

STOCK & LAND

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HD **Hassad's mark on agriculture**
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HASSAD Australia's (HA) enormous entry on the country's agricultural landscape has been an evolution from strengthening Middle East's food security to becoming a powerful conglomerate on the global ag market.

That was what Hassad southern operations manager Peter Nilon told meat producers at the MLA Meat Profit Day recently, during his speech which explained the Doha, Qatar-based **company's** motivation to invest in 13 agricultural properties in Australia, since November 2009.

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The **company** now own 250,000 hectares of farmland in Victoria, Queensland, NSW, South Australia and WA, produces 165,000 tonnes of grain annually and exports on average 110,000 Awassi fat-tailed sheep.

With Qatar spanning just 11,500km², growing population of more than 2.05 million and an average rainfall of 75 millimetres, Mr Nilon said it was obvious why the Qatar Government-owned Hassad Foods had entered Australian shores to strengthen their food security.

"They had this idea of investing in ag world-wide " there has been an evolution in that thought process that has removed food security as a driver of the investment and has put some **commercial** tension making it a fully-blown **commercial** operation," Mr Nilon said.

"Food security is a fall-out of that but it is no longer the principal driver."

Their strategic land investment is aimed at diversified areas predominantly on the east coast of Australia, which Mr Nilon said limited exposure to production risk with climate and disease.

The move has enabled the destocking and partial shut-down of the 125,295ha **property** Clover Down at Cunnamulla, south-western Qld, which is suffering from severe drought.

Since 2009 they have also acquired Raby Station, Warren, Old Bundemar, Trangie in central western NSW and Gundurra, Canowindra, in southern NSW.

In Victoria, Hassad now own Barton Station, Moyston, and Strathdownie in the Western District, with most recently the Telopea Downs **purchase** in the Wimmera, and Bindi Bindi, near Moora, Jerramungup and Esperance in WA.

While the initiator to invest in Australia was food security, Mr Nilon said Hassad now had a very **commercial** focus so they don't "become one of the train wrecks".

A prominent example of a corporate failure was the demise of Cubbie Station, a 96,000ha cotton farm in South West Qld that was **sold** last year to a **Chinese** and Japanese consortium for \$230m " well below the \$400m price tag sought.

Once Hassad acquires a **property** they undertake more than two years of land testing to develop the **site**.

With the **purchase** of Telopea Downs, in traditionally marginal country, Mr Nilon said research had found the area was very reliable.

Former grain properties that formed Barton Station were radically changed within 12 months to a perennial pasture farm that supported the current sheep breeding and fattening production hub.

"The farms contained heavy clay-type mixes, too wet one day and too dry the next," Mr Nilon said. "The advantage to being a corporate is that you have enough muscle in your battleship to do that.

"The strength of a corporate approach means we can move to what we should be doing."

He said Hassad take a 20-year view with the operation with majority of decisions approved by the six-strong **board**.

"Until we discover the nuances of the **property** and learn about what makes the operation tick with the three critical parts " descriptive section with physical features, the second is the operational part and the third is what are the long term development needs," Mr Nilon said.

He said the major success of the operations was based on a "support local" approach with hiring Australian farm managers and operators, buying products and services from local communities, investment in research and development and ensuring a sustainable farm and environmental management.

"We understand that the strength of the balance sheet brings about a high level of social responsibility," he said. "The rules for us are identical to every other business in Australia... because we are Australian registered, every factor that affects your farming business, affects ours."

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