

FINANCIAL REVIEW

Perspective

The new squattocracy

1,537 words

11 July 2015

The Australian Financial Review

AFNR

First

20

English

Copyright 2015. Fairfax Media Management Pty Limited.

Rural investment Convinced of the long-term opportunities in Asia's demand for food, some of Australia's wealthiest people are donning their gumboots, writes Jemima Whyte.

Harold Mitchell is an unlikely poster boy for an East Kimberly cattle station. Inordinately proud of his tailored jackets, designer shoes and even his tracksuits, it's hard to imagine the energetic advertising entrepreneur, who usually resides in Melbourne's CBD, being all that comfortable on his 850,000 hectares in remote corner of Western Australia. But he's certainly financially comfortable with the investment.

"It's a wonderful feeling and great asset to be involved in," he says of the Yougawalla Pastoral **Company**, which he bought in 2008 alongside SevenWest's Doug Flynn and managers Jane and Haydn **Sale**.

"But at the very core it's about the **business**, and it's paid off," Mitchell tells AFR Weekend from London's Euston Station, on his way to **board** the Eurostar to Paris.

...

...It came just a week or so after cattle and horse investor Gerry Harvey bought into a 2000-hectare Coomboona Holsteins property in Victoria, one of the country's largest **dairy** farms and his first foray into the **dairy** industry. Andrew Forrest and Gina Rinehart, both long-time investors in agribusiness, have also been expanding their non-mining empires. Last year, Forrest's private **company** Minderoo bought Western Australia's largest beef processor, Harvey Beef, while Rinehart's bought a cattle property near Dubbo and **dairy** assets.

... and jewellery retailer Diva, has also increased his agricultural holdings. He's now said to have almost as much invested in agribusiness as retail after last year buying a **stake** in the Northern Territory's Beetaloo Station for an estimated \$40 **million**, in addition to his cattle stations OT Downs and Mungabroom.

And Jack Cowin, who owns hamburger chain Hungry Jacks and was an investor in the country's largest single land and cattle producer at the time, Stanbroke Pastoral **Company**, says his private **company** is actively reviewing whether to **buy** into the sector and secure beef supply, though he hasn't made any offers yet.

"We are large buyers of beef. We describe our **business** as a value-added meat **business**. Whether we stay there or backward integrate, it's all part of the process," he said.

... Asian food basket. Australia is one of the major export producers of beef. The question is what happens to the demand, supply and the product. Being in the **business**, we're obviously looking at it."

If that isn't enough to pique interest, one of the country's biggest agricultural portfolios, S. Kidman & Co, is on the **sale** block, while Mitchell's Yougawalla Pastoral **Company** and Consolidated Pastoral Holdings, the Northern Territory properties once owned by the Packer family and now backed by Guy Hands' private **equity** outfit Terra Firma, are both seeking new investors.

S.Kidman & Co covers almost 11 **million** hectares (that's 1.4 per cent of Australia, and half the size of the United Kingdom) and its assets include the world's largest cattle station, South...

...

As the businessmen and other investors move on the sector, land prices also appear to have stopped falling for the first time since about 2008. "Across the **board** at a national level it would be fair to say the market value has stabilised from a downward trajectory in terms of value, and we are starting to see...

...

"We're taking a slightly different approach than simply aggregating land portfolios - we have cattle stations, meat processing facilities, export licences and emerging consumer **brand**. It's about being vertically integrated and taking a broader position in the value chain," says Andrew Forrest. Ground water harvesting is also key to Minderoo's strategy.

...

One of **China's** top 500 companies, Hailiang **Group**, bought more than \$40 **million** worth of south-west Queensland cattle and cropping land east of St George in March and **Chinese group** Yang Xiang Assets bought Allan Myers' Elizabeth Downs cattle station for a price believed to be more than \$11.5 **million**. In March, Canadian pension fund Public Sector Pension Investment **Board** took a **stake** in Centra Queensland's Hewitt Cattle **Company**, which owns more than 200,000 hectares and 30,000 head of cattle.

...

Yougawalla's **Sale** says it's impossible to overstate the importance of long-term, committed capital - something that in their case was invaluable while weathering the sinking cattle prices around the...

...

Size in hectares of Yougawalla Pastoral **Company**, the East Kimberly cattle station owned by Harold Mitchell, Doug Flynn, and Jane and Haydn **Sale**.

Document AFNR000020150710eb7b0001j

Search Summary

Text	((chin* or hong kong)) and (((residential or site or commercial) and (project) and (casino resort or island or hotel or apartment or park or estate or property) and (group or firm or company or board or assets) and (transaction* or purchase* or sale or sold or buy)) or ((uranium or wind or gold or solar or ore or copper or energy or alumina or iron or lead or coal or oil) and (bonds or acquisition or merge or purchase or sale or stake or equity) and (million* or billion* or B or M) and (operations or mining or firm or company)) or ((dairy or cheese or butter or milk or bread or wine) and (sold or buy or sale or equity or stake or merge or acquire) and (brand or company or business or group or firm or board) and (million* or billion* or B or M))) not (terrorism or war or navy or stock market or share market or Wall St or Wall Street or Forex or Stock Exchange or rst=asxtex) and re=austr
Date	08/07/2015 to 14/07/2015
Source	All Sources
Author	All Authors
Company	All Companies
Subject	All Subjects
Industry	All Industries
Region	All Regions
Language	English
Results Found	155
Timestamp	16 August 2017 15:58