

Chinese textile exporter spends \$120m on giant NSW cotton farm



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One of Asia's biggest textile manufacturers and exporters, China-based Jinsheng Textiles, has paid around \$120 million for Gundaline Station, a massive irrigated cotton farm near Darlington Point in the NSW Riverina.

The deal is the second \$100 million-plus farming transaction involving offshore investors this year, highlighting the global appeal of prime Australian farmland.

Earlier this month, Victorian-based Excel Farms, backed by Canadian investment firm Fiera Comox, snapped up an 8554-hectare mixed-farming enterprise [Cherylton Farms near Kojonup in WA's Great Southern Region for more than \\$100 million](#).



Gundaline was offloaded by Dutch investment firm Optifarm, which paid about \$65m in 2018.

Privately-owned Jinsheng is based in the textile city of Keqiao, south of Shaoxing in China's north-eastern Zhejiang province.

According to its website, the company supplies suit and other garment fabrics to manufacturers across Asia (including Australia), Europe, Russia, North and South America, as well as to the domestic China market.

While selling agents Danny Thomas and Elizabeth Doyle from real estate firm LAWD referred to the buyer only as an "international clothing manufacturer" property records show Gundaline was bought by interests associated with Jinsheng Textiles.

Gundaline spans around 14,916-ha at Carrathool in the Murrumbidgee Irrigation Area. Of this almost half – 6000ha – is developed to flood irrigation, with the balance comprising dryland cropping and grazing. Included in the sale were significant water entitlements.

The property was offloaded by Dutch-based Optifarm, a fund backed by high net worth European investors. Optifarm acquired Gundaline for about [\\$65 million in 2018](#) after it was offered for sale by Southern Ag, a locally managed fund backed by local and overseas investors including former ASX-listed fund manager Blue Sky, Dutch government pension fund ABP and Singapore-based asset manager Duxton.

Southern Ag purchased Gundaline for around \$25 million in 2014 from Financial Review Rich Lister John Kahlbetzer's Twynam Group – Australia's largest cotton grower.

With its sale to Jinsheng Textiles, Optifarm joined the likes of billionaire cattle barons Gina Rinehart and Brett Blundy, cashing in on sky-high Australian farmland values.

Mr Thomas (whose LAWD colleague Simon Wilkinson negotiated the sale of Cherylton Farms) said demand for premium Australian farmland was being fuelled by high commodity prices, and a favourable exchange rate.

"With the Australian dollar at sub \$US0.70 our properties are very attractive to overseas buyers," Mr Thomas said.

Veteran farm manager Andrew Parkes, whose Customised Farm Management has driven the expansion of Gundaline since taking over

operations in 2014, said it was one of the first properties to achieve carbon-neutral accreditation for its cotton production.

“The new owners are keen to continue that and ensure the carbon footprint of the property is kept under control,” Mr Parkes said.