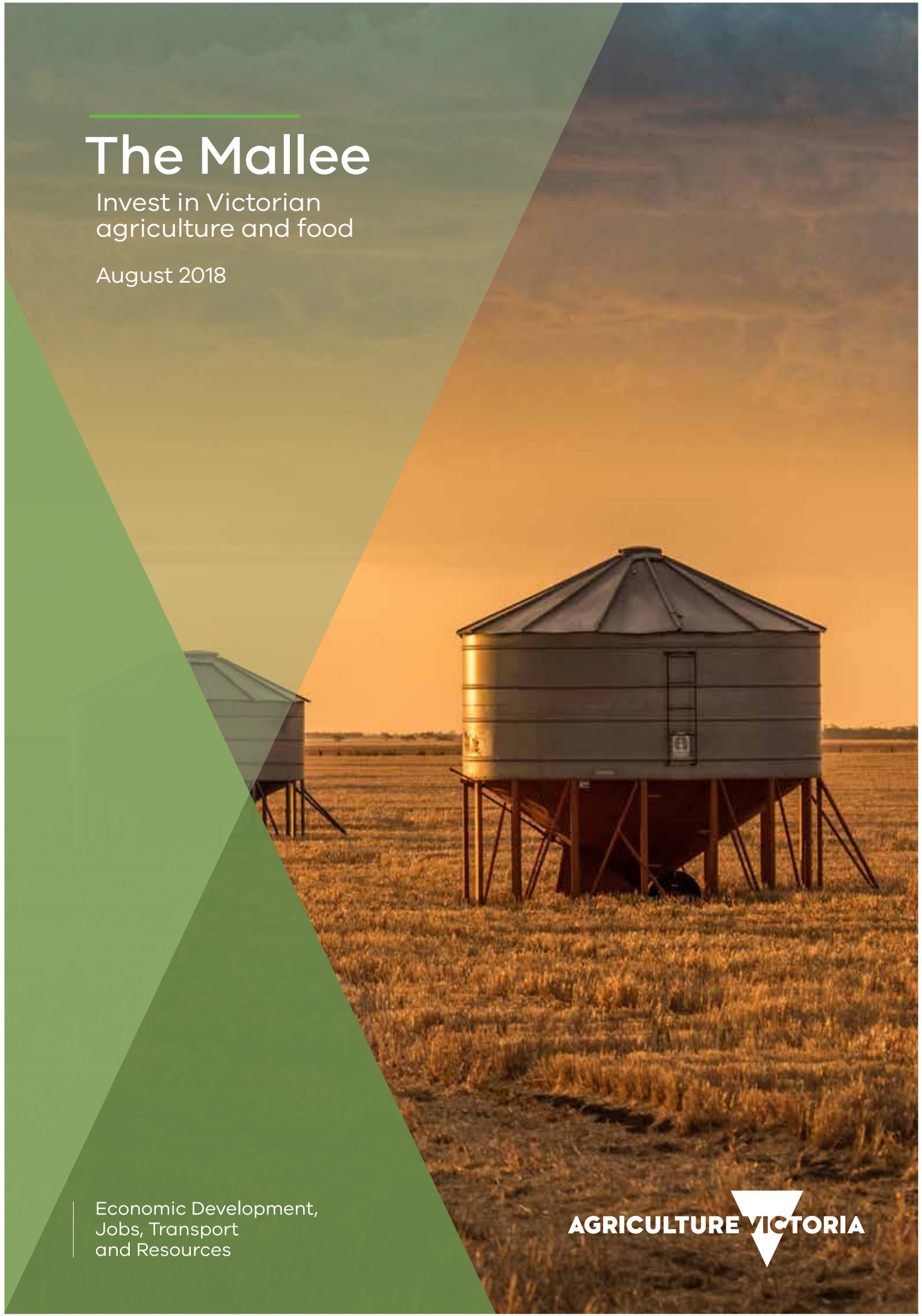

The Mallee

Invest in Victorian
agriculture and food

August 2018

Economic Development,
Jobs, Transport
and Resources

AGRICULTURE VICTORIA



Productive Competitive Connected

 **99.6%**

OF VICTORIA'S ALMONDS ARE
PRODUCED IN THE MALLEE

 **99.9%**

OF VICTORIA'S DRIED AND
TABLE GRAPES ARE PRODUCED
IN THE MALLEE



Why invest in the Mallee's agriculture and food processing?

01



Tri-state access with major regional hub

The region is strategically located along important intrastate and interstate transport routes, through the major regional city of Mildura. Good rail and road connections permit ready export of food from the Mallee Region.



Affordable agricultural land

Agricultural land is more affordable and less prone to land use competition compared to other regions of Victoria. The Mallee region incorporates large areas of dryland farming used for grain and livestock, plus irrigated agriculture along the Murray River used for horticulture.



Great significance of agriculture and food processing

Super sectors including fruit, nuts and grains account for over 52.4 per cent of the Mallee's total value of agricultural production and reflect historical and existing factors of advantage. The Mallee also has a strong food processing sector worth \$751 million and a large number of agricultural support industries, such as agronomists, chemical resellers and machinery sales companies.



A Mediterranean climate great for agriculture

The regional climate is warm and semi-arid, with a long hot growing season and a cool winter. This is well suited to the production of high quality grains, fruits, vegetables and nuts. The climate reduces disease risks.





Modern water infrastructure and irrigation systems

The Wimmera Mallee Pipeline runs through extensive dryland farming areas, providing reliable water for stock. The Sunraysia Modernisation Project, the biggest upgrade to irrigation infrastructure in Sunraysia's irrigation history, provides 365-day access to water. Irrigation also occurs along the length of the Murray and supports horticulture, dairy and cropping.



Dominant producer of dried fruit, table grapes and almonds

The Mallee produces 99.9 per cent of Victoria's dried and table grapes, 99.6 per cent of Victoria's almonds, 86.2 per cent of Victoria's citrus fruit and 75.5 per cent of Victoria's wine grapes. The Mallee is one of Australia's major almond growing regions.



Strong emerging markets

There are a mix of new crops growing in the area such as pistachios, almonds, olives and avocados. Cereal hay is also a growing opportunity, with several businesses exporting containerised hay to Asia.



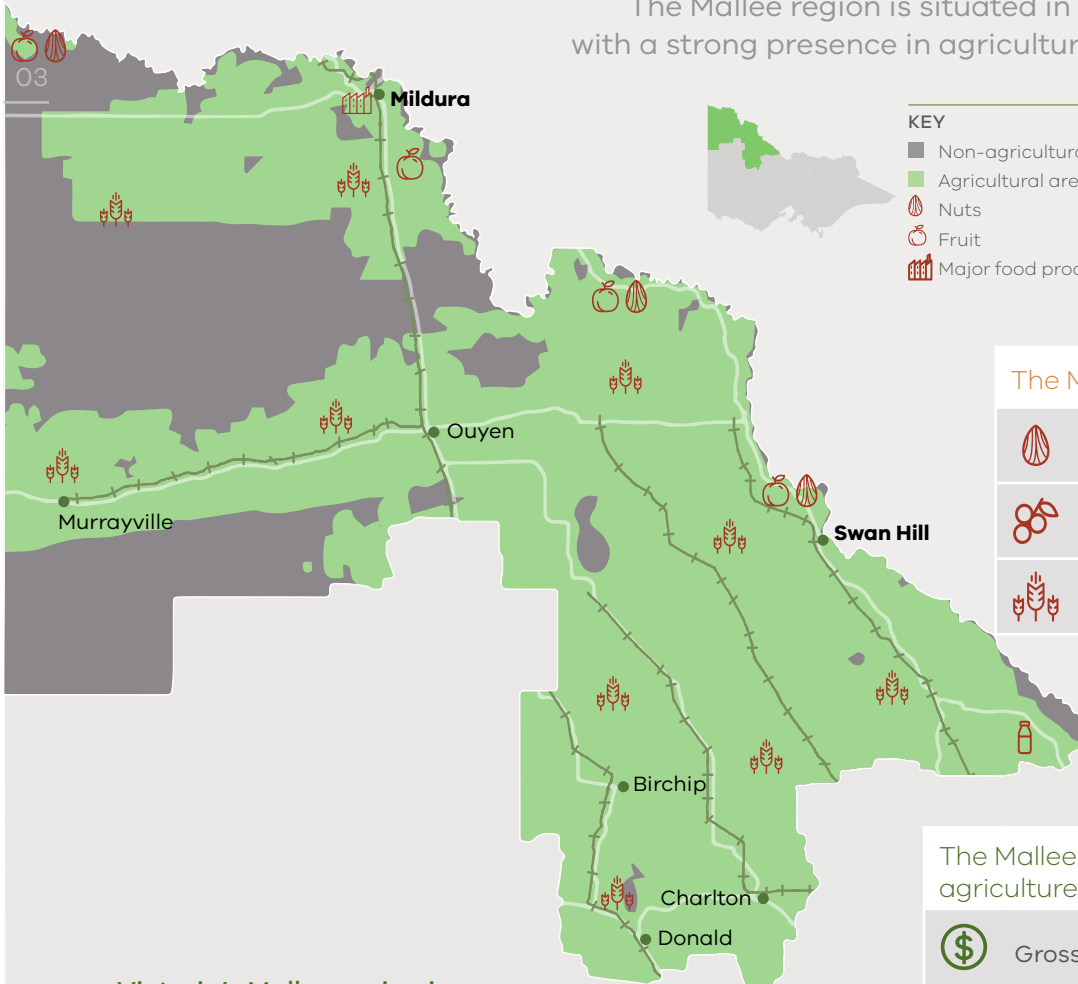
Excellent government support

The Victorian government has invested in the \$440 million Murray Basin Rail Upgrade, set for completion in 2018, to improve access to Australia's major deep sea ports at Melbourne, Geelong and Portland. The Victorian Government also has a major horticultural research centre to support the horticultural industries.



The Mallee – diverse investments

The Mallee region is situated in north-western Victoria with a strong presence in agriculture and food processing.



KEY

- Non-agricultural land
- Agricultural areas
- Nuts
- Fruit
- Major food processing
- Grains
- Road network
- Rail network
- Regional boundary

The Mallee's farms produce

- 97.5%** of Victoria's nuts
- 93.5%** of Victoria's grapes
- 28.3%** of Victoria's grains

The Mallee's economy and agriculture sector at a glance

- Gross Regional Product: \$4.1 bn**
- Population: 89,500**
- Food processing: \$751 m**
- Agricultural production: \$1.89 bn¹**

Victoria's Mallee region is a highly productive agricultural and horticultural region

The Mallee is one of Victoria's major dryland cropping regions. Along its northern border, the Murray River supports extensive horticulture and (in the north east) dairy. The Mallee produces 93.5 per cent of Victoria's grapes, 97.5 per cent of nuts (especially almonds), 86.2 per cent of citrus and 28.3 per cent of grains. To support the expanding fruit and nut industries, state-of-the-art processing and cool store facilities have been established in the Mallee including almond cracking plants, juicing facilities and cool storage.

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.

The Mallee's competitive advantages

The Mallee's combination of ample farm land, favourable climate, access to markets and modern infrastructure make the region ideal for investment. Deloitte Access Economics has assessed data on numerous factors of competitive advantage relating to agriculture and food at the regional and industry levels.

Productive land and climate for agriculture

The Mallee's northern location means it has a high number of sunlight hours and a warm climate. The region is largely reliant on agriculture and associated processing, manufacturing and services.



Diverse production systems for many crops and livestock

Production systems in the Mallee region are diverse, with a combination of irrigated horticulture as well as dryland cropping and livestock grazing enterprises. Diversity in the agricultural industry has demonstrated resilience and capacity to adapt to climatic, economic and policy challenges.² The Mallee has extensive farm service and farm supply businesses. A major attribute of the region is the ability to grow a variety of agricultural products with more than 40 commercially grown products.

Unique water infrastructure

The Mallee has access to large stretches of Australia's longest river - the Murray. Water supplies have been secured through the \$120 million Sunraysia Water Modernisation project, allowing the opportunity to diversify crops. The upgraded water infrastructure system provides 365-day water access. For dryland agriculture, the \$500 million Wimmera Mallee Pipeline replaced 17,500 kilometres of inefficient open channels with 9,159 kilometres of rural pipeline, saving 103 billion litres of water a year.

Tri-state access with road, rail and air connections

The Mallee is the only region in Victoria with direct tri-state access, with road, rail and air connections. It has a central location between Melbourne Adelaide and Sydney, as well as the third busiest passenger airport in Victoria. According to Regional Development Australia, this access allows the Mallee region to export \$3.2 billion worth of product a year (2011-12). The Victorian government has invested in the \$440 million Murray Basin Rail Upgrade that is set for completion in 2018, improving access to major deep sea ports at Melbourne, Geelong and Portland.

\$3.2bn
worth of product is exported from The Mallee each year.

Plentiful agricultural land

The Mallee has extensive land specifically zoned for agricultural use. The Mallee region incorporates large areas of dryland farming which are used especially for grain, plus irrigated agriculture along the Murray River used especially for horticulture. The region also has advanced production systems for a wide variety of broadacre crops, and high potential to generate savings through solar and renewable energy.



Gourmet food and wine production

The Mallee has a broad range of gourmet offerings with products such as Prime Mallee Lamb, Mallee Honey Mustard and Murray River Salt. High value produce such as nuts, oil seeds and wine have large local demand and export potential. In 2016-17, Victoria exported \$290 million of wine³, and the Mallee region produced over 75.5 per cent of the total value of grapes for wine in Victoria.



² Lower Murray Water (2015), Mallee Region Investment Guide (2015-16).
³ Victorian Food and Fibre Export Performance Report, 2016-17.

The Mallee's supersectors

Fruit, nuts and cereals contribute significantly to the Mallee's agricultural production.

Fruit

- The value of fruits produced in the Mallee is \$571.8 million, accounting for 50.1 per cent of the value of Victoria's fruit production.
- Grape production is worth \$415.9 million, with \$88.3 million of this value coming from grapes for wine production.
- The region produces 86.2 per cent of Victoria's citrus fruit, 59.6 per cent of Victoria's orchard fruit and 28.3 per cent of Victoria's stone fruit.

Nuts

- The Mallee's nut production is worth \$510.2 million, representing 97.5 per cent of Victoria's nuts by value.
- Almonds are particularly important nuts in the Mallee. The Mallee accounts for 99.6 per cent of Victoria's almond production and 72.3 per cent of Australia's almond production. The region also produces 48 per cent of Australia's pistachios.⁴
- From 2011-2016 almond production in Victoria increased by 447 per cent.

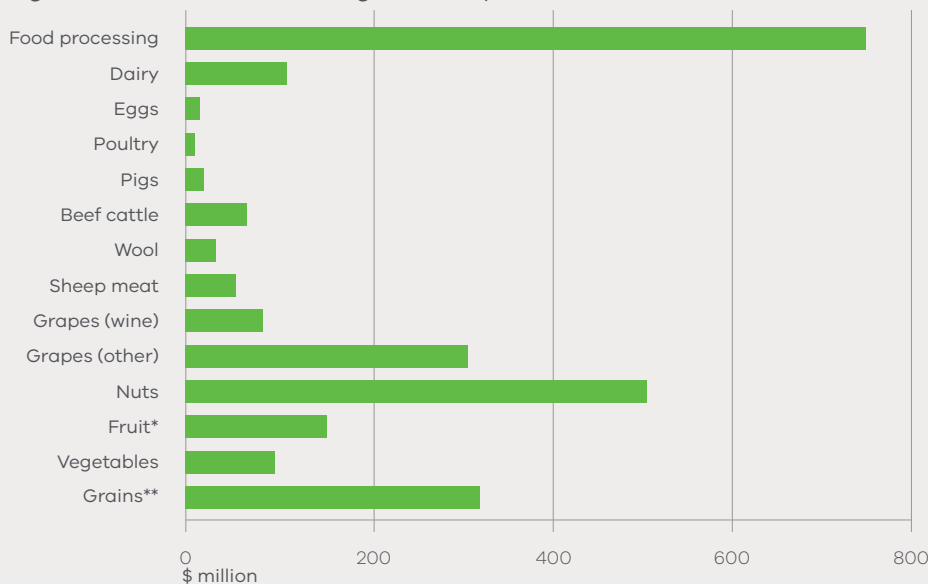
Grains

- The Mallee produced \$324.4 million worth of grains, which represents 28 per cent of Victoria's grains by value.

Food processing

- The value of food processing in the Mallee is \$751 million.
- The main types of food processing in the Mallee are fruit, vegetables, meat and beverages.
- The main food processing locations in the Mallee are Mildura and Swan Hill.

Figure 1: The Mallee 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.

4 Visit Mildura (2016), Local Produce.

Investment opportunities in the Mallee

The Mallee has strong investment prospects involving horticulture, nuts and specialised produce. These are just a sample of potential investment opportunities in the region.

1. Grains



Become a specialist differentiated grain producer, packer and processor.

Affordable agricultural land

- North West Victoria is the major source (32 per cent) of Victoria's grain production.

Long term domestic and international demand

- The Mallee exports around 60 per cent of its grains globally (by value).

2. Specialist oil production and refining



Olive oil is a growing market with a large processing plant supplying most of Australia's olive oil market.

Strong demand and reputation for olive oil

- The Mallee produces over 50 per cent of the value of Victoria's olives, worth \$67.5 million.
- Australians consumed 48 million litres of olive oil in (2017).
- At the New York International Olive Oil competition, Australia won 4 out of 18 awards.

Ideal climate for growing olives

- Many varieties around the Murray river; Hojiblanca, Picual, Arbequina and Coratina varieties flourish.
- The regional climate is typified by a long hot growing season with a cool winter, which is comparable to the Mediterranean region.

3. Expand nut production and processing capacity



Expand nut production and processing, especially almond, leveraging the Mallee's modern systems and sunshine.

Strong competitive advantage in nuts

- The Mallee enjoys favourable growing conditions for nut production.
- The Mallee is well placed to meet rising domestic and global demand for nuts.

Plenty of suitable land for large groves

- Irrigated agriculture and horticulture occupy nearly 100,000 hectares (10 per cent of Victoria's irrigated primary production) along the Murray River corridor which runs along the north of the Mallee.⁵

Diverse range of secondary products

- Secondary products include almond milk, almond butter and almond meal.
- Demand for almond milk has grown at an estimated 6 per cent per annum from 2011-2016.



⁵ Agriculture Victoria (2014), Fruit and Nut Industry Profile.

Victorian Government – committed to agriculture and food processing in the Mallee

The Victorian Government is committed to jobs and infrastructure in the Mallee to enhance the competitiveness of the Mallee's agriculture sector.

Road and rail

The Victorian Government has invested \$220 million towards the \$440 million Murray Rail Upgrade. The project will reduce cost and transport times for freight, especially grain. \$19 million has been committed to upgrade the Calder Highway between Bendigo and Mildura, which is a major freight corridor to Melbourne.

Water infrastructure

Australian governments have invested over \$13 billion to improve water management across the Murray Darling Basin, including northern Victoria. Australian governments and water corporations are spending \$120 million to modernise Sunraysia's irrigation infrastructure, including The Mallee.

Statewide and national infrastructure

The Mallee 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.



\$4.1m

TO SUPPORT THE DEVELOPMENT OF THE VICTORIAN WINE INDUSTRY



\$1.7m

FOR MALLEE INNOVATION CENTRE FOR AGRICULTURE AND WATER MANAGEMENT



\$25m

TO UPGRADE 'FIRST AND LAST KILOMETRE' ROUTES ACROSS REGIONAL VICTORIA

The Victorian Government can facilitate your next investment

09

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 Mallee: Food Processing, Horticulture, Grains. 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


 info@invest.vic.gov.au

 invest.vic.gov.au

Regional Development Victoria, Mildura

131 Langtree Avenue, Mildura VIC 3550

 +61 3 5051 2000

 information.mildura@rdv.vic.gov.au

 rdv.vic.gov.au

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