

SE Agribusiness
HD **Chinese** food importer Heilongjiang Grand Farm Group plans
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WC 494 words
PD 19 June 2014
SN Stock Journal
SC FSTOCJ
PG 25
LA English
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Chinese food importer Heilongjiang Grand Farm Group plans to spend up to \$200 **million** buying farms in WA as part of a \$1 **billion** expansion involving the state's biggest meat processor.

Owned by brothers Peter and Greg Walsh, V&V Walsh is investing an undisclosed sum to buy farms alongside Grand Farm.

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The farms will provide sheep and cattle to be butchered, packed and frozen at V&V Walsh's Bunbury abattoir, two hours south of Perth.

Grand Farm will sell the boxed sheep and beef to **Chinese** consumers.

"We have had our **mining** boom and the next big boom is going to be agriculture," chief executive Peter Walsh said.

The deal highlights **China's** growing appetite for long-term beef and sheep supplies and comes a month after **iron ore** magnate Andrew Forrest bought beef processor and exporter Harvey Beef in a deal worth more than \$30m.

Grand Farm wants to buy 500,000 lambs and 30,000 cattle a year, or about 3.2 per cent of the state's 15.5m sheep flock and 1.5pc of its 1.9m cattle.

V&V Walsh has also taken a minority **stake** in a joint venture with Grand Farms which will spend \$800m developing new sheep and beef processing facilities and feedlots in northern **China**.

Grand Farm, a private group and **China's** biggest importer of NZ lamb, wants to lock down long-term supply.

Mr Walsh said Grand Farm which he has worked with for 15 years may buy farms in eastern Australia and NZ.

"The farmers have missed out for too bloody long. Not any more. We need to get people encouraged to get stocked up. We are going to see a resurgence in (sheep and beef) farming," he said.

Mr Walsh would investigate farm acquisitions during the next 12 to 18 months.

It could involve buying farms outright or striking joint ventures with local farmers, he said.

"The **Chinese** are always looking at the long term.

"Part of that is having security in farms and to grow with it."

Harvey Beef has been the only accredited exporter of WA beef to **China**.

V&V Walsh expects to gain regulatory clearance to export sheep and beef to **China** this year.

V&V Walsh, which produces the Ameila Park label, does not own farms.

It processes about 3500 lambs and 360 cattle each day.

About 75pc cent of its production is sold domestically, including through Woolworths.

The expansion, expected to be completed within five years, will double exports to about 50 per cent.

There has been some concern in regional Australia about increasing **Chinese** investment in farmland.

Mr Walsh said even he did not "100pc agree" with the **Chinese** buying up farms, but said it encouraged investment and allowed farmers to grow far more quickly.

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AN Document FSTOCJ0020140618ea6j00013