



HD Australia's Rinehart invests Aus\$500 million in China milk deal

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Mining magnate Gina Rinehart Saturday signed a deal to invest Aus\$500 million (US\$438 million) in an Australian **dairy** project to tap into the multi-billion dollar **Chinese** infant formula market.

Rinehart, who recently entered into a joint venture to export beef to Asia, said her majority-owned Hope Dairies would produce pharmaceutical-grade infant formula and UHT, or longlife **milk**, at a processing plant in Queensland.

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The agreement was reached between Rinehart's **mining firm** Hancock Prospecting and the Queensland state government.

"Australia has some of the finest agricultural products in the world and we need to position ourselves to meet the demands of our region," Rinehart, Australia's richest person, said in a statement.

Chinese state-owned engineering **firm** CAMC and Hope Dairies' **Hong Kong**-based directors Dave Garcia and Dano Chan have minority stakes in the **company**.

The **firm** has been buying up about 5,000 hectares (12,355 acres) of **dairy** and arable land in south-east Queensland over the past year, and plans to process 150 million litres (39 million gallons) annually.

Hope Dairies said it would also **buy** additional **milk** from nearby local producers to add to its supply, with exports expected to start in late 2016.

Industry **group** Queensland Dairyfarmers' Organisation welcomed the announcement, saying that "**China** presents a real opportunity for our industry to form close partnerships to supply high quality **dairy** products to their growing population, and in particular infant formula".

Hancock Prospecting in July paid Aus\$40 million for a 50 percent **stake** in two cattle stations in Western Australia.

Asia's growing middle classes, with their increasing appetite for meat and **dairy** products, has seen agricultural exporters such as Australia position themselves as the region's food bowl.

Earlier this year, Australian **iron ore** mogul Andrew Forrest partnered with three of Asia's leading agribusinesses to set up a 100-year partnership -- ASA 100 -- that will meet annually.

ASA 100 comprises dozens of members mostly from **China** and Australia and includes food producers, distributors and politicians.

China is Australia's largest trading partner and has helped drive the country's economic growth through its demand for commodities such as **iron ore** and **coal**.

grk/bp/erf

CO hkpros : Hancock Prospecting Pty. Ltd.

IN i211 : Metal Ore Mining | ibasicm : Basic Materials/Resources | imet : Mining/Quarrying

RE austr : Australia | china : China | nswals : New South Wales | queensl : Queensland | sydney : Sydney |
apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRICS Countries | chinaz : Greater
China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia

IPD Australia

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