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HD Tassie **buy-up**: **China** on investment spree
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Tassie **buy-up**: **China** on an investment spree AUSTRALIA'S smallest state is set to reap the benefits of a multi-**billion**-dollar landslide of **Chinese** investment in its agricultural sector, under deals to be sealed when **Chinese** President Xi Jinping flies to Hobart next week.

It is understood that at least four major investment agreements will be signed and announced while Mr Xi is in Tasmania for a five-hour visit on Tuesday, including a special deal between the state government and a major **Chinese** investment bank to inject much-needed funds into the state's expanding **dairy**, fruit and aquaculture industries.

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Deputy Premier and Agriculture Minister Jeremy Rockliff said last night that deals were imminent and **Chinese** investors wanted to **buy** "investor-ready" land and water farm packages.

He said the **Chinese** investment funds from state-owned companies and banks would be used to convert and develop lower-value sheep and cattle farms into more intensive **dairy** farms, with irrigation infrastructure and by building new dairies.

"Negotiations are still being worked through but we have water and land for **sale**, we encourage **Chinese** investment and we need to increase our **milk** production from 800 **million** litres to two **billion** litres in just a few years," Mr Rockliff said.

The Tasmanian fruit industry will also be the beneficiary of Mr Xi's visit to the Apple Isle, with the expected signing of a landmark memorandum of understanding for a **China**-Tasmania fruit industry partnership program.

Tasmania will more than double its horticultural production over the next five years. The remarkable growth — to meet the burgeoning out-of-season demand from **China**, Taiwan and other Asian countries — has been driven by individuals such as fourth-generation Tasmanian orchardist Howard Hansen, who has pioneered access to **Chinese** markets for cherries and apples over the past two years.

"Hansen orchards planted more trees this last winter — 25,000 apple trees or about 8 ha of land — than at any time in the past," Mr Hansen said.

His rapid expansion has allowed him to supply 50 per cent of all Tasmanian cherry exports to **China** from his Huon Valley orchard at Gove.

Exporters such as Mr Hansen use air freight to get their produce to **Chinese** tables within days, providing an edge over their main competitor, Chile.

However, currently, all exported fresh foods such as fruit and seafood have to be flown via Melbourne or Brisbane airports because Hobart's runway is too short for international access.

"It's expensive but it allows us to get our cherries to market less than 48 hours after they are picked from the trees, compared to the Chilean product, which is closer to 48 days sent by sea," Mr Hansen said. "Are the **Chinese** going to pay a premium for that fresh product?"

"That's the **million**-dollar question, but the past 18 months (of exports) have been encouraging." Tasmania is well regarded in **China** and Taiwan, gaining access to markets denied to mainland growers because of its disease-free status and prized branding.

The Weekend Australian understands that other deals to be announced may include the part **sale** of Tasmania's biggest **dairy** farming **business**, the Van Diemen's Land **company**, to state-owned **Chinese** interests, along with a package of 20-30 other northwestern **dairy** farms.

The new **Chinese** investor in NZ-owned VDL, which owns 28 **dairy** farms and milks 30,000 cows, is also apparently keen to build **wind** turbines on VDL's massive Woolnorth property on Tasmania's northwest tip to meet **China**'s increased clean **energy** commitments.

There are already two **wind** farms on Woolnorth on land compulsorily acquired by the Tasmanian government from VDL in 2000, near Cape Grim and facing the Roaring 40s .

The 37 **wind** turbines at Bluff Point and 25 towers at Studland Bay are now 75 per cent-owned by **China**'s Shenhua Clean **Energy** Holding Pty Ltd, itself majority owned by the government's Guohua **Energy** Investment **company**, after Hydro Tasmania **sold** its ownership down in 2012 for \$88.6 **million**.

VDL managing director Trevor Westacott denied there would be any announcement on Tuesday concerning the imminent **sale** of all or part of VDL, linked to the **Chinese** President's visit.

The use of an extended Hobart airport runway and Hobart Port as a new base for **Chinese** ships serving **China**'s Antarctic base is also expected to be announced.

Direct international flights between **China** and Tasmania bringing **Chinese** tourists into Hobart and flying fresh produce out are also in the **wind**, once the federal government-funded upgrade of the runway is completed.

Mr Rockliff said it was also possible a new trade in fresh **milk** from Tasmania to **China**, flown out of Hobart airport, would begin, to take advantage of the astounding \$10-a-litre prices for fresh Australian **milk** being paid by wealthy **Chinese** in Beijing and Shanghai. About 17 per cent of Tasmania's agricultural and seafood exports — which include meat, abalone, oysters, crayfish, **dairy**, fruit, berries, nuts and vegetables — were **sold** last year to **China**, with it fast overtaking Japan as the largest buyer of Tasmania's "clean, green" agricultural produce.

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