




# UPPER MURRAY

AGRICULTURE 2030



This document is one of a series that provides ideas and concepts for implementing the UM2030 community vision.

It is intended as a roadmap to guide community activity and encourage collaboration between the proposed Upper Murray community board, governments, the private sector, service providers and authorities.

The concepts and ideas were developed in response to community priorities as outlined in the UM2030 Masterplan. Most will require further refinement and testing to their feasibility and viability.

## UM2030

The Upper Murray 2030 Vision Plan is a community planning project which sets the scene for the future of the Upper Murray Region.

The directions of UM2030 have been firmly driven by the community. This documents supports the UM2030 objectives:

*Communities have the skills, capacity and resilience to both influence and adapt to change*

*The Upper Murray 2030 Vision Plan sets out a clear path for the future that influences government decisions*

*The Upper Murray Brand is well recognised and trusted*

*The Upper Murray offers a diverse range of employment opportunities*

*Agriculture within the Upper Murray embraces innovation and a new generation of farmers*

## AGRICULTURE

The purpose of this document is provide an overview of existing agriculture and related enterprise within the Upper Murray and to showcase opportunities for diversification.

## WHAT ARE WE TRYING TO ACHIEVE?

Agriculture forms the economic backbone of the Upper Murray and was determined as a priority focus of the 2030 Vision Plan. The future of agriculture within the Upper Murray should:

- Be part of the wider Upper Murray branding initiative
- Ensure quality standards are in place
- Attract new producers and diversify the agricultural product
- Create education and other pathways for new people to enter farming
- Focus on accommodating more intensive agriculture through supply-chain improvement

# THE UPPER MURRAY

The landscape of the Upper Murray is comprised of a diverse topography from undulating plains and fertile river valleys to rolling hills and forested escarpments

## *‘a natural rugged beauty’*

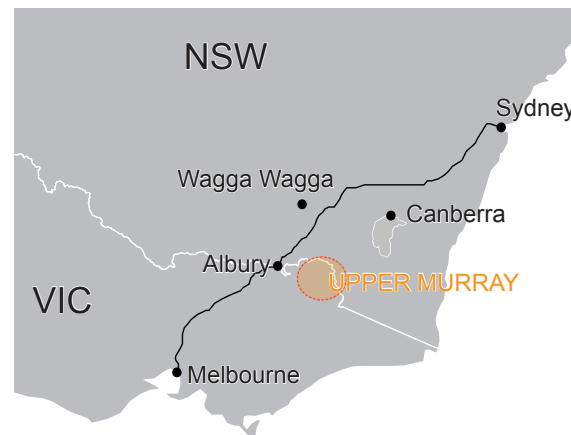
With a natural rugged beauty, the Upper Murray region forms part of the Victorian and New South Wales Uplands and displays a diverse topography of exposed rock faces and steep slopes graduating to rolling hills and fertile alluvial plains.

The vegetated mountains include the distinctive silhouettes of Mount Burrowa and Pine Mountain which is one of Australia’s largest monoliths.

## *‘clean, clear water and consistent rainfall’*

The Murray River forms a prominent feature within the landscape that defines the border between New South Wales and Victoria. Pristine water catchments give way to glassy streams and thundering waterfalls including the waters of Bluff Falls.

The region receives a high annual rainfall averaging 775mm per year in Corryong and 950mm in Khancoban, resulting in a lush vivid green landscape. Low forests and open woodland suitable for grazing and cropping characterise the lower slopes and valleys with Granite Hills Woodland and Healthy Dry Forest on the dry northern slopes, and Montane Forests dominated by Mountain Gum and Broad-leaved Peppermint on the higher areas.



*'At the headwaters of the iconic Murray River lies an idyllic land of rolling green pastures, deep and luscious soil and fresh clear water'*





# REGIONAL PROFILE

## INDUSTRY PROFILE

Agriculture is the largest industry in the Upper Murray accounting for approximately 33% of local employment and approximately \$146 million in economic output. Agricultural production is divided between a relatively few large scale farming operations and a large number of small to medium grazing enterprises.

Beef production is widespread throughout the region and the largest agricultural sector. It accounts for approximately \$73.1 million in economic output. The region contains a number of small to medium enterprises which typically contain between 50-200 cattle per herd.

Dairy production is the second largest agricultural sector in Towong, accounting for approximately 37% of all dairy production in the Hume Region, and 1.5% of Victoria's production. The North East Dairy Regional Growth Plan provides direction for significant increase in dairy production in the region. Dairy is significantly more intensive than cattle grazing but is capable of earning much higher returns per hectare.

Sheep, lamb and wool production have a long history in the region. The combination of lower wool demand and prices, availability of skilled labour (e.g. shearers), and the problem of controlling the wild dog population has seen a gradual decline in grazing sheep for meat and wool. However, recent surges of wool prices to record levels on the back of increased demand from China may lead to growth in sheep farming.

Overall there is significant opportunity for greater diversification within Upper Murray's agricultural sector. Beef and dairy accounts for approximately 78% of all agricultural production value in the region. Reinstatement of an abattoir with the capacity to accommodate heavy 600-700kg animals will be a key service to support agriculture in the Upper Murray in future. Broad acre crops and horticulture represent under 10% of agricultural production value in the region and there may be further opportunity for expansion of high-value crops. Examples which are currently being tested include potato and hemp seed.

## VALUE OF AGRICULTURAL COMMODITIES

	TOWONG SHIRE		TUMBARUMBA SHIRE	
	2005-06	2010-11	2005-06	2010-11
Livestock slaughters	\$41.1m	\$50.6m	\$18.9m	\$31.2m
Livestock products (e.g. dairy)	\$30.8m	\$37.4m	\$9.1m	\$12.4m
Crops*	\$5.9m	\$2.7m	\$19.2m	\$11.6m
<b>Total Agriculture Value</b>	<b>\$77.8m</b>	<b>\$90.7m</b>	<b>\$47.4m</b>	<b>\$55.3m</b>

\*Excluding timber production

## LIVESTOCK PRODUCTION VALUE

	HUME GROSS	TOWONG GROSS	SHARE OF HUME REGION	RIVERINA GROSS	TUMBARUMBA GROSS	SHARE OF RIVERINA REGION
<b>LIVESTOCK SLAUGHTERED</b>						
Cattle and calves	\$200.4m	\$45.3m	23%	\$137.1m	\$27.8m	20%
Sheep and lambs	\$97.3m	\$3.6m	4%	\$81.4m	\$3.2m	8%
Pigs	\$10.8m	\$1.5m	14%	\$34.9m	\$0.1m	0%
Goats	\$5.2m	\$0.1m	2%	\$0.2m	\$0m	0%
Poultry	\$26.5m	\$0.1m	0%	\$38.2m	\$0.1m	0%
<b>Total Livestock Slaughtered</b>	<b>\$340.2m</b>	<b>\$50.6m</b>	<b>15%</b>	<b>\$291.8m</b>	<b>\$31.2m</b>	<b>11%</b>
<b>LIVESTOCK PRODUCTS</b>						
Dairy	\$89.9m	\$33.4m	37%	\$24.5m	\$8.4m	35%
Wool	\$67m	\$3.8m	6%	\$117.1m	\$4m	3%
Eggs	\$10.9m	\$0.1m	1%	\$1.1m	\$0m	0%
<b>Total Livestock products</b>	<b>\$167.7m</b>	<b>\$37.4m</b>	<b>22%</b>	<b>\$142.7m</b>	<b>\$12.4m</b>	<b>9%</b>



## HUME REGIONAL GROWTH PLAN

The Hume Regional Growth Plan highlights a number of drivers of change which will be relevant to future opportunities for agriculture within the Upper Murray. These include:

- The major growth of Wodonga as a Regional City on the statewide context and access to this market for the Upper Murray
- Preparing for the potential impacts and opportunities arising from climate change
- Impacts and opportunities related to the Murray-Darling Basin Plan
- Access to growing Asian markets
- Adaptation and take-up of information and communications technology

The growth plan highlights the need to for an expanded and diversified economic base, providing a greater degree of resilience to global challenges and states that new agricultural opportunities may emerge in the region over time including new commodities, technology changes and emerging industries, such as energy farming and carbon markets.

## OPPORTUNITIES

There are a number of high volume agricultural commodities, as well as niche markets and value adding businesses, operating in the Upper Murray region. These include:

- Grass fed beef
- Dairy
- Pasture feed
- Specialty breeds (e.g. bison and wagyu)
- Vegetable seeds (e.g. potatoes and onion)
- Winemakers
- Veterinarians

Alongside these niche markets is a desire for existing producers to be maximising value from their product through on site processing, marketing and direct sales.

There are also opportunities for boutique intensive agriculture and a need to better facilitate farmgate sales to enable exploration of new markets and produce in the Upper Murray. There are also opportunities for supporting industries, such as



locally run and owned produce processing and packing facilities, to emerge in the Upper Murray region to provide greater and more diverse job opportunities. Alternative organisational models, sustainable operating methods and new technologies will create opportunities to engage and attract diverse communities to invest in alternative practices or new technologies in the region. Examples of these emerging practices are included in this Prospectus, such as:

- New technologies: Soil and Organic Recycling Facility (SORF) in Gippsland (see page 24)
- Sustainable operating methods: the Regrarians Platform (see page 25)
- Alternative organisation models (social enterprise): Upper Murray Fresh Foods (see page 26).

Through the UM2030 project engagement process, the reinstatement of an abattoir in the region with the capacity to deal with heavy (600-700kg) animals was highlighted as an important opportunity to help support agriculture in the region.

There are opportunities to harness farm-based tourism in the region. Modernisation of the industry and lobbying for improvements to mobile phone and internet coverage will be critical to support take-up of new industries and growth in the visibility of farm-based tourism across the region.

There are opportunities to strengthen rural pathways and to use programs such as the “Regrarians Platform” as a way to attract and educate younger people to farm and stay in the region. The model teaches a style of farm management and design based on regeneration and sustainability, where farms design is underpinned by ten key outcomes and the aim is to:

“Maintain creative, intergenerational family & community lives built around regenerative and profitable production, management & educational systems.”

UM2030 recognises the potential of establishing a brand that puts the Upper Murray on the map in terms of the quality of its primary products and its tourism offer. Opportunities to value add to agriculture and support quality paddock to plate experiences highlight the synergies between agriculture and tourism in the region.

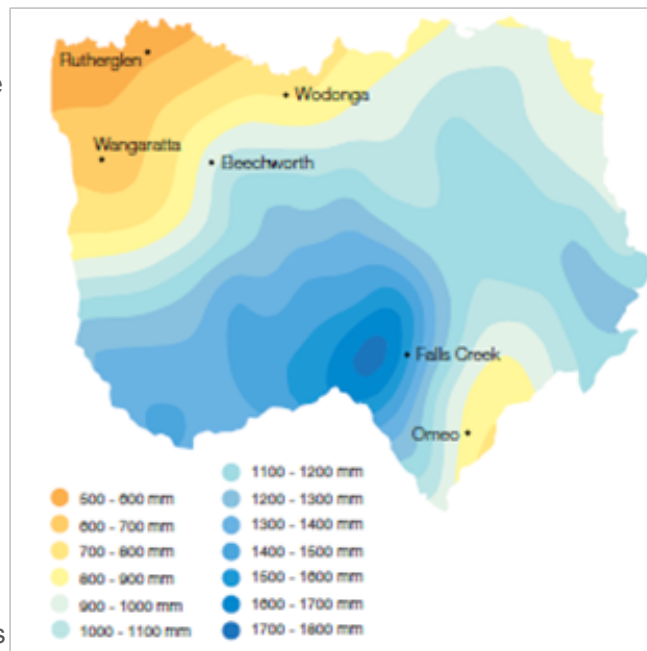
FURTHER DETAILS RELATING TO THE CREATION OF AN UPPER MURRAY BRAND ARE INCLUDED IN THE UM2030 “BRANDING PROSPECTUS”

## ACCESS

The Upper Murray Region is accessed via the Hume Highway and within a short distance of the growing regional centres of Albury, Wodonga and Wagga Wagga. It is well placed for air transportation with airports in Corryong and Khancoban and plans to upgrade the Corryong airstrip.

## RAINFALL

The Upper Murray Region is defined as being within a high rainfall area with the majority of the region having an average annual rainfall of between 700 and 1,000mm. In the more elevated parts around Mount Pinnibar the average annual rainfall increases to more than 1300mm. Some areas of rain shadow occur in the more dissected valleys around Eskdale, the Mitta Mitta River Valley and Corryong.



Source: North East Victoria Precipitation, CSIRO

## SOIL AND LAND CAPABILITY

High quality agricultural land is a finite resource and is an essential basis for many forms of agriculture. A number of land quality studies have been undertaken in the wider region using land capability mapping which combines a number of land characteristics including slope, soil, rainfall and erosion hazard. Land within the Thowlga, Cudgewa, and Nariel Valleys and along the alluvial margins of the Murray has been identified as high quality and strategic agricultural land.





# MEET OUR PRODUCERS

## *‘innovative producers, market potential’*

Producers across the Upper Murray are investigating opportunities for diversification, market expansion and export. A number of high volume commodities exist in the region and the following examples demonstrate models of success. Upper Murray businesses are looking to strengthen supply chains to support existing industry. There is an identified market for emerging commodities such as potato and onion seeds. Investors and partners are needed to help grow this side of the industry and to add local, homegrown value to existing high volume and high value markets (e.g. grass fed beef).

The Upper Murray Business Incorporated (UMBI) is a chamber of commerce based in the Upper Murray and includes the townships of Corryong, Cudgewa, Khancoban, Tintaldra and Walwa. The UMBI promotes and facilitates the economic wellbeing of the residents of the Upper Murray and seeks to further the interests, educate and promote all business sectors of the Upper Murray. The UMBI Board meets monthly and all members and interested parties are welcome to attend.

### ANDREW KLIPPELL - SUGARLOAF STUD

Andrew Klippel is a man with a passion for improving herd genetics and putting the Upper Murray on the map as a stud bull production area. In the last few years he has taken out the highest award at the National Hereford Show three times and is considered to run one of the best Hereford Stud operations in Australia, with bulls topping out at \$41,000 in 2014. With 20 – 30 bulls selling each year, with a value of between \$10,000 and \$20,000 each, Andrew provides high quality bloodlines raised in pristine conditions to his buyers, many of whom are repeat customers.

“The coat quality and colour that can be achieved in the Upper Murray is completely different to what you see in other parts of the State,” said Andrew

“The conditions here bring out the absolute best in the breed, which allows us to produce bulls that are highly desirable and achieve market best prices.”

Andrew sees a bright future ahead for the Upper Murray, saying that he believes things are going to change in the next three to seven years, with older farmers making way for a new generation of farmers.



“There’s going to be a change. Like in stud farming, there comes a time when you need to let the old bulls go to make room for the new ones.”

“The Upper Murray is already well known within the beef cattle industry, people love the quality of the cattle we produce and the environment here. It’s the best place in Australia to raise stud cattle. We will continue to renew our bloodlines and maintain the quality of our offering, so I’m confident that we have a bright future in the Upper Murray.”

## PETER AND BARB NANKERVIS - NARIEL



Peter and Barb Nankervis have tried a lot of things on their property just out of Corryong. Potatoes, peppermint, cabbages, cauliflowers, pyrethrum, spearmint, Vietnamese mint and beef cattle have all had their day on the rolling irrigated hills of the Nankervis family farm. Along with their three children, Peter and Barb are about to embark on their newest venture – dairy farming.

“The dairy is being installed in October (2015)” Peter explained.

“The kids have been keen to come back to the farm and we needed to find something that had consistent and decent returns to support them coming home to work, but also to support expansion. We’d like to be able to leverage off this property to purchase a further property in the future and we believe that dairy will allow us to do that.”

Peter and Barb’s three children all have an interest in working the farm, with their two boys currently working on installing new irrigation systems in advance of the dairy starting production, and their daughter working on the farm around her midwifery career.

With the new dairy coming on line, Peter and Barb will be looking to employ two new farm workers and are hoping to find locals to fill those roles. While Peter and Barb see a bright future for expanding their farming enterprise in the future, in the next five years they see land opening up and the type of ownership changing.

“I expect we will see more ownership based in the city, with managers running properties;” said Peter, “But it doesn’t really matter who owns it, the manager will still be local. I think we need locals to realise that they don’t need to sell up to retire, there are opportunities to lease farms out and retire, and still have a decent income.”

## BILL & PAM SIMPSON - WILLELA

Bill and Pam Simpson have worked from the ground up to build an innovative dairy business in the Upper Murray; 'Willela', Corryong. Purchasing their first block of agricultural land in 1980, the couple have expanded four times since then, purchasing neighbouring farming area as it became available, and leasing land to increase the footprint of their operation to allow them to milk 500 head.

Bill and Pam have four full time employees and one part time employee which allows both Bill and Pam and their staff to have a good standard of living with adequate time off. "It can be really tough for those operators who are doing it alone" Bill said. "I know can be difficult to find local staff, but if you don't have staff you'll never get a weekend off. You can't work your staff into the ground either, or you will lose them."

After having difficulty sourcing local labour, Bill and Pam started looking further afield. "We looked into a few things including refugee resettlement programs and homelessness programs but we found dealing with the agencies involved quite difficult. We then

found skilled migrants who were keen to relocate to work with us and we haven't looked back."

"We make sure that we have a few social events as a group a couple of times a year and help our new employees settle in to the area. There are sometimes language issues, but those can be overcome. It is a time investment but if you have someone who is willing to learn and work then it is worthwhile. Like any employment, if it isn't working out then it's important to deal with that quickly, for everyone's sake. Employing skilled migrants has been a positive experience for us and we'd like to think that others would take up the opportunity to explore skilled migration to overcome their staffing issues as well. "

Bill and Pam are optimistic about the future of dairy in the Upper Murray. "I think in the next ten years we are going to see lots of farms changing hands. I'd like to see more dairy farms," Bill explained "Murray Goulburn have been good, with excellent communication and support, particularly through the drought. They provide loans, extension officers and things like audits and safety days which really



broaden how you think about your farm. Sharing ideas with other farmers is just invaluable."

Pam is looking forward to their son returning to the property next year. "Succession planning is so important, so with our son returning we are working through a planning process through the Alpine Valley's Dairy Pathways project. It will be lovely to have our son home again, after five years away."

## AL & JO MACKINNON - TINTALDRA STATION

Tintaldra Station is a mixed farming enterprise, with two distinct operations undertaken on the rich floodplains adjacent to the Murray River at Tintaldra. Grass and small seed crops are rotated alongside a premium beef cattle production providing a level of diversity that Al Mackinnon believes is important.

“We grow high quality grass and beef cattle here in the Upper Murray.” Al explained, “We are currently joining our Angus beef cattle to Waghu bulls, which is resulting in high quality ‘Wangus’ calves, which attract a premium price in the market when grown out. We’ve also used it as a management practice, because far fewer of the ‘Wangus’ calves need to be pulled at calving”

Seeking the premium price for the produce of the Upper Murray is something that Al is passionate about, identifying the “Great Southern” alliance initiative as just one opportunity to attract a premium for grass fed, quality assured cattle through buying group JBS.

“There are a number of Upper Murray growers who produce high quality grass fed beef, which

is in demand in the marketplace. I believe Coles and Woolworths also have direct contracts for grass fed beef with some operators. It’s a product that we are uniquely placed to provide, with highly productive land allowing us to grow more grass and with the availability of water and fairly consistent rainfall putting us ahead of most other growing regions. I think there are opportunities with the Corryong Beef Group to work together to take advantage of the demand for our product.”

Al sees a growth in the beef industry as small dairy operators look to sell their properties or turn them over to beef farming in their later years. Al identifies beef cattle as a product that suits people who have an interest in farming part time, or who might have off farm income. “The thing is, there is room for more beef in the Upper Murray. We aren’t competing against each other, we have great cattle country and our challenge is to market our product effectively.”

“Transport is a challenge, but we have some opportunities to improve or change our transport with the Corryong Airport being a great asset that we aren’t currently using to our advantage.”



## STEWART & KATE SUTHERLAND - UPPER MURRAY SEEDS

Stewart and Kate Sutherland are the owners of Upper Murray Seeds, a national Proprietary Pasture Seed company based in the Upper Murray just outside of Corryong. Stewart and Kate are strong advocates for diversifying farming enterprises, and they walk the talk. The couple also own a property in Tasmania producing Pasture and Turf Seed plus Soft Fruit. The Berries are packaged and sold through a partnership business called Burlington Berries, which Kate heads up, while Stewart is a Company Director. They share their time between Corryong and Tasmania.

Employing up to 45 staff, with a mix of full time, part time and casual employees across sites in Albury and the Upper Murray, Stewart and Kate are one of the region's larger private employers and work with a number of local farmers who supply seed to the business.

"Fifteen years ago, we went out to speak to other farmers in the Upper Murray to talk to them about the benefits of growing seed crops as an add-on to their existing businesses, be that dairy, beef or sheep." Stewart explains, "We spoke to both farmers

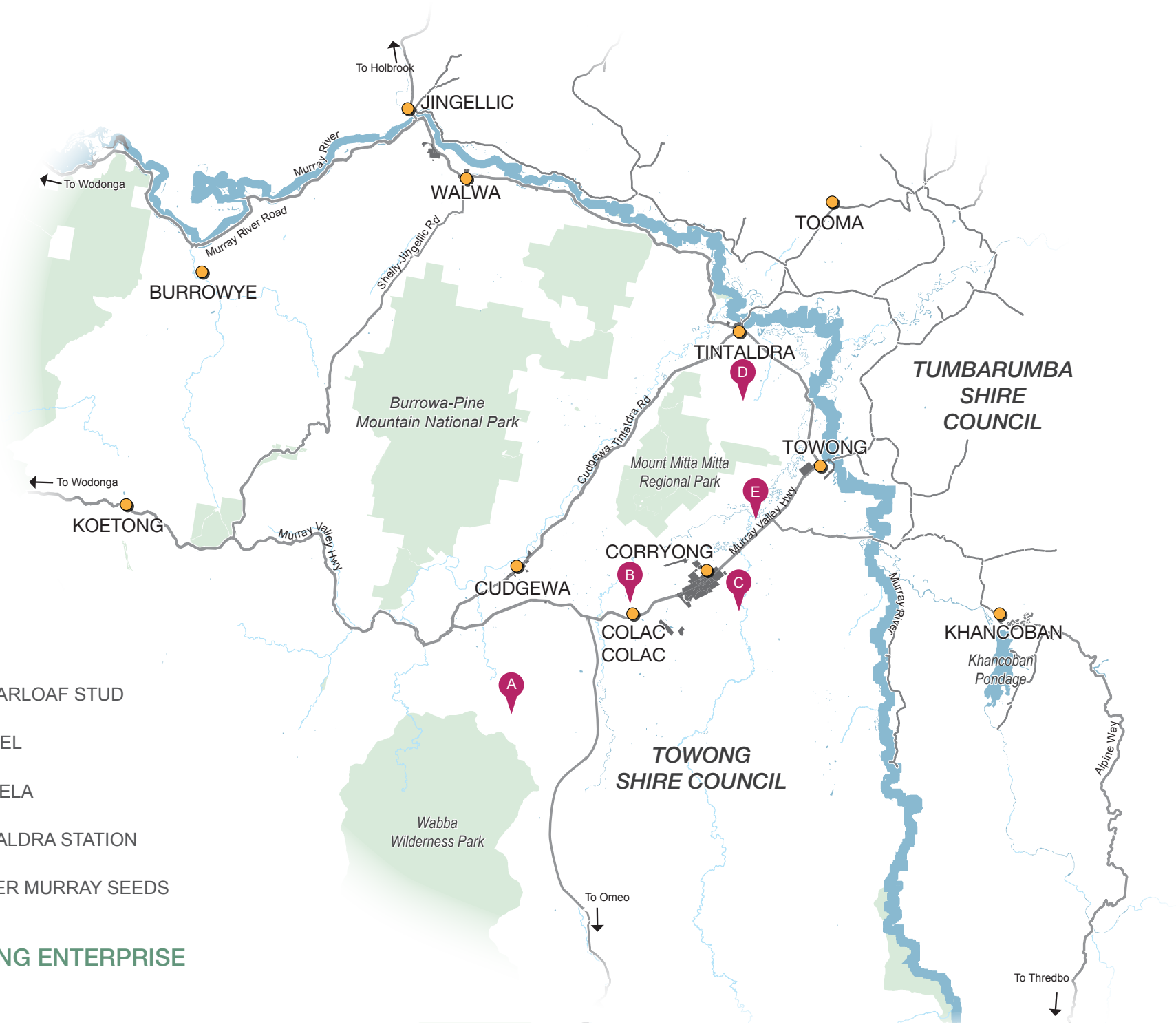
and agronomists about the financial gains that could be made by diversifying. While a few local farmers came on board, there is still plenty of scope for farmers to get involved in supplying seed across the Upper Murray."

Stewart can see a range of opportunities for farmers in the Upper Murray to value add to their operations. New grazing cereal crops, grasses and clovers could contribute to beef production and increase beef yields while also supplying a secondary income stream for farmers. There are also opportunities for vegetable seed production, including onions, carrots, and potatoes; mustard seeds, or more traditional cereal crops such as canola. "High return, niche crops are something we should be looking at," said Stewart. "Poppy production is in its infancy and it is experimental. It's a challenging crop to grow and very expensive but we know that the Upper Murray has many of the characteristics which are required to grow poppies well. The potential returns however are quite high, so it's something worth exploring here."



So why aren't all farmers in the Upper Murray diversifying? "I think that its partly to do with the perceived returns and the fact that its viewed as a risky business. I'm sure if we can demonstrate that it's actually something that can help livestock producers diversify and spread their risk whilst being profitable then it will sell itself, but that's the challenge. We're keen to speak to local producers who are interested in working with us and we firmly believe that the Upper Murray is one of the best locations to grow seed crops in Australia which is why we will continue to base our seed operations here."





- A** SUGARLOAF STUD
- B** NARIEL
- C** WILLELA
- D** TINTALDRA STATION
- E** UPPER MURRAY SEEDS

**EXISTING ENTERPRISE**

# INDUSTRY DEVELOPMENT

## NORTH EAST DAIRY GROWTH PLAN

The Regional Growth Plan for the dairy industry in North East Victoria asserts that it is reasonable to plan for a significant increase in milk production from the Alpine Valleys of North East Victoria.

This is based on the region's natural biophysical advantages, demonstrated improvements in farming technologies and a strong outlook for the global dairy market ensuring a stable and favourable farm gate price for milk.

The objective of the North East Dairy Growth Plan is to maximise the use of high quality land for dairy, respecting the needs and aspirations of the current owners. The key project goal is to lift annual milk production from the region from 220 mega-litres to 400 mega-litres by 2025.

The Plan was launched at the 2014 Tallangatta Farm and Water Expo. Development of the Plan was strongly supported by the Alpine Valley Dairy Pathways Project Steering Committee, of which Towong Shire Council is a member.

For more information refer to the Plan, available at the following link: <http://www.towong.vic.gov.au/business-investment/local-business-investment/agriculture/north-east-dairy-growth-plan.asp>

## DAIRY OPPORTUNITIES

The Alpine Valleys of North East Victoria currently supports around 190 dairy farms with an average herd size of 210 milking cows, supplying around 1.2 million litres per farm (based on local milk processor's data).

Total regional milk production in 2011-12 was approximately 228 million litres of milk with a 2011-12 farm gate value of approximately \$84 million (Source: Alpine Valley Dairy Growth Plan and Workforce Development Strategy, 2014).

Dairy is one of the important agricultural sectors that contribute to both the lifestyle and amenity of the Towong Shire and to the economy of the region.

The Murray Goulburn Co-operative Company Limited is a locally based milk processor which offers a range of opportunities to support new entrants and existing dairy businesses to capitalise on opportunities in the dairy industry.

For more information refer to the following site, <http://www.mgc.com.au/innovation/next-generation/>

## CORRYONG AIRPORT UPGRADE

Council is seeking funding for an upgrade to Corryong Airport. The airport upgrade is part of the 2013-2017 Towong Shire Council Plan and a feasibility study was undertaken in 2013. In the 2014-2015 financial year a funding application was submitted and discussions with Regional Development Victoria are underway.

Upgrades to the existing airport will enable access to a wide-reaching supply chain for niche products and businesses across the Upper Murray region. The airport's upgrade is also an important step for the Upper Murray region to enable product export direct to market. This development will also create potential for stronger tourism markets enabling tourists to fly in to access niche products and tourism services including holiday packages.

For further details concerning the airport upgrades and to discuss funding, contact the Towong Shire Council.

## CORRYONG SALEYARDS

The Corryong Saleyards are owned and managed by Towong Shire Council. The Saleyards will offer an attractive and viable alternative for the Upper Murray and Border producers to showcase their livestock. Council has invested in new equipment, including cattle and calf scales, for the facility.

The Corryong Saleyards Futures Study was recently undertaken. The investigation into the current and future operational considerations of the Corryong Saleyards has revealed the current and significant potential role of the site for a range of community and business stakeholders.

The establishment of a Corryong Saleyards Management Committee, appropriate revision of yard dues, targeted improvements to the saleyards facilities and the establishment of standard conditions and protocols for users should be committed to by Council with a view to return the saleyards back to a state of positive cashflow. This should be supported with a view to making the facility available to all agents, livestock transporters and producers.

Council will be implementing these recommendations in coming months, including a commitment to a 6% increase in sales per year and the installation of new scales for on-site weighing.

For more information about the Corryong Saleyards, please contact Towong Shire's Manager Economic Development on 02 6071 5100.



## THE ALPINE VALLEY DAIRY PATHWAYS PROJECT

The Alpine Valleys Dairy Pathways Project (AVDPP) evolved from a shared interest in the potential for milk growth in the region. The project was driven by the North East Agribusiness Forum, North East Murray Dairy, Dairy Australia, the Murray Goulburn Co-operative and the four primary rural municipalities in the region (Towong Shire Council, Indigo Shire Council, Alpine Shire Council and the Rural City of Wangaratta).

Significant steps in the development of the project have included:

- A deputation from community residents in the Mitta Valley requesting the dairy industry examine the decline of dairy in the Valley and how this might be arrested given the negative impact of such (March 2010);
- The commissioning of a comparative economic analysis to review the status of dairy in the region and the potential for on-going regional dairy farm profitability (Future dairy supply for the Alpine Valleys, Mulvany 2010);
- An industry level workshop to review the outcomes of the Mulvany Report and to design a response (Lake Hume Workshop, March 2011);
- Formation of the project steering group to seek resources and oversee project activities (June 2011);
- Independent focus group consultations conducted in all of the valleys (Understanding barriers to growth in the dairy industry in North East Victoria, Santhanam-Martin 2011);

- Alpine Valleys Dairy Business Forum - with strong participation by local dairy farmers and other key stakeholders (September 2012);
- Formation of the 'Our Valley, Our Future' project in the Mitta Valley - this was supported by the Gardiner Foundation with a focus on understanding the links between sustainable communities and a sustainable local dairy industry (September 2012); and
- Appointment of a Dairy Extension Officer co-funded by DEPI, Dairy Australia and Murray Goulburn Cooperative (June 2013).

In April 2013, Towong Shire Council supported the project by acting as the auspicing body to secure funds through Regional Development Victoria to develop a Regional Growth Plan and Workforce Strategy for the dairy industry in the Alpine Valleys of North East Victoria. The project aims to support the ongoing growth and improvement of dairy practices across the North East.

For more information contact Towong Shire: [info@towong.vic.gov.au](mailto:info@towong.vic.gov.au)



# NEW OPPORTUNITIES

## REGIONAL AGRICULTURAL INDUSTRY GROUP

A regional support network can be crucial in supporting farmers, advancing innovation and lifting productivity across a region. There have been agricultural groups set up in the Upper Murray the past (Upper Murray Agricultural Group, Beef Improvement Network) but none are currently operating at a local level. A organisation similar to the Murray Grey Beef Cattle Society (MGBCS) could be set up with a similar set of regulations to support industries in the Upper Murray. The MGBCS also provides support for young people with the Murray Grey Youth Program for people under 30.

The Upper Murray 2030 consultation process garnered renewed interest and need for a regional support group. The Riverine Plains Group may provide a good model for a proactive industry group which supports research and innovation. They have successfully established sponsorship funding from private business, obtained executive support from State government and developed links with agricultural research organisations.

The establishment of a regional agricultural group is seen as an important driver in realising a number of other outcomes of the Upper Murray Vision and should be seen as a priority.

There may be seed funding opportunities leveraged through State government grants. The initiative would be eligible under the Regional Jobs and Infrastructure Fund (RJIF), particularly under the new \$20 million funding initiative; Food Source Victoria. The Food Source Victoria Fund supports alliances and value chain partnerships to undertake activities that support export growth and create quality jobs.

### KEY STEPS TO THE REALISATION OF THE GROUP MAY INCLUDE:

1. Research successful models for agricultural industry groups (e.g. Riverine Plains Group)
2. Define the roles and activities of the group
3. Develop documentation and promotional material for the establishment of the group
4. Undertake an expression of interest program for all interested stakeholders in the agricultural sector
5. Establish a Strategic Plan for the group's activities
6. Seek funding opportunities for on-going resource and administrative costs

## AGRICULTURAL BRANDING

The creation of an Upper Murray brand has been identified to highlight the region's pristine environment and liveability is a key outcome of the Upper Murray Vision process. It is essential that this branding can be leveraged for agricultural marketing purposes to support value adding to the products grown in the Upper Murray. Areas in Tasmania such as Cape Grim provide good examples of agricultural branding which should be investigated in the Upper Murray.

REFER TO THE UM2030 BRANDING CONCEPT PLAN / PROSPECTUS FOR FURTHER INFORMATION.

## PADDOCK TO PLATE INITIATIVES

Utilising local produce is becoming more sought after by consumers and now is an expectation of good tourism regions. Paddock to plate initiatives including locally produced meat and vegetables should be investigated by businesses. A program which assists businesses in improving their use of local produce should be explored in the Upper Murray. The Open Food Network may provide a good model for direct access to consumers.

KEY STEPS TO IMPLEMENT SUCH ACTIVITIES MAY INCLUDE:

1. Review existing programs available
2. Undertake a review of the local supply chain and identify gaps for local consumption
3. Identify program/s suited to the Upper Murray situation

## INTENSIVE HORTICULTURE

The Hume Region Rural Land Use Study and Regional Growth Plan identifies the valleys of the Upper Murray as a potential food bowl. The quality of the soils and good rainfall and temperate climate create an environment conducive to high quality horticulture. Currently most of the land in the Upper Murray is dedicated to beef and dairy however there is opportunity to grow greater yield in agriculture and support more jobs in the region by investigating intensive agriculture.

KEY STEPS TO REALISED GREATER HORTICULTURE PRODUCTION MAY INCLUDE:

1. Detailed investigation of soil and land capability matched to high value horticulture products
2. Undertake testing/demonstration plantings of identified high value horticulture products



## PARTNERSHIP OPPORTUNITIES

The Upper Murray is open for business. If you are looking for a supplier, consider the Upper Murray. Numerous opportunities exist to create industries in partnership with existing producers to strengthen and intensify local supply chains. Consider working with existing farmers by growing mutually supportive industries that will feed into a local supply chain.

There are opportunities to build on demonstrated success of new markets such as vegetable seeds (e.g. potato and onion). The Upper Murray 2030 project has found expressed interest across the Upper Murray in the establishment of a mobile abattoir. Partners and investors are needed to help these projects get off the ground and to capitalise on opportunities to create local supply chains that support The Upper Murray as a brand. The success of existing businesses and scale of many operations shows how profitable this highly fertile landscape is already, but the Upper Murray is ready to diversify and welcomes new interest.

There are plenty of opportunities to work with high volume commodities as well as to establish niche markets in the Upper Murray and investment and innovations that endorse the region are welcomed.

## DAIRY PRODUCTION

Although there is already a significant industry in the region, there is scope to increase dairy production as outlined in the recently released North East Dairy Regional Growth Plan and Workforce Strategy. Dairy production is a much more intensive form of agriculture and capable of earning significantly higher returns per hectare than many other farm enterprises. There are significant challenges in the Upper Murray towards transitioning to larger-scale dairy production including the high capital expenditure required and lack of skilled labour in the region.

There are opportunities to reopen the milk factory using innovative technology and sustainable practice models that deal with water use and trade waste. In a Gippsland example (see SORF - Soil and Organic Recycling Facility and Dutson Downs), wastewater from milk production can be handed over to the facility for recycling.

Close co-ordination between government, industry, and the local community will be required to achieve the production goals set within the Plan.



## SUCCESSION PLANNING

One of the overwhelming issues facing the farming sector is succession planning. The age profile of farmers is increasingly getting older and many of the younger farmers either cannot get access to land or have moved on to other job prospects. A program to make farms available to motivated new farmers should be investigated as is developing up a strategic plan on succession farming. Such programs could include apprenticeship partnerships with regional education providers, internships and funding pathways to support mentoring programs pairing interested young people with established farmers.

### KEY STEPS INCLUDE:

1. Undertake a broad review of existing programs to identify programs which may be suited to the Upper Murray
2. Undertake discussions with key stakeholders (State Government, Victoria Farmers Federation) on the implementation of program

## EDUCATION AND UPSKILLING

A major issue for the region is the loss of young workers in the region and ageing of the farming population. The lack of skilled workers in the region was identified as a key constraint in the North East Dairy Regional Growth Plan. The first step in addressing the issue will be to identify the existing and emerging skill, labour and expertise gaps and then working with regional education providers (Riverina TAFE) to create educational pathways to enter the industry, including for school-leavers and young people.

As outlined on page 8, there are opportunities to implement new training models such as the Regrarian Platform, to strengthen rural pathways and run internship programs. Such programs can help to strengthen the longevity of the industry.

Support programs could be strengthened to provide information and support in a similar way to the Young Dairy Network Australia (YDNA), which connects local regional networks with other similar groups across the country. The YDNA also facilitates information sharing, ideas forums and provides support to and across regions, with a range of

activities including farm walks, seminars, leadership programs and social events specifically designed for young people.

Recently the State Government announced the New Future in Regional Victoria Fund which allocates \$25 million to create more opportunities closer to home. It will support partnerships between industry and tertiary institutions that aim to develop training programs for local industries and local jobs. The Victorian Government's Food Source Victoria Fund provides scholarships for accredited study or training, and professional development opportunities, for agri-food businesses in Regional Victoria that are on the cusp of expanding exports and/or adding value in their business. The scholarships are intended to provide businesses with the skills and knowledge needed to accelerate business growth.

### KEY STEPS INCLUDE:

1. Identify skill and labour gaps
2. Engage with regional education institutions
3. Seek funding for the expansion of agricultural education programs which are matched to regional labour gaps

## UPPER MURRAY FRESH FOODS

The Upper Murray Fresh Foods project is looking at the creation of Upper Murray-branded plant, supporting the introduction of vegetable growing in the Upper Murray region.

Upper Murray Fresh Foods is a social enterprise looking to build a facility to enable local farmers and producers to locally pick, pack and make use of cool room facilities in Corryong. The facility would also be aimed at supporting the wider Upper Murray region, including the south-eastern end of Tumbarumba Shire.

The objectives of Upper Murray Fresh Foods are to:

- Assist farmers in the succession planning of their properties
- Ensure that their siblings have an opportunity to make revenue from a small portion of land
- Support families to stay productive on the land
- Enable people to work closely with the land holder to learn good practice
- Create jobs in planting, picking, packing and transporting those products to market.

The project ties into the *Upper Murray 2030 Vision Plan* by creating an opportunity to localise an industry that supports farming in the region. Upper Murray Fresh Foods will derive benefit from and support marketing the Upper Murray as a 'region of choice'. It will provide long-term support for the Upper Murray as a viable region for the future. The project will also build on the legacy of a region with a strong history of food production, untapped water resources, high quality soils and a 'ready and willing' labour market.

Upper Murray Fresh Foods plans to adopt a water-sensitive business model that will encourage water use from a local aquifer in Corryong, rather than taking water from existing waterways. This approach will create a culture focussed on more sustainable resource use and will enhance the ongoing viability of the facility as a resilient business model.

The federal government has already completed a study into the emerging markets for Australia. That study identified food production as a main future market. As a result, the Upper Murray Fresh Foods social enterprise project responds to current projections for ongoing local and international market demand in future.

## KEY STEPS INCLUDE:

The next steps for the creation of Upper Murray Fresh Foods are to:

1. Conduct a meeting with interested parties who could assist in the process of the development
2. Engage horticulturalists to conduct an environmental study on the best plant production for the area
3. Research other plants to see needs, pros and cons
4. Create the full proposal for the social enterprise and seek funding and support from both State and Federal governments.

## FEASIBILITY STUDY INTO REINSTATING THE ABATTOIR IN Corryong

Reinstating the abattoir with the capacity to handle heavy animals (600-700kg) in Corryong could bring jobs to the region and support the beef industry. This initiative would also link well to branding and accessing local product to plate initiatives which require local supply chains. A feasibility study into reinstating the abattoir should be investigated including the potential for a co-op organisation which can assist in value adding to the local produced beef. New models for abattoirs are emerging including micro and mobile abattoirs which are smaller scale and lower cost and should be considered in any feasibility studies.

### KEY STEPS TO UNDERTAKING A FEASIBILITY STUDY MAY INCLUDE:

1. Establish project brief for a feasibility study into reinstating an abattoir in Corryong
2. Establish local steering committee made up of industry and government representatives
3. Seek funding through State and Federal government grants



