FLINDERS RIVER AG PRECINCT INVESTMENT PROFILE
THE OPPORTUNITY

AN OPPORTUNITY PRESENTS ITSELF FOR:

- Tracts of the best farming soils in Queensland available for development;
- With access to a reliable water source;
- Work with landholders who provide local expertise, land, capital and a long-term commitment to the investment; and
- Proposed projects including irrigated cropping for food, fibre or irrigation for forage and silage to supply the regional cattle and sheep fodder requirements.

The Flinders River Ag Precinct seeks expressions of interest from serious investors to contribute technical skills, expertise and capital into projects that have the potential to become ‘world-best practice’ in sustainable agriculture.

The Flinders River Ag Precinct is a pathway for expansion and diversification in the development of new and existing industries. This is an ideal opportunity to address the increasing concern over food security, with evidence available to show that Australia will not be exempt from this emerging major global issue. Northern Australia is identified by both State and Federal Government and industry as part of the solution in the global food shortage issue. It was recognized in the National Food Plan - Issues Paper (2011) that additional strategic cropping land needs to be identified and protected as part of a solution in the recommendations put forward by Government.

The significance of the Flinders River Ag Precinct is reinforced by NorthBeef’s decision to progress the development of a meat processing plant in the region with a daily capacity of up to 500 head. This processing capacity will assist to meet the sustainability needs of the northern Australia’s grass fed beef industry. Irrigated forage and silage is paramount for finishing meatworks cattle.
SOILS
- 15,000 hectares of soil have been identified as some of the best remaining available in Queensland for cropping.

WATER
- The Flinders River provides the security of a reliable water source;
- Water allocations from the Flinders River are currently underutilised;
- 25,000 Ml of water entitlements are currently allocated and a further 80,000 Ml is available for future development; and
- This ultraconservative approach is currently using 2.1% of the annual 3,800,000 Ml of river flow.

FINANCE
- Land is affordable in comparison to the developed irrigation areas such as Burdekin and Emerald;
- Development costs are considered low by local government comparisons;
- Climate diversity and seasonal diversity allow for niche market opportunities with an early cropping season;
- Opportunity exists to add value to the already established beef cattle grazing industry; and
- The economic analysis and modelling by the Queensland State Government Department of Employment Economic Development and Innovation (DEEDI) for proposed development, confirms that the venture is viable with the right mix of capital inputs and resources.

STAKEHOLDERS
- Landholders have a positive and committed attitude to agriculture. They are here for the long term and open to suggestions. Possible business models are joint ventures, share farming or lease arrangements; and
- The Group has the support of the landholders, the Shires, regional bodies and Government established through community consultation.

CAPACITY
- Each of the three Shires has adequate commercial, industrial and residential land available for immediate development.

ENVIRONMENTAL
- The mosaic style of agriculture is aimed at delivering the best economic and environmental outcomes for the catchment.
GEOGRAPHICAL LOCATION
• The strategic location of the precinct allows produce to be delivered to national and international markets with easy access to ports and international airports via Townsville, Darwin, Cairns and Brisbane.

BENCHMARK
• Currently on the upper Flinders River there is 200 to 300 ha of established commercial irrigated fodder, cotton and small grains crops. These ventures have been developed over the past two decades and provide evidence that the precinct approach will work; and
• Precision style farming will ensure the development of ‘world-best practice’ standards.

REGIONAL FRAMEWORK & RECOGNITION
• This development project sits within the terms of the policy framework of the North West Queensland Regional Plan 2010, the Water Resource (Gulf) Plan 2007, and the Gulf Resource Operations Plan 2010;
• The North West Regional Plan 2010 strongly supports the opportunity for a sustainable irrigation area within the Flinders Catchment; and
• It is imperative that the State Government recognises and reflects the importance of the irrigation potential of the Flinders Catchment within the Queensland Regionalisation Strategy.
WHO WE ARE

THE ‘FLINDERS RIVER AG PRECINCT GROUP’ IS A UNIFIED GROUP OF CATTLE AND SHEEP PRODUCERS WITH INTERESTS COVERING 125,000 HECTARES OF LAND WITHIN THE FLINDERS, RICHMOND AND MCKINLAY SHIRES.

Agriculture accounts for 39.2% of the employed regions labour force compared with 3.8% for mining (Australian Bureau of Statistics 2006). Agricultural production for the region in 2005-2006 was $192.3 million with cropping producing $1.0 million and livestock products and meat processing accounting for the balance. Collectively we graze in excess of 200,000 head of cattle which constitutes approximately 10% of the total cattle numbers for north Queensland.

Our vision is for economic diversification for the region and irrigated agriculture. It is backed with solid support from local government and the regional body, Mount Isa Townsville Economic Zone (MITEZ) spanning west from Townsville to Mount Isa. DEEDI is also working with the Group to drive and progress future development in this precinct.

Individually local stakeholders have identified appropriate parcels of land suitable for irrigation development based on:

- The suitability of the landscape and the suitability of soil for irrigation;
- Accessibility to the Flinders River and feasibility of water harvest; and
- Availability of land which is prone to minimal flooding.

The Flinders River at 1004 km is one of the longest rivers in Queensland with the catchment covering 109,000 km². The river starts in the Burra Ranges northeast of Hughenden and winds its way west past Hughenden, Richmond and Julia Creek until it heads northwest to the Gulf of Carpentaria. It feeds the robust Gulf fishing industry grossing in excess of $62 million per year.

Regional producers who currently farm on a commercial basis provide the benchmark for the Flinders River Ag Precinct development opportunity. There is currently 25,000 Ml of water entitlements allocated to irrigation development in the Flinders River catchment through off-stream storages and direct irrigation from rivers and streams. A further 80,000 Ml/annum has been identified in the Gulf Resource Operations Plan 2010 as being available for further development within the catchment.
OUR OBJECTIVE

OUR OBJECTIVE IS REGIONAL ECONOMIC DEVELOPMENT WITH IRRIGATED AGRICULTURE.

The Flinders River Ag Precinct has been established to work with potential partners who can bring their production experience and investment capital to work with local expertise. The precinct will match suitable farming and irrigable soils with available water and infrastructure to best utilise the available resources.

Not only will this initiative provide a much needed expansion to the current regional business infrastructure within the three Shires but will also provide employment and population growth for the community while providing economic return for investors.

There is the opportunity to develop sustainable irrigated pasture and cropping that can be economically competitive in the domestic and international markets and has the potential to be recognised for some of the best farming practices worldwide.

We are calling for expressions of interest from potential investment partners who are willing to invest into intensive irrigation farming that can be integrated into the existing extensive grazing system under one of the following possible arrangements:

- a share-farming structure;
- a joint venture structure; or
- a sub-lease structure.
THE DEVELOPMENT PROCESS

LOCAL LANDHOLDERS IDENTIFY STRONGLY WITH THE AG PRECINCT, A VISION SHARED WITH BUSINESS AND LOCAL GOVERNMENT. THE STRONG RELATIONSHIP BETWEEN STAKEHOLDERS PROVIDES SOLID BACKING FOR THE OPPORTUNITY TO BE REALISED.

Substantial consultation, built on extensive and detailed local landholder knowledge of the landform, soil types, climate, and river hydrology and guided by the Gulf Resource Operations Plan 2010, has identified at least 15,000 hectares of land in the Flinders River system as suitable for irrigation and available for inclusion in the precinct. There are additional stakeholders yet to come on board.

The final steps within the development process still require work however the opportunity created through this initiative is enormous.
**PROCESS TO DATE:**

### PRELIMINARY
- Project group includes Flinders Shire, Richmond Shire, McKinlay Shire, MITEZ and DEEDI; and
- Engagement with interested landholders to determine interest.

### STEP 1
- Memorandum of Understanding (MOU) developed between landholders and project group to address the development proposal.

### STEP 2
- Economic analysis and modelling case studies carried out by DEEDI – *Cropping and Grazing Systems for Flinders River Agricultural Precinct Development Project – A Case Study Analysis* (Mason & Larard 2011) – available from MITEZ; and

### STEP 3
- Soil type and land class map produced and irrigated cropping land identified and mapped with individual landholders;
- Working with Department of Environment and Resource Management (DERM) to prove up water availability and reliability; and
- Engaged with DERM to map out the water storage capabilities and locations.

### STEP 4
- DEEDI is currently working with landholders in a pilot study situation to develop a planning process to a pre-point of water allocations; and
- Investment profile developed for investor interest.

### THE FINAL STEPS:

### STEP 5
- Establish an agreed process with government to obtain water allocations;
- Communication of the proposal and a general call for expressions of interest to all landholders to join the Flinders River Ag Precinct project;
- Detailed soil and site evaluations to be carried out on the parcels of land deemed appropriate for irrigation (landholders or investors to complete);
- Establish land and water management plans for properties of landholders interested in progressing with an irrigation development (landholder to complete);
- Work with serious investors who are willing to bring expertise and capital and will develop precision agriculture and farming practices to best utilise the vast tracts of identified fertile farming soils along the Flinders River;
- Legal template developed between landholders and potential irrigation developers to cover each of the business model options;
- The Flinders River Ag Precinct Group will meet with Government as a single body to progress the Ag Precinct as an holistic and integrated approach for regional development;
- With government collaboration pursue a pilot model farm approach including world-best practice management to ensure economic and agronomic benchmarks; and
- Establish field trials such as those used in the Emerald Irrigation Area to provide a useful guide for the suitability of new crops to suit the soil and climate of the Flinders River Ag Precinct.
INVESTMENT ENQUIRIES

INVESTMENT ENQUIRES IN RELATION TO THE FLINDERS RIVER AG PRECINCT IRRIGATION AREA SHOULD BE DIRECTED TO:

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