

‘Passionate’ Gina Rinehart beefs up her Wagyu herd



David Blackmore, with Wagyu cattle on his property in Alexandra Victoria, says aid he had been preparing for the cattle deal for about three years. Picture: David Geraghty.

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Mining billionaire Gina Rinehart credits her upbringing on pastoral stations in Western Australia for seeding her passion for farming, a passion into which she has poured hundreds of millions of dollars.

Now, after her latest deal, she is one of the country’s top pure-blood Wagyu cattle owners.

Mrs Rinehart, who made her fortune in iron ore mining, is not the only billionaire cashing in on the insatiable appetite for Australian beef, with Andrew Forrest and Kerry Stokes also adding to their cattle interests. Billionaire retailer Gerry Harvey has long held beef assets.

Mrs Rinehart’s top title in the cattle industry comes after Victorian Wagyu breeder and meat producer David Blackmore sold her 1000 of Australia’s most expensive breeding cows.

His Wagyu is the most expensive beef sold in Australia, with premium cuts retailing for \$250-\$450/kg. Its steaks at top Rockpool restaurants cost more than \$100.

“What Rinehart is doing in Wagyu is a big deal — she has gone from nowhere to probably our third-largest Wagyu herd in a heartbeat,” CBRE Agribusiness regional director Danny Thomas said.

Malcolm French, Western Australia rural real estate sales manager for Elders, said Mrs Rinehart and Mr Forrest had held beef interests for a long time.

“It’s in their breeding. They know as much about pastoral land as anyone in Australia. It’s a natural fit for them,” he said.

“What Gina is doing is fantastic because we need a lot of cash in this business and she is providing that and that is extremely good. All the properties she has bought will be efficient and effective, standout properties in Australia.”

Mrs Rinehart *told The Weekend Australian* that having paid the banks back for the loans to build her major iron ore mines, it was now her hope to build up an agricultural holding.

“My earliest years were spent on stations in the Pilbara and I am very fortunate to have such a background,” she said.

“I loved station life ... I learnt first-hand about droughts, bushfires and floods, and my hope is to build up an agricultural holding that has learnt from that, and one not restricted to one geographic area.

“Of course, this takes money to invest, and my responsibility was firstly to pay back banks for loaning us the money to help us build our first three major mines.

“To get to this position took some decades of my life, and involved discipline and focus with Hancock Prospecting, but I have long wanted, when possible, to diversify.”

In the past two years, Mrs Rinehart’s Hancock Prospecting has spent more than \$200 million on six cattle stations in Western Australia’s Kimberley region and in the Northern Territory. It is currently bidding for the \$380m outback Kidman cattle holdings.

The rising middle class in China is driving demand for Australian produce, and top quality Wagyu is high on the food wishlist of Asian consumers.

Mrs Rinehart said as an Australian with generations of family history in outback agriculture, she shared and appreciated the value that many foreign investors placed on brand “Australia” and would like to play a part in investing in Australia and the growth of its economy and raising living standards.

Mr Blackmore said he had been preparing for the cattle deal for about three years, adding that the plan executed years ago was to get about 1000 cows ready for sale. When he was ready to put the package on the market, through an acquaintance, he was put in touch with the Hancock group.

The contract was signed last October and the cattle were delivered in six instalments between November and June.

The deal was revealed only this week after the Australian Wagyu Association insisted the publicity would be good for the industry.

“Gina comes from a farming family. She has her heart in farming, there’s no doubt in my mind about that,” Mr Blackmore says.

“In the discussions I have had, she has always considered herself a farmer.”

The Australian Agricultural Company has the largest full-blood Wagyu herd, Scott de Bruin’s Mayura Station in South Australia the second largest and Mrs Rinehart is said to have the third largest with about 3500 females.

The news this week of the Rinehart-Blackmore deal was followed by an announcement yesterday that Pham Nhat Vu, the brother of Vietnam’s only billionaire Pham Nhat Vuong, bought a Northern Territory cattle station for \$18m.

Mr Harvey, who has 6000 Wagyu cattle and 1000 head of Angus, said the rising interest in Australian beef came from the fact that cattle prices had doubled and hit a level not seen before.

“They have virtually doubled in price in the last two years ... I have been doing this since 1972 (and) I have never seen anything like this.

“A property I bought for \$110,000 in 1972 is now worth \$3m,” he says.

CBRE Agribusiness regional director Danny Thomas said agriculture was coming into its own as a potential asset class.

“Probably half of the top 100 rich-listers are having a serious look at agriculture and them being active in the market has created more interest from domestic high net worth individuals than we have ever had,” he said.

“We are fielding more calls from vendors than what we have seen since pre-GFC.”

Peter Gilmour, chairman of the Australian Wagyu Association, believed that in years to come, the value of the deals done today would be reflected on as being smart purchases.

He said Wagyu was the fastest growing breed out of all the beef breeds, going from No 15 in registered cattle to No 7. “It is growing at a 35 per cent increase in registrations per year,” he said.

Meat and Livestock Australia managing director Richard Norton said when you saw high net wealth individuals and global corporations making beef investments, it gave confidence that they believe in the consumption of red meat globally.