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HD RPT-Australia cattle firm agrees buyout by China group, watchdog verdict awaited  
WC 466 words  
PD 20 April 2016  
ET 08:09  
SN [Reuters News](#)  
SC LBA  
LA English  
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LP (Repeats story published late on Tuesday, no change to text)

TD By Byron Kaye

SYDNEY, April 19 (Reuters) - Australian cattle producer S. Kidman & Co has attracted its second public foreign buyout offer in six months, agreeing a deal with a Chinese-led group that will need the regulatory approval that was denied its previous suitor amid a public outcry over assets passing into non-Australian hands.

A consortium involving China's [Hunan Dakang Pasture Farming Co Ltd](#) and Shanghai CRED Real Estate Stock Co Ltd agreed to buy Kidman for A\$370.7 million (\$288 million), the companies said on Tuesday. The 117-year-old target is Australia's fifth-largest cattle producer.

But Australian Treasurer Scott Morrison last November blocked a previous foreign buyout of Kidman and its 101,000 square kilometres (40,000 square miles) of farmland. Amid a backlash over assets being sold to Chinese interests, domestic media reported the government was concerned one Kidman cattle station was too close to a rocket testing site.

Investment in Australian farm assets by Chinese players has been expected to rise since the countries entered a \$100 billion free trade agreement last year. The move by Dakang, worth \$2.9 billion by market value, would give a first foothold in Australia, though it already owns land in New Zealand.

Mainland Chinese ownership of Australian agriculture assets is also set to grow as Beijing and the country's firms look for new ways to supply quality produce to a growing middle class.

A spokesman for the [Foreign Investment Review Board \(FIRB\)](#) watchdog, which Morrison oversees, told Reuters the federal office did not comment on individual cases.

S. Kidman and its prospective buyers said in a statement that the Anna Creek station in South Australia state - reported last year to be too close to a rocket test site for the government's liking - would be kept out of the sale.

"The consortium and Kidman have complied with all requests that have been made by the [FIRB](#) and we believe the sale will secure the long-term future of the Kidman enterprise," Kidman Chairman John Crosby said in the statement.

The statement said Shenzhen-listed Dakang and privately held Chinese property investor CRED would take an 80 percent share of Kidman, while Sydney-listed farm investor [Australian Rural Capital Ltd](#) (ARC) would get the other 20 percent.

ARC Executive Chairman James Jackson said in the statement his company's involvement in the purchase would create "an excellent opportunity for Australian investors to participate in the growing international demand for Australian beef".

The deal would result in an increase in production and an expansion of international markets for Kidman, the companies added.

RF Released: 2016-4-19T23:09:59.000Z

CO hdapaf : Hunan Dakang Pasture Farming Co.,Ltd

IN i0 : Agriculture | i01001 : Farming | i0100119 : Hog/Pig Farming | ilsfarm : Livestock Farming

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AN Document LBA0000020160419ec4j025mi

UI Ver:99.1.0 Mod:22:40 ID:FWEB10