide financing of up to \$250 million for Summa to build a grain terminal in Russia's Far East.

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