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# THE AUSTRALIAN

SE TheNation  
HD It's a very good year for Chinese agri adventures  
BY SUE NEALES RURAL REPORTER  
WC 613 words  
PD 18 April 2016  
SN The Australian  
SC AUSTLN  
ED Australian  
PG 2  
LA English  
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LP Chinese purchases of Australian farms and agribusiness interests in the past three months have already surpassed the boom year of 2015, when agriculture rose to become a mainstream target for Chinese investors.

Big deals completed this year include Shandong Delisi food company's buy of 45 per cent of NSW meat processing company Bindaree Beef for \$170 million and the approval by the Foreign Investment Review Board of Moon Lake Investments' bid to snare Australia's biggest dairy farming business, the Van Diemens Land Company in Tasmania, for \$280 million.

TD Other key 2016 deals include the acquisition by Hong-King based CK-Life Sciences of 68,000 hectares of grain farms owned by WA's biggest wheat farmer John Nicoletti for nearly \$45 million and the expected sale of the Kidman cattle empire to Shanghai Pengxin, pending federal government approval, for \$350 million.

Many smaller farmland deals have also been sealed already this year, including this month's \$6m grab of prized Mornington Peninsula Red Hill Estate winery by Chinese Fullshare tourism and property group.

Brenton Martin, spokesman for Red Hell Estate's consortium of current owners, which includes members of the founding Derham family, said Fullshare had bought the winery just prior to auction. "We were delighted; this was not so much a sale about the wines or an agricultural play, but redeveloping in the tourism space and turning Red Hill Estate into the most spectacular property on the peninsula, which is just what Fullshare want to do," he said.

A recent study by KPMG and the University of Sydney of Chinese investment in Australia in 2015 found agriculture and food businesses had become keenly sought after last year, after being low on the list of priorities.

KPMG's head of China Business and Deals, Doug Ferguson, said that, in 2015, 3 per cent of all inbound Chinese investment into Australia — totalling more than \$15 billion across all sectors — was in agriculture. In total, 12 major agribusiness and farm deals identified by KPMG in 2015, totalling \$375m, were sealed with Chinese companies; figures that exclude the many private one-farm or single- vineyard direct sales.

The big farm deals covered by KPMG included the quiet purchase by Chinese retail giant Dashang Group of one of the Upper Hunter Valley's biggest grazing properties, Glenrock, for \$45m; the \$100m investment by Chinese babyfood firm Beingmate in a half-share of Fonterra's milk processing plant at Darnum near Warragul; and the \$47m purchase of two remote wild Gulf cattle stations, Wollogorang and Wentworth station, by Chinese ballbearing billionaire Xingfa Ma.

New Hope group, China's largest private agricultural company, also continued its planned \$500m investment in Australian agriculture, talking a major share of the massive Moxy Farms dairy business, following on from its 2013 purchase of the Kilcoy abattoir and beef export company.

Another big deal in 2015 was the \$20m investment by Chinese billionaire Richard Liu, owner of one of China's biggest eCommerce online retailers, JD.com, in Murray Goulburn's listed trust, presumably part of his strategy to lock in the supply of dairy products for his popular "Australian Mall" online selling site, which - already retails Bindaree beef, Penfolds wine and a2 milk. Mr Ferguson, part of last week's agribusiness delegation to China, said many Chinese companies were increasingly looking to be part of consortia or joint ventures in Australia investing in agriculture. Foreign investment in Australian agriculture will be a key topic at this Wednesday's Global Food Forum, organised by The Australian in conjunction with Visy, to be held at Crown Melbourne.

CO fgivrb : Foreign Investment Review Board | sdftc : Shandong Delisi Food Co.,Ltd. | vdltc : The Van Diemen's Land Company

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AN Document AUSTLN0020160417ec4i00023

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

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