

# THE LAND

SE EARLY GENERAL NEWS

HD Imports not all **China** needs

BY ANDREW MARSHALL

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AUSTRALIAN farmers and farm product traders should think more about what they can do to help **Chinese** agribusiness growth rather than simply expecting booming **China** to be a cash cow for our own exports.

Opportunities exist to take Australian expertise to the fast developing **Chinese** farm sector, says ANZ Banking **Group**'s head of agribusiness in **China** James Campbell.

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Australia's relatively modest farm export capacity (on a global scale) means our agribusiness expertise could be just as much appreciated, and profitable, as food and fibre sales according to those on the ground in **China**.

Opportunities include supplying livestock genetics and nutrition or breeding advice to **Chinese** beef, **dairy** and sheep enterprises, or providing practical help to meat and **dairy** supply chains.

Australian experience in water management, horticulture and grain storage and handling was also greatly valued.

"Last year **China** lost about 35 **million** tonnes of cereals to wastage caused by inadequate loading and handling systems you could say it literally fell out the back of the trucks," said Shanghai-based Mr Campbell (pictured).

"That figure is equal to about half **China**'s annual cereal imports.

"Clearly **China** doesn't want to be heavily dependent on grain imports the **Chinese** are very focused on developing self sufficiency for staple food crops like wheat, rice and corn.

"About 221 **million** square kilometres of farmland has been reserved to grow staple crops, and growing them more productively.

"But the harvest needs to be handled efficiently, too."

He said rather than sitting back expecting **China** to eagerly **buy** Australian food exports or invest in our farms, processing plants and commodity trading businesses, more Australian companies and individuals could be asking how they might better contribute to the **Chinese** growth story in **China**.

Aside from scope for our input to its fast emerging greenhouse horticulture sector or broadacre agronomy, livestock husbandry and livestock genetics areas, Australia also had a lot of cold chain logistics know-how, which was badly needed in **China**.

"Australia's a big place and we understand cold storage infrastructure and how to move containerised bulk freight long distances," Mr Campbell said.

"If you're doing **business** in **China** the risk of not being paid is not so much of an issue, but the risk of your product being contaminated or spoilt before it reaches the end user is quite real.

"Australians mightn't have all the answers but we know how to get a lot of this sort of stuff done.

"Rather than asking what **China** can do for us in Australia, we should be thinking about what opportunities we can get involved in over here."

Australian Chamber of Commerce (AustCham) government relations representative in Beijing Andrew Britz said there was no shortage of Australians already working and doing **business** in **China**.

But as an export marketplace it was "different", and he agreed it might be easier for some Australians to look at service opportunities rather than selling farm products.

Despite **China's** big demand for farm products and Australia's undoubted ability in the food, fibre, **wine** and **dairy** sectors, Mr Britz said there was no easy road to riches for exporters.

"We're very good at producing **wine** or meat but when you think of the size of most Australian businesses, we're generally well below the scale of other exporters into **China** Europe, America or South America," he said.

"People who think its a matter of packing off a container load of product are quickly disappointed it takes a lot more time and money than expected and you need to establish a lot of supply networks."

Mr Britz said Australia's infrastructure networks at home also needed improving significantly to match the efficiency of many other competitors vying for **China's** trade **business**.

There was, however, a lot of agricultural market growth potential if the much anticipated free trade agreement (FTA) was concluded this year.

"AustCham's agricultural working **group** is supporting the government with research recommendations to help negotiators with their FTA discussions," he said.

"We're also starting to work with the National Farmers Federation to help promote opportunities relevant to the market in **China**."

n Andrew Marshall travelled to **China** as a guest of Elders.

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