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HD **Sun rises over new era for dairying**
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Agriculture

Chinese giant New Hope will invest up to \$500 **million** in Australian **dairy** farms and processing plants as part of a deal with ASX-listed Freedom Foods in what could be the first of many deals fuelled by the historic **China**-Australia free trade agreement.

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Freedom Foods and the Perich **Group** have signed a memorandum of understanding with New Hope, **China**'s biggest private **company**, with interests in agriculture, financial services and real estate.

"With increasing demand from markets in **China** and south-east Asia for high-quality, value-added product, Australia through companies such as Freedom Foods and Perich **Group** is well placed to play an important role in the development of this supply chain," Freedom Foods managing director Rory Macleod said.

To secure **milk** supply, New Hope has set up an investment fund of up to \$500 **million** to invest in **dairy** farms and processing. Freedom Foods said it had built on supply arrangements with New Hope for long-life **milk** and was considering collaborating in other **dairy** operations here and overseas to take Freedom Foods products to **China**. Perich **Group**, New Hope and other investors will contribute most of the **equity** for farm investment, starting next year.

News of the deal comes on the back of the free trade agreement with **China** that gave Australia unprecedented access to the **Chinese** market. **Dairy** producers fared particularly well, with all tariffs - up to 20 per cent - on Australian **dairy** eliminated in four to 11 years, depending on the product.

"We couldn't wish for a better deal," Murray Goulburn managing director Gary Helou said.

Murray Goulburn collects almost 40 per cent of Australia's 9.1 **billion** litre **milk** pool and is the nation's biggest **dairy** exporter. The **company** plans to raise up to \$500 **million** by listing a unit trust on the ASX next year.

It comes as New Zealand-listed a2 **Milk Company** is seeking a dual listing on the Australian Securities Exchange in a bid to open up its register to Australian investors and boost the liquidity of its shares.

The **company** said on Tuesday it expects the application process for an ASX listing to be completed early next year.

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RE austr : Australia | china : China | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRICS Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia

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