

Gerry the billionaire farmer

BY MARIAN MACDONALD

GERRY Harvey always wanted to be a farmer and even won a scholarship to agricultural college before a twist of fate saw him become a multi-billionaire retailer.

To pay for his education, he studied part time and held a door-to-door sales job, where he met future business partner, Ian Norman.

"I always used to think by the time I'm 30, I'll have enough money to buy my own farm," Mr Harvey said.

"When I got to 30, I was making so much money, if I became a farmer and made nothing, it would be embarrassing so I kept putting it off. So at the end of the day, I kept opening shops because it was a thousand times more profitable than being a farmer for me."

Even so, Mr Harvey is undeniably now a farmer. He might not be hands on but his agricultural investments range from cattle to cucumbers.

No stranger to the horse racing industry, Mr Harvey's ag interests include Westbury Stud in New Zealand, plus Vinery and Baramul thoroughbred studs in NSW, which host a few hundred cattle, too.

He also owns a 500-head Angus cattle operation at Bundella, NSW, Security Foods with an established Wagyu cattle business in Victoria and NSW, and a \$30-million, 5-hectare glasshouse in Peats Ridge, NSW, where 65 million cucumbers are grown a year.

While agriculture has become the darling of many rich-listers, this particular billionaire isn't in it for the money. For Gerry Harvey, it's just for the love of agriculture.

He loves watching things grow, whether it's in his home vegetable patch or on a grand scale, and he loves to see the best of the best in operation. But there are limits.

"I lost \$75 million on a dairy farm," Mr Harvey said.

He invested \$34m of Harvey Norman money in a joint venture with businessman Alex Arena into one of Australia's largest dairy farms, Coomboona, in 2015 when some were talking up rivers of 'white gold'.

"Comboona made sense at the time because we went into it with a guy who owned the property and had \$30m of his own money in there," he said.



At 82, Gerry Harvey says he is as ambitious as he was at 22. But when it comes to ag, he said people shouldn't get in the game just to make money. "I think it's a wonderful way of life but if you're going to do it to make money, I'd say don't do it," he said.

"He claimed he knew what he was talking about but, unfortunately, he didn't and he was wrong on so many things and it was just going to get worse and worse, so I just said, 'Mate, we'd better pull the plug on this'."

Comboona was sold by administrators to the Perich family in 2018 for \$40m.

"He (the joint venture partner) wanted to be the biggest dairy in Australia with the best cows in Australia and, in his defence, he probably had 100 of the best cows in Australia, cows that were milking over 60 litres a day. He did have that part right but his infrastructure, rate of growth and all sorts of other things, were wrong," he said.

The dairy misadventure drew sharp criticism and dented the big retailer's share price.

Ag's profit ag

In his experience, Mr Harvey said, retailing generated much higher returns on invest-

ment than agriculture and that if he wanted to "make real money", he would open another store rather than buy a farm.

"If you're doing cattle or sheep, especially over the years, you're looking at very poor returns for the outlay of money," he said.

"You might have \$10m invested in a sheep or cattle enterprise and, if you make \$300,000 or \$400,000 a year, you're going okay.

"So there's no money in it but the money is in the appreciation of the land and, admittedly, there's a long-term proposition.

"I've argued for years, going back 40 years ago, that land's overpriced, everyone's mad, and I've been totally wrong because, every year, if it doesn't go up, it plateaus and goes up a bit later."

While Australia's record high land prices had helped many farmers retire with unexpected wealth, Mr Harvey said, he thought it made new purchases less attractive.

"Is this a good time to buy a farm at the moment? I'm a bit shy. When we've had three years of drought, that's when I'll probably buy another farm," he said.

Indeed, Mr Harvey's most recent land acquisition was a 16-hectare luxury property in Narooma. Webster Nolan Real Estate agent David Nolan wouldn't reveal the price, but said it was a record for the region and bettered the \$9 million to \$11m indicative range quoted.

"People go and pay \$50 million for a waterfront place on Sydney Harbour but the water is much cleaner in Narooma," he said. "Would you eat a fish caught in Sydney Harbour?"

Despite talk of coastal living and fishing, Mr Harvey is quick to say that, at 82, he's every bit as ambitious as he was at 22.

Ag, he said, was great for people who love the land and animals but not always the best choice for those who want to make money.

Twiggy buys iconic Balfour

MINING magnate Andrew "Twiggy" Forrest has bought the well known Balfour Downs Station in the Pilbara for more than \$32 million.

Dr Forrest's Harvest Road has bought the 634,000 hectare (1,566,650 acre) cattle station from TBG Agri Holdings.

TBG Agri Holdings is owned by Chinese billionaire Xingfa Ma who still has substantial beef and wine interests in Western Australia.

It is believed he paid \$18 million for Balfour Downs in 2014.

Dr Forrest bought Jubilee Downs and Quambun Downs (221,408ha) near Fitzroy Crossing last year for a reported \$30-\$35 million.

His latest purchase comprises of two main pastoral leases - Balfour Downs on 431,180ha and Wandanya on 202,824ha.

The sale includes about 12,000 head of cattle. The property features modern infrastructure including a newly built homestead, staff quarters, sheds and massive 3000 head capacity steel cattle yards.

- CHRIS MCLENNAN



MASSIVE YARDS: Balfour Downs famously features 3000 head capacity steel cattle yards.

Sale offers 'job of a lifetime'

GERRY Harvey's purchase of a luxury bolt-hole on the NSW south coast may just have created a dream job.

Surrounded on three sides by Wagonga Inlet near Narooma, the 16-hectare (40 acre) Black Bream Point boasts 1.2 kilometres of private water frontage.

There are eight guest cottages, a spacious double-storey owner's residence, private jetty and boat ramp.

A weekend stay at the cottages costs between \$390 and \$760.

The billionaire retailer is likely to be there "a couple of times a year", according to Webster Nolan Real Estate agent David Nolan, despite paying a record price for property in the Narooma region.

He couldn't reveal the price but said it bettered the \$9 million to \$11m indicative range in earlier marketing.

It seems he might have had plenty of competition for the property, which Mr Nolan said attracted more than 700 enquiries.

"It's an investment for Gerry Harvey," Mr Nolan said, "and very successful people like him tend to have a good eye for clever investments. This is a sale that won't be repeated."

Now, Mr Harvey is on the lookout for a



couple to manage the property, offering a \$100,000 salary with on-site accommodation and all utilities, even the internet, paid.

Ideally, the advertisement reads, applicants will have experience in either hospitality, cleaning, property/ground maintenance or building/handyman work.

"It will be the job of a lifetime," Mr Nolan said.

- MARIAN MACDONALD