

HD Australia : \$438m invested by Australias Rinehart in China milk deal

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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 is signed by Mining magnate Gina Rinehart.

Rinehart, who lately signed 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.

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

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 acquiring up about 5,000 hectares (12,355 acres) of dairy and arable land in south-east Queensland over the previous year, and intends to process 150 million litres (39 million gallons) yearly.

Hope Dairies said that 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, stated 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 rising middle classes, with their rising appetite for meat and dairy products, has seen agricultural exporters such as Australia position themselves as the region's food bowl.

Australian iron ore mogul Andrew Forrest earlier this year associated with three of Asia's leading agribusinesses to set up a 100-year partnership -- ASA 100 -- that will meet yearly.

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

China is Australia's biggest trading partner and has assisted drive the country's economic growth through its demand for commodities for example iron ore and coal.

CO hkpros : Hancock Prospecting Pty. Ltd.

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

RE austr : Australia | china : China | queensl : Queensland | 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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