



Prospering in the new normal

Edward River Council

Agribusiness Masterplan
2019 – 2024



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**Prospering in the
new normal**



**Masterplan
background**

Prospering in the new normal

The Edward River region has a rich history of prosperous agribusiness dating back to when the Peppin brothers discovered that it was an ideal location to develop their premium merino breed. The Long Paddock droving route is also part of this legacy. In more recent times, the region has reaped the rewards of producing some of the world's finest short and medium grain rice. Underpinning this success has been a combination of skill, innovation, hard work and most of all, a willingness to evolve, embrace new ideas and adapt to the contemporary circumstances.

In the past few seasons, the region has faced a difficult time with the compounding effects of a challenging water situation, drought and volatile economic and geopolitical trading conditions. However, the central premise of this masterplan, **'Prospering in the new normal'**, is that the current circumstances are not due to short term cyclical factors, but rather long term structural shifts. Pivotal to future success therefore, will be the acceptance that this is indeed a 'new normal' and that agribusinesses will need to again adapt - many already have and are already prospering.

This masterplan is not about resilience. **'Prospering in the new normal'** is about leveraging the environmental and market

conditions to build community prosperity. The concept of community prosperity embraces so much more than material wealth, it includes quality of life and the 'liveability' of our townships.

The Edward River region has a valuable agribusiness asset base and areas of great competitive advantage that can be harnessed to take advantage of the growing global demand for quality, safe, trusted food and fibre produced in sustainable and ethical production systems. Driving the changes needed to fulfil this great opportunity requires visionary leadership underpinned by a cohesive masterplan that enjoys universal support. A strong and singular voice will be necessary to communicate the masterplan and advocate on behalf of the whole of the agribusiness community.



Masterplan purpose

The purpose of this Agribusiness Masterplan is to provide a vision and blueprint to position the Edward River Council economy for sustainable prosperity in 'the new normal'.

In the new normal, the industries that have traditionally been the backbone of Edward River's agribusiness economy are likely to become more volatile and face increasing challenges. Water will become less available and more costly, so it will be critical to extract the maximum value from what is available. Ultimately, the agribusiness sector must be more agile and strategic to build economic stability in such difficult trading conditions.

This agribusiness masterplan describes the characteristics of the 'new normal' and identifies the burning issues that will impact the region's agribusiness economy. It outlines the high level, directional responses required, articulated in seven strategy platforms, each with a suite of programs and indicative projects.

The intention of this document is to present a holistic vision for the Edward River agribusiness sector, which all stakeholders can rally behind and collaborate to deliver.

Important notes:

1. This document should be read in conjunction with the separate Situation Analysis report, which explains the operating context and outlines the underpinning analysis.
2. Many of the recommended programs in this plan are already being delivered by other parties, for example, there are many existing rural leadership programs, so it would be a waste of resources to attempt to start another localised version. While the masterplan lists what needs to be done, many of the activities could easily be delivered through existing regional development or industry initiatives.

Who is the plan for?

Although the masterplan has been initiated and sponsored by the Edward River Council, it is a plan for the entire regional agribusiness economy, which reaches beyond Council boundaries. Because it has been written to meet the needs of all agribusiness stakeholders and their communities, as such, it is a visionary, directional plan, rather than one with prescriptive actions.

While focused on the agribusiness sector, in reality, this is a masterplan for the entire community because the prosperity, mood and liveability of the Edward River region is reliant on the performance of its agribusinesses.

It will be largely up to the agribusinesses and public and private service providers to drive the changes outlined in the plan through collaboration. Many of the recommended programs are beyond the jurisdiction and core business of Edward River Council alone, although Council can influence and support the various stakeholders. Ultimately, the success of the plan will depend on the collective willingness of the cornerstone organisations and individuals on the committee to make it happen.

Stakeholder partners are likely to include:

Edward River Council
Riverina & Murray Joint Organisation
New South Wales Government
SunRice
Murray Irrigation Limited
Local Land Services
The local media
RDA
BEC
TAFE and high schools
NSW Farmers Association
Rice Growers Australia
Chamber of Commerce

Methodology

This masterplan has been produced by McKINNA *et al* in collaboration with the Edward River Council. A project reference committee drawn from the local agribusiness community and including Management and Councillors from Edward River Council has provided stewardship of the process.

The methodology has involved the following steps:

1. Project planning
2. Data capture and analysis
3. Stakeholder engagement with agribusiness operators across Edward River Council
4. Strategic situation analysis (presentation and workshop)
5. Masterplan development
6. Draft masterplan committee 'road test'
7. Councillor workshop
8. Design and preparation of final masterplan.



Agribusiness is the foundation of this community

Throughout this masterplan the term 'agribusiness' has been used to highlight the fact that agriculture involves an interconnected, global value or supply chain that extends beyond the farm gate. Any factor or issue that impacts any point in the value chain reverberates through every other link and the entire regional economy because, the Edward River Council area is essentially an agribusiness economy.

The other reason for preference of the the term 'agribusiness' rather than 'farming' is that primary industries are no longer just a lifestyle choice, they are now serious businesses with multi-million dollar turnovers and increasing scale, which can magnify risks.

The strength, health and mood of the agribusiness sector extends beyond the economy and pulsates into the Edward River community. The decisions made on farms impact local jobs and businesses in the towns and therefore, ultimately they effect the prosperity and quality of life of all community members across the wider region into neighbouring council areas. The challenges faced in recent seasons are therefore, creating a spiral of community negativity, which this masterplan aims to address.

Spiral of community negativity



**Prospering in the
new normal**



**Edward River
agribusiness situation**

Edward River Council Agribusiness snapshot

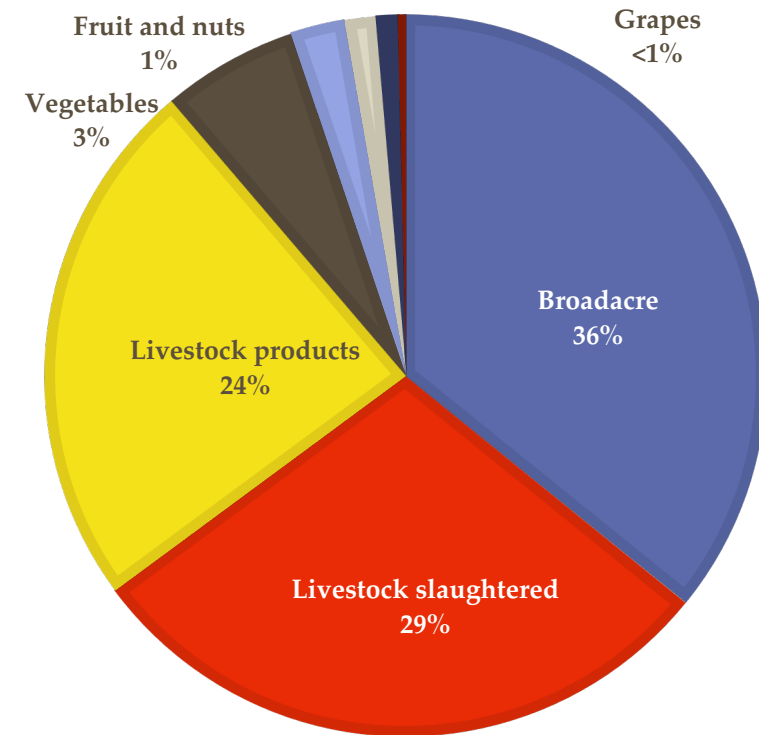
The latest available statistics indicate that the farmgate value of the Agribusiness economy in Edward River in 2015/16 was around **\$170 million**.

While the available statistics are dated and difficult to verify at a local government level, once a multiplier effect of 1.5 times is added to this ABS farmgate figure taking it to **\$255 million** and a further consideration for value-adding impact, it could comfortably argued that agribusiness constituted well over half of the total Edward River economy of **\$566.7 million** for the 2015/16 period.

At the ABS census date, 36% of the farmgate value was generated with broadacre cropping (mostly wheat at 41% of this production); 29% was from livestock for slaughter; and 24% was from animal products, namely dairy, wool and a small amount of eggs. Vegetables were the next most significant category but at only 3% of farmgate value. (Rice constituted only 17% of the total broadacre production after wheat and barley.)

In the 3 years since this data was captured, much has changed in the broader agribusiness economy with the price of wool and red meat rising dramatically, the dairy industry facing falling global milk prices and rice production remaining below historic levels. These factors would have dramatically changed this result, however, they could potentially have increased the overall farmgate returns, despite the various challenges.

Percentage value of agricultural production at farm gate
Edward River Council, 2015/16



Factors driving the new normal

Although agriculture is characteristically cyclical, clearly a long term shift in the agribusiness operating environment is occurring, which demands a transitional response.

This adaption requires changing enterprise mixes, business models and management practices to respond to the shifting operating environment. Agriculture will become more volatile, with increasing risk meaning that the agribusiness sector needs to be much more savvy, in tune, flexible and receptive to new ideas. Most of the factors that will shape the future agribusiness operating environment are due to external forces beyond the control of the region. These external, uncontrollable factors include the following:

Climate change

Climate change will result in changed weather and rainfall patterns, lower average rainfall, hotter temperatures, more extreme weather events, greater risk of bushfires or pest and disease issues.

Water

The water outlook is for lower than average allocations, more frequent zero allocations, higher than average water prices and more complexity in the water markets.

Global economics and geopolitics

Most of Australia's agrifood products are exported and subject to the volatility of global economic conditions and geopolitical influences. Global trade is becoming extremely volatile and unpredictable.

Technology

New technologies are changing the face of agribusiness, driving major productivity gains, opening up new market opportunities and reducing risks. Rapid adoption of new technologies will be critical for remaining globally competitive.

Societal and community values and expectations

Driven by the internet and social media, societal expectations of agribusinesses are focused on environmental sustainability, food safety, ethics, fair trade, animal welfare, chemical use, etc. Society is becoming more assertive in monitoring accountability to these values. Increasingly agribusinesses need to have a social license to operate

Outlook for the current operating environment

The outlook for the agribusiness sector in Edward River clearly has a number of challenges:

1. Water allocations will become more variable with more frequent low or zero allocations
2. Long term average water prices will rise making rice, traditional commodity cropping and grazing dairy, uneconomic in many seasons
3. Regional agribusiness gross regional product (GRP) could decrease and become increasingly volatile and seasonal
4. Employment in agribusiness and value-adding will decline and skills will be lost
5. Farm scale will increase with the impact of technology and the need for economies of scale to be globally competitive
6. Allied input and service providers will be destabilised by the increasing volatility of the farming sector
7. Workers will need to travel further or require accommodation as satellite towns disappear.

Uncontrollable factors in the operating environment:

- 1 Seasonal conditions – climate change
- 2 Availability, reliability and cost of water
- 3 The global economy
- 4 The exchange rate
- 5 Geopolitics
- 6 Technology advancement
- 7 Highest agricultural labour costs in world
- 8 Social values and community expectations

Despite the challenges, the fundamentals of Australian agribusiness are still positive

1. There is growing global demand for safe, quality and trusted food and fibre
2. Australia's proximity and connectivity to the world's fastest growing export markets provides an advantage over northern hemisphere competitors
3. Australia's reputation for safe and trusted food and fibre
4. The prospects of a favourable and improving export exchange rate
5. The free trade agreement and improving market access trade dynamic
6. A growing interest in Australian agribusiness from international corporate investors
7. Access to world leading RD&E (Research, Development & Extension)
8. Evolving technological advances driving productivity and sustainability



Opportunities to grow the regional economy in the 'new normal'

1. Switch to enterprises with a higher return per mg of water
2. Switch to less water intensive/reliant enterprises
3. Extract more value from existing enterprises
4. Produce premium, higher value, customised products through genetics, grading, branding, marketing, etc.
5. Adoption of closed-loop and direct-to-customer marketing and value chain models
6. Achieve efficiency through economies of scale
7. Intensification:
 - *Beef and lamb feedlots*
 - *Feed pad dairying*
 - *Pigs and poultry*
8. New farming models to improve efficiency and reduce overheads
9. Value-adding and processing within the region
10. Carbon farming or other environmental initiatives
11. Agritourism
12. On-farm value-adding and small scale farming



Competitive advantage

The Edward River region has a number of powerful and relevant areas of competitive advantage that could be leveraged

1. Large broad acre farms with potential for scalability and aggregation
2. Australia's most efficient gravitational irrigation infrastructure located above the Barmah choke
3. Relatively affordable land value
4. Parcels of land with soil types favourable to a range of high-value uses
5. Potentially more reliable and cheaper water (above the Barmah choke)
6. Consistent Mediterranean climate with favourable growing conditions
7. Proximity to capital city markets
8. Access to a stable workforce
9. A number of valuable hard assets: rice mill, MIL, road and rail infrastructure to access major markets, sale yards, airport
10. An agribusiness friendly Council and community



Burning issues

These are the burning issues that the masterplan must address, as identified in the situation analysis research:

1	No strategic and cohesive approach to water advocacy
2	Retaining maximum value in the economy from the available water
3	The reliance on irrigated cropping which faces increasing volatility
4	The importance of a culture of innovation and openness to new ideas and business models to adjust to the 'new normal'
5	The need to attract capital to build necessary scale, mechanisation and intensification
6	Farming enterprises will require enhanced financial literacy, adaptability and business acumen in the 'new normal'
7	Agribusinesses seek reliable workers with shifting skill sets
8	Providing options for small scale farming or diversification by stimulating agritourism and value-adding
9	Assisting unprofitable farms to transition with dignity
10	Supporting business transition and entry opportunities for young farmers
11	Improving connectivity in order to lift uptake of technology
12	Recognising the situation for wider community impacted by the recent volatility
13	Need for a 'voice of agribusiness' within Council due to its economic importance



Strategic imperatives for the new normal

1. Strong and visionary leadership
2. Flexibility, agility and savviness
3. A well resourced and responsive agribusiness friendly Council
4. A strong, united and informed advocacy voice
5. A skilled and motivated workforce
6. Reliable and fast moving connectivity
7. Access to information, knowledge and new ideas
8. Adequate capitalisation
9. A willingness and capability to adopt technology



**Prospering in the
new normal**



Edward River agribusiness masterplan

Prospering in the new normal

OUTCOMES:

1	Foster a culture that embraces new ideas	Opening minds to new opportunities will require challenging the way we have always done things	An innovative and well-connected agribusiness sector
2	Extract more value from our outputs	Increasing value in our current business and protecting agricultural resources will boost economic resilience	A diverse and sustainable agribusiness economy
3	Equip our people for a new normal	Our leaders, employers and employees will all require new skill sets to thrive in the new normal	Skilled and motivated personnel equipped for the new normal
4	Maximise our water assets	Our water resources and infrastructure are major assets that need to be protected and leveraged	A greater return to the region per Mg of water
5	Attract the capital vital for growth	The scale, intensification and technology necessary to be viable in the new normal will require capital	Increased investment in scale and intensification as well as new businesses
6	Support business transition	Agribusinesses will need to transition into new ownership models, new business models or new management	A sustainable agribusiness economy
7	Inspire confidence in our future	Inspire the entire community by highlighting the many opportunities there are to prosper in the new normal	A community that is proud of its agribusiness sector and confident in the future

VISION:

Our community spirit and wellbeing is thriving because we are sustained by a prosperous agribusiness sector that we are proud to be part of.

MISSION:

To grow our agribusiness economy by collaborating to drive the changes required to prosper in the new normal and beyond.

Platform 1

Rationale: Foster a culture that embraces new ideas

- Critical to the success of the region will be driving change by exposing agribusinesses to new thinking. The starting point for this will be bringing people to accept the need to adapt to the reality of the new normal and be willing to consider new enterprises, adopt new technologies and adapt new business models and farming practices. Some agribusinesses are not yet at the point of accepting the need for change.
- Most of the key commodity industries are well serviced with the latest scientific and technical information from their industry Research Development Corporations (RDCs). The research, development and extension need that is evident is in 'whole of farm' business management and cross-enterprise systems e.g. technologies that enable irrigators to easily switch between crops.
- There is now a much greater need for financial and water economic literacy.
- Retaining a focus on low water farming (e.g. improving soil health and moisture holding capacity) and environmental remediation projects or regenerative farming will be important to long term sustainability
- Sharing data through benchmarking or networking groups can in itself become a driver of change. Without knowing what can be achieved by others, it is difficult to inspire some to try new ideas.
- Farming can be a lonely business, and most would welcome the chance to interact with others in similar situations to bounce ideas. This sharing of ideas could also be at a business management level. Peer to peer mentoring groups with a business management focus like 'The Executive Connection' are highly effective in other industries.
- While new farming models would increase viability, they are not being widely adopted in the region. (New models include collaborative farming, machinery sharing collectives, joint ownership models, collaborative marketing, group purchasing, co-investment in value-adding facilities, crop rotation specialisation, new age cooperatives, etc.)
- The Gippy Agchat E-newsletter is an example of a powerful tool to keep farmers up with new ideas and events at a very local level. The region's own 'Farm Table' website, while national in its reach, could have the capacity to provide localised information about all agribusiness events and activities occurring in the Edward River region.
- Some agribusiness groups are successfully employing phone apps such as Whats App to compare data, share ideas, pool buying power and inspire and support each other.

Platform 1

Rationale: Foster a culture that embraces new ideas (continued)

- One powerful driver of cultural change is through engaging and supporting younger farmers who are more open to new ideas.
- Encouraging the next generation to step into leadership roles is a critical element in driving change.
- Connecting people with the right information is needed to assist the adaption process.
- The adoption of new and emerging technologies will be a central part of the change process. The advent of E-commerce and new technologies have been the enablers of many new business ideas and removed the tyranny of distance for many regional businesses. However, E-commerce businesses and most of the new technologies now require fast reliable and seamless phone and internet connectivity which is currently problematic across the Edward River Council area.
- One or two super creative thinkers in a community can inspire transformational change beyond their own businesses (e.g. Stefano Di Pieri in Mildura or Alla Wolf Tasker in Daylesford). Creative people are attracted to areas with great livability where other open-minded thinkers choose to live, so improving the livability of the Edward River Council towns is important. Such thinkers already exist within the Edward River

community but they need to be given encouragement, recognition and support to drive their innovative thinking to market. The Deni Ute Muster and Charlie Carp are just two local examples of innovative business ideas from creative thinkers.



Platform 1

Rationale: Foster a culture that embraces new ideas

Opening minds to new opportunities will require challenging the way we have always done things

Programs	
1.1	Establish a regional communication platform that connects agribusinesses and keeps them informed and inspired (updates on local events, opportunities and information relevant to key commodities)
1.2	Host local events that expose agribusiness operators to new thinking (emerging technologies, new farming models, success stories from other places, inspirational guest speakers, farm tours, field trials)
1.3	Develop and drive a plan for priority funding in internet and phone infrastructure to improve connectivity
1.4	Encourage participation in benchmarking, mentoring, networking, shed meetings and idea sharing activities
1.5	Encourage more 'whole of farm' and cross-enterprise RD&E activity specific to conditions in the region
1.6	Encourage the next generation to apply for available overseas study tours and work experiences
Desired outcome : An innovative and well-connected agribusiness sector	

Platform 2

Rationale: Extract more value from our outputs

- With a finite land asset, a declining and more volatile water asset and a rising cost base, in order to grow the agribusiness economy, it will be necessary to extract more value from the available agricultural resources by producing higher value commodities and/or value-adding.
- Central to the change will be diversifying the enterprise mix, but at the same time, extracting more from the agribusiness resource. The Edward River agribusiness economy is heavily weighted to rice and winter cropping. With the emerging water situation these enterprises will progressively become more opportunistic which will impact the entire regional economy with immediate flow-on effects to suppliers, traders, transport contractors, processors and ultimately, the community. The enterprise mix therefore, needs to become more diverse. It is established economic axiom that enterprise diversity in a region increases economic resilience.
- There is virtually no value-adding in the region aside from the rice mill, which is now operating under-capacity. Importantly, the mill still produces the most premium grades in the SunRice range. The abattoir has been in-active for some time. These assets could be re-opened or re-purposed or re-focused on smaller scale, premium production.
- The Edward River region produces a number of premium products including rice, high-protein grains, fine wools, higher quality milk, etc. Through differentiation and value-adding, the returns from these commodities could be substantially improved.
- There is also an opportunity to increase value by building capability in marketing and increasing margins by direct-to-customer/consumer closed-loop value chain marketing, particularly for grain.
- Most of the information and support mechanisms required to drive change already exist, this platform is therefore, mostly about promoting the need to change and connecting people with the resources to assist them.



Rationale: Extract more value from our outputs (continued)

- Relative to most other regions, Edward River is underperforming in areas such as agritourism, direct-to-consumer trade and artisan value-adding which are particularly important in maintaining the viability of small farms and generating flow-on economic multiplier effects. Importantly, they can also enhance livability for the local community. Such activity also plays a role in building awareness of the premium quality of other products from the region and contributes to the region's brand provenance. Because of the lack of development in this area, businesses will need support to build their hospitality capabilities.
- Opportunities are emerging to capture value from environmental remediation efforts. Although the revenue streams are still relatively small, the region's abundant wetlands and established environmental efforts make this increasingly a reality for some income diversity. Furthermore, the links between this activity and volunteer and nature tourism are strong.
- Edward River is well placed to attract allied, non-farm agribusinesses based on the high level of engineering skill sets and favourable logistics location and infrastructure.



Platform 2

Rationale: Extract more value from our outputs

Increasing value in our current businesses and protecting agricultural resources will boost economic resilience

Programs	
2.1	Connect agribusinesses with resources to explore alternative enterprise opportunities (See platform 1)
2.2	Promote the opportunities to build value through premiumisation or closed-loop marketing
2.3	Engage with SunRice to find value in unutilised excess capacity
2.4	Highlight opportunities for on-farm value-adding
2.5	Promote the benefits of local trade, shopping locally and forming strategic alliances with other businesses in the region through networking and introductions
2.6	Promote unfulfilled business opportunities in the allied industries that provide critical services
2.7	Enhance & support our agritourism capability
2.8	Explore opportunities to extract revenues from environmental remediation initiatives
2.9	Champion environmental initiatives that increase sustainability and enhance performance
Desired outcome: A diverse and sustainable agribusiness economy	

Rationale: Equip our people for a new normal

- Adapting to the new normal will require a whole new skill set for everyone in the value chain, from leaders through to managers, marketers, supervisors, skilled trades and farm hands.
- New skill sets will be needed to adopt new enterprises, embrace new and sustainable farming and business models, manage scale and intensification, manage water, value-add and market directly to customers.
- Agribusiness owners and managers themselves need to have access to training to acquire the new skills needed to prosper in the new normal. With the increasing scale and capital investment farming is no longer a lifestyle but now a multi-faceted business involving million dollar decisions with major consequences and risks. New and higher skill sets are required in areas such as financial management, crop analysis, water literacy and business analysis.
- Marketing skills have also been identified as a gap because agribusinesses in the area have been used to single desk marketing systems. With the complexity of commodity markets, margin gains can be made in the trading as much as the growing. In the new normal many farmers will transition from 'price takers' that sell through intermediaries, to 'price makers' marketing direct to customers through closed-loop supply chains.
- Previous studies have shown that agribusiness leaders are not always particularly good employers in terms of the way in which they manage staff, the workplace conditions, OH&S, incentives on offer and career pathways which is a critical factor in attracting and retaining good staff. As farms increase in scale, HR, teamwork and supervisory skills will be necessary.
- Despite high levels of regional unemployment, particularly amongst young people, recruiting and retaining a motivated workforce with the required skill sets emerges everywhere as being problematic in Australian agribusiness. Part of the problem is that motivated and talented young people are not being attracted to agribusiness because they cannot see the career opportunities, particularly with the negative sentiment that pervades. The starting point must therefore be to promote the great career and lifestyle opportunities in contemporary agribusiness, starting in schools.
- While enrolment in agricultural management degrees has recovered, uptake of training for mid-level management and TAFE skills is lacking, despite the flexible learning options available from the TAFE in Deniliquin.

Platform 3

Rationale: Equip our people for a new normal (continued)

- With the seasonal and cyclical volatility inherent in agriculture, it is important that skilled workers are retained in the region during periods of downturn. Other agribusiness regions have had great success in solving the seasonality of the labour issue by attracting backpackers or through job sharing arrangements with other seasonal businesses.
- Attracting ethnic workers/communities has been successful in many areas for solving labour shortages with the dual benefit of increasing cultural diversity in the community. Many skilled or unskilled migrant workers welcome the job opportunities and the regional lifestyle.
- Improving the liveability of a region is a critical component of attracting and retaining skilled personnel and high calibre professionals.



Platform 3

Rationale: Equip our people for a new normal

Our leaders, employers and employees will all require new skill sets to thrive in the new normal

Programs	
3.1	Facilitate professional skill development in areas such as financial literacy, HR, marketing and business analysis
3.2	Raise awareness of the opportunity to deliver industry specific training through TAFE or other education and training providers
3.3	Educate business owners on the importance of investing in ongoing training and skill development for themselves and their teams
3.4	Explore the potential for a seasonal labour share program or other innovative work models that enable us to retain skilled workers in the region
3.5	Help facilitate new work opportunities for retrenched processing workers
3.6	Promote to agribusiness owners/managers the critical importance of providing a fulfilling and safe workplace environment and career pathways
3.7	Encourage greater cultural diversity by attracting foreign workers to the area to fill specific needs
3.8	Connect and support young agribusiness to attend the available leadership development programs
3.9	Engage with our schools to build agribusiness into their curriculums and promote the career opportunities
Desired outcome: Skilled and motivated personnel equipped for the new normal	

Platform 4

Rationale: Maximise our water assets

- There are multiple sources of water in our region, of which the best known is the Murray irrigation system, and in addition, there is access to a reliable ground water resource and river water from multiple tributaries. This water availability has a major impact on the types of agribusiness in the region.
- Given the dual factors of climate change and regulation of the water systems, it is inevitable that increasingly, water will become ever more precious – it may become less available and more costly. The reality for the Edward River region is that in future, water may either not be available for irrigation or it may be uneconomic to use on many of the crops traditionally grown in the region. This demands agility from agribusiness. For example, agribusinesses and other stakeholders will be advantaged by collaboration to unite to achieve an equitable share of water, in partnership with the Councils of the Southern Riverina that have been equally impacted. This effort will protect the future of these regional communities.
- It will become increasingly important that the water that is available, extracts maximum agricultural value through the adoption of less water intensive enterprises; improved technologies and farming techniques; or higher value enterprises. Dryland croppers and graziers in the area have already successfully adapted to the 'new normal' of a lower water future.
- This changed water dynamic and the growing complexity of the water market, means that irrigators now need to be highly fluent in water economics and have the business acumen and financial agility to switch between commodities or trade the water to best benefit from fluctuating market and weather conditions.
- Being above the Barmah Choke and below the great dams of Hume and Dartmouth there is long-term potential for the region to attract investment, particularly in permanent horticulture and retain the benefit of more of the water asset locally.



Platform 4

Rationale: Maximise our water assets

Our water resources and infrastructure are major assets that need to be protected and leveraged

Programs	
4.1	Actively participate in the efforts of the Riverina & Murray Joint Organisation of Councils group to strategically advocate for a fairer outcome for the region in government water policy
4.2	Ensure that maximum value is extracted from the available water through informed enterprise choice and improved water literacy (see Platform 2)
4.3	Attract more high security water from elsewhere into the system by encouraging higher value enterprises such as permanent horticulture to develop here
4.4	Continue to drive on-farm water efficiency through new farming techniques and irrigation best practise
4.5	Promote opportunities for agricultural enterprises that deliver greater water efficiency including successful dryland farming models
4.6	Work with MIL and its shareholders to ensure the long term viability and delivery efficiency of the system
4.7	Work with basin stakeholders, especially MIL, to improve communication about water availability, stability and predictability of supply to give businesses the opportunity for long term planning
4.8	Actively participate in the the environmental initiatives that protect our natural water assets

Rationale: Attract the capital vital for growth

- Perhaps more than other agribusiness communities in Australia, the Edward River region will require a major injection of capital to generate economic growth and business diversity in the new normal era. Critical to success with the emerging water situation will be scale and intensification to improve productivity and generate regional income and employment opportunities. This needs long term capital.
- In an environment of increasing volatility/risk it will be important for agribusinesses to reduce exposure to debt through attracting external investment. The region is well placed to take advantage of the strong demand from the corporate investment community for large scale, well-managed agribusinesses opportunities. Increasingly these corporate investors are looking for partnerships with progressive agribusinesses rather than buy-outs. Most are having trouble identifying suitable opportunities and partners with agricultural know-how.
- Agribusiness owners on the other hand are sometimes cynical of corporate investors largely because of lack of exposure to alternative business ownership and investment models.
- For agribusiness investors, the agribusiness assets are significantly lower than the other regions they have been investing into date, making the region an attractive investment target. Furthermore, for overseas investors the current low in the Australian dollar makes the region extremely good value.
- There is currently a disconnect between investors seeking investment opportunities and the agribusinesses that need their capital. Bridging this gap through introductions will be important, as will making these businesses investor-ready as family farms have not traditionally been prepared financially or legally for taking on external equity.
- The negativity about the Edward River region that is currently being projected is very damaging. Critical to attracting investment is the need for a region to project a positive attitude and an air of confidence and success. The region must send a message to both the local community and external investors that it is *'open for business'*. Positive messaging from the local media is critical.
- The need for capital is not restricted to farms. Value-adding and town-based allied businesses also have potential to grow with the right investment partners.
- It is evident that some local investment has been postponed or delayed by regulatory issues. Promoting the region as agribusiness-friendly region will require systems and processes to fast track prime investment opportunities and proactively helping people navigating the bureaucratic labyrinth .

Platform 5

Rationale: Attract the capital vital for growth

The scale, intensification and technology necessary to be viable in the new normal will require capital

Programs	
5.1	Build investor readiness in larger farm, value-adding, permanent horticulture and allied supply businesses
5.2	Elevate the region's profile within the corporate agribusiness investor community through positive messaging about the many opportunities
5.3	Develop a 'fast track' process to facilitate new agribusinesses developments or expansion of existing businesses
5.4	Fully resource the agribusiness development capability within Council
5.5	Educate local agribusinesses about capital raising/ investor options and connect with potential partners
5.6	Work with State Government resources to attract 'significant' in-bound investment
5.7	Attract new investors to the region – particularly in value-adding enterprises
5.8	Connect local businesses with grant funding opportunities
Desired outcome: Increased investment in scale and intensification as well as new businesses	

Rationale: Support business transition

- Business transition (including family business succession) is inevitable in any industry sector. Successful transitioning is a pivotal element of driving industry change.
- The transition process in Edward River agribusiness will need to occur at a number of levels:
 - *Most farms will need to shift their enterprise mix to adapt to the new normal*
 - *Smaller farms will need to adopt new farming business models to remain viable*
 - *Family businesses will need to manage their succession planning processes to ensure the business remains viable*
 - *Pathways need to be found for aspiring farmers wishing to enter agribusiness*
 - *Farms that are no longer viable need a pathway to respectfully exit.*
- There are many service providers in the area such as financial planners and accountants who are advising local agribusinesses. It is important that these service providers are also being exposed to new thinking on business transition and new agribusiness models.
- There is a strong crossover between agribusiness transition and the need and opportunity for injection of external capital (see Platform 4). Corporate investors are increasingly looking for partnerships with successful business operators and as such, can become part of the solution to the transition challenge.
- In other rural communities across Australia, small farms have remained viable through supplementary income from activities such as on-farm value-adding and agri-tourism or transitioning into these operations completely, e.g. Richglen Yarrowonga (see Platform 2). There are also many viable models where small farms form strategic alliances with larger players to become contract growers or passive landlords who remain in the family home during retirement.
- In regional communities, selling the owner-operated businesses that service farms (e.g. contracting or service businesses) can be more challenging as there are a smaller pool of buyers with the skill to operate them. Long term planning for business transition to key employees or external investors provides a better outcome for all, including customers.

Rationale: Support business transition (continued)

- The barriers to young farmers starting their own agribusiness are getting higher. With the rising cost of agribusiness assets, particularly water and land, it is becoming increasingly difficult for younger people to enter agriculture or transition into the family farm when there are multiple siblings and the retirement of their parents to fund. Despite much promotion of the need for succession planning in family businesses, few are investing in this.

Platform 6

Rationale: Support business transition

Agribusinesses will need to transition into new ownership models, new business models or new management

Programs	
6.1	Support business transition by raising awareness of the transition pathway options and building connections
6.2	Support advisors to local agribusinesses to refresh their skills and knowledge of new era business transition models through networking and on-going professional development
6.3	Promote the pathways for younger farmers into farm ownership (e.g. share farming, management buy-out)
6.4	Build awareness of alternative farm ownership structures and new farming models
6.5	Support exiting or retiring business owners and service providers to find investors that will retain their operation or service in the region
6.6	Encourage some of the wealth held within the community to be invested in good agribusiness operators locally
Desired outcome: A sustainable agribusiness economy	

Rationale: Inspire confidence in our future

- At the time of writing this masterplan, the morale of the Edward River community was at an all time low, mostly due to the water situation and economic impact of the drought. There is a loss of confidence in the future of agribusiness at all levels of the community, which is having a toll on the mental health of some. Town-based businesses are suffering as much, if not more than farming enterprises. More than just the emotional toll, the negative sentiment is impacting the regional economy.
- Many agribusinesses have significantly pulled back their spending, which is seriously threatening the viability of some town businesses.
- The negativity is being amplified by local and national media, which in turn, is spilling out into national agribusiness networks and the public at large, staining the region's reputation. This is a serious disincentive to investment attraction. Banks are reviewing their lending policies in the region and corporate investors will be deterred. Investors want to be associated with successful communities.
- An equally damaging impact of the negative sentiment is that young talented people are more inclined to leave the region when they cannot see a positive future.
- The lack of unity across the community on critical issues such as water policy is in itself contributing to the culture of negativity
- Despite the negativity, the reality is that the future for the region's agribusiness economy is extremely bright. Some agribusinesses are thriving because they have already adapted to the new normal. There are many success stories that need to be celebrated.
- Unlike other regions, there is no obvious community pride in the hero products produced in Edward River such as premium rice (Leeton has a rice festival), fine wool, premium grains, quality beef or world's best cotton. There are positive stories that could be told via town entrance and street signage as well as in restaurants, cafés and at events. These messages leave lasting impressions on tourists and customers about the region's provenance and agribusiness excellence.
- Edward River needs to celebrate its successes, recognise the individual and collective achievements and exude an air of confidence. The rich history of agribusiness success dating back to the Peppin era, can be leveraged to build community pride.
- Both MIL and NSW DPI are endeavouring to more effectively engage with local agribusinesses but to date have lacked a satisfactory forum.
- Inspiring confidence in the future will require a concerted communications plan with a clear strategy and a positive tonality in the messaging.

Platform 7

Rationale: Inspire confidence in our future

Inspire the entire community by highlighting the many opportunities there are to prosper in the new normal

Programs	
7.1	Develop a voice for 'all of agriculture' in the region through instigating a body that oversees the delivery of this agribusiness masterplan
7.2	Celebrate and showcase the region's agribusiness success and drive inspiration through supporting positive activities and messaging
7.3	Implement a branding strategy as a platform to promote the regional agribusiness success story (potentially leveraging the Southern Riverina regional brand)
7.4	Introduce an annual program of agribusiness achievement awards in whole-of-agriculture areas such as innovation or exceptional achievement
7.5	Proactively work with the local media to promote positive stories
7.6	Showcase the excellence of our production by proudly championing our hero products
Desired outcome: A community that is proud of its agribusiness sector and confident in the future	

Prospering in the
new normal



**Administration &
linkages**

Management and governance of the masterplan

Critical to the success of this masterplan will be:

1. Strong leadership
2. Clear communication
3. Independence from Council.

Strong leadership is required to drive the adoption of the plan as well as achieving buy-in from the key organisations and the broader agribusiness community. **Clear communication** will be needed to turn the negativity around and drive cultural change. **Independence from Council** is required to offer objective advice on all agribusiness issues and to be able to forcefully advocate.

Because many of the initiatives in the masterplan fall outside of the accountabilities of the Edward River Council, its implementation needs to be driven by the collective agribusiness community, maintaining arms length independence from Council. Careful consideration needs to be given as to the governance model and board structure of a governing entity.

The effectiveness of the committee will be greatly enhanced by broadening the reach of the organisation engaging with all stakeholder groups across the Southern Riverina.



Structure of the governance model

The central role of the board/committee of the governing entity would be to drive the implementation of the masterplan, be ambassadors for the plan and lead the advocacy effort on behalf of the agribusiness community.

It is important that the committee has its own branding to reflect its 'whole of agribusiness' nature. The brand needs to project that the organisation is more than just a committee but a body with the responsibility and autonomy to drive positive change in the region's agribusiness sector.

The organisation must:

- Be arms length from the council
- Have the respect of all stakeholders and the community at large
- Represent the the influential stakeholders
- Comprise progressive thought leaders from across the agribusiness community
- Have collective influence with key decision makers
- Have a strong independent and respected chair (perhaps from outside of the region).

The structure of the governing entity needs to be carefully evaluated taking into account the effectiveness and influence of the body and the cost and complexity of administration and compliance. Options include:

- A high level advisory committee to Council
- A registered association
- A not-for-profit incorporated body

Examples of regional agrifood groups



Resourcing

The implementation of the masterplan will require dedicated resourcing, administration and management. Key roles of the personnel will be:

- Driving the implementation of the masterplan
- Liaising with stakeholders
- Seeking seed funding from Council and/or Government and/or private sector
- Professional networking across the community
- Attracting and liaising with investors
- Managing the various programs
- Providing secretariat support to the advisory committee
- Case managing agribusiness related development proposals.

Personnel will require extensive commercial experience in agribusiness.

Funding options include:

- Wholly funded by Council
- A hybrid funding model involving membership fees, sponsorship events and Council funding
- Seed funding from Council and/or government

Most of the funding for the key projects are likely to come from various grants and potentially, revenue from events.



Linkage to burning issues

Links between platforms and burning issues:

1	Foster a culture that embraces new ideas
2	Extract more value from our outputs
3	Equip our people for a new normal
4	Maximise our water assets
5	Attract the capital for growth
6	Support business transition
7	Inspire confidence in our future

4	No strategic and cohesive approach to water advocacy
2	Retaining maximum value in the economy from the available water
2	The reliance on irrigated cropping which faces increasing volatility
1	The importance of a culture of innovation and openness to new ideas and business models to adjust to the 'new normal'
5	The need to attract capital to build necessary scale, mechanisation and intensification
3	Farming enterprises will require enhanced financial literacy, adaptability and business acumen in the 'new normal'
3	Agribusinesses seek reliable workers with shifting skill sets
4	Providing options for small scale farming or diversification by stimulating agritourism and value-adding
6	Assisting unprofitable farms to transition with dignity
6	Supporting business transition and entry opportunities for young farmers
4	Improving connectivity in order to lift uptake of technology
7	Recognising the situation for wider community impacted by the recent volatility
7	Need for a 'voice of agribusiness' within Council due to its economic importance

NSW Government Agricultural Industry Action Plan

Linkages between this masterplan and the NSW State Government strategy are particularly strong as indicated:



**Prospering in the
new normal**



Appendix: Indicative projects & ideas

Indicative projects & ideas

This section of the document captures a few of the ideas identified in the consultation and from the reference group discussions.

This list may be added to during the life of this masterplan to capture suggestions for future initiatives.



Platform 1

Indicative projects & ideas: Foster a culture that embraces new ideas

1. The regional communication platform could be outsourced to a local social media contractor.
2. The workshops and sponsored speaking events could include sessions with thought leaders from outside the region on subjects such as entrepreneurship, new investment models, business planning skills, etc.
3. Thought leaders such as economic development specialist Richard Florida argue that communities who are open to new cultures are subsequently open to new ideas and as such, are more entrepreneurial.
4. A 'next gen' discussion group format for young farmers to share ideas could assist some struggling with issues like working with family or big picture decisions on crop choices.
5. Encouraging farmers to participate in the many overseas study tours available through industry bodies, scholarships or international networks of their own, are a proven change driver. Simply taking time out from the business can open up new ideas.



Platform 2

Indicative projects & ideas: Extract more value from our outputs

1. Workshops and field days profiling alternative enterprises for higher value crops and small scale farming models
2. Drive the shift to premiumisation through promoting the benefits of higher-value products such as premium rice, durum wheat, A2 milk, fine wool
3. Opportunities for the rice mill include: rice flour, processing of other grains, etc.
4. Attract new owners/investors for abattoir and/or re-purpose (pet food, goat, kangaroo, small run service kill)
5. Conduct agritourism and farm value-adding workshops/support services/ networks in collaboration with regional tourism bodies
6. Conduct information sessions on how to leverage accommodation platforms such as AirBNB or You Camp
7. Conduct workshops on production and selling skills for the farmers market channel
8. Develop an initiative to assist farmers to access revenue streams from programs like carbon farming or wet land remediation
9. Fully support and endorse the many environmental initiatives that improve productivity and water utilisation e.g. soil health for moisture retention, regenerative farming, no till, etc.
10. There is potential to work with the owners to further develop and extend the use of the Deni ute site
11. Conduct workshops on enhancing marketing skills and direct-to - customer/ consumer value chain models.



Platform 3

Indicative projects & ideas: Equip our people for a new normal

1. The TAFE system has the flexibility to develop customised courses working with groups to satisfy particular needs. The remote and flexible learning opportunities through TAFE for educating the agribusiness workforce at all levels need to be communicated.
2. There are examples where a group of regional businesses have grouped together (often including the Council) to establish labour share schemes whereby seasonal workers shift across businesses to meet fluctuating labour needs (i.e. a defacto group labour hire model).
3. One way to stimulate interest in careers in agribusiness among young people is to introduce agricultural references into curriculums. For example, the Timboon P12 model in Victoria uses agriculture as the basis for all its problem solving in classes from prep to high school.
4. TAFE can offer many flexible learning options from Management skills to Certificate 3 in Agriculture, tailored for business or industry-specific training
5. There are some great examples of communities in the region that have hosted ethnic groups to solve labour shortages and have found that there has also been very positive flow on impacts to the community through fostering cultural diversity e.g. Nhill and Robinvale.



Platform 4

Indicative projects & ideas: Maximise our water asset

1. Raise awareness of the higher value enterprises that return more per ML of water than traditional crops e.g. durum wheat, processing vegetables or permanent horticulture
2. Promote opportunities in higher value dryland enterprises e.g. hemp, grazing enterprises
3. Encourage investment in intensive farming models e.g. feed lot dairying, lamb or beef feed lots
4. Leverage expertise and assistance available from NSW DPI to connect agribusinesses with information on lower water farming options and alternative enterprises
5. Provide a platform for MIL to improve communication with the wider agribusiness community
6. Support businesses to build their skills in longer term business planning to maximise their agility and profitability through innovative uses of water.



Platform 5

Indicative projects & ideas: Attract the capital vital for growth

1. Proactively market the pending investor prospectus
2. Host corporate investor tours to the region
3. Actively assist transitioning businesses to find new buyers
4. Develop investor readiness kits and workshops
5. Appoint case managers to fast track development proposals (including local development projects)
6. Invest in the development of light industrial precincts within Council to encourage new allied businesses to locate to the region.



Indicative projects & ideas: Support business transition

1. Small farming businesses that are increasingly unviable in the new normal need assistance to exit with dignity. There are transition options that can allow the owners to remain in their family home in retirement.
2. Awareness of farming business models other than the traditional family farm model is low in the region. Education on new business models such as the following would be helpful:
 - Partnerships
 - Silent partners
 - Sale or lease back
 - New share farming models
 - Strategic alliances
 - Vertical integration



Platform 7

Indicative projects & ideas: Inspire confidence in our future

1. Establish an entity to deliver this masterplan
2. Develop entry and exit signage for each town and community headlining the region's agricultural excellence
3. Issue annual awards for excellence in agribusiness
4. Appoint ambassadors to promote plan and talk up the good news stories within their networks.

