

# FINANCIAL REVIEW

**SE** Property  
**HD** **Tianjin Bright, MengDe Dairy buys farm**  
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**LP**

A subsidiary of China's Bright Food Group, which owns and operates the second-largest dairy network in China, has made the first of several planned investments in Australia, purchasing the 364-hectare Victorian grazing property "Duncraig".

Tianjin Bright & MengDe Dairy, which milks more than 20,000 cows at its own dairy facilities in Tianjin, said in a statement that it had purchased the property in the south of the state between Hamilton and Portland, enabling the group to establish a dairy heifer export facility within 70 kilometres of Portland.

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Tianjin Bright & MengDe Dairy Group chairwoman Madam Yu said the purchase will give the group direct control over the quality of animals the group receives in China.

"Import supply is currently controlled by two or three specialised trading companies, so this direct investment strategy will help us secure our supply chain," she said.

Members of the group have inspected several properties across Victoria's south-west and plan to buy more. Duncraig was purchased for a price of about \$2.5 million in a deal negotiated by agency Charles Stewart. Chinese investment in dairy farms in Australia and New Zealand has been tentative despite much fanfare about the demand for dairy out of China.

While the Sino-Australian milk processing and farming consortium comprising Leppington Pastoral Company, New Hope Dairy Holdings and Freedom Foods Group has completed its acquisition of the \$100 million Moxey Farms dairy business in central west NSW, other dairy ventures have not gone so well.

In Victoria, Chinese group Longyuan International purchased the 500-hectare Malmo Farm near Cobram for about \$6 million in 2008 but sold out last year.s

Billionaire Gina Rinehart's Hope Dairies, which was buying as much as 5000 hectares of dairy farms in the Mary Valley in Queensland's south-east, joined forces with Chinese industrial giant China National Machinery Industry Corporation to export infant milk powder. That \$500 million joint venture has now been aborted. Mrs Rinehart will now focus on beef cattle at the farms instead.

Meanwhile in New Zealand, Fairfax's NZFarmer.com has reported that Chinese billionaire Jiang Zhaobai is now offering for sale 16 dairy farms in south Waikato, which were purchased for \$200 million less than three years ago.

The new dairy purchase by Bright Food Group's subsidiary follows Bright's existing Australian agriculture investments, which range from sugar to beef cattle and cropping.

Key pointsVictoria's Duncraig grazing

property has been acquired

by the Chinese company.

Representatives are looking

at further properties with a

view to possible purchase.

**CO** brgfdc : Bright Food (Group) Co Ltd

**IN** i010010502 : Dairy Cattle Farming | i4131 : Non-frozen Dairy Products | i413 : Dairy Products | ireest : Real Estate | i0 : Agriculture | i01001 : Farming | i0100105 : Cattle Farming | i41 : Food/Beverages/Tobacco | icnp : Consumer Goods | icre : Real Estate/Construction | ifood : Food Products | ilsfarm : Livestock Farming

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