

SE Business
HD **COFCO joins WA grain dots**
WC 647 words
PD 5 April 2014
SN The West Australian
SC TWAU
ED Second
PG 6
LA English
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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 \$US1.5 **billion** for a majority **stake** in Noble Group's agribusiness.

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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 — flagged by WestBusiness last week — 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 said.

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

"All three things need to go together to make it work.

"That is why Qube comes into play because they fit the bill in terms of transport and potentially port **operations**."

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.

Bunge is about to open its new facility at Bunbury Port, **China**'s Beidahuang Group is behind a similar project in Albany and Louis Dreyfus is almost certainly working towards using its recently acquired foothold at the Kwinana Bulk Jetty to export grain.

CBH chairman-elect Wally Newman said the co-operative would make competitors "work very hard to earn whatever grain they get".

"We'll be giving it our very best shot," Mr Newman said. "The system and processes here are as good as you get. Sure they are big and ugly but at the end of the day we are on the ground. It is a bit like the family-run farm — it takes a lot of beating."

Department of Agriculture and Food WA director-general Rob Delane expects investment in grain to be a focus of next week's WA-**China** Agribusiness Co-operation Conference in Perth.

"There has to be interest in grain, grain dominates WA agriculture," Mr Delane said.

"WA and Australian grain is extremely well known in **China** and demand for grain continues to climb in **China**."

COFCO agreed to pay \$US1.3 **billion** for a 51 per cent **stake** in Dutch trader Nidera in February as part of a big push by **China** to secure food supplies.

The Nidera and Noble deals will give COFCO direct access to grain from South America and the Black Sea region and a foothold on the east coast.

"By pushing the international strategy, COFCO will set up a stable grain corridor between the largest global grain-growing regions origins and the biggest global emerging market," its chairman Frank Ning said.

We'll be giving it our very best shot. "CBH chairman-elect Wally Newman

CO cncof : COFCO Limited | nobgrp : Noble Group Ltd

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