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HD **Perich woos partners for farm investment**  
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Perich woos partners for new farm investment Up to \$500m is to be spent on the agricultural sector

AS the **billionaire** Perich family's King Air Turboprop did a quiet whistlestop tour of NSW and Victoria last week, very few knew that on **board** it carried one of the richest men in **China**.

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Liu Yonghao, chairman of the agricultural industry giant New Hope **Group**, had joined Tony Perich and his brother Ron for a quick tour of the Perich family's farms, **milk** factories and shopping centres ahead of signing a landmark deal that could help transform the Victorian **dairy** industry.

On Monday evening at Parliament House in Canberra, the listed Freedom Foods **Group** and its controlling shareholder, the Perich **Group**, struck a deal with New Hope **Group** under which tens of **millions** of dollars will be invested in Australian **dairy** farms.

For Tony Perich, the deal shows that Australian agricultural companies can do deals with **Chinese** investors that retain Australian management and, most importantly, Australian ownership of farming assets.

"This shows we aren't selling the farm. The **Chinese** are investing in with us and we are doing this as a joint venture. We don't want to be selling the farm," Mr Perich told The Australian yesterday.

Mr Perich said he and his brother, along with Freedom chief executive Rory Macleod, had struck up a good rapport with Mr Liu during several visits to **China**.

The Perich brothers plan to return to **China** next March to get a more detailed tour of New Hope's businesses.

"He loves the concept of two families working together," Mr Perich said of Mr Liu. He believes in the concept of hard work." In August, Freedom's Pactum **Dairy Group** announced a strategic supply agreement with New Hope for the manufacture of high- value-added **dairy** beverages for key customers in **China** and Southeast Asia.

Now New Hope has established an investment fund of up to \$500 **million** to be spent on Australian agriculture.

Part of these funds, along with money from the Perich family, will be invested in new large-scale intensive **dairy** farms in Victoria to bolster long-term **dairy milk** supply.

The farms will supply Freedom Foods **Group**'s UHT operations and other potential processing operations in Australia, including fresh **milk**.

Freedom Foods **Group** will have a strategic investment in the farm investment vehicle while the management of the farm operations will be undertaken by the Perich **Group** through a separate farm management services agreement.

It is expected that the partners will spend more than \$50m over the next three to five years investing in greenfield and brownfield farming assets.

Mr Perich said there was capacity for the funds invested to be as much as \$100m, "but it depends what is needed".

"We won't go over that number," he said.

The Perich **Group** has a 60 per cent **stake** in Freedom Foods and runs one of the nation's biggest dairies west of Sydney.

Mr Macleod said yesterday said the partners had a "five- to 10- year vision" and were open to establishing more greenfields farms over time.

"It is a strong partnership with the capacity to build upon the relationship that we have." Mr Mcleod said Freedom and New Hope had also agreed to work together on a **business** plan to take existing and or new products from the Freedom Foods portfolio for **sale** in **China**.

He said the focus could be on snacking and oat-based products. News of the Freedom-New Hope deal comes as other major **Chinese** property players are eyeing an entry into local agriculture to diversify their investments ahead of the completion of the free trade agreement.

The biggest **Chinese** property player in the Australian market, the state-owned Greenland Holding **Group**, revealed yesterday that it would **buy** Australian beef, **dairy** and **wine** companies for export to mainland **China** in what could be one of the largest forays into the local agriculture sector.

Greenland's Shanghai-based global chairman Zhang Yuliang said the **company** was in negotiations to **buy** local agricultural companies and aimed to get a foothold in the market in the next six months.

"**China** is a very big (food) market and people's consumption habits are upgrading and changing so our next step is to **acquire** such kind of Australian companies," Mr Zhang said.

"The speed of the growth in our investment in the speed of food and agriculture products will grow very rapidly." Greenland has made a major entry into the Australian property market in the past 18 months, investing in about \$1.4 **billion** worth of projects in Sydney and Melbourne.

It is understood that **Hong Kong**-listed property giant Country Garden, which is in negotiations to **buy** Harry Triguboff's Meriton Apartments, also aims to enter the sector. Country Garden declined to comment. Also yesterday New Zealand-listed A2 **Milk Company**, which is 18 per cent owned by Freedom, confirmed it was seeking a dual-listing on the Australian Securities Exchange in a bid to open up the **company**'s register to Australian investors and boost the liquidity of its shares.

<b>CO</b>	ausnfh : Freedom Foods Group Limited
<b>IN</b>	i4131 : Non-frozen Dairy Products   i010010502 : Dairy Cattle Farming   i05 : Support Activities for Agriculture   i41 : Food/Beverages/Tobacco   i0 : Agriculture   i01001 : Farming   i0100105 : Cattle Farming   i413 : Dairy Products   icnp : Consumer Goods   ifood : Food Products   ilsfarm : Livestock Farming   ifunfod : Functional Foods
<b>NS</b>	ccat : Corporate/Industrial News   reqrfb : Suggested Reading Food/Beverages/Tobacco   redit : Selection of Top Stories/Trends/Analysis   reqr : Suggested Reading Industry News
<b>RE</b>	austr : Australia   china : China   nswals : New South Wales   victor : Victoria (Australia)   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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