

# FINANCIAL REVIEW

SE News  
HD **Rinehart turns hand to cattle**  
BY Tim Binsted and Duncan Hughes  
WC 528 words  
PD 3 July 2014  
SN The Australian Financial Review  
SC AFNR  
ED First  
PG 6  
LA English  
CY Copyright 2014. Fairfax Media Management Pty Limited.  
LP

**Iron ore** magnate Gina Rinehart has snapped up a 50 per cent **stake** in two West Australian cattle stations in a bid to capitalise on booming food exports to Asia.

The nation's richest person on Wednesday confirmed her **company** Hancock Prospecting – which is building the mammoth Roy Hill **iron ore** project in the Pilbara – had purchased the **stake**.

TD

Mrs Rinehart said Australia's north has vast potential as a food producer. "We are well placed to meet the growing needs of our Asian neighbours," she said in a statement.

"My family has had a long history in the West Australian pastoral industry with our interest continuing over generations in Mulga Downs Station in the Pilbara."

Hancock now owns half of the sprawling Liveringa and Nerrima cattle stations in the West Kimberly region in a joint venture called Liveringa Station Beef (LSB). The two properties cover about 470,000 hectares and span the Fitzroy river.

Hancock's joint venture partner is Dowford Investments, which is owned by the Laitt family and is the parent **company** of WA agribusiness group Milne Agrigroup.

The total transaction value to establish the LSB joint venture is in excess of \$65 **million**. The fee Mrs Rinehart paid for her **stake** was not disclose, but media reports suggested it was around \$40 **million**.

The move comes just months after fellow **iron ore billionaire** Andrew Forrest bought the Harvey Beef Group and added two large WA cattle stations to the Minderoo station he bought for \$12 **million** in 2009.

LSB managing director Graham Laitt said the **mining** magnates were already taking Australian primary produce and shipping it to offshore markets.

"In many ways the challenges they face [in **mining**] are the challenges we are facing [in agriculture] and the markets they sell into are the markets we want to sell into. In some ways they've laid down the road for us," he said.

"The demand for product is huge and there is an opportunity for Australia as supplier,"

He said LSB is moving away from live exports and towards boxed beef and has purchased the mothballed Waroona Abattoirs formerly known as Clover Meats.

Western Australian beef farmers claimed the investments by Mrs Rinehart and Mr Forrest were a "massive vote of confidence" in an industry beginning to rebuild from recent lows.

Tony Abrook, president of the Pastoralists and Graziers' Association of Western Australia, said both **billionaires** were raised on WA beef farms and understood the local industry.

"They are sensible people that know the people, the country and the business," he said.

The industry nearly collapsed following the ban on live exports by the previous federal Labor government, he said. "It was a massive financial setback. The farms became unsaleable and debts jumped. The industry is now getting back on its feet and there is a great sense of optimism." He added Mr Forrest's planned push of beef exports into **China** was also boosting sentiment.

But others warned the concentration of the beef processing industry in foreign hands had routinely resulted in local output being reduced in favour of cheaper overseas markets.

**CO** hkpros : Hancock Prospecting Pty. Ltd.

**IN** i412 : Animal Slaughtering/Processing | i4122 : Meat Processing | i22 : Primary Metals | i221 : Iron/Steel/Ferroalloys | i41 : Food/Beverages/Tobacco | ibasicm : Basic Materials/Resources | icnp : Consumer Goods | ifood : Food Products | i211 : Metal Ore Mining | imet : Mining/Quarrying

**NS** c312 : External Markets | mcattl : Beef/Dairy Cattle Markets | c184 : Joint Ventures | ccat : Corporate/Industrial News | c18 : Ownership Changes | c31 : Marketing | cactio : Corporate Actions | m14 : Commodity Markets | m141 : Agricultural Commodity Markets | mcat : Commodity/Financial Market News | mlvstk : Livestock/Meat Markets | ncat : Content Types | nfact : Factiva Filters | nfce : FC&E Exclusion Filter | nfcpin : FC&E Industry News Filter

**RE** austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

**PUB** Fairfax Media Management Pty Limited

**AN** Document AFNR000020140702ea730002u