



# GLENELG SHIRE Food & Fibre Strategy

NOTHING COMPARES.

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An aerial photograph of a vast, dense forest landscape. The forest is composed of many small, green trees, creating a textured appearance. In the background, there are rolling hills and a clear blue sky. A semi-transparent dark blue rectangular box is overlaid on the left side of the image, containing white text.

This strategy has  
been developed  
to ensure the  
Shire's food &  
fibre sectors  
remain vibrant  
and supported  
into the future.



# INTRODUCTION

Agriculture, Forestry and Fishing plays an essential role in Glenelg Shire's economy and is the foundation of many of the Shire's communities, being the largest employer and highest generator of gross domestic product in the municipality, with an output of \$561m in 2020/21 and \$217m value added.

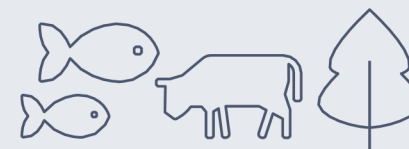
Comprising some of Australia's most fertile land, pristine coastline, a temperate climate and reliable rainfall, as well as one of only two deep water Ports in Victoria, Glenelg is well placed to capitalise on the increasing global demand for clean, sustainable and ethically produced food and fibre, and to adapt and cater to emerging market needs.

However, Glenelg's food and fibre sectors face challenges replicated across many rural areas, including deterioration of freight infrastructure, skills and workforce shortages, poor network coverage and negative perceptions of the industry in the wider community. These are heightened by the Shire's low population density, vast geographic area and remote location. Escalating land prices have made entry into the sector difficult, and land zoning and planning frameworks can be prohibitive to diversified or high value production systems on smaller holdings.

Glenelg Shire recognises the role it plays in supporting opportunity creation - encouraging diversification, advocating for fit-for purpose regulations and infrastructure upgrades, supporting innovation and attracting a skilled workforce - to ensure the risks associated with climate variability and market volatility can be negated and our communities continue to benefit from a sustainable and flourishing food & fibre sector.

## Aims & Objectives

The Glenelg Shire Food & Fibre strategy has been developed to ensure the Shire's food & fibre sectors remain vibrant and supported into the future. It aims to identify opportunities and barriers for greater diversification and innovation across our food and fibre communities to create a shared vision for all stakeholders.



Agriculture, Forestry and Fishing is the Shire's largest employer, generating 1,394 local jobs in 2020/21



**\$561m**  
Economic Output in  
2020/21



Value Add  
**\$217m**

# CONTEXT

## International

The global food and fibre landscape is currently being transformed by a range of geopolitical, socioeconomic, technological, and consumer trends. Increasing supply chain connectivity, food security and changing consumer preferences relating to environmental and health concerns provide opportunities, along with urbanisation which is creating a growing pool of new consumer markets and increased demand for wood fibre. Recent trade agreements with India and the current turmoil in eastern Europe have opened up opportunities in the production of grains and oil-based seeds. The COVID-19 pandemic has increased the focus on food security for consumers in Australian and internationally, and has brought to the forefront the need for flexible and adaptable agriculture supply chains and communities.\*

Food security and the increasing demand for nutritious, sustainably produced and traceable food and fibre for the predicted world population of 9-10 billion people by 2050 brings both challenges and opportunities. Glenelg Shire is aware that the, somewhat conflicting, drive to produce more from less whilst responsibly managing our natural resources, animal welfare, social responsibilities and reducing greenhouse gas emissions - as well as meeting changing dietary preferences and consumer demands - is something our local producers will need support to achieve.

## Regional

The Great South Coast Food & Fibre Strategy was commissioned by the Great South Coast Group, a collaboration of five south west Victorian local government bodies, as a priority project in the economic development pillar of The Great South Coast Regional Strategic Plan. This strategy outlines a number of opportunities and barriers to realising the potential of the Great South Coast as Australia's largest producer of food & fibre, and led to the formation of the Great South Coast Food & Fibre Council in 2017, a regional representative body whose primary aim is "to increase the value of food & fibre production in the Great South Coast".

In 2020, the Great South Coast Economic Futures report was commissioned and outlines the most significant and practical paths to higher value, greater productivity and skilled job creation for the region.

*\*Draft Agricultural Strategy for Towong Shire 2021 (Dr K Menzies).*





## The report's recommendations include the development of:

High-value, water-secure agriculture and horticulture precincts

Harnessing the region's underutilised water resources sustainably so as to generate more value in modest-scale, fully water-secure precincts employing modern approaches to water use, high-value food production, research and innovation.

The Great South Coast has the potential to shift at least part of its food production from commodities towards high-value agri-complex solutions. This is thanks in large part to the region's remarkable groundwater resource.

Sustainable land-based aquaculture precincts

Which similarly take advantage of latest technology and scale to deliver high-value export and domestic production.

## The report also notes the following challenges locally:

- High-value investments in water for food production remain immature, despite a substantial sustainable resource - with the region boasting extensive aquifer systems as well as relatively strong rainfall, water resources are relatively abundant and low-cost. Many current agricultural water licence holders do not use all of their licenced resource. Higher-value non-commodity farming practices could make better use of some of these available water resources given the right investment, access, trading and compliance structures.
- While impressive in Australian terms, regional agriculture lags behind benchmarks - Agriculture is the traditional 'anchor' sector of this economy and production is impressive in relative Australian terms, but Great South Coast farmland produces \$AUD 2.3 billion in agricultural commodities annually, whereas the nation of the Netherlands - employing almost exactly the same size of farmed area as Great South Coast and with Dutch rainfall levels comparable to the southern parts of this region - produces over \$AUD 150 billion per year in farm and food exports.
- Significant aquaculture opportunities remain underdeveloped - aquaculture has a deep historical association with the region, with Budj Bim representing one of the oldest and largest aquaculture settlements on earth.

The region's rich ocean conditions produce up to a third of Victoria's commercial fresh fish catch and the existing trained workforce and tertiary research and education infrastructure in these fields are significant, but high-value, land-based aquaculture, taking advantage of the extensive high-quality water sources, remains an immature sector, with few successful new major investment initiatives and particularly complex and challenging approval pathways for new entrants.



# FOOD & FIBRE IN GLENELG SHIRE

Red meat, dairy and wool production are the highest grossing sectors in Glenelg Shire.

Red Meat, Dairy and  
Wool Production  
\$460.6M output

South West Victoria has 39% of the state's beef cattle. The industry is characterised by cow/calf breeding systems producing vealers or weaners that are grown out for the domestic supermarket trade or finished in feedlots for the export market. There is also a significant trading operation on many farms for the domestic and export markets.



South West Victoria produces 2 billion litres of milk annually, accounting for 36% of Victoria's milk production. Technology has greatly enhanced dairy farming processes in the region making them easier and simpler. This, in turn, has lowered dairy farming costs and the number of dairy products in the market has greatly multiplied as a result of these advancements. However, the closing of international borders during the Covid-19 pandemic had a detrimental effect on labour supply across the sector with these effects still being felt across the region.

South West Victoria carries over half of the Victorian sheep flock and gross value of sheep and lambs. Fine wool production was the major enterprise in the 20th century, but low wool prices and high lamb prices have seen a swing to lamb production in recent decades.



## Forestry \$33.5M output



International demand for timber products and the joint Federal and State Government 2020 Vision to treble the size of the national timber plantation estate has resulted in a massive and rapid increase in the volume of land being purchased and leased by the timber industry.

With suitable soil, rainfall, abundant land and proximity to the Port of Portland, the Glenelg Shire is strategically located in the Greater Green Triangle Region that includes south west Victoria and south east South Australia. The timber industry makes a significant contribution to the regional economy underpinning some 8,500 jobs across the Green Triangle Region.

Glenelg Shire Council, under the Planning and Environment Act 1987, manages the establishment and timber harvesting of plantations within its boundaries but also works with other Councils and the timber industry to manage the pressures forestry places on the community and existing infrastructure.

## Fishing & Aquaculture \$28M Output

Glenelg Shire's European heritage is built upon whaling, sealing and fishing, and our first nation's people conducted the world's first recorded aquaculture farming. The Glenelg Shire Council manages the Local Port of Portland Bay (Trawler Wharf) on behalf of the Department of Transport, which is the base for a large commercial fishing fleet that operates from Kangaroo Island, off South Australia, across much of the Western Victorian coastline, and down to northern Tasmania.

The fishing industry is a major contributor to the local economy including support industries such as fish processing, marine engineering, transport, ship building and fuelling, and associated businesses. Crayfish, abalone, squid, shark and deep-water trawling makes Portland a strategic fishing centre.

Approximately 40 percent of Victoria's wetfish catch is landed at Portland and in addition abalone is produced at a large-scale onshore aquaculture facility and primarily exported, shipped live or processed into cans. Although some fish is processed in Portland, most of the fish received at Portland is transported by road directly to Melbourne and other markets.

Red Meat,  
Dairy and Wool  
**\$460.6M**

Forestry  
**\$33.5M**

Fishing  
**\$28.M**

Food and Fibre  
support services  
**\$52.5**



# ASSETS

## Port of Portland

Port of Portland is Victoria's only naturally deep-water port, providing a logistics gateway to the rest of Australia and the world, with connectivity to national road and rail networks. Strategically located on the southwest coast between Melbourne and Adelaide, Port of Portland is one of Australia's busiest regional ports.

Specialising in the export of bulk commodity products, Port of Portland services the thriving agriculture, sustainable forestry and mining industries across the Wimmera-Mallee, Green Triangle and Murray Basin regions which extend from northern and western Victoria to south-east South Australia.

It is the largest sustainable hardwood chip export port in the world, and with throughput volumes hitting 7.5 million tonnes in 2016-17, is a major economic contributor to both Victorian and South Australian regional communities.

Port of Portland provides its import and export customers with flexible, multi-use and efficient berths and a gateway to international markets in China, Japan, Korea, Indonesia and Taiwan as well as other Australian regions.

The Port currently handles seven commodities including sustainable forestry products, livestock, grain, mineral sands, fertiliser, smelter products and wind turbines.

It is positioned to service the growing population of nearly half a million people and the region's increasing export industries.

## Casterton Saleyards

Casterton Livestock Saleyards is owned and operated by Glenelg Shire Council. These Saleyards are renowned nationwide for offering premium quality local stock in an historic setting.

The Saleyard hosts 8 to 10 store cattle sales each year as well as a summer sheep sale. Three Stock Agents each conduct several large premium store weaner cattle sales during January each year.

The Casterton Saleyards are accredited by both the European Union and The National Saleyard Quality Assurance (NSQA), and offer the National Livestock Identification System (NLIS) Scanning with pre-sale weighing of store cattle.

## South West Fibre Chipping Mill

South West Fibre is the first plantation hardwood processing and marketing operation in the Green Triangle providing geographic and future market diversity.

The Myamyn plant encompasses 1.2 million GMT per annum current site capacity + in-field chipping and 'upstream' chip and log storage. Portside woodchip receival, storage and loading facilities are contracted with GrainCorp. These have 80,000 GMT woodfibre stockpile capacity and woodfibre receival capacity of 1.8 million GMT per annum.

## Dartmoor Timber Mill

The Dartmoor Timber Mill has been recently re-established by Alliance Timber, a fully vertical integrated plantation forestry and timber processing company specialising in pine products. The Mill employs 21 people at the site, with this number expected to rise with the current demand for wood products which is only increasing with the growing demand for versatile and environmentally friendly materials.





50ha

flat and readily accessible  
storage area at the Port



1.2M

GMT/annum log and  
chip site capacity



7,500

head of cattle sold  
per annum





# STRENGTHS AND OPPORTUNITIES

Locally produced food and fibre commodities are currently strong across most sectors, however, Glenelg Shire recognises more can be achieved through value- adding, innovation and improving practices to increase production and capitalise on our natural assets.

Glenelg Shire Council will continue to advocate for the growth of local food & fibre businesses through:

- Advocacy to realise the untapped water and natural resource potential to grow existing and new sectors.
- Exploring value-adding opportunities including:
  - New timber products
  - Aquaculture and seaweed production
  - Grain storage
  - Meat processing
  - Fertiliser as a by-product of renewable energy production
- Enabling diversification, recognising that there are significant opportunities in horticulture, cropping and aquaculture to achieve profitability and agreeable climate outcomes.
- Supporting and empowering those involved in food & fibre production.
- Encouraging the use of technology, precision agriculture and big data - using digital and emerging technology to improve outputs and efficiencies from the region's farming and value add operations.
- Connecting boutique food producers and other supporting businesses to leverage the Shire's reputation for quality produce to grow the local agri-tourism sector.







# FOCUS AREAS

Glenelg Shire recognises the important role it plays in the provision of services and infrastructure.

Advocating for increased State and Federal funding of road and rail networks is vital to the success of our food & fibre sectors, and Glenelg Shire has a proven track record in this space.

The Shire will play a crucial role in fostering the growth, competitiveness, and sustainability of the food and fibre industries, by focusing on the following key areas.

The Shire will continue to focus on:

- Improving the efficiency and safety of moving freight for existing and emerging industries
- Capacity building and networking of producers to promote innovation, diversification and increased production
- Capability building of Glenelg Council staff particularly in relation to land use, planning and water
- Capacity building, influencing and advocacy around low carbon production and water access and use
- Advocacy for the provision of a reliable digital network across the whole of Glenelg Shire.

Glenelg Shire will continue to advocate for a thriving food & fibre sector and rural community that:

- Efficiently and sustainably utilises our extensive natural resources
- Adapts to capitalise on current and emerging market opportunities
- Enables producers and enterprises to experience ease of doing business through a fit for purpose land use zoning and planning system
- Supports businesses to embrace technology and digital applications
- Assists tourism and agribusinesses to exist harmoniously with mutual benefit
- Embraces diversification.





## Safe and Efficient Freight Infrastructure

The prevalence of forestry and dairy operations across the Shire has brought the significance of safe and efficient freight routes to the fore over recent decades. Glenelg Shire recognises the importance of ensuring ease of market access and doing business across the supply chain. In addition to supporting new freight infrastructure for existing industries, the Shire will also work to ensure appropriate infrastructure and frameworks are in place to support renewable energy supplies, efficient water supply/use, and waste management streams.

## Capacity Building – Investing in People

Food & Fibre generates local jobs and employment not only on-farm, but also through farm services and post farmgate processing. These people form a vital part of the Shire's communities, contributing significantly to sporting, community service and volunteer activity at every level.

In addition to employment opportunities that could be generated from greater post-farmgate supply chain activities, Glenelg Shire recognises the need for greater access to locally produced food products. The impacts of the COVID-19 pandemic have highlighted the potential fragility of supply chains into the regions. There is potential for value add and regionally branded food and fibre to grow regional identity and agritourism. The demand for transparency and traceability - proof of provenance - also continues to grow.

A supportive and structured network of motivated producers could enable local businesses to strengthen their operations and/or pursue value add opportunities that capitalise on the Shire's natural assets and strengths.

Continuing a strong partnership with Food & Fibre Great South Coast would provide ongoing guidance on issues and opportunities related to agriculture, and assist in communicating the potential for decentralisation of (micro) processing into the region such as abattoirs, dairy, grains, as well as strengthening the Shire's advocacy for funding for targeted support for small-medium businesses and scale up enterprises.



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## Capability Building – upskilling Council Staff

A key role for the Shire will remain ease of navigating land planning and legislative process, collective advocacy for grants and funding, and championing of the needs and opportunities for the agriculture community.

The attraction of new and value-adding industries will benefit where Council's land use planning and permit system is modern and efficient.



## Carbon Neutral Potential

Glenelg Shire embraces renewable energy creation and will continue to encourage local producers to embrace the opportunities involved in taking a proactive approach to climate adaptation and sustainable agricultural practices to enable their operations to adapt to changing environmental conditions and capitalise on emerging market opportunities.

The Shire will support producers to meet the impetus for carbon zero agriculture production and supply chains, while ensuring future market access, by leveraging the increasing market demand, and associated premiums, for produce that can demonstrate responsible stewardship of the environment and natural resources.



## Digital Connectivity

Glenelg Shire will continue to advocate for appropriate digital network infrastructure to allow local food & fibre businesses to take advantage of the increasing digitisation of farm systems, food safety, market compliance, and optimising supply chain logistics for efficient market access. Digital connection is fundamental for the Shire's prosperity, underpinning business and community potential

to remain relevant: efficient, sustainable, adaptive, resilient, and attractive.

The Shire recognises the opportunity to accelerate the provision of quality and reliable digital telecommunication networks across the Shire to reduce the isolation gap and to ensure producers, businesses and community members not only equal opportunity to participate in technological transformation and e-commerce platforms, but also to offer flexible working opportunities to support and attract a greater diversity of professionals and families to live in the Shire.



Regional strategies, growth plans and initiatives considered in developing this strategic plan:

- Great South Coast Economic Futures Report 2020 (Juturna; CERRF; Deakin University)
- Food & Fibre Great South Coast Strategic Plan 2015 (McKinna et al.)
- AgriFood Supply Chain Resilience: Leveraging digital and data to enhance Australia's AgriFood sector (2020) (Food Agility CRC; KPMG) .
- Food and Agribusiness Sector Competitiveness Plan (2020): Capturing the prize: The A\$200 billion opportunity in 2030 for the Australian food and agribusiness sector (FIAL).
- National Farmer's Federation (2018) 2030 Roadmap: Australian Agriculture's plan for a \$100b industry



GLENELG VIC

PO Box 152, Portland, VIC, 3305  
Phone 1300 GLENELG

[www.glenelg.vic.gov.au](http://www.glenelg.vic.gov.au)



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37°S 141°E Glenelg Shire Council PO Box 152, Portland, VIC, 3305 Phone 1300 GLENELG [www.glenelg.vic.gov.au](http://www.glenelg.vic.gov.au)



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