

SE TheNation
HD Rinehart to **milk China's dairy** fix
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EXCLUSIVE MINING magnate Gina Rinehart plans to join forces with a **Chinese** industrial giant in a \$500 **million** joint venture to export infant **milk** powder from Queensland to **China**.

It is believed Mrs Rinehart's flagship **company** Hancock Prospecting will be the majority stakeholder in the Hope Dairies partnership, which will own farmland and build a processing facility in southeast Queensland.

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The **Chinese** partner is believed to be the **China** National Machinery Industry Corporation, a state-owned enterprise that has been looking to invest in Australian **dairy** operations for some time.

The Beijing-based **group** is a sprawling conglomerate with more than 100,000 employees.

It has interests in manufacturing farm machinery and has been ramping up its investments overseas.

The move, expected to be announced by Queensland Premier Campbell Newman tomorrow, comes just days ahead of the expected announcement of a free-trade agreement between Australia and **China** that will potentially lower tariffs on **dairy** exports from Australia.

Much of **China's** imported infant formula now comes from New Zealand, which has a free-trade pact with Beijing.

Demand for imported **milk** powder in **China** has soared since a poisoning scandal in 2008 turned consumers off the local product.

The Australian understands the Hope Dairies joint venture has recently invested in a number of farms in southeast Queensland to supply the proposed plant.

While mining remains Mrs Rinehart's main game, it is believed her move is motivated by her belief in Australia as a food bowl supplying produce to rapidly growing Asian markets, and her desire to ensure the sector remains Australian owned.

She has recently moved to **buy** a 50 per cent **stake** in two large cattle properties in Western Australia's Kimberley for \$40m as she steps up her financial interests in the sector.

A spokesman for Hancock Prospecting said: "Mrs Rinehart has had a life-long association with agriculture in Australia and this export project will be a great boost for the Queensland **dairy** industry and the country." **Chinese** investors have been circling Australia's agricultural sector for years and last year famously bought Cubbie Station, the largest irrigated property in the southern hemisphere.

Recent interest from **China** has been in **milk** production. The Australian recently revealed that the **Chinese**-government-owned Beijing Agricultural Investment Fund had committed to spending \$3 **billion** on Australian **dairy**, beef, lamb and aquaculture assets.

Details of the Hope Dairies venture are expected to be revealed tomorrow, when Mr Newman presides over the signing of a memorandum of understanding between Mrs Rinehart and the Sinomachgroup. Mrs Rinehart, Australia's richest person, recently bought a \$14m property in Brisbane, setting a new record for a house sale in the Queensland capital.

CO cnamyi : China National Machinery Industry Corporation | hkpros : Hancock Prospecting Pty. Ltd. | qudpc : Queensland Department of the Premier and Cabinet

IN i4131 : Non-frozen Dairy Products | i010010502 : Dairy Cattle Farming | imet : Mining/Quarrying | i0 : Agriculture | i01001 : Farming | i0100105 : Cattle Farming | i41 : Food/Beverages/Tobacco | i413 : Dairy Products | ibasicm : Basic Materials/Resources | icnp : Consumer Goods | ifood : Food Products | ilsfarm : Livestock Farming | i211 : Metal Ore Mining | i32 : Machinery | iindstrls : Industrial Goods

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