Foreign Investment
The Past... The Present...
The Future?

Rob Gillam - President
Pastoralists & Graziers Association of WA
“Australia risks becoming a nation of tenant farmers.”

Senator Bill Heffernan
“We have become a laughing stock of the world when it comes to protecting our prime agricultural land”.

Senator Nick Xenophon
“The world has embarked on a dangerous era of food insecurity and imperialism which will fuel conflict and famine if it is ignored.”

Senator Christine Milne
Shopping list

NANSHAN GROUP
30,000 hectares in NSW and Tas for fine wool

SHANXI KINGBULL LIVESTOCK
5000 hectare cattle station

HUISHAN COMPANY
Dairy cattle and dairy ingredients

SHANDONG TAIFENG TEXTILE
$25 million for cotton production base

BRIGHT FOOD
Opportunities in sugar, milk and wine

SHANGHAI XIANGFU REAL ESTATE INVESTMENT
$350 million WA and Qld farmland
## TOP FOREIGN INVESTORS IN PRIMARY PRODUCTION LAND

<table>
<thead>
<tr>
<th>Company</th>
<th>Type</th>
<th>Country of origin</th>
<th>Total NSW ownership (ha)*</th>
<th>Total funds invested ($m)*</th>
<th>Farming type</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ho Myoung Farm Pty Ltd</td>
<td>Private</td>
<td>Korea</td>
<td>500,000 - 600,000</td>
<td>N/A</td>
<td>Grazing</td>
<td>Orana</td>
</tr>
<tr>
<td>Swiss Australian Farm Holdings Pty Limited</td>
<td>Private</td>
<td>Switzerland</td>
<td>63,357</td>
<td>$6</td>
<td>Grazing</td>
<td>Far Western</td>
</tr>
<tr>
<td>MHPF</td>
<td>Hedge Fund</td>
<td>UK</td>
<td>41,490</td>
<td>$92</td>
<td>Mixed Farming</td>
<td>South Eastern, Central West, Murray, Riverina, New England, Orana</td>
</tr>
<tr>
<td>Clyde Agriculture</td>
<td>Private</td>
<td>UK</td>
<td>39,056</td>
<td>$12</td>
<td>Mixed Farming</td>
<td>Orana</td>
</tr>
<tr>
<td>Natsun Holdings / Nanshan Group</td>
<td>Private</td>
<td>China</td>
<td>29,000^</td>
<td>N/A</td>
<td>Grazing</td>
<td>South Eastern</td>
</tr>
<tr>
<td>Westchester</td>
<td>Pension fund</td>
<td>USA</td>
<td>26,156</td>
<td>$69</td>
<td>Cropping</td>
<td>New England, Orana</td>
</tr>
<tr>
<td>Hassad Foods</td>
<td>Sovereign wealth fund</td>
<td>Qatar</td>
<td>25,245</td>
<td>$61</td>
<td>Grazing</td>
<td>Orana, Central West</td>
</tr>
<tr>
<td>Cargill</td>
<td>Private</td>
<td>USA</td>
<td>16,957</td>
<td>$52</td>
<td>Agribusiness, cropping</td>
<td>Riverina, Hunter, Central West, Orana, Murray</td>
</tr>
<tr>
<td>Shenhua Watermark Coal</td>
<td>Government-controlled</td>
<td>China</td>
<td>14,613</td>
<td>$160</td>
<td>Coal mining</td>
<td>New England</td>
</tr>
<tr>
<td>Glencore Australia</td>
<td>Private</td>
<td>Switzerland</td>
<td>11,091</td>
<td>$21</td>
<td>Cropping</td>
<td>Murray, Central West, Orana</td>
</tr>
</tbody>
</table>

* identifiable ownership

Table prepared by PRDnationwide Research
1788- The First Foreign Investors Arrive in Australia
1804 The Merino Introduced
1903 Federation Wheat Introduced
1960’s - Esperance
1970 – Live Export Industry
So What’s The Big Deal?

Most of the things you worry about never happen!
EMPTYING THE FOODBOWL

Who’s snapped up what

- Tully Sugar: $133 million to China’s Cofco
- Prime farming land in NSW: $300 million to Shenhua Coal
- Prime farming land in central-west Victoria: $100 million in past year spent and proposed by Qatar’s Hassad Food
- ABB Grain: $1.6 billion to Canada’s Viterra
- Sucrogen: $1.75 billion to Singapore’s Wilmar
- AWB: $1.24 billion to Canada’s Agrrium subsequently on-sold to US giant, Cargill
- Teys Bros: Up to $500 million for half-stake to Cargill
- Tasman Group: $175 million to Brazil’s JBS Swift group

HOW IT’S GROWN (Agriculture, forestry and fishing)

<table>
<thead>
<tr>
<th>Year</th>
<th>FIRB approved deals worth</th>
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<tbody>
<tr>
<td>2006-07</td>
<td>$100 million</td>
</tr>
<tr>
<td>2009-10</td>
<td>$2.3 billion</td>
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</tbody>
</table>
Port Hedland
Carnarvon
Oakajee Port and Rail
Sovereign risk –

*The probability that a country will not pay its debts*
The top 25 per cent of Australian farms account for almost 60 per cent of output, 85 per cent of profits and 55 per cent of investment.

The bottom 25 per cent account for only 10 per cent of investment.

And farm productivity growth has slowed from 2.2 per cent a year before the mid-1990s to just 0.4 per cent a year.
FARM NOT FOR SALE
Questions?
THANK YOU