

# FINANCIAL REVIEW

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HD **Forrest seeks input on farming infrastructure spend**

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Mining **billionaire** Andrew Forrest wants his **group** of high-powered **Chinese** and Australian agricultural and food businesses to help determine infrastructure spending approvals in the sector by Infrastructure Australia.

As part of a Memorandum of Understanding struck at the weekend, Mr Forrest's Australia-Sino 100-Year Agricultural and Food Safety Partnership, also known as ASA100, has agreed to "building a relationship with Infrastructure Australia" and will request agricultural investment approvals are brought "within its remit".

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It is understood that the ASA100 **group** does not want to control decision making, but wants to encourage and facilitate investment, including the potential to arrange co-investments for big ticket infrastructure that governments could consider for public private partnerships or seek directly from the private sector.

Many farmers complain about deteriorating infrastructure across the country that is driving up supply chain costs and making it more difficult to compete in export markets.

The MOU, which includes a string of commitments to co-operate to promote and invest in Australian agriculture, will be formally signed on Monday in front of **Chinese** President Xi Jinping and Prime Minister Tony Abbott ahead of the signing of a Free Trade Agreement between the two countries.

The MOU includes creating a single **brand** for Australian food **sold** to **China**, a strategy Mr Forrest believes is essential to increasing demand for the nation's produce that can in turn stimulate production and farm returns. Big food supply opportunity

"We rode on the agricultural sheep's back and I am very much of the view that if we market Australia correctly we will do so again," Mr Forrest said.

Mr Forrest has been struck by the lack of Australian food in **China**'s large supermarkets. He wants Australian producers to join together to market itself, rather than separate states and industries competing against one another in **China**.

"New Zealand **dairy** has stolen the march," Mr Forrest said. "They have done a great job. They [the **Chinese** consumers] know New Zealand. They are soon going to get to know Australia."

Harold Mitchell, who is a member of the ASA100, is leading the development of an umbrella **brand** for Australian produce. Members of the ASA, co-chaired by Mr Forrest, include some of Australia's biggest agricultural producers and processors including Baiada Poultry, Murray Goulburn Co-operative, CBH **Group**, Teys Australia and Casella Wines.

**Chinese** interests are represented by some of **China**'s biggest agribusinesses and food groups including New Hope **Group**, one of **China**'s largest suppliers of meat, egg and **dairy** products.

In attendance for the first meeting of **Chinese** and Australian members of the ASA100 in Canberra at the weekend were about 20 members from **China** including Agricultural Bank of **China** president Yun Zhang and New Hope chairman Yonghao Liu, who co-chairs ASA100 alongside Mr Forrest and **Business** Council of Australia chief executive Jennifer Westacott.

Mr Forrest bought Western Australia's largest beef processor Harvey Beef earlier this year.

He said attracting younger generations to the sector required boosting returns that could come through ASA100's initiatives to stimulate demand from **Chinese** customers.

**IN** i0 : Agriculture

**NS** cpartn : Partnerships/Collaborations | c11 : Plans/Strategy | ccat : Corporate/Industrial News

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