

KKR shells out on Core++

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“The infrastructure space doesn’t exist any more.” That’s the view of one industry source when faced with news that the KKR infrastructure team has acquired 720 Australian poultry sheds.

Compliments for the transaction – [KKR buying ProTen](#) from Aware Super for a reported A\$1.3 billion (\$855m) – were as rare as hens’ teeth and it’s clearly ruffled some feathers.

Industry commentators flocked this week to share views on KKR buying a business that one infra rooster points out “is one bird flu away from disaster”.

So, why’s Aware Super crowing from the rooftops? Why’s KKR strutting around like cock of the north? And what’s got the industry all aflutter?

Let’s start at the beginning, bypassing the chicken/egg debate.

ProTen was acquired by First State Superannuation Scheme (now Aware Super) in 2018 for a paltry A\$371 million and – investments since aside – has trousered the best part of A\$1 billion for 7 years’ stewardship.

Back then, ProTen had facilities on just 20 farms and accounted for 11% of Australia’s annual broiler chicken production. Its first bolt-on acquisition closed in October 2019 when it snapped up 17 farms from the Rural Funds Group for A\$72 million.

ProTen continued to grow to the point that – on acquisition by KKR – it boasts more than 720 poultry sheds across 62+ broiler farms in New South Wales, Victoria, South Australia, Western Australia and Queensland.

Its farm facilities – “agricultural infrastructure” as KKR likes to call it – now have the capacity to produce more than 174 million broiler chickens annually, accounting for 25% of Australia’s total production.

Chapeau to Aware Super – that ain’t chicken feed.

What an excellent private equity acquisition followed by intelligent investment to corner a quarter of the Ozzy chicken market and sell it for a healthy profit... and to flip it as an infra asset.



From the KKR side

KKR is – needless to say – bullish about its “agricultural infrastructure” acquisition and sees more infra elements in it than

a casual observer might pick out.

Andrew Jennings, head of ANZ infra at KKR, says in the release: “Our investment in ProTen is a unique opportunity to acquire a high-quality agricultural infrastructure asset, supported by availability-based long-term contracts, that plays an essential role in the food supply chain. KKR has been actively monitoring the agricultural infrastructure space as a high-conviction thematic.”

Jennings adds: “We are impressed by the quality of ProTen’s assets, its long-term contractual relationships with its customers, and the favourable dynamics within the poultry industry.

“As demand for sustainable protein and resilient food supply increases in Australia, we believe ProTen is well placed for continued growth.”

Now, I’ve been saying for a long time that agriculture was going to be shoe-horned into infrastructure, but our database reveals the ProTen deal is the closest we’ve come so far.

In recent transactions we saw [Marguerite III](#) agree a couple of months ago (March 2025) to acquire a 50% stake in [AQS Holding](#), Norway. That’s a bit of a data fudge as the asset operates 16 specialised service vessels for aquaculture and while it comes under an “agri” search in our database, it ain’t ticking many boxes.

That same month, we recorded the acquisition close by [Eurazeo Planetary Boundaries Fund](#) of Bioline AgroSciences – the third largest player worldwide in macrobials. Another complete fudge as this company designs, produces and markets biologicals-based solutions to create more effective pest control in agriculture... but that’s a second cousin of farming, at the very best.

Coming a little closer – but still no cigar – you have [Metier Capital Growth Fund III](#) investing late last year in South African maize meal producer Blinkwater Meule, a vertically integrated maize meal producer and retailer. This business has a distribution network that includes logistics solutions to retail stores and independent wholesalers in the north eastern provinces. One step removed again.

So, the reality is that KKR has come as close to an agricultural play that we have seen to date.

Many infra specialists expected agriculture to sneak in through the vertical farming back door... but this seems to have fizzled somewhat.

As one infra veteran says of vertical farming: “It certainly hasn’t appeared to have taken off, unless I’ve missed some announcements. To be honest, while vertical farms can be pretty big physical assets, I get the sense that they’re more in the realm of PE or clean tech, given the risks and that they are more of a business than standalone assets. Although I’m happy to be proven wrong and I can see how they could be treated as infra.”

Clucking madness?

Well now, talking to folk around the market this week, the flow of poultry puns was painful to say the least... punctuated by a good deal of scoffing and a large share of contemplation.

Possibly the best point made in favour of this deal is that it was “analogous to energy security versus food security”. Both issues are being raised with (almost) equal importance in this troublesome world we live in. Both require national independence as we career towards the next world war. As the source says: “I think developing such things is critical infra.”

Another infra guru points out that “agri infra has been discussed in various forums” for many years but has “not yet had investment from infra funds”. This source went on to mull that “perhaps it’s the next large sector” adding that “infra services were not seen positively until a few years back” ... so, why not?

Gresham House has been banging on about agriculture for a fair while and the general consensus is that farming – let’s call it what it is – is creeping, sub-sector by sub-sector on to the infra radar.

One source who admitted that closer inspection of the deal structure was necessary said: “If there are physical assets and 3-7 contracts underpinning sales and high barriers to entry, then it is infra Core+.

“However, I question whether all those hold up in this case. And there is a LOT of money in chicken shit as a fertiliser and low energy fuel source.”

Another adds: “Chicken coops. That is utter horsesh*t and has no business in any respectful infra fund. Or maybe that should be chicken sh*t.”

Yet another says: “It seems like a stretch on the definition of infra. Going back to the fundamentals, infrastructure should have some form of long-term contracted predictable cash flows, high barriers to entry, high quality counterparties and strong management fundamentals. I’m not sure how 60 farms fall into that definition.”

The comments on this week’s chicken run are rounded off with: I think the more relevant question is whether this deal brings Agri Infra into Core+ as there are some infra funds – and development banks – deep in the weeds in this sector but Core++.

“It’s a growth sector given climate change will require more controlled and industrialised agriculture delivery like vertical farms. But I think we need a few more such deals before counting the proverbial chickens...”

And the cynical prize this week goes to one old infra lag who points out: “By claiming it’s infra they’ve massively increase the gearing and lower the margins!”

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