



Loddon Campaspe

Invest in Victorian
agriculture and food

August 2018

Economic Development,
Jobs, Transport
and Resources

AGRICULTURE VICTORIA

Fertile
Connected
Diverse

 **\$2.7 BN**

FOOD PROCESSING IS WORTH
\$2.71 BILLION IN THE REGION

 **\$741M**

OF PRODUCTION VALUE IS
GENERATED FROM THE DAIRY
AND MEAT INDUSTRIES



Why invest in Loddon Campaspe's agriculture and food processing?



Well connected to markets

The region is well connected to both surrounding states of South Australia and New South Wales, as well as the capital city Melbourne, via two rail lines and seven highways. This allows access to both domestic and international markets, via air or through Australia's largest deep sea port.



Outstanding dairy and meat industries

These industries generate a combined value of over \$741 million in production value, offering compelling investment opportunities in value added food products.



Proximity to population and water sources

Loddon Campaspe is home to one of Victoria's major regional centres, Bendigo, offering a consumer base and services to support farming and food processing. The region has three main river catchments, the Loddon, Campaspe and Avoca rivers. In addition, northern areas of the region have benefited from the Victorian government's \$2.0 billion upgrade to irrigation infrastructure whilst the southern areas will have access to the \$80 million Southwest Loddon Pipeline.



Unique range of agricultural enterprises

Loddon Campaspe has a diverse landscape that is suitable for many agricultural enterprises and products. The region is especially well known for gourmet food and wine offerings in areas such as Heathcote.



Strong food processing industry

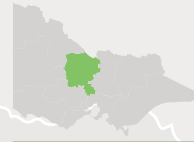
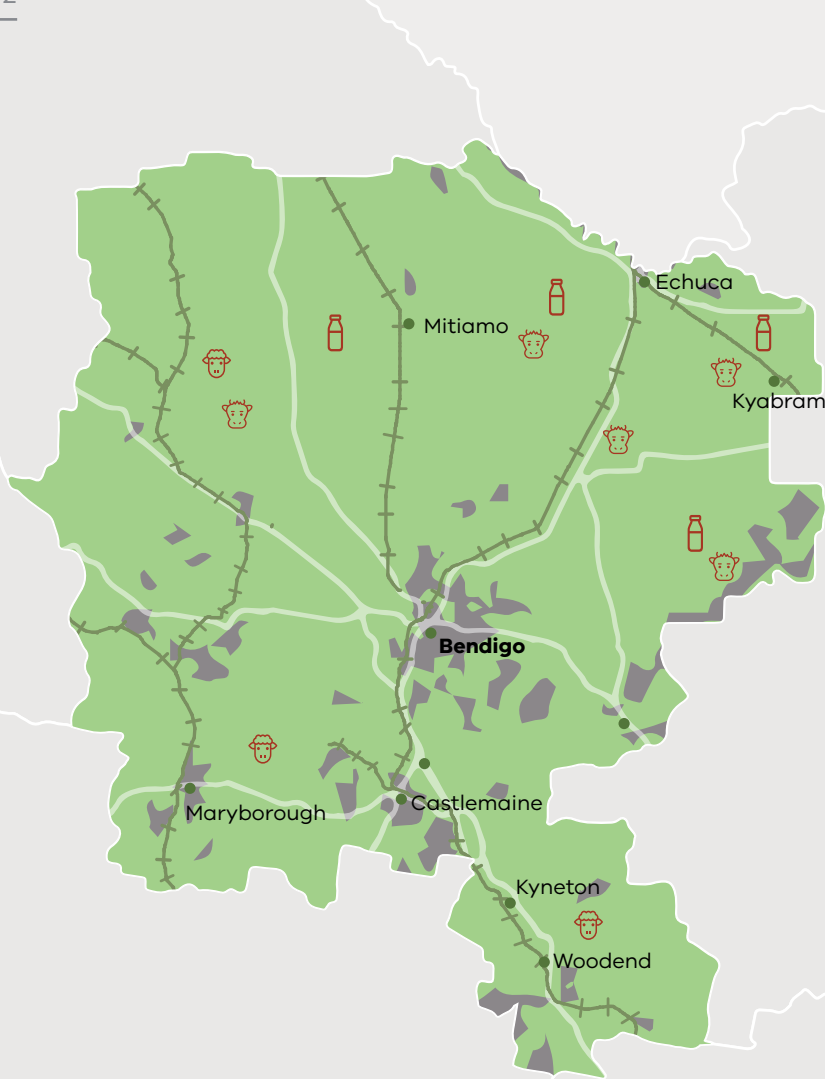
Food processing is worth \$2.7 billion in Loddon Campaspe which makes it the largest food processing sector in regional Victoria.



Loddon Campaspe – The centre of Victoria's agriculture

Loddon Campaspe is at the heart of Victoria. It is a booming food production and processing hub that makes it ideal for investment.

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- KEY**
- Non-agricultural land
 - Agricultural areas
 - 🐑 Beef
 - 🐄 Dairy
 - 🐑 Sheep meat
 - Road network
 - ⚡ Rail network
 - Regional boundary

Loddon Campaspe's farms produce

🐄 **10.0%** of Victoria's Dairy

🐑 **11.3%** of Victoria's sheep meat

🐑 **6.4%** of Victoria's beef

Loddon Campaspe's economy and agriculture sector at a glance

💰 **Gross Regional Product: \$9.8 bn**

👤 **Population: 231,350**

🌾 **Agricultural production: \$1.15 bn¹**

🏭 **Food processing: \$2.71 bn**

Loddon Campaspe

This region is a major producer of dairy, sheep meat and beef. The region is also well known for specialised production, such as Shiraz in the Heathcote wine region and cider from Harcourt. The region has a gross regional product worth \$9.8 billion and agricultural product valued at \$1.15 billion.

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.

Loddon Campaspe's competitive advantages

Loddon Campaspe has a strong combination of agricultural production and processing that makes it ideal for a diverse range of investments. Deloitte Access Economics has assessed data on numerous factors of competitive advantage relating to agriculture and food at the regional and industry levels.

Large workforce and large food processing industry

The food processing sector in Loddon Campaspe is worth \$2.7 billion. Large food processing sectors include meat processing, dairy, horticulture, bakery goods and wine. Workers are also highly trained with over a third of Loddon Campaspe workers having a higher education qualification.



Gourmet food and wine

Loddon Campaspe is well known for its gourmet food and wine production, among tourists, the domestic market and the export market. The region is especially well known for shiraz from Heathcote where there are over 70 vineyards. The Harcourt region, Victoria's largest producer of apples, is fast becoming known for its cider production. Laucke Flour Mills, Inglewood Aged Beef, McIvor Farm and Salute Oliva are among the region's organic and speciality producers.

Research, development and extension

Loddon Campaspe is home to several leading institutes such as the Kangan Institute Food and Fibre Centre of Excellence and La Trobe University Bendigo. The region also has unique research offerings from MSD Animal Health, who specialise in producing high quality vaccines for most of Australia's domestic animal species.

Sophisticated transport and logistics infrastructure for exporting

The region's access to two major rail corridors and seven highway corridors provides transport connectivity for produce to domestic and international markets. Areas in Loddon Campaspe are within 50 minutes of the capital city Melbourne. Further investments via the \$440 million Murray Basin Rail project will improve productivity, safety and access to markets.

Secure water supply from natural advantages and infrastructure

Loddon Campaspe is home to three main river catchments – the Loddon, Campaspe and Avoca rivers. Besides its natural resources, northern areas of the region have benefited from the Victorian Government's \$2 billion upgrade to irrigation infrastructure whilst the southern areas will have access to the \$80 million Southwest Loddon Pipeline for stock and domestic supply.



Loddon Campaspe's supersectors

Dairy, sheep meat and beef account for 48.5 per cent of the value of Loddon Campaspe's agricultural production.

Dairy

- Dairy is clustered mainly in the north east of the region and is Loddon Campaspe's most valuable sector.
- The value of whole milk production in Loddon Campaspe is \$265.3 million.
- Dairy accounts for 23.1 per cent of the region's agricultural production and 10 per cent of Victorian production.

Sheep meat

- The gross value of sheep meat production is \$149.4 million in Loddon Campaspe.
- This accounts for 13 per cent of regional agricultural production and 11.3 per cent of Victoria's sheep meat production.

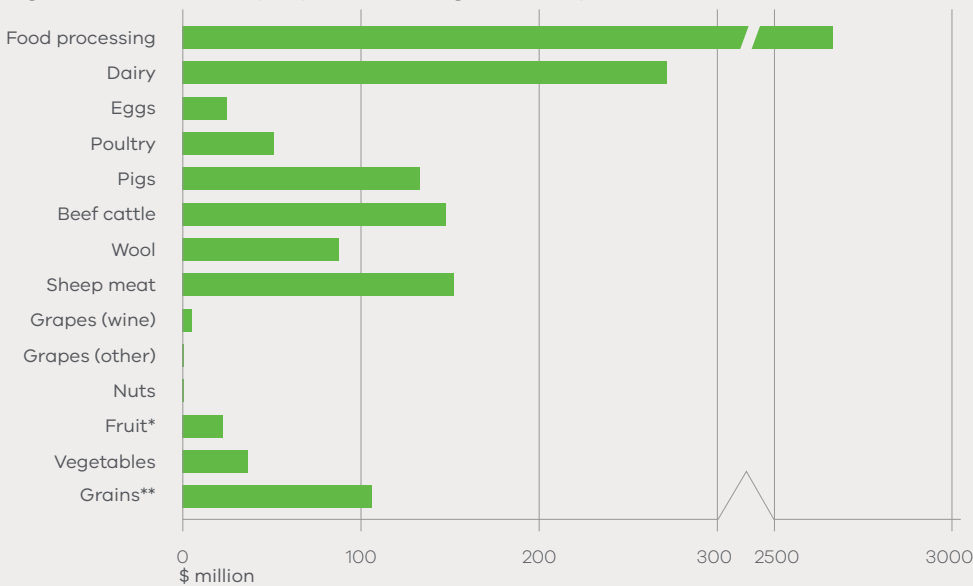
Beef

- The gross value of beef production in Loddon Campaspe is \$144.1 million.
- From 2011 to 2016, the production of beef has grown 47 per cent in the region.
- Beef is 12.5 per cent of the region's agricultural production and 6.5 per cent of the state's beef.

Food processing

- The value of food processing in Loddon Campaspe is \$2.7 billion.
- The main types of food processing in Loddon Campaspe are meat, dairy, fruit and vegetables.
- The main food processing locations in Loddon Campaspe are Bendigo, Echuca and Castlemaine.
- Poultry and egg production and processing is expanding in the region with the growth of the Northern Poultry Cluster.

Figure 1: Loddon Campaspe 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.

Investment opportunities in Loddon Campaspe

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Loddon Campaspe offers unique investment opportunities that build on the region's competitive advantages. This page summarises just a few of the numerous opportunities in the region.



1. Specialist differentiated grains production, packing and processing



Opportunities exist in processed grain food products, such as pasta, breads, and cereals, especially in organic foods as well as animal feed.

Proximity to grain supply

- Loddon Campaspe has a strong natural advantage in grains, providing great supplies of grain for processing.
- The value of cereals is \$84.4 million, and 9.7 per cent of the state's cereals.
- There are opportunities to supply feed to the new egg facility under construction at Lake Marmal and the new chicken production facility at Rochester.

Strong supply chain networks and transport

- Excellent transport and supply chain networks.
- Linkages with local tourism and gourmet food industry, especially for organic foods.



2. Value-added food products



Investment opportunities exist in the production of value-added products such as marinated meats, grab-and-go products and ready-meals.

Existing food processing framework

- A strong overall food processing sector worth \$2.7 billion.
- Large workforce and prominent food processing sector.

High growth potential

- Demand for ready-made meals has increased 3.6 per cent annually for the past 5 years and revenue is \$900 million in Australia.
- The region is a major destination for developments in poultry and egg production. Growth of the Northern Poultry Cluster benefits from supply chain integration, access to feed and excellent transport infrastructure.



3. Agritourism



Opportunities exist in strengthening linkages with tourism for wine and cider processing.

Mature wine and cider industry

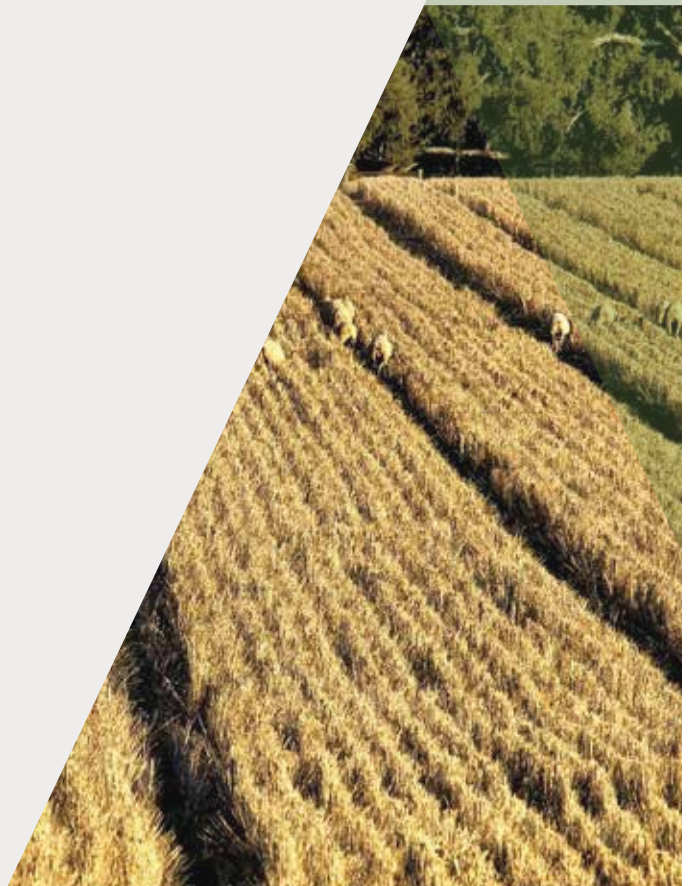
- The region is globally renowned for cider and wine production. Heathcote is renowned for Shiraz. Harcourt, in Loddon Campaspe, grows around 5.7 per cent of Victoria's apples.

Growing demand

- The regional tourism sector has grown at 5.8 per cent from 2008-2013.
- Cider consumption in Australia doubled from 2009 to 2016.³
- Wine production is forecast to grow at 2.3 per cent annually over the next five years, driven by local and international markets such as USA and China.⁴

Loddon Campaspe is the geographic centre of Victoria, and its location and transport linkages make the region highly accessible, particularly from Melbourne.

– Regional Development Victoria



3,4 IBISWorld (2016) Cider and Wine Production Market Research.

Victorian Government – committed to agriculture and food processing in Loddon Campaspe

The Victorian Government is committed to building and improving infrastructure in order to enhance the competitiveness of Loddon Campaspe's agriculture sector.

South West Loddon Pipeline

Australian governments have invested over \$13 billion to improve water management across the Murray Darling Basin, including northern Victoria. An \$80 million project is currently underway to secure stock and water supplies in the South Loddon region, including \$40 million in funds from the Victorian Government

Road and Rail

The Victorian Government is contributing \$220 million towards the Murray Basin Rail upgrade, to improve freight transport of grain in particular. It is also spending \$19 million to upgrade the Calder Highway between Bendigo and Mildura. The Victorian, New South Wales and Federal Governments are spending \$280 million to upgrade the Echuca-Moama bridge.

Food and Fibre Centre of Excellence

The Victorian Government is investing \$7.8 million to create a Food and Fibre Centre of Excellence in Bendigo. From June 2018 the centre will support food and fibre industries by providing access to training, modern equipment and links to industry networks and resources.

Statewide and national infrastructure

The Loddon Campaspe 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.



\$91m

FOR THE BENDIGO AND ECHUCA LINE UPGRADES



\$60m

TO UPGRADE THE BENDIGO KANGAN INSTITUTE



\$280m

TO UPGRADE THE ECHUCA-MOAMA BRIDGE

The Victorian Government can facilitate your next investment

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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


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

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 Loddon Campaspe: Food Processing, Dairy, Beef and Sheep, Other Livestock. 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

Who to contact

Invest Victoria

The State Government of Victoria's investment promotion agency

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 invest.vic.gov.au

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