

SE News
HD **Wallace brokers \$100m China dairy trade deal**
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WC 405 words
PD 23 September 2014
SN Townsville Bulletin
SC TOWNBU
ED Townsville
PG 10
LA English
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Ex-minister pushes for further joint ventures FORMER Labor minister and Thuringowa MP Craig Wallace has helped broker a \$100 million dairy deal in China and says more Australian companies should consider Chinese partnerships.

Mr Wallace, who lives in Shanghai and operates a food import business and retail outlet called O'Fresh China, helped link dairy producer Bega with Chinese retail group Chongqing General Trading Group (CGTG).

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Bega announced last Friday that it will export up to 20 million litres of milk a year to China, which will be distributed by CGTG.

The company acknowledged Mr Wallace's assistance.

Mr Wallace, said he had been working with Australian companies such as Bega for the past 18 months to tap into demand in China.

CGTG, which owns and operates more than 300 supermarkets in southwest China, was one of O'Fresh's partners.

O'Fresh recently opened a retail outlet and showroom in Shanghai featuring Australian beef and Bega cheese and this week will take delivery of chilled beef from Warwick producer John Dee.

Mr Wallace said much of the showroom product was pre-sold to Shanghai restaurants and hotels but there was also strong demand from the general public.

He said companies wanting to trade in China should consider partnering with domestic players such as CGTG to help reach Chinese consumers.

"China's system of permits and import requirements is very different to Australia," Mr Wallace said.

"Couple this with regional marketing and distribution needs, and negotiating successful sales in China can be daunting." Mr Wallace and his family have been based in Shanghai since December 2012. He established O'Fresh with David Wang, the owner of Shanghai's prestigious Peninsula Hotel.

Apart from the deal involving Bega, Mr Wallace has worked with other Australian food producers in beef, dairy, lamb and small crops to access the China market.

"It's been an exciting nearly two years for me in China and the future for O'Fresh and Australian food producers is very good," Mr Wallace said.

"The only downside is that I only get back to Australia every six months or so." Mr Wallace said he had promised the family they would spend Christmas with his parents in Home Hill. "The kids are desperate to go crabbing so a nice big muddy might be on the cards for Chrissy lunch," he said.

NS e512 : Physical Trade | e51 : Trade/External Payments | ecat : Economic News

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AN Document TOWNBU0020140923ea9n0000o