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HD COFCO considers investing in WA

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LP Chinese heavyweight COFCO is weighing up options in WA as part of a global spending spree in the grains industry.

COFCO, one of CBH's biggest customers, is poised to secure port access on the east coast after agreeing to pay \$US1.5billion for a majority stake in Noble Group's agribusiness.

TD The purchase came days after Qube and Noble revealed a joint venture to build a multi-user grain terminal at Port Kembla with annual capacity of 1.3 million tonnes.

A Qube spokesman said COFCO's involvement did not alter the plans for Port Kembla. It is understood Qube representatives have been in WA discussing options for investment in a bulk grain terminal and associated rail freight.

Industry analysts said the focus on setting up alternatives to the CBH supply chain in WA had intensified in recent days.

"It is no good having just a port, you need to have an up-country network that supports a port," one spokesman said.

"You have got to have an operation that connects the up-country supply base with the port and an efficient transport system."

Qube has a substantial footprint in WA ports outside the grains industry and has joined forces with Brookfield to bid on the upgrade of the multi-user iron ore facility at Esperance.

Qube's Port Kembla joint venture includes options for COFCO, Cargill and Sumitomo-owned Emerald to enter into rail haulage contracts.

CBH is considering a similar port and rail operating model based around its stake in the Newcastle Agri-Terminal.

Speculation about the site of a new grain terminal in WA has centred on the Kwinana Bulk Terminal and the adjoining James Point site. Geraldton is also considered an option.

WA is the biggest grain export State in Australia and a prime target for global traders and State-owned entities wanting to invest in supply chains, despite CBH's dominant position.

Meanwhile, another Chinese conglomerate has abandoned plans to develop a major grain storage and loading terminal at Albany just 12 months after a company acting on its behalf took a 16-year lease on a site at the port.

The Beidahuang Group had planned to use the terminal to export grain as part of an integrated supply chain from farms it owns and leases in the region.

The future of the land at the port, which includes a storage shed and woodchip loader, remains unclear.

The lease and associated assets are unofficially on the market after BDH shifted its attention to terminal projects at Kwinana.

Industry sources said they could be sold for under \$10 million and had already attracted preliminary interest from three global grain traders.

[Archer Daniels Midland-controlled Toepfer](#), Cargill and Louis Dreyfus are believed to have shown interest in picking up the pieces.

Geelong-based Vicstock Grain leased the Albany site with the backing of BDH, operating in Australia through Heilongjiang Feng Agricultural.

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