

**HD** Chinese dairy group buys Australian farms

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Sydney (dpa) - Chinese dairies looking for new sources of cows' milk are buying Australian farms and intend to bring Chinese workers to help staff them, a newspaper reported Wednesday.

The Ningbo Dairy Group, one of the biggest dairy companies in China, has spent 15 million Australian dollars (13.6 million US dollars) on the purchase and revamp of three farms in the Gippsland dairy region of Victoria state, The Australian said.

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"There is huge potential in Australia because there is land here that can run dairy cows while in China there are few farms left for expansion," Yin Chong Zhang, owner of Ningbo Dairy, was quoted as saying.

Chinese consumers regard Australian milk as high quality and safe, he said.

Ningbo Dairy said its target was to produce and fly 100,000 litres a day from Melbourne and Sydney to China, the report said.

But to do so more profitably and rapidly, the company said it would need to bring in Chinese employees, build new processing facilities and cut through bureaucracy.

"With labour so expensive - three times more than in China - and milk cheaper, it makes profitable farming very hard; we see the only way is to process the milk ourselves, export it to China and bring some of our workers here," Harry Wang, Ningbo Dairy vice president, told the newspaper.

China is Australia's biggest export market and tops the list of investors in markets such as residential property.

Canberra and Beijing are expected to conclude a free trade deal by the end of the year.

# Notebook

## Internet links - [Australia-China trade figures](http://dpaq.de/L2izY) - [Ningbo Dairy Group website](http://dpaq.de/20HqN) - [The Australian report](http://dpaq.de/VDHcR)

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