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# Great South Coast

Invest in Victorian  
agriculture and food

August 2018

Economic Development,  
Jobs, Transport  
and Resources

**AGRICULTURE VICTORIA**



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Accessible  
Efficient  
Quality

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 **\$2.3BN**

IN AGRICULTURAL OUTPUT  
IS PRODUCED IN GREAT  
SOUTH COAST ANNUALLY

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 **82%**

OF THE VALUE OF AGRICULTURAL  
OUTPUT IN GREAT SOUTH COAST  
IS FROM BEEF, DAIRY AND  
SHEEP MEAT

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# Why invest in Great South Coast's agriculture and food processing?



## Victoria's agricultural powerhouse

The region produces around \$2.3 billion in agricultural output each year, the highest of any region of Victoria.



## Excellence in livestock production

The region is highly suited to livestock production with productive pastures, fertile soils, access to supplementary feed such as grains and hay, and a relatively high and reliable rainfall. The beef, dairy and sheep sectors account for over 80 per cent of the Great South Coast's total value of agricultural production and offer many investment opportunities in the region.



## Economies of scale and density

The region houses the largest businesses by gross value in Victoria for dairy, beef, lamb and wool. The size of these businesses provide productivity and efficiency benefits through economies of scale and density of production.



## Agritourism advantages

The region has experienced significant growth in tourism, and offers a number of agritourism opportunities ranging from farm stays to tours of farms and food processing facilities.



## Strong food processing sector

Meat and dairy are the major food processing industries in the region. The region hosts Warrnambool Cheese & Butter, the oldest dairy company in Australia, along with Bulla Family Dairy, Fonterra and boutique processors for cow and buffalo milk. Meat and other livestock processors include Midfield Meats and boutique processors.



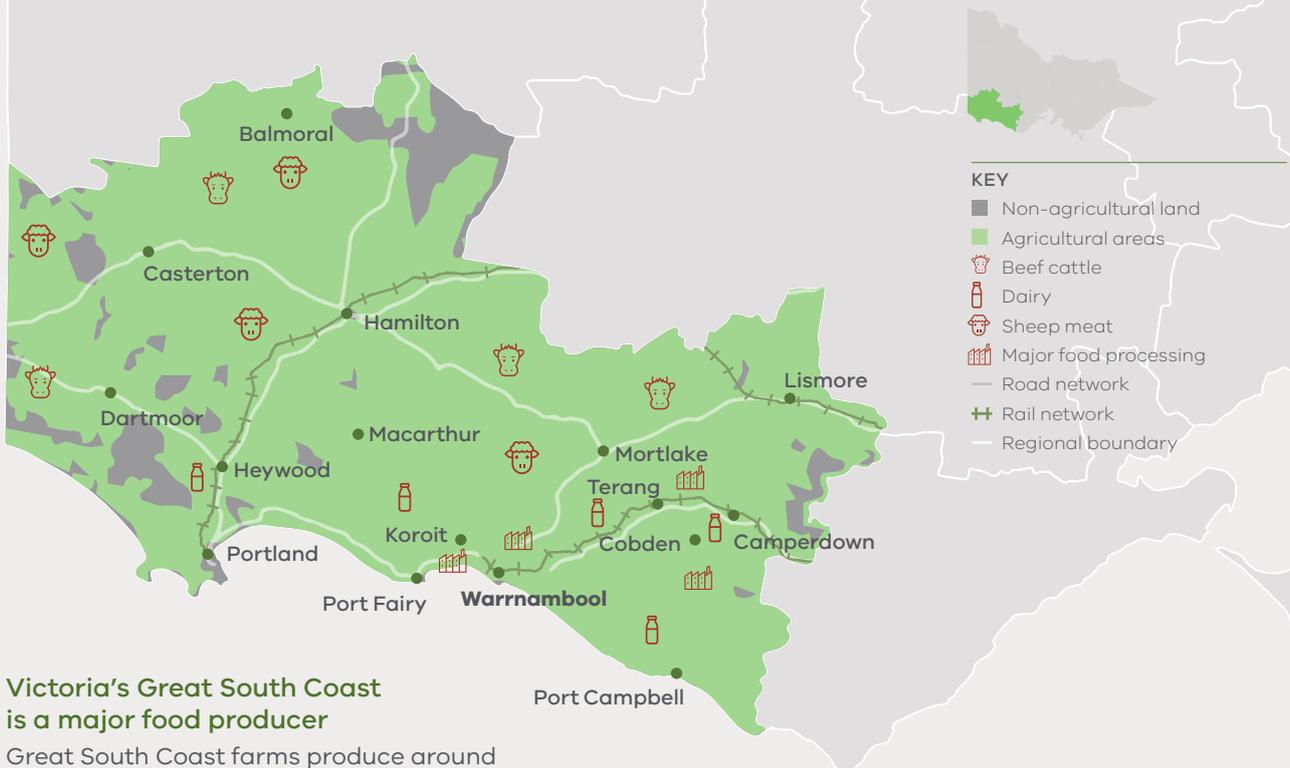
## Emerging live export markets

The region's Port of Portland has live export capacity for breeder and meat cattle, and is well placed to benefit from growing Asian demand for quality livestock genetics.



# Great South Coast – Victoria’s agriculture powerhouse

The Great South Coast’s combination of natural resources, favourable climate, and accessibility to markets make it a premium investment destination for agriculture and food processing.



## Victoria’s Great South Coast is a major food producer

Great South Coast farms produce around \$2.32 billion in agricultural output each year, the largest of any Victorian region. Great South Coast’s renowned combination of stable climate, reliable rainfall patterns and access to markets have seen many of Victoria’s largest agriculture producers focus their production in the region.

### Great South Coast economy and agriculture sector at a glance



Gross Regional Product: **\$5.34 bn**



Population: **100,000**



Food processing: **\$1.10 bn**



Agricultural production: **\$2.32 bn<sup>1</sup>**

### Great South Coast farms produce



**28.1%** of Victoria’s beef



**31.0%** of Victoria’s dairy



**33.8%** of Victoria’s sheep meat

1 Unless otherwise stated, all dollar values refer to gross values in this publication.

Sources for this page: map, Victorian Government; ABS Census 2016, ABS 7121 2015-16; agriculture production, Victorian Government analysis using 2016 ABS Agricultural Census data; food processing value, Victorian Government estimate based on 2016 REMPLAN data and 2011-12 RISE data; GRP, Victorian Government, 2016 data, <http://www.rdv.vic.gov.au/information-portal> (November 2017); population, ABS Census 2016.

# Great South Coast's competitive advantages

Great South Coast is perfectly positioned for agricultural production and investment, leveraging its economies of scale, density of production and favourable natural resources. Deloitte Access Economics has assessed data on numerous factors of competitive advantage at the regional and industry levels. Factors of advantage most relevant to agricultural competitiveness include:

## Economies of scale and density of production

Great South Coast currently houses the largest businesses in Victoria for dairy, beef, lamb and wool. The region can take advantage of both economies of scale and a high density of production which has led to better market coordination and consistent branding. These benefits have been realised by many large companies, including Bulla Family Dairy and Fonterra (dairy) and Midfield Meats (meat processing), who currently focus their production in Great South Coast.



## Climate and water availability

Great South Coast has fertile soils and rainfall that is both higher and more reliable than the Victorian average. This supports the major commodities in the region including beef, dairy and sheep, and creates opportunities for other high yielding and high quality produce.

## Access to export markets

The Port of Portland enables direct access to national and international markets, ensuring efficient exports of agricultural produce from the region. The port services the region's rich agricultural industry, particularly grains, cattle and sheep, and has capacity for live exports.



## Research and innovation

The Red Meat Innovation Centre in Hamilton drives innovation in sheep meat, one of the three major commodities in the region. Current research will provide new genetic and nutritional technologies and on-farm practices to increase lamb production and productivity and ensure Victoria's sheep meat producers are able to capitalise on increasing global demand. The region is also home to Longerenong College, which provides specialist tertiary education in agriculture and land management.

## Agritourism advantages

Agritourism is one of the fastest growing segments in the tourism market. Great South Coast has experienced significant growth in tourism, leveraging many of the region's natural assets, especially the spectacular coastline. Specifically, world class agritourism experiences such as Cheese World near Warrnambool and the 12 Apostles Gourmet Trail provide visitors with opportunities to immerse themselves in local production and processing.



# Great South Coast's supersectors

Beef, dairy and sheep meat account for 80 per cent of the value of Great South Coast's agricultural production.

## Beef

- 28.1 per cent of Victoria's beef herd is located in Great South Coast.
- Within the region itself, beef contributes 27.1 per cent of the region's value of agricultural production.
- The strong growth in demand for grass fed beef, combined with rising demand from Asia as they adopt more western style diets – especially high protein ones – suggest strong prospects for the Great South Coast beef industry.

## Dairy

- Great South Coast is one of Australia's leading dairy farming regions, accounting for 31.0 per cent of Victoria's dairy production value.
- Dairy farming accounts for 35.2 per cent of Great South Coast's total value of agricultural production.
- Companies operating within the region have been able to take advantage of both economies of scale and density of production to strengthen their product offering.
- The favorable climate, reliable rainfall and fertile soil conditions are some of the key driving forces behind the region's strength in dairy, offering stability of supply.

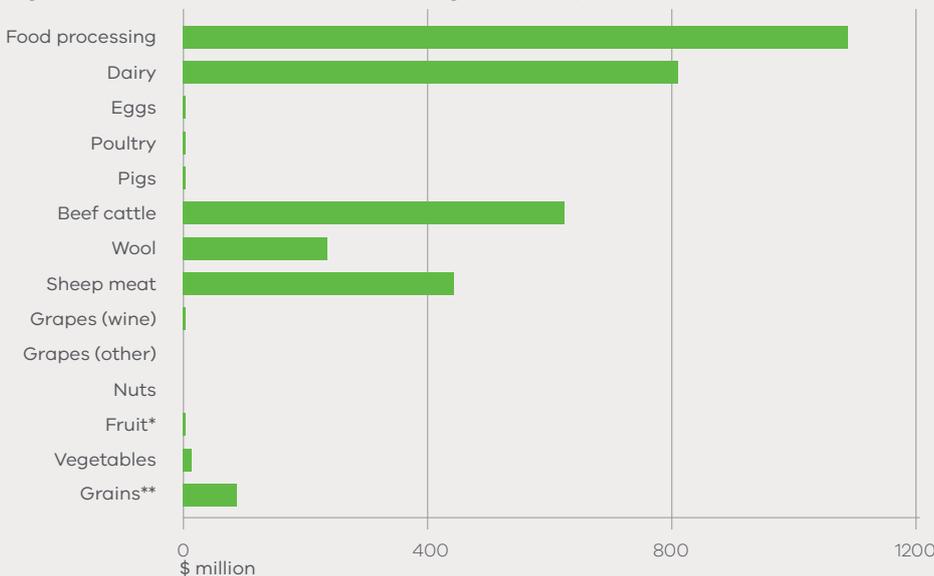
## Sheep

- Approximately 19.3 per cent of Great South Coast's value of agricultural production is sheep meat, and 10.2 per cent is wool.
- This contributes to 33.8 per cent of Victoria's total production value of sheep meat, and 31.5 per cent of wool.
- Research undertaken at the Red Meat Innovation Centre in Hamilton drives innovation in this area. Current research into sheep focuses on providing new technologies and practices to increase lamb production and productivity.
- Great South Coast is able to take advantage of a clean and green image alongside biosecurity benefits in this export-oriented market.
- The production of sheep meat provides the region with an opportunity to capitalise on changing diets in emerging Asian economies.

## Food processing

- The value of food processing in Great South Coast is \$1.1 billion.
- The main types of food processing in Great South Coast are dairy, meat, seafood and grain.
- The main food processing locations in Great South Coast are Warrnambool, Camperdown, Cobden, Portland, Hamilton and Koroit.

Figure 1: Great South Coast value of agricultural production



Note: The data is for agricultural production in 2015-16.  
 \*excluding grapes.  
 \*\*grains includes cereals, pulses, legumes and oilseeds.  
 Sources for this page: agriculture production, Victorian Government analysis using 2016 ABS Agricultural Census data; ABS 7121 and 7503 2015-16; food processing value, Victorian Government estimate based on 2016 REMPLAN data and 2011-12 RISE data.

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# Investment opportunities in Great South Coast

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Global and domestic growth prospects for meat and dairy products, combined with local factors of competitive advantage, indicate that there are strong investment opportunities in Great South Coast. This page summarises just a few of the numerous opportunities in the region.



## 1. Farmland and pasture improvement



*Farmland investment for long-term capital gain.*

The Great South Coast has proven agricultural success, with favourable climate and soil.

- Farmland investment is available at prices that currently represent a relatively low barrier to entry.
- Great South Coast has more reliable rainfall compared to the rest of Victoria.
- Great South Coast has the second highest grazing land fertility as measured by carrying capacity.



## 2. Emerging live exports



*Investment in dairy, beef and sheep enterprises focusing on live-export markets can capitalise on growing demand from Asia.*

**Great South Coast is home to the Port of Portland**

- The Port of Portland is significant for exporting grains and live animals, and provides the region with direct access to national and international export routes.

**Great South Coast faces growing demand from Asia**

- There is growing demand in Asia for high quality produce.

### 3. Alternative crop cultivation and food processing



*Investment in the processing of crops such as poppies for pharmaceutical use, medicinal cannabis or hops could align with the region's advantages and position the region well for new and emerging crops.*

#### **Great South Coast's ability to support high yield outdoor horticulture**

- Great South Coast has more reliable rainfall compared to the rest of Victoria.

#### **Great South Coast's strong food processing base**

- Food processing is already a major industry in the Great South Coast – particularly for meat and dairy processing.

### 4. Emerging aquaculture production processing



*Salt water aquaculture is a rapidly growing area with a great opportunity for growth given the region's ideal environment for production.*

#### **Great South Coast has a unique and favourable environment for aquaculture production**

- The stretch between Port Fairy and Portland is an ideal area for aquaculture with its flat, low, deep ocean frontage and private coastal land ownership.
- The farming and production of seafood provides local support to the agritourism and tourism industries.
- There is currently strong global demand for seafood which the region is well placed to benefit from.

*Strong agricultural and fishing sectors, alongside a growing tourism industry, underpin local economies.*

*– Regional Development Victoria*

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# Victorian Government – committed to agriculture in Great South Coast

07

The Victorian Government is committed to building and improving infrastructure to enhance the competitiveness of Great South Coast's agriculture and food processing.

## Road upgrades

The Victorian Government has committed over \$40 billion to road and rail projects statewide. Most recently, this has included \$40 million to upgrade the Princes Highway West between Colac and the South Australian border, \$66 million for the South West Victorian Road Improvement Program and \$19 million to upgrade the Hamilton and Henty Highways. It will also spend \$1.0 million for a bridge over the Castle Carey Road.

## Digital agriculture

The Victorian Government will spend \$45 million enhancing the state's digital connectivity and developing digital agriculture. The Federal Government is spending over \$45 billion developing Australia's broadband network, including satellite, fixed wireless and fixed line services for regional areas.

## Cattle Underpass Scheme

The Victorian Government has funded \$3.0 million statewide for another round of the Cattle Underpass Scheme, administered by the Victorian Farmers Federation.

## Statewide and national infrastructure

The Great South Coast region is also benefitting from billions of dollars of government investment in statewide and national infrastructure. This will improve: digital connectivity; regional roads and rail; logistics and export facilities; water security; energy productivity; research and innovation; workforce development; traceability and biosecurity, and many other areas relevant to agriculture and food processing. See the Victorian overview report for details.



## \$66m

ROAD MAINTENANCE AND  
GEOTECHNICAL REMEDIATION



## \$37m

NARROW SEAL ROAD  
PROGRAM STATEWIDE



## \$114m

TO UPGRADE THE  
WARRNAMBOOL RAIL LINE

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# The Victorian Government can facilitate your next investment

08

The Victorian Government provides local and international investors with the information needed to establish or expand their business.

## What the State Government of Victoria can provide

The Victorian Government's investment team provides free confidential services and professional advice to both existing and new investors. Invest Victoria is the first point of contact for new clients. It provides support to international investors, and can direct domestic clients to investment advisors specializing in Melbourne (Metropolitan Investment) or regional Victoria (Regional Development Victoria), including a dedicated Agribusiness Facilitation service.

Services include:

1. Help with your market-entry business case.  
Our dedicated team will supply you with up-to-the-minute information on market potential, existing companies, research and development capabilities, labour market skills and costs.
2. Introductions to our great industry contacts and local suppliers.
3. Confidential expert advice to help support your choice of investment. Our experienced team can help you work through the formal approvals you might need and even visit potential sites with you and speak to estate agents on your behalf.
4. On-ground support for existing and local investors seeking assistance for their business expansion plans through our metropolitan or regional engagement teams. Support for international investors in their home market through our extensive network of international offices.
5. Introductions to contacts across all levels of government. Financial support to attract projects of strategic significance may also be available.
6. A large team of experienced local and overseas officers ready to give you the practical support you need to maintain your new project's momentum.
7. Investment facilitation specialists who can work with you in relation to sites, infrastructure connections and project approvals.

See the 'Who to Contact' section, on the next page, or visit: [invest.vic.gov.au](http://invest.vic.gov.au)

## Grants for businesses

The Victorian Government offers a range of grant programs to help grow Victoria's agriculture and food processing industries, infrastructure and supporting systems. To identify the programs most relevant to your project, contact us directly using the details on the following page, or browse the links below.

- Grants for the agriculture and food industries: [agriculture.vic.gov.au/agriculture/food-and-fibre-industries](http://agriculture.vic.gov.au/agriculture/food-and-fibre-industries)
- Grants directed at strategic priorities, including food and fibre: [invest.vic.gov.au/how-we-can-help/planning/incentives-grants-and-programs](http://invest.vic.gov.au/how-we-can-help/planning/incentives-grants-and-programs)
- Grants focused on regional development: [rdv.vic.gov.au](http://rdv.vic.gov.au)
- Financial incentives offered under the Latrobe Valley Economic Growth Zone: [lva.vic.gov.au/economic-growth-zone/](http://lva.vic.gov.au/economic-growth-zone/)
- Targeted programs to support business growth: [business.vic.gov.au/support-for-your-business/future-industries](http://business.vic.gov.au/support-for-your-business/future-industries)
- Programs to support infrastructure or innovation: [rdv.vic.gov.au/programs-and-grants](http://rdv.vic.gov.au/programs-and-grants)

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# Further Information

This document is one of 16, which describe the investment opportunities in each of Victoria's agriculture and food processing industries and regions. The following documents are especially relevant to Great South Coast: Food Processing, Dairy, Beef and Sheep. These are available at the website below. This website also has an interactive map providing access to data on rainfall, production, processing, infrastructure, and other factors relevant to agriculture and food processing.

 [invest.agriculture.vic.gov.au](http://invest.agriculture.vic.gov.au)

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# Who to contact

## Invest Victoria

The State Government of Victoria's investment promotion agency

 [info@invest.vic.gov.au](mailto:info@invest.vic.gov.au)

 [invest.vic.gov.au](http://invest.vic.gov.au)

## Regional Development Victoria, Geelong

Level 2, Harrison Place, 237 Ryrie Street, Geelong VIC 3220

 +61 3 5215 6000 (Geelong) | +61 3 5561 4135 (Warrnambool)

 [information.geelong@rdv.vic.gov.au](mailto:information.geelong@rdv.vic.gov.au) or [information.warrnambool@rdv.vic.gov.au](mailto:information.warrnambool@rdv.vic.gov.au)

 [rdv.vic.gov.au](http://rdv.vic.gov.au)

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