

HD Cofco Placed Bid for a Stake in Dutch Grain Trader Nidera -Source

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HONG KONG--State-owned **Chinese** food giant Cofco Corp. has placed a bid to **buy** a minority **stake** in privately owned Netherlands-based grain trader Nidera, the latest move by the world's most populous country to **acquire** overseas assets to secure access to resources.

Cofco submitted a binding bid for the **stake** last month, a person familiar with the transaction said. The **stake** is worth around US\$250 **million**, but it wasn't immediately clear how much Cofco will pay.

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Although it is **China**'s largest state-owned grain trader, Cofco has veered away from multibillion-dollar deals overseas, preferring to **buy** smaller assets. In 2011, it bought Australian sugar producer Tully Sugar for around 136 **million** Australian dollars (US\$123 **million**). It has also bought vineyards in Chile and France.

Having a **stake** in Rotterdam-based Nidera gives Cofco access to a **company** with exposure to major grain-producing areas in Latin America. Nidera, founded in the 1920s, took its name from first letters of countries where it had dealings: Netherlands, the (East) Indies, Deutschland (Germany), England, Russia and Argentina, according to its website. It employs around 3,800 people in 20 countries.

Cofco couldn't be reached for comment, while Nidera declined to comment.

The terms of the deal are still under discussion, the person said.

Cofco and other **Chinese** companies are eager to purchase access to agricultural resources as increasing urbanization changes domestic food tastes and drives demand, while toxic food scandals have sparked mounting concerns about food safety. Scandals since 2008, when at least six children died from drinking **milk** tainted with the industrial chemical melamine--nearly 300,000 others fell ill--include a recent recall by Wal-Mart Stores Inc. of donkey meat that contained the DNA of other animals.

The country's growing wealth is also prompting changing patterns in food trade: **China** became a net importer of rice in 2011, with the gap between exports and imports widening in recent years.

Chuin-wei Yap in Beijing and Maarten Van Tartwijk in Amsterdam contributed to this article.

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