

# Central Highlands Oilseed and Grain Processing Facility

This strategically positioned investment will supply alternative cost effective nutritional options to improve livestock production, offer grain producers greater cropping scope and grow economic opportunities in the Central and Northern Queensland regions.



Despite being a significant producer, and potentially an even greater producer, of oilseeds, the region is not supported by a processing facility. Products from oilseed processing, which possesses high nutritional value as stockfeed, are either imported from overseas or transported from interstate, at a high cost to the livestock producer/feed mill.



## INVESTMENT OPPORTUNITY OVERVIEW

The opportunity exists to invest into a unique multi-functional Oilseed and Grain Processing facility based at Emerald, Central Highlands, Queensland. This opportunity provides significant and direct competitive advantages and benefits to Central and Northern Queensland grain and oilseed growers, livestock producers and stockfeed businesses, offering enhanced economic benefits regionally.

The investment opportunity capitalises on combining the under-utilisation of existing resources and activities in the region with the proponent's technical expertise, motivation and commitment to play a part in improving the sustainability of the economy (rural) in the region.

This 'activity gap' in processing has a negative impact on limiting viable cropping alternatives for oilseed/grain growers, and has an unnecessary impost on road transport demand.

## DELIVERABLES AND OUTCOMES

The investment delivers the following outcomes:

- Support to dryland and irrigated farmers in enhancing planting options and timing by offering a viable market alternative for their oilseeds (eg. cottonseed, safflower,

sunflower) and providing grain accumulation, drying, grading and cleaning activities.

- Support to livestock producers by providing a consistent and reliable local source of high quality protein at a cost effective price. This gives the industry the ability to better control turnoff weights and quality outcomes and this will support the increasing demand to intensify livestock production operations to meet increasing global demand. This will thereby indirectly provide support for proposed Central Highlands meatworks.
- Support regional stockfeed processors by providing a consistent supply of high protein meal at competitive prices (currently dominated by single player).
- Reduces demand on road transport interstate by limiting the transport of unprocessed grain/oilseeds away from the region and the transportation back to the region of processed livestock protein.
- More effective utilisation of a range of local and regional resources eg. not only the direct utilisation of unprocessed oilseeds, but the utilisation of waste products ie. from grain grading, into a valuable feed input.
- Positive impact on regional employment
- Collaboration with and consolidation of various research agents and their information for the benefit of the customers

## INVESTMENT CAPACITY AND VALUE:

The Total Value of Investment of the multifunctional processing facility and supply chain is \$4.25million and is made up of the following:

### Stage 1: Pilot Plant

- Capacity: 2,400t/yr cottonseed processed producing 2000t/yr meal.
- Investment: \$250,000.

### Stage 2: Main Plant *(incorporated into an irrigation property)*

- The Operation in total has the following capacity and capability:
- Oilseed Processing & Pelletising Plant utilising 12,000t/yr of cottonseed, producing 2000t meal and 8000t/yr customised pellets.
- Grain Storage – 1,500t.
- Grain cleaning/grading/drying.
- 400ha irrigation to produce silage as an input into the pelletising plant.
- Investment: approx. \$4m.

## THE INVESTMENT SUPPLIES:

- Livestock nutrition in the form of oilseed meal for stockfeed for further processing (by stockfeed mills) or processed into pelletised products.
- Vegetable oil for further processing into cooking oils, Biodiesel, bitumen additives, etc.
- Grain processing in the form of storage/accumulation, grading/cleaning and drying.
- Information flows from research and monitoring activities.

It is anticipated that the operation will run 2 shifts in the processing plant and operate up to 15 staff throughout the operation.

The overall capital investment is \$4.25m with expected returns to be above industry expectations.

The Business structure in its present form is a private family company. The opportunity exists to develop a flexible structure or arrangement to enable the best performing, transparent and reportable outcome with a singular entity or number of entities.

## UNIQUE AND VALUABLE INVESTMENT:

The investment proposal is unique in that it:

- Has the ability to offer a number of significant benefits to a range of industries including grain growers and the livestock industry.
- Identifies a number of activity gaps and targets under-utilised resources from the immediate region.
- Reduces waste flowing from the region eg. unnecessary road freight, unsaleable out of spec grain.
- Strategically located to capitalise supply and market economies.
- Has potential synergies to promote industry productivity through a willingness to collaborate with government agencies, suppliers, producers, meatworks, other feed mills and markets associated with the business.

The investment proponents offer a unique solution through their local knowledge, technical expertise, strong interest in livestock nutrition and a commitment to the development of the regional economy.

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