

FINANCIAL REVIEW

SE Property
HD **Chinese** covet cattle stations
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WC 438 words
PD 27 October 2014
SN The Australian Financial Review
SC AFNR
ED First
PG 32
LA English
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China's ravenous demand for Australian beef could soon **lead** to some major cattle station purchases, with one of several **Chinese** importers, Snow Dragon Group, looking to buy land.

Snow Dragon, owned by the Xuelong Industrial Group based in Dalian in northern **China**, has been importing about \$7 **million** worth of high-grade chilled Angus beef from Australia every year for the last three years.

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It is one of many that have seen the dollar value of Australian beef and veal exports to **China** surge 3273 per cent in the past five years, according to Meat and Livestock Australia.

Snow Dragon director of quality management Chen Hong, who oversees a 10,000-head feedlot in Dalian, said the **company** wanted to rapidly expand and "co-operate in a closer way" with Australia.

"Because supply is less than demand we had to start importing beef from Australia," Mr Chen said through an interpreter. "We hope we can import more beef from Australia.

"We have a plan to **purchase** farmland in Australia soon. The details are to be decided by the board."

The **company**'s move to buy farmland for breeding cattle fits in with a renewed drive by **Chinese**-based companies to invest in Australian agriculture.

A spokesman for trade for the Development and Reform Commission of the Dalian Government said the central government had encouraged **Chinese** companies to invest overseas.

"Many enterprises from Dalian have begun to invest in other countries, including Australia.

"The forms of investment include purchasing farms, including cotton planting and livestock, [as well as] animal husbandry," the spokesman said. Prominent entries

Already this year several **Chinese**-based companies have entered the Australian farmland market. Yang Xiang Assets bought barrister Allan Myers' Elizabeth Downs station in the Northern Territory, while Shanghai-based Orient Agriculture bought the cotton farm Undabri in southern Queensland.

Snow Dragon representatives would not give details on where or precisely when it would make its move, but with surging growth in demand for beef in **China** the **company**'s investment is likely to come soon.

Australia now accounts for 53 per cent of **China**'s total beef imports and ANZ director of agribusiness research Michael Whitehead has forecast that our beef exports to **China** could skyrocket to \$130 **billion** by 2030.

Agricultural Minister Barnaby Joyce visited northern **China** in September, ahead of the finalisation of a free trade deal that will have Australia's beef and cattle exports, and the **Chinese** restrictions on them, high on the list of negotiation items.

The author is in **China** as a fellow of the Asia Pacific Journalism Centre.

CO mtlvau : Meat & Livestock Australia Limited

IN i010010501 : Beef Cattle Farming | ireest : Real Estate | i0 : Agriculture | i01001 : Farming | i0100105 : Cattle Farming | icre : Real Estate/Construction | ilsfarm : Livestock Farming

NS c312 : External Markets | mlvstk : Livestock/Meat Markets | ccat : Corporate/Industrial News | c31 : Marketing/Markets | m14 : Commodity Markets | m141 : Agricultural Commodity Markets | mcat : Commodity/Financial Market News | ncat : Content Types | nfact : Factiva Filters | nfce : C&E Exclusion Filter | nfcpin : C&E Industry News Filter

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AN Document AFNR000020141026ear0000e