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The West Australian



SE Business
HD Foreigners, locals fight for slice of farm future

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LP The man who brokered a record sale of Wheatbelt farmland to Chinese interests believes there is unprecedented overseas and domestic demand for agricultural assets in Australia.

CBRE head of agribusiness Danny Thomas said the two groups were going head-to-head in the sales arena.

TD The company's research showed a big jump in investment in 2015, with \$16 billion in assets changing hands.

Mr Thomas said higher beef prices driven by export and local demand was a significant factor as highlighted by the blocked \$371 million bid for the Kidman cattle empire and two record-breaking deals in the WA pastoral industry.

"A new norm in beef prices has restored confidence to a large part of the sector, with a consequent increase in purchaser enquiry, and the irrigated row cropping and edible nut sectors are also experiencing strong demand despite recent downward shifts in farm-gate prices," Mr Thomas said.

The CBRE data showed domestic buyers included established industry families and corporations, first-time investors, high-net worth Australians and young farmers.

Its research also highlighted a surge in Chinese investment to about \$400 million in 2015. This made up less than 10 per cent of the Australian rural market and was still much lower than US and European investment. Two of the biggest sales involving China had close links to WA.

Mr Thomas sold almost 70,000 hectares of Wheatbelt farmland owned by John Nicoletti to Li Ka-shing, one of Asia's richest men and the backer of CK Life Sciences, for about \$35 million.

And Chinese billionaire Lu Xianfen, who spends most of his time in Australia working from the Malaga headquarters of ASX-listed Kresta, purchased Tasmania's Van Diemen's Land dairy operation for about \$280 million through Moon Lake Investments.

Chinese interests have been given until today to respond to Treasurer Scott Morrison's concerns about their bid for Kidman and Co, which includes the Ruby Plains cattle station in the Kimberley. Mr Morrison moved to block the sale on Friday.

Mr Thomas said foreign investors, including those from China, were focused on large scale opportunities.

The CBRE report showed organics, nutritionals and seafood are the hottest post-farm gate sectors.

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