Rinehart's rise and rise

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Gina Rinehart’s agricultural investment schedule has more than doubled her property portfolio, branched her business into lot feeding, live exports and a premium Wagyu beef brand taking her initials, 2GR, in the past year. Australia’s fastest growing big scale beef producer has packed a lot into the past year and shows no sign of slowing in 2018.

“Improvements and technology introduced successfully on our Hancock stations are rolling out across the Kidman properties” - Gina Rinehart, Hancock Prospecting

Aside from the cattle market’s bullish prices, few topics generated as much industry speculation and regular discussion in 2017 as Gina Rinehart’s full-throttle expansion in the beef sector.

The mining baroness has taken her zeal for large scale, big budget resources projects and begun building a serious beef empire, extending from remote inland Australia to elite Wagyu markets and the emerging live cattle trade to China.

Last year Mrs Rinehart’s Hancock Prospecting already boasted a substantial rural portfolio northern West Australia, Northern Territory, South East Queensland’s and Central West NSW.
That suddenly grew to a formidable spread after Hancock and Chinese partner Shanghai CRED concluded the $365 million purchase of the S. Kidman and Company estate and its 170,000 cattle.

As the new year dawned Hancock emerged as Australia’s third largest beef herd owner, thanks to its 66 per cent stake in Australian Outback Beef’s (AOB) iconic Kidman business (which Hancock also manages).

Hancock Agriculture’s footprint continued growing to encompass 22 stations, feedlots and property aggregations and 360,000 cattle.

The Kidman sale to Mrs Rinehart ended 20 months of various unsuccessful purchase attempts by foreign and local syndicate hopefuls.

The sell-off saga was peppered with Kidman family friction and contentious intervention by Canberra as the government blocked Chinese bidders for the 118-year-old pastoral estate.

Finally, AOB’s Australian-majority bid convinced Treasurer Scott Morrison to eventually approve the sale, minus about a quarter of the real estate.

The 2.36m hectare Anna Creek Station bordering Woomera defence base in northern South Australia, was annexed and sold in December for about $20m to the Coober Pedy-based Williams Cattle Company.

By January, after touring some Kidman holdings, Mrs Rinehart was buying again – the NT’s 147,510ha Aroona Station, bought from John and Kate McLoughlin, reportedly for about $24m.

At the time “Aroona” carried up to 15,000 head, however Hancock’s management plans include improvements to lift carrying capacity and operating efficiency across its Kidman and Hancock Agriculture property portfolio.

Later “Aroona’s” management merged with the nearby 171,000ha Willeroo Station, also acquired in the Victoria River area.

“Willeroo” was bought in October, with 19,000 cattle, from Agri International, the Australian arm of big Indonesian lot feeding company, Great Giant Livestock.

“We were interested in Willeroo’ because we believe we can add improvements and value to the station,” said Mrs Rinehart, whose Hancock cattle connections go back to the late 1800s in North West Australia and whose maternal grandfather, James Nicholas, was a business partner with “cattle king” Sir Sidney Kidman.

“Improvements we have introduced successfully on our other Hancock stations are being copied and rolled out across Kidman properties, and “Willeroo” and “Aroona”, she said.

Hancock Agriculture chief executive officer David Larkin said new technology, including mining sector ideas, and cattle welfare programs trialled on other Hancock properties, were helping its beef portfolio grow.
“It presents greater tools for management, economies of scale and opportunities to increase stock numbers and productivity.”

This year’s Victoria River acquisitions complemented other Hancock investments such as the “Riveren-Inverway” aggregation, bought last year from another Indonesian owner, Japfa Santori, and the 3400ha “Phoenix Park”, near Katherine, also bought in 2016 as an export cattle marshaling depot.

“Phoenix Park” will be critical in another ambitious Hancock project flagged this year – a live export joint venture with Chinese partner, the Zhejiang Aozhou Cattle Industry Company.

The partnership intends to take Top End cattle for processing on Jintang Island, near the big southern port city of Ningbo. The plan includes a 150,000-head annual capacity feedlot and abattoir on the island which provides a quarantine buffer satisfying Chinese import protocols for bluetongue virus found in parts of northern Australia.

Cattle will mostly be shipped from Darwin, and Broome and Derby in northern WA, although a start to exports is unlikely for another year.

A further 66pc-owned Hancock partnership will source stock from pastoral stations in northern Australia.

Mrs Rinehart has been keen to foster market ties with China and “promote clean, quality Australian beef to the Chinese people”.

But in June she was also looking to gilt-edged beef market prospects when Hancock bought the 8000-head capacity Maydan Feedlot at Warwick in Queensland.

Hancock’s full-blood Wagyu cattle were already spending up to 400 days on feed at “Maydan” – prior to processing for high-end Chinese buyers under the newly-launched 2RG brand.

The Wagyu herd runs on the 10,000ha Glencoe Station near Dubbo, bought from former meat industry leader Dick Austen for $30m in 2015, and nearby properties “Boogadah” and “Caigan” bought in 2014 from Paul Salteri, carrying 1600 Wagyu breeders.

The 2GR beef brand was launched to leading restaurants in Australia in November.