



Report on Ministerial Visit to Shanghai, China

3 – 7 November 2018

Hon Alannah MacTiernan MLC
Minister for Regional Development; Agriculture and Food;
Minister Assisting the Minister for State Development,
Jobs and Trade

1 Overview

China is Western Australia's largest market for merchandise exports, accounting for 47 per cent of the State's exports in 2017-18 – close to \$62 billion worth. As our largest market for agricultural and food exports, China accounted for 22 per cent of agricultural exports in 2016-17, valued at \$1.89 billion.

The Hon Alannah MacTiernan MLC attended the China International Import Expo 2018 (CIIE) in Shanghai from 3 – 7 November 2018 to fly the flag for our relationship with China.

The CIIE is a six-day multi-sector tradeshow for imported products, timed with the 40th anniversary of the opening of the Chinese economy to international trade and investment. This event was an initiative by President Xi Jinping, and CIIE is an undertaking on a massive scale. The venue for the expo is the newly constructed National Exhibition and Convention Centre, with an exhibition space of over 28 times the size of the Melbourne Cricket Ground.

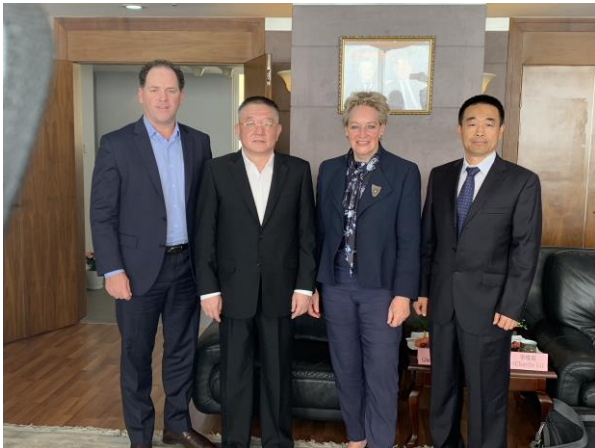
Nineteen Western Australian companies displayed wine, honey, pork and other premium products to an estimated 400,000 Chinese buyers. Minister MacTiernan visited these displays and attended the opening of the Australian Pavilion at the Expo with Australian dignitaries such as the Australian Ambassador to China, Ms Jan Adams, Australian Minister for Trade, Senator the Hon Simon Birmingham and the Premier of Queensland, Hon Annastacia Palaszczuk.

While in Shanghai, Minister MacTiernan also met with important agribusiness, trade and investment stakeholders, including:

- Shanghai Zhongfu on their investments in the Ord River region;
- Shanghai Ground Foods on their Western Australian dairy products expansion plans;
- Inspur and G-World on their innovative food traceability chip utilising blockchain technology;
- Shanghai CRED on their agribusiness investments and research into castor seeds;
- Tsingtao Brewery on barley;
- Qinglian Foods on pork products and market access matters;
- Department of Foreign Affairs and Trade Agricultural Counsellors on prioritising Western Australian produce in market access negotiations; and
- BBI Group and FMG on their mining and port plans in regional Western Australia.

The Expo and meetings facilitated opportunities for increased trade and investments between Western Australia and China. There is a growing middle class in China placing a high priority on food safety and provenance. Agricultural products from Western Australia are in demand because of our reputation for quality, safe food. The meetings also highlighted the importance of realising direct flights from Perth to Shanghai to increasing trade between the two cities.

The visit cemented the importance the Western Australian government places on the political and trade relationship with China. Western Australia's key Chinese investors expressed appreciation for the time Minister MacTiernan spent travelling to Shanghai to meet face-to-face.



Picture 1 (L-R): Mr Ralph Addis, Mr Hu Peiyi (Chairman, Shanghai Zhongfu), Minister MacTiernan, Mr Jackie Song (CEO, Shanghai Zhongfu)



Picture 2: Minister MacTiernan thanking Ms Xiu Chai (Shanghai Ground Food) and Mr Mudi Zhuang (Fengxian District Government)



Picture 3: Minister MacTiernan witnessing the MOU signing between Inspur, a Chinese state-owned digital cloud computing company and G-World Group, a Western Australian technology company



Picture 4: Minister MacTiernan visiting the Geraldton Fishermen's Co-operative Shanghai Hub with fishermen and fisherwomen from Western Australia



Picture 5: Minister MacTiernan with Mr Guojie Gui (Chairman, Shanghai CRED) in front of a display of Western Australian Premium Foods at the China International Import Expo



Picture 6: Mr Ben Pan (Australian Natural Biotechnology) introducing Minister MacTiernan to his Bee Venom Face Mask

2 Delegation List

Name	Position
Hon Alannah MacTiernan MLC	Minister for Regional Development; Agriculture and Food; Minister Assisting Minister for State Development, Jobs and Trade
Mr Cole Thurley	Chief of Staff, Office of the Minister for Regional Development; Agriculture and Food; Minister Assisting the Minister for State Development, Jobs and Trade
Mr Ralph Addis	Director General, Department of Primary Industries and Regional Development
Ms I-Lyn Loo	Principal Policy Adviser, Office of the Minister for Regional Development; Agriculture and Food; Minister Assisting Minister for State Development, Jobs and Trade
Mr Stuart Crockett	Commissioner – China Western Australian (Government) Trade Office, Shanghai
Ms Judy Zhu	Business Development Director Western Australia (Government) Trade Office, Shanghai
Mr Charlie Li	Business Development Manager Western Australia (Government) Trade Office, Shanghai

3 Acknowledgements

Our Trade Commissioner in Shanghai, Mr Stuart Crockett and his staff Ms Judy Zhu and Mr Charlie Li were enormously helpful and effective. Their knowledge, commitment and enthusiasm for improving the relationship between Western Australia and China have been instrumental in the success of this trip.



Picture 7: (L-R) Ms Judy Zhu (Business Development Director, WA Trade Office), Mr Charlie Li (Business Development Manager, WA Trade Office), Ms I-Lyn Loo (Principal Policy Adviser), Mr Cole Thurley (Chief of Staff), Minister MacTiernan, Mr Ralph Addis (Director General DPIRD), Mr Stuart Crockett (WA Trade Commissioner)

Thank you to Mr Guojie Gui and the staff of Shanghai CRED and Zenith Australia for their support in facilitating the display of ten Western Australia's premium and beverage companies. Their support increased Western Australia's presence at the Expo.



Picture 8: Mr Gui introducing Minister MacTiernan to the staff of Shanghai CRED

4 Meeting schedule

Saturday 3 November 2018

2:15pm	Depart Perth
7:30pm	Arrive Singapore

Sunday 4 November 2018

1:15am	Depart Singapore
6:30am	Arrive Shanghai
12:00pm	Lunch meeting with Shanghai Zhongfu (Kimberley Agricultural Investment – KAI)
2:30pm	Meeting with Shanghai Ground Food Tech Co Ltd
3:30pm	Meeting with Inspur and G-World
5:30pm	Dinner meeting with Shanghai CRED (Zenith Australia)

8:30pm Meeting with AustSino

Monday 5 November 2018

9:15am Visit to Geraldton Fisherman's Co-operative Shanghai Hub
11:30am Lunch meeting with Tsingtao Brewery
1:30pm Meeting with Qinglian Foods
2:45pm Meeting with BBI Group
4:00pm Meeting with Agricultural Counsellors from Department of Foreign Affairs and Trade Beijing Embassy
6:00pm Networking event and reception hosted by Austrade
8:00pm Dinner meeting with Fortescue Metals Group

Tuesday 6 November 2018

9:00am Visit China International Import Expo – visit Western Australian companies stands and witness/participate in signings of memorandums of understanding
4:25pm Depart Shanghai
10:15pm Arrive Singapore

****Note Mr Ralph Addis stayed in Shanghai China for an additional 24 hours, with the following schedule on Tuesday 6 November 2018**

1:00pm Meeting with Heyi Import and Export (Chongqing) Group
3:00pm Meeting with Shanghai Fishery Group
4:30pm BBI cocktail reception and MOU signing

Wednesday 7 November 2018

9:00am Meeting with Philippa Jones, Managing Director, China Policy
12:10am Depart Singapore
5:25am Arrive Perth

****Note Mr Ralph Addis stayed in Shanghai China for an additional 24 hours, with the following schedule on Wednesday 7 November 2018**

5 Meeting Summaries

5.1 Shanghai Zhongfu (Kimberley Agricultural Investment)

Profile

Kimberley Agricultural Investment (KAI) is the wholly-owned Australian subsidiary of the privately owned Chinese-based company Shanghai Zhongfu (Group) Co. Mr Pui Ngai Wu (Peiyi Hu), is the Chairman, majority shareholder and decision-maker.

Mr Wu has invested in excess of \$300 million in the East Kimberley region of Western Australia. The investment is in agriculture through KAI as well as in tourism and accommodation with the purchase of the Kununurra Country Club Resort.

The company's focus now is on the establishment of a cotton industry with value-added processing and cattle feed lotting. Mr Wu has projected investment of more than \$1 billion in a vision document titled *Building the Ord – A game-changing plan to realise the potential of the Ord River Irrigation Area*. With focus on high-value grains, cotton and beef, KAI's agricultural operations have the potential to generate an annual farm gate value of more than \$200 million. Local processing will add a further \$100 million to the value of annual production.

Attendees

Mr Pui Ngai Wu (Peiyi Hu)	President
Mr Yik Lam Wu (Yilin Hu)	Deputy Managing Director
Mr Chongde Zhou	Chief Supervisory
Mr Qingrong Zhang	Chief Executive Officer Shanghai Zhongfu
Mr Guoqiang Song (Jackie)	Chief Executive Officer KAI
Mr Ha Gu	Director
Mr Joshua Klenbort	Chief Representative for Chairman

Key discussion points

- In 2018, 350 ha of experimental cotton crops planted in 2016 were harvested. These trials have produced a high yield and demonstrated the potential for a commercial scale cotton industry.
- KAI will make a significant investment into cotton and other crops in the Ord in 2019.
- KAI continues to progress its plan to build a cotton gin in Western Australia and has asked for biosecurity protocols for cotton materials between Western Australia and Northern Territory to be streamlined. DPIRD has committed to working with KAI to resolve this matter.

- From 2020, KAI expects to plant several thousand hectares of cotton crops. The cotton gin facility will reduce the processing costs by up to \$1,000 per tonne as currently the harvested raw material has to be transported to Queensland to be processed at a cost of \$1,500 per tonne.
- KAI is committed to Aboriginal and local employment. In 2021, the company projects to increase jobs in the region by 100. The need to engage school age children in the possibilities of a career in the agricultural industry was recognised as important.
- KAI is in discussions with the Northern Australian Infrastructure Facility regarding investment of between \$30 to \$40 million into operations in the Ord.



Picture 9: Minister MacTiernan discussing KAI's plans with Mr Pui Ngai Wu, Chairman of Shanghai Zhongfu

5.2 **Shanghai Ground Food Tech Co Ltd**

Profile

Founded in 1998, Shanghai Ground Food Co Ltd is a China-based company principally engaged in the research and development, production and sales of dairy products. The company manufactures and sells cheese and liquid milk products to consumers, food and beverage companies and industrial clients in China. Products include milk, butter, whipping cream, curd, cheddar, mozzarella, yoghurt and other

dairy products under brands such as Milkground, Ground, Changbai Mountain and Aochun Pastures.

Shanghai Ground Food acquired Brownes Dairy in 2017. Brownes Dairy is Western Australia's leading producer of dairy products including white and flavoured milk, yoghurt, creams, custards, dairy desserts, juices and cheese. Brownes Dairy is also the largest buyer of farm gate milk in Western Australia, collecting and processing approximately 40 per cent of the state's milk production.

Shanghai Ground Food, through Brownes Dairy, is planning a \$10 million investment in the Brunswick cheese factory in south-west Western Australia to produce 6,000 tonnes annually primarily for export to China.

Attendees

Ms Xiu Chai	Chairperson
Mr Song Ren	Director and Vice-President
Ms Amanda Cui	Chairman and Executive Director, Ground International Development Ltd
Mr Mudi Zhuang	Director General of Fengxian District Government
Mr Jiandong Wang	Party Secretary of Jinhui Town
Mr Ping Lu	Vice Mayor of Jinhui Town

Key discussion points

- Mr Zhuang provided an overview of the Fengxian District and the major economic contributors to the District, including cosmetics and beauty products.
- Shanghai Ground Food is located in the Fengxian District. Ms Chai outlined Shanghai Ground Food's plans to increase their share of the Chinese cheese market with a target of being the top cheese brand in China.
- Ms Chai believes that the high quality milk from Western Australian cows produce high quality cheese.
- A secure supply of milk is required. Following issues in Western Australia with processing contracts, milk production in Western Australia has been scaled down. Western Australia has the capacity to produce more but will require security and certainty in contracts from processors such as Shanghai Ground Food.
- Shanghai Ground Food is also interested in fresh milk products. The company is processing A2 milk in Shanghai and is exploring the flavoured milk market.
- Direct flights between Perth and Shanghai will be vital for bringing Brownes branded milk and cheese to China.



Picture 10: (L-R) Mr Mudi Zhuang, Fengxian District Government, Minister MacTiernan and Ms Liu Chai, Chairperson, Shanghai Ground Food Tech Co Ltd.

5.3 Inspur and G-World

Profile

Inspur is a global leader in technology and China's top company for delivering the Total Quality Assurance Program for China. Inspur provides the national cloud platform servicing cities and governments in China.

Since 1996, Inspur servers have been consistently the top domestic server brand. Currently, Inspur exports its products and services to more than 113 countries. These products and services include cloud data centre, cloud services and big data, smart city and enterprises and providing comprehensive solutions.

G-World Group is a solution provider of certification, verification, payment, merchandise and service based in Western Australia. The company also provides tax compliance and auditing services based on Internet of Things technology. By combining digital certificates and on account of IoT, G-World created an online data certification and verification platform to test the authenticity of import and export products.

Attendees

Mr Lixin Sun	Vice President, Inspur Group
Mr Guangyong Shang	Vice Director, Inspur Group Quality Chain
Mr Xin Tao	Production Manager, Inspur Group Quality Chain
Mr Wenfeng Sun	Consultant, Inspur Group Quality Chain
Ms Jiani Sun (Stephanie)	Marketing Director, Inspur Group Quality Chain
Mr Grant Shaw	Managing Director, G-World Group
Mr Andrew Vlahov	Director, G-World Group

Key discussion points

- Mr Sun provided an overview of Inspur's products and services. Inspur currently implements the quality assurance systems for food traceability for domestic Chinese products.
- An app and established inspection system have been developed to provide assurances to the Chinese consumers.
- Inspur aims to expand the technology and system to include Australian food products entering the Chinese market.
- G-World Group has developed a chip that can be embedded in labels. The chip utilises authentication protocols using blockchain and innovative technology patented by G-World Group. The system allows food products to be traced and authenticated throughout the entire supply chain.
- Inspur signed a memorandum of understanding with G-World Group, witnessed by Minister MacTiernan. The MOU cements the partnership between the two companies. The technology and system will be tested on Western Australia's Bee Happy jarrah honey.



Picture 11: Minister MacTiernan with representatives from Inspur and G-World

5.4 Shanghai CRED

Profile

Shanghai CRED was founded in 1999 and is based in Shanghai, China. The group's total assets are estimated at more than A\$2.0 billion. The two main agricultural investment operations in Australia include Zenith Australia Group and Australian Outback Beef Pty Ltd.

Zenith Australia Group is owned and operated under Zenith Investment Holding Pty Ltd. The Group owns seven properties in Western Australia with its portfolio including Yakka Munga and Mount Elizabeth Stations in the Kimberley, Marvel Loch Station and Goldfields Station.

Australian Outback Beef (AOB) is a joint venture between Hancock Prospecting, with a 67 percent share, and Shanghai CRED, with the remaining 33 percent share. AOB acquired S Kidman and Co Ltd at \$380.5 million in December 2016. The company's assets include 150,000 cattle on stations covering 80,000 square km across three states and the Northern Territory.

Key attendees

Mr Guojie Gui	Managing Director
Ms Jing Liu	Business Manager
A/Prof Ying Jiang	Director, Confucius Institute UWA

Staff members from Shanghai CRED and Zenith Australia

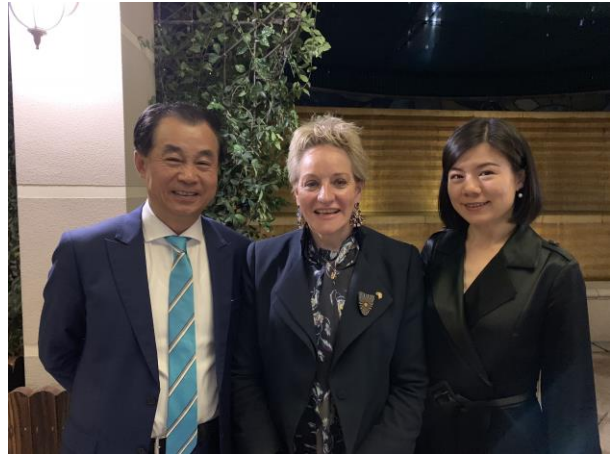
Representatives from the Australian Football League, Australian Pork Limited and Shanghai Zhongfu.

Key discussion points

- Minister MacTiernan discussed Mr Gui's interest in establishing an agricultural innovation centre in northern Western Australia.
- Mr Gui indicated his interest in a centre for educating and training young people in pastoralism and agriculture practices in partnership with the University of Western Australia.
- Mr Gui offered his stations as potential research and training locations for the centre.
- Further discussions on this proposal will be required.



Picture 12: Minister MacTiernan addressing guests at a dinner networking event organised by Mr Guojie Gui (Managing Director, Shanghai CRED)



Picture 13: (L-R) Mr Gui, Minister MacTiernan, Associate Professor Ying Jiang (Director, Confucius Institute UWA)

5.5 AustSino

Profile

AustSino is an ASX-listed mineral exploration company with offices in Perth and Shanghai. AustSino is focused on the development of its iron ore assets in Western Australia's emerging Mid West region.

Attendees

Mr Chun Ming Ding Chairman, AustSino

Mr Shi Bielin Director, AustSino

Mr Li Ping Investor in AustSino

Mr Mike Keenmink Executive Director, AustSino

Mr Phil McKeiver Non-Executive Director, AustSino

Key discussion points

- AustSino outlined their proposal for port and ancillary infrastructure to be developed around the Oakajee site in Western Australia's Mid-West region.
- The proposal is in early stages of planning and would depend on securing adequate volumes of third-party ore to underpin the necessary investment in transport infrastructure.
- AustSino was encouraged to develop the clarity and commitment around freight volumes to underpin its proposal, and to continue to liaise through the relevant Western Australian Government channels.

- Mr Ding also raised the significant market in China for Western Australian Lupins. Minister MacTiernan confirmed that market access into China for Lupins for human consumption was a high priority for the Western Australian Government.

5.6 Geraldton Fisherman's Co-operative

Profile

Geraldton Fisherman's Co-operative (GFC) controls around 64 percent of the supply of Western Australian rock lobsters, with 98 percent of their total catch (approximately 6,300 tonnes) sold into China. With an annual turnover in excess of \$400 million, GFC supports more than 500 fishermen, employees and their families.

GFC has established its own Chinese company, office, staff and live lobster storage tanks in key cities such as Beijing, Shanghai and Guangzhou. With over 20 Mandarin and Cantonese speaking staff, and their own Chinese internet sales platforms and distribution networks to both retail and business customers, GFC is leading the industry in direct trade.

In 2017, GFC opened a \$23 million live export facility next to Perth airport to improve its transport logistics and transit times into China.

Attendees

Mr Kris Carlberg	Vice Chairman, GFC
Mr Matt Rutter	Chief Executive Officer, GFC
Mr Ken Stanton	Director, GFC
Mr Leith Teakle	General Manager of Member Services, GFC
Ms Kelly Wang	Business Development Officer, GFC
Ms Joanne He	Marketing Officer, GFC
Mr Juan Wang	Shanghai Hub Manager, GFC
Mr Matt Taylor	Chief Executive Officer, Western Rock Lobster Council

38 members of the GFC participating in the GFC tour of China

Key discussion points

- Minister MacTiernan was given a tour of the live lobster storage tanks in the GFC Shanghai Hub and provided an overview of their packing and transportation methods to ensure lobsters arrive at customers' locations alive and fresh.



Picture 14: Mr Matt Rutter (GFC CEO) explaining the importance of maintaining water quality in the crayfish holding tanks at the GFC Shanghai Hub



Picture 15: Minister MacTiernan with a few of the fishermen and fisherwomen who were part of the annual GFC tour of China

5.7 Tsingtao Brewery

Profile

Tsingtao Brewery is the largest and most prestigious of approximately 600 breweries operating in China. In 1903, Tsingtao Brewery was founded by the Anglo-German Brewery Co. Ltd in Qingdao, China. The brewery brought the western settlers a high quality German style pilsner brewed with German technique, European high quality raw brewed with mineral water from Laoshan spring.

The company owns 56 breweries throughout China. In 2012, Tsingtao branded beer is sold in more than 70 countries and accounted for more than 50 percent of China's beer exports.

Attendees

Mr Jian Liu	General Manager, Tsingtao Beer Shanghai Branch
Mr Jianbin Hu	Assistant to General Manager

Key discussion points

- We discussed the quality of Australian barley Mr Liu indicated a premium paid for Canadian barley due to the stability and quality in the variety of barley exported. Australian barley has many varieties and exported barley varieties vary annually.
- Minister MacTiernan committed to providing the feedback to industry with the aim of resolving the issues raised. The option of forward ordering to ensure stability of variety was also discussed.
- Craft brewing and beers are increasing in popularity in China, requiring high quality malting barley. Australian malting barley has a good reputation.

- Consumers in China are concerned about food safety and the environmental reputation of the food they consume.
- The lack of a minimum chemical residue standard is an issue as it does not provide certainty for exporters of products into China. The Chinese government is closely monitoring chemicals, including glyphosate, for food safety purposes. Consumers are also concerned about chemical residues in their food products.



Picture 16: (L-R) Minister MacTiernan, Mr Jian Liu (General Manager, Tsingtao Beer Shanghai Branch), Mr Jianbin Hu (Assistant to General Manager, Tsingtao Beer Shanghai Branch)

5.8 Qinglian Foods

Profile

Founded in 2001, Zhejiang Qinglian Food Co Ltd is a private company covering all aspects of the pig industry supply chain, including livestock breeding, meat processing services, feed processing, ecological breeding, slaughter production, cold chain logistics, and meat products. The company also produces and sells fresh, picked and canned pork products.

Qinglian Food owns 7,000 sows. The company signed an animal welfare culture pledge with the World Animal Protection Association in October 2017, announcing a phase out of the sow full limit column system and expand the sow and fattening pig's

welfare breeding base by end of 2025. This model provides more room to move, helps reduce stress and improve health of the pigs and allows pigs to express natural behaviours.

Attendees

Mr Mingshu Xu	Managing Director, Qinglian Food
Mr Jian Ye	Head of E-Commerce, Qinglian Food
Ms Yanfeng Bao	Office Manager, Qinglian Food
Mr David Lock	Chairman, Australian Pork Limited
Ms Deb Kerr	General Policy Manager, Australian Pork Limited
Mr Andrew Robertson	Policy, Australian Pork Limited
Mr Peter Spackman	General Manager, Linley Valley Pork

Key discussion points

- Mr Xu provided an overview of Qinglian Food, including “Pig Planet”, an educational and extension facility in Shejiang Province, and the company’s commitment to the welfare of its animals. Qinglian Food also has a food traceability system that ensures every pig can be traced back to the source, using unique digital identification number allowing consumers check quality and safety information through the internet.
- The importance of ongoing negotiations on market access of Australian pork into China was recognised. Mr Xu indicated a possible shortage of pork in China in 2019.
- A joint venture, either through joint investments in infrastructure and facilities or in research and development will support the efforts for market access protocol negotiations. Mr Liu indicated interest in exploring the possibility of Linley Valley Pork rearing Qinglian Food-owned animals in Western Australia.
- Other opportunities discussed were the breeding of black pigs in Australia for Chinese consumers. Black pigs fetch a premium price in China. Qinglian Food is keen to keep dialogue open on potential collaborations.



Picture 17: (L-R) Mr Ralph Addis (Director General, DPIRD), Mr Peter Spackman (General Manager, Linley Valley Pork), Mr David Lock (Chairman, Australian Pork Limited), Minister MacTiernan, Mr Mingshu Xu (Managing Director, Qinglian Food), Ms Yanfeng Bao (Office Manager, Qinglian Food)

5.9 ***Balla Balla Infrastructure Group***

Profile

Balla Balla Infrastructure Group (BBI) is owned by Todd Corporation Ltd (90 percent) and Nyco Pty Ltd (10 percent). The delivery vehicle (BBI Holding Company – proposed) will be a 50-50 joint venture between BBI Group and Chinese investors. The BBI Group has advised the State Government that the BBI Group will manage the construction and ongoing operation of BBI project.

The BBI project is a multi-billion dollar development linking iron ore deposits in the Central Pilbara region with a new iron ore export facility at the Balla Balla Port, via a 162 km purpose built railway. The cost to build the BBI project and a foundation customer mine is expected to be approximately \$6 billion. Initial planned capacity of the rail and port is 50 million tonnes per annum with potential to scale.

Attendees

Mr Peter Thomas	Chief Executive Officer, BBI
Mr Meng Wang	Deputy Director of Investment, China Zhongchong Investment Group Co. Ltd
Mr Harold Ou Wang	Chairman, HHK Advisory Pty Ltd
Mr Kevin Hobgood-Brown	Advisor
Ms Shirley Gao	Advisor

Key discussion points

- A general update on the Project was provided, indicating encouraging progress.
- Key Chinese partners are now well advanced for additional capital, construction, and off-take.
- Facilitation by the Western Australian Government has been effective, and is appreciated by BBI Group.



Picture 18: (L-R) Mr Harold Ou Wang (Chairman, HHK Advisory Pty Ltd), Mr Ralph Addis, Mr Peter Thomas (CEO, Balla Balla Infrastructure), Minister MacTiernan, Mr Meng Wang (Deputy Director of Investment, China Zhongchong Investment Group Co Ltd)

5.10 Department of Foreign Affairs and Trade Agriculture Counsellors

Attendees

Ms Fran Freeman	First Assistant Secretary, Export Division
Mr Paul McNamara	Minister Counsellor Agriculture, Beijing Embassy
Mr Adam Balcerak	Agriculture Counsellor-Technical, Beijing Embassy
Mr David Lock*	Chairman, Australian Pork Limited
Ms Deb Kerr*	General Policy Manager, Australian Pork Limited
Mr Andrew Robertson*	Policy, Australian Pork Limited
Mr Peter Spackman*	General Manager, Linley Valley Pork

* Present for the discussion on market access protocols for Australian pork into China

Key discussion points

- Market access protocol discussions for Australian pork into China are ongoing and must remain a priority. We received feedback from Chinese industry.
- The finalisation of market access for Australian mainland apples into China is imminent. The Chinese government has requested for access for Chinese jujubes into Australia.
- Australian blueberries and mainland apples into China are current market access priorities.
- Market access for lupins for human consumption is the next grains industry priority. DFAT is waiting for the grains industry to determine its further priority for market access negotiations.
- An analysis of market access protocols and Chinese regulations is required to determine the risk of deregulation of some genetically modified techniques in Australia.

5.11 Fortescue Metals Group

Profile

Founded in 2003, Fortescue Metals Group (FMG) has discovered and developed major iron ore deposits and constructed some of the most significant mines in the world. Now consistently producing 170 million tonnes of iron ore per annum, FMG is the fourth largest, global iron ore producer and has been recognised as the lowest cost seaborne provider of iron ore into China.

Headquartered in Perth, Western Australia, FMG owns and operates integrated operations spanning three mine sites in the Pilbara, the fastest heavy haul railway in

the world and the five-berth Herb Elliott Port in Port Hedland. FMG also has a fleet of eight FMG Ore Carriers.

FMG's first commercial shipment of iron ore was in 2008 and it has since become a major iron ore supplier to China, expanding into Japan, South Korea and India.

Attendees

Ms Elizabeth Gaines	Chief Executive Officer
Mr Greg Lilleyman	Chief Operating Officer
Ms Alison Terry	Group Manager Corporate Affairs
Mr Danny Goeman	Director Sales and Marketing
Mr Binjuan Zhuang	Group Manager Business Development
Mr Jianqiu Dai	General Manager China Marketing

Key discussion points

- FMG provided an overview of their operations in the Pilbara and outlined the range of contract signings they were undertaking at the China International Import Expo.

5.12 China International Import Expo

Profile

The China International Import Expo (CIIE) is a six-day multi-sector trade show for imported products, timed with the 40th anniversary of the opening of the Chinese economy to international trade and investment.

CIIE is co-hosted by China's Ministry of Commerce and the Shanghai Municipal Government and is supported by Austrade, the Australia-China Business Council as well as the China Chamber of Commerce in Australia.

Nineteen Western Australian companies, primarily premium food companies, displayed their products at the Expo:

- 3 Oceans Winery
- A Buzz from the Bees
- AOMI Australia Import and Export
- Australia Meditree Group
- Australian Natural Biotechnology
- Bahen & Co Chocolates
- Curtin University
- Deaken & Associates

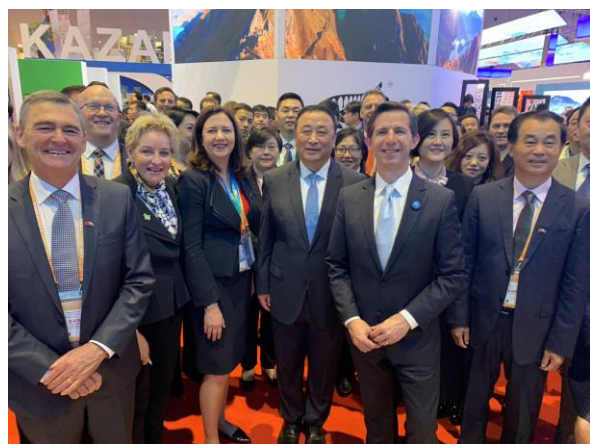
- Elixir Honey
- Golden Boronia
- Honey in the Garden
- Omega Walnuts
- Linley Valley Pork
- Planet Sales
- Rosenthal Wines
- Sumich
- The Fat Hippo
- Wuluru
- Yuan International / Yuan's Pet Meat

Key activities

- Minister met with Mr Yong Yu, Chairman Hebei Iron and Steel, prior to the MOU signing between Hebei Iron and Steel and FMG.
- Minister visited the various Western Australian companies displaying their products at the Expo.
- Minister witnessed the MOU signing between Shanghai CRED and Shanghai Genius Advanced Material Group for Zenith Australia (Shanghai CRED) to provide 100,000 tonnes of WA-produced castor seed to Shanghai Genius. Shanghai Genius will use the castor seed for high end specialised new material research, development and production.
- Minister also signed an MOU which included G-World, Inspur, Qingdao Bonded Port Free Trade Center Co Ltd, Bureau Veritas LCIE China Company Ltd. And the Sino-French Wine Industry Alliance on the use of blockchain technology for food traceability purposes.



Picture 19: Prior to MOU signing between Hebei Iron and Steel and FMG at the Expo



Picture 20: With key Australian delegates and Chinese sponsors at the opening of the Australian Pavilion at the CIIE



Picture 21: (L-R) Mr Ben Pan (Australian Natural Biotechnology), Minister MacTiernan, Mr Pan's wife, Stuart Crockett (WA Trade Commissioner), Mr Ralph Addis



Picture 22: Minister MacTiernan and Mr Ralph Addis with representatives of AOMI Australia Import and Export



Picture 23: Minister MacTiernan visiting the 3 Oceans Winery display at CIIE



Picture 24: Minister MacTiernan and Mr Ralph Addis with representatives from Australia Meditree Group and Dr Liz Barbour (CEO, Honey Bee Product CRC)



Picture 25: Minister MacTiernan and Mr Guojie Gui in front of a display of Western Australian premium food



Picture 26: Minister MacTiernan and Mr Stuart Crockett witnessing the MOU signing between Shanghai CRED and Shanghai Genius Advanced Materials Co Ltd

5.13 Meeting with Heyi Import and Export (Chongqing) Group – Mr Ralph Addis

Profile

Chongqing Heyi Import and Export Trading Company entered into the meat business in 2013 and in 2017, sold \$80 million of beef globally. They have strategic partners in Australia (Harvey Beef, G and K O'Connor, Warmoll Foods and JBS Australia), New Zealand, Brazil, Uruguay, Argentina, Costa-Rica, Spain and the United States of America.

New Zealand (35 per cent) and Australia (20 per cent) are their top two importing countries. The company has offices in Chongqing (headquarters), Shanghai, Chengdu, Shenzhen and Tianjin.

The company supplies into supermarket and food service (restaurant) sectors.

Attendees

Mr Li Debao General Manager Purchasing

Key discussion points

- Mr Li outlined that Chongqing has grown its volume of beef sales significantly, and this is creating additional demand for imported product.
- New Zealand and then Australia are the Groups two most import sources for imported beef.
- New sources and suppliers are being sought by Chongqing.
- Current delays in achieving registration for additional processor/exporters was discussed, and this was noted as a priority for Western Australia.

5.14 Meeting with Shanghai Fishery Group – Mr Ralph Addis

Profile

Shanghai Fishery Group Co Ltd (SFGC), formerly Shanghai Fisheries Bureau, was established in 1992. SFGC is fully held by Shanghai State-owned Assets Supervision and Administration Committee and is a state-owned corporation utilising international fisheries resources. Deep sea fishing, aquatic products trade and processing form the basis of their core industry, consisting of over 30 wholly funded, holding or joint venture companies. Total assets are RMB 5 billion and its annual comprehensive sales is RMB 7 billion.

Attendees

Xie Feng Vice President, Shanghai Fisheries Group Co.

Key discussion points

- Chinese consumer demand for high quality, sustainably produced seafoods is growing.
- SFGC seeks global opportunities for investment or partnership to meet this demand.
- SFGC is interested in wild harvest fisheries where there is sound resource management.
- SFGC noted the high standards in place for the Western Australian fisheries including the growing importance of the Marine Stewardship Council certification scheme.
- Aquaculture is seen by SFGC as critical to meeting consumer demand, and aquaculture opportunities and advantages in Western Australia were discussed.
- SFGC seeks opportunities which are either developed and requiring capital and capability for growth, or are sufficiently defined to provide appropriate investor confidence to commit to investigation.

5.15 BBI cocktail reception and MOU signing – Mr Ralph Addis

Attendees

Mr Nicholas Curtis AM	Executive Director, BBI Group
Mr Peter Thomas	CEO, BBI Group
Mr Xu Yang	Vice General Manager, China State Construction Co.
Mr Meng Wang	Deputy Director Investment, China Zhong Chong Investment Group Co. Ltd
Mr Harold Ou Wang	Chairman, HHK Advisory Pty Ltd

Key discussion points

- This was a cocktail event held in the Australia Pavilion at the CIIE Centre.
- Mr Nick Curtis (Executive Director of BBI) outlined the commitment to the Project of the BBI Group and its Chinese partners.
- Mr Curtis acknowledged the attendance and support of the Australian and Western Australian governments.

5.16 Ms Philippa Jones, China Policy – Mr Ralph Addis

Profile

China Policy is a Beijing-based strategic advisory firm, specialising in macro-analysis of policy process, risk, and trends in China, and how these impact other countries, trading partners, and commercial interests doing business with China.

Attendees

Ms Philippa Jones Managing Director, China Policy

Key Discussion Points

- China Policy specialises in evidence-based analysis of China's policy development and direction, and provides a range of intelligence (open-access and fee-for-service), and targeted engagements.
- Australian clients include the Australian and state governments, resource companies, and a range of other interests seeking to engage or trade with China.
- They have previously provided advice in relation to a number of specific agri-foods (including grains and red meat) and are able to provide very detailed analysis of trade and market access issues based on their understanding of the Chinese systems and bureaucracy.
- Key policy directions likely to shape trade relations with Australia are energy, environment, and food.
- China Policy provides subscription intelligence on these key policy areas.