



📷 Joining forces: Charles Hunting and Don Ye have set up the Food and Agritech Fund to invest in Australian food manufacturing for export to China.

Agribusiness

Tsing Capital sets up Food and Agritech Fund

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FOOD and agricultural technology trade between Australia and China is expected to grow, with the establishment of a new \$1 billion capital fund.

Beijing-based investment management company Tsing Capital has set up the Food and Agritech Fund to invest in downstream processing of Australian food and agricultural products with high value in China.

Tsing Capital founder and managing partner Don Ye has joined with Australian corporate entrepreneur Charles Hunting to raise capital from \$500 million to \$1 billion to invest in local agriculture and technology projects.

The fund has the capacity to raise extra funds through loans, potentially increasing its capital to \$2 billion.

Mr Hunting said Asian and Canadian sovereign wealth and strategic investment funds had already given indications they would contribute \$250 million in capital.

“We will be fundraising in Australia as well,” he said.

“About a third to half of the funds would come from Australia.”

The Food and Agritech Fund would be managed by Tsing Capital.

The company, which has offices in Beijing, Shanghai, Hong Kong, Silicon Valley in the US and Belgium, has put together eight similar funds with investments totalling \$1 billion since Tsing Capital was set up in 2000.

Mr Ye said these included money from all over the world, involving large financial institutions such as Dutch development finance company FMO and IFC Asset Management Company of the US, along with energy conglomerates BP and EDF Energy in the UK.

Very little investment funds were sourced from China up to now.

Mr Ye, a Chinese American, said Tsing Capital was one of the earliest investment fund management companies set up in China.

He has been forging greater investment ties between China and Australia at least since 2008, when he met then Australian prime minister Kevin Rudd and former environment minister Penny Wong at a dinner attended by representatives of both countries’ governments.

“We are designing a fund fit for purpose for Australia and China,” he said.

Mr Hunting said the Food and Agritech Fund would invest in Australian food and agricultural services for export to China, based on Chinese demand.

“We’re not creating the food products for the sake of hopefully getting that food into the Chinese market,” he said.

“The plan is to bring strategic Chinese investors who have distribution networks in China so that we can create an end-to-end opportunity that is demand driven, not supply driven.”

But Mr Hunting said the ideal investment must fit the company’s stance on sustainable ecosystems.

“In food and agriculture, we are looking at high-quality food, high-quality agriculture,” he said.

“We believe in vertical integration but there must be focus on ecosystems.

“We want to bring in biomass solutions, bring in solar solutions and electronic vehicles (to those investments in food businesses).”

Mr Hunting said the group planned to invest in manufacturing in regional centres in Australia, with a focus on the grain and the sugar industries, but not exclusive to them.

It would have its headquarters in Melbourne.