



2 / 26 - Tuesday, October 6, 2009

News

Ag investment opportunities abound for Canada and China

Chinese investors are interested in farmland and food processing in Ontario

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ONTARIO FARMER

Section: News Page: A24

Ontario's China connections may be poised to change the face of agriculture in the province.

Youming Zhao of the Canada-China Agriculture and Food Exchange Centre in Hamilton says opportunities are flowing in both directions. One example is the investment in Chinese growing technologies by the Ontario firm SRI, Inc. to bring bitter melon

production to Ontario. Another is the growing interest - among both Chinese Canadians and Chinese nationals - in farmland, farming and food processing in the province.

Zhao connected with Jack Huitema, owner of Coldwell Banker K. Miller Realty, to explore the potential for investment in Ontario. "We have had a lot of interest from Chinese Canadian people from the Toronto area," Huitema says.

"They're looking at something they can call their own...Their dream is to buy a piece of Canada...(but) a lot don't know where to go to find what they want," Huitema says.

"One fellow wants to invest about \$10 million just in vacant land." -- Jack Huitema

Huitema says he's also been put touch with potential investors from China, including people interested in making substantial investments in dairy and pork production and vegetable processing.

Zhao says a great deal of capital has been accumulated by Chinese business owners. They're looking for a safe place to invest and Canada figures prominently because it's viewed as a peaceful and stable society.

Huitema is moving forward slowly. He wants his clients to be fully aware of the agricultural challenges in Canada so that they're equipped to succeed.

With the Toronto-area families, he's been pointing them toward Ontario's tobacco-growing region - the Norfolk sand plain - which is also suited for vegetable production and reasonably priced as compared to areas closer to Toronto. Many families are looking spend anywhere from \$250,000 to \$500,000.

ZHAO WAS also instrumental in developing bitter melon contacts in China for SRI Inc. of Wainfleet, Ontario.

According to owner George Scott, SRI is producing the seed stock needed for Ontario production. There are now eight acres of commercial production in the Niagara region, sales through Toronto-area Loblaw's stores and independent retailers and potential for expansion.

A member of the cucumber family, bitter melons are a highly nutritious tropical fruit that is widely cultivated in tropical and subtropical countries. There are many health benefits attached to the crop, including the alleviation of Type II diabetes symptoms.

"Youming Zhao is a very special guy. He saved us about three years of research and development costs here in Canada by introducing us to our counterparts in China," Scott says.

Zhao is working several companies to find a home for Ontario exports.

"To promote Canadian agricultural product for export to China is our top priority," he says.

"China has changed the way the world does agri-business. No longer merely the manufacturing centre of the world, its growing middle and upper income level, and a dynamically evolving economy has created opportunities for our Canadians. Today, every Canadian agricultural and agri-food company needs a 'China Strategy.'"

Among the more obvious opportunities are ginseng, soybeans and ice wine. With ginseng, for instance, buyers from mainland China are interested in purchasing Ontario ginseng directly rather than working through buyers in Hong Kong who currently control about 95 per cent of the trade.

Many other opportunities exist, Zhao says, including Chinese interest in animal feed technologies and may and pasture seed genetics.

"We're helping several companies at the moment to export to China," Zhao says. "We have had 26 years of experience in agriculture. I've worked half of my time in Canada and half in China."

Dr. Doug Yungblut of Yungblut & Associates Consulting is one members of an advisory panel working with the Canada- China Agriculture and Food Exchange Centre.

He says Zhao provides a valuable connection to the business and research communities in China and helps Canadians avoid pitfalls.

"Just seeing the connections he had when we were over there was impressive," Yungblut says.

"He seems to be able to move very easily within the system over there...It's a different world, it's a different culture and they have a different way of doing things."

Zhao works in both Canada and China in a variety of capacities, providing market research, promotion and bringing people together.

He was born and raised in a rural area of Eastern China. He worked there as a provincial agricultural specialist and pursued university studies in China and Ireland before immigrating to Canada in 2000.

In Canada, he studied and worked at the University of Toronto for three years. He joined the Ontario Institute of Agrologists and was certified as a professional agrologist in 2004.

To learn more about the Canada-China Agriculture and Food Exchange Centre, go to www.ccagr.com.

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