

FINANCIAL REVIEW

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HD **Forrest aims to beef up trade**
BY Julie-anne Sprague
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Exclusive

Mining magnate Andrew Forrest says **China** doesn't need to **buy** Australian farms to secure food supply when it can partner with the nation's farmers to help boost production.

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Mr Forrest, who earlier this year bought Western Australia's biggest beef processor Harvey Beef, will meet representatives from some of **China**'s biggest food producers in Canberra on Saturday, to secure an agreement he hopes will significantly stimulate agricultural production.

The meeting would be the first attended by both **Chinese** and Australian participants of Mr Forrest's ASA 100, which he established earlier this year to strengthen agricultural **business** between the two nations.

The agreement is expected to be formally signed by **Chinese** President Xi Jinping and Prime Minister Tony Abbott on Monday.

"We have laid out to **China** what we need to become a prosperous, thriving agricultural industry, which can multiply our supply [to them]," Mr Forrest told The Australian Financial Review. Free-trade agreement with **China**

The comments from the Fortescue chairman come on the cusp of a free-trade agreement with **China**.

The agreement is expected to cover services, agriculture and some aspects of foreign investment. It will allow additions for disputed issues in later years.

Australia is also working to secure a deal to export up to 1 **million** live cattle a year to **China**, a figure that was questioned by some in the sector given total exports last year were 1.1 **million**.

Mr Forrest believes by building relationships with **China** and improving Australia's food branding, demand could grow and offer farmers a significant market to offset the domestic market power of Coles and Woolworths.

"They [retailers] reduce the margins of the grower so severely that they become dangerously unsustainable," he said. "So you bring in a **China**. You make Australia to **China** the safest most attractive place to import your food from." Mr Forrest said he is underinvested in agriculture and is seeking to grow his assets, which include Pilbara cattle stations. Competition growing for agricultural assets

He paid \$40 **million** for Harvey Beef in May, which is WA's only accredited exporter to **China**.

Mr Forrest's Minderoo has eyed Lactanz Dairies and the Brownes **dairy** plant, both in WA.

There is growing competition for agricultural assets.

Fellow miner Gina Rinehart's Hope Dairies is reportedly planning a \$500 **million** investment to supply infant formula to **China** and is looking to **acquire** about 5000 hectares of farmland in Queensland.

Key points

Agreement sought with **China** to stimulate agricultural production.

Increased demand could offset the pressure on farmers from retailers.

IN i0 : Agriculture

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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