

### **Vision 2002/2005:**

**Customers will prefer products and services from the AlpValleys region**

### **Mission 2002/2005:**

**To ensure that the products and services of the AlpValleys region are better marketed than those of the competitors**

**To assist producers in the AlpValleys region develop organisations and systems to profitably market their products and services**

It should be noted that the geographical indicator AlpValleys region has been used rather than North East Victoria.

To create preference for an agribusiness product it is necessary to present that product in the way the customer prefers and to do it better than the competitors. It is appropriate to consider which customer's preferences we should be trying to meet.

There may be several "customers" between the producer and the customers who buy, use, and eat the product. This means that the producer can rarely exercise direct control over how their product is presented to the ultimate consumers.

This ultimate consumer is our primary target market. If they can be convinced to exercise a preference for the produce of the AlpValleys then every member of the supply chain must necessarily also exercise a preference for this region's produce.

The essential first step is to achieve Marketable Mass.

As an example, five years ago the farmgate value of Cherries grown in the region exceeded \$1.33 million.

Given the number of growers, that averages out to \$121,000 per grower. Since some are very big growers the majority would not have sufficient cherries to exercise any control over marketing and distribution beyond the farm gate.

Collectively however, they grew in excess of \$1.33 million dollars worth. That is a marketable mass.

The opportunity and challenge for the AlpValleys region is to create marketing mechanisms that can aggregate individual crops into a marketable mass and to influence market perceptions and therefore market preferences.

It is essential that grower groups take control of the marketing of their own produce to obtain and maintain sufficient marketable mass to be meaningful forces in their respective markets.

### **IMPLEMENTING THE VISION**

- AlpValleys will work with groups wanting to develop greater marketing capability and will act as the sponsor/facilitator of approaches to government for assistance in marketing.
- AlpValleys will act as the coordinator of regional marketing activities and appropriate exhibitions onshore and off.
- AlpValleys will invite speakers and advisors to maximise opportunities for the region's grower/marketers to learn from other peoples' experiences.
- AlpValleys will liaise closely with Austrade and NRE Agriculture Initiative personnel to attract visits by overseas buyers and investors, regional, national and overseas media.

### **OUTCOMES:**

- More efficient, grower-oriented and grower-responsive marketing operations specialising in produce from the AlpValleys
- Increased control of the supply chain
- Increased consumer awareness of produce from the AlpValleys
- Aggregation of greater marketable mass for export activities

### **IMPLEMENTATION PROCEDURES:**

- AlpValleys and NRE organised meetings with grower groups to initiate activity
- AlpValleys and NRE facilitated access to people from other areas and regions that have already implemented supply chain controls
- Assist in the development of business plans as necessary
- Assist in the development of funding applications as necessary
- Assist in the recruitment of suitable marketing officer/s as necessary

- Provide suitable administrative procedures to provide support to marketing officer/s.

## **NOTES & COMMENTS**

Marketing organisations such as these would provide the necessary structures to encourage the conversion of land to high value use and provide the marketing systems to encourage investors.

Increasingly centralised and coordinated distribution would be synergistic to future development of other marketing groups

Agri-tourism aspects could be developed and a regional showcase facility encouraged.

There is significant synergy with Legends Wine and High Country activities.

## **OTHER PROGRAMS**

### **Sustainable Land and Water Use**

NRE has identified that there are between 30 to 40,000 ha of prime agricultural land, with adequate water, suitable for high value agriculture in the North Eastern river valleys, comprising the King, Kiewa and Mitta systems. (This information is known as the [Ada Report](#).) If converted to a higher value land use, there is the potential to increase regional agribusiness production by several hundred million dollars.

Some of this available land is already used for high value agriculture such as tobacco and wine grapes. Vegetables were used as the definitive crop although the land is suitable for other high value crops.

A Regional Leaders Workshop held in Beechworth in July 2001 agreed that AlpValleys should assume leadership of the project.

In the time since, the Steering Committee, chaired by the Forum has identified certain immediate actions.

These are:

- Database of the AlpValleys region's capabilities. This information is being developed by North East Catchment Management Authority and the Centre For Land Protection and Research. NRE, DSRD and the Forum will conduct desk research to determine what other information is available.

- Database of the region's services and amenities. This is information the municipalities would normally collate as an economic development tool. Tracey Squire, Manager Development of Alpine Shire will coordinate collation of this information for the regional database.

As information becomes available, it will be published on the AlpValleys website and updated progressively.

- NRE and the Committee will conduct desk research to match sites with suitable crops.
- NRE and AAVAF will interview major supply chain players to determine the factors for successful marketing of each crop option.
- Formal or informal "audits" of regional resources will be conducted to support identified opportunities.

These will be made available on the website.

- Marketing strategies will be developed to attract landowners, potential land users and supply chain operators for each crop opportunity. The role of the Forum will be to ensure that changed land use results in more profitable and competitively marketed agribusinesses.
- New crop opportunities will require additional training, personnel and itinerant labour. Regional educational institutes, labour hire firms, accommodation and catering resources will be advised when needed. Briefing sessions will be organised for banks, real estate agencies and financial services.

### **Labour Force Issues**

Employment figures included in the updated Bright Report suggest that each \$million of agribusiness income has the potential to create ten full or part time jobs. Value adding in the region increases this ratio.

To capitalise on opportunities created by the high value land and water availability it will be necessary to have a pool of trained personnel.

AlpValleys will assist industries, training institutions, accommodation providers, etc. to ensure that labour is available when and as needed.

## **Investment Attraction**

Compulsory Superannuation ensures the export of rural capital to major urban and industrial investment opportunities.

Land and Water opportunities increase the need to attract outside investment. Reorientation from "marketing the region" to marketing the region's produce will create more opportunities to secure additional investment.

The region's attractiveness to investors will be strengthened by increased awareness at the national and international level as the result of aggressive produce marketing.

## **Websites**

The Forum's original website could only be accessed through the NetC home page. Searches using the acronym AAVAF did not connect with the site.

It was for this reason that the registered trademark AlpValleys was adopted and the domain name [www.alpvalleys.com.au](http://www.alpvalleys.com.au) registered.

The first major update occurred in late 1999 when the first annual report was added to the site and the home page redesigned. Soon after, the newsletter was added to the site.

During the Farm Dams debate the site included all relevant reports and enabled landowners to comment. Towards the end of the debate responses from the Rural City of Wangaratta, Indigo Shire, and the Forum were added. Visits to the site reached almost 4,000 per month.

In 2001 AlpValleys received a grant from NRE Agriculture Initiatives to redevelop the website as a gateway to the region for international and national trade. Producers are encouraged to register their name, contact details, crop availability and delivery capabilities on the AlpValleys website for access by potential customers.

The Forum has registered [www.alpvalleys-eTrade.biz](http://www.alpvalleys-eTrade.biz) as part of a longer-term strategic plan to develop integrated websites providing information about the region and its agribusinesses. It will provide information on opportunities for new agribusiness development, value adding, government and local government services, business development contacts and provide links to landowner's and producers own websites.

The plan is to develop [www.alpvalleys-eTrade.biz](http://www.alpvalleys-eTrade.biz) as a Business to Business (B2B) website providing secure, encrypted, eCommerce facilities to assist small/medium businesses develop markets and capitalise on eCommerce opportunities.

The project aims to create a "virtual" serviced office for agribusiness in North East Victoria. Clearly, if the region is to take greater control of its supply chains and to market aggressively there will be increasing need for secure electronic transaction facilities.

Transaction levies for use of this facility and services will be the means to ensure ongoing sustainability.

### **The Forum's Newsletter**

The first issue of the AlpValleys Report was published in June 1999. The Report provides general information about Forum activities.

As the Forum has developed, the print run has increased from 150 to 500. It is regularly mailed to Forum members, Councillors, CEOs and Economic Development Managers of the member shires, landowners, other Forums, key politicians, government departments and media.

Obviously the most recent issues have been concerned with the key issues of water, supply chain development, marketing and the opportunities identified in the Ada report into land and water availability.

It is intended that the AlpValleys Report should evolve from its present role and move progressively from reporting to become a marketing tool that will assist in the development of integrated and regionally controlled supply chains.

### **Tobacco**

The Forum's beginnings were largely prompted by the "tobacco shock" in the early nineties and at the beginning of 2001 it seemed likely that many of the local tobacco growers would insist that the Federal Government buy back their licenses.

Since then the growers have negotiated agreements with Philip Morris and BATA for another five years.

Several municipalities are concerned about the potential loss of such a significant industry. With very good reason it would appear. At a conservative estimate it could be claimed that the tobacco industry generates as much as \$49,000,000 in income for the region.

While the bulk of the tobacco growing takes place in Alpine Shire, some is grown in the Rural City of Wangaratta. Employment and provision of goods and services to the tobacco industry are critical elements in the economies of the surrounding shires.

Part of the land identified in the Ada Report (See Land and Water Availability, above) is currently used for tobacco. Future use of this land could be limited because of the long-term use of chemicals.

AlpValleys considers that while identifying a replacement for the tobacco industry may be a future priority it should be viewed in the wider context of the opportunities identified in the Ada Report.

Solutions for higher value use of underused land can be readily transferred to land already providing high returns however, a different crop might not replace the employment and value adding created by VTC at Myrtleford.

Therefore it is essential that opportunities for significant value adding should be a part of any marketing activities directed towards different land use opportunities in the region.

### **Regional Display Centres**

During the past three years, there have been several investigations of the potential viability of regional display centres. Forum has been approached for comment on and assistance with studies for wine interpretation centres, craft food centres, participation in harvest festivals and the like. The underlying belief in all these schemes is that there is a tight nexus between tourism and marketing produce.

There will always be some difficulty in resolving the needs of the smaller vineyards and value adding companies such as Milawa Cheese and Milawa Mustards, etc. when a "regional" display centre is created. Any regional display centre should be developed in consultation with these enterprises, which rely on sales from their own premises as a major retail outlet.

The Forum position is clear. A regional display centre should be the outcome of an effective marketing program rather than as a substitute for such a program.

### **Telecommunications**

During 2000, the Forum acted as facilitator/coordinator of an investigation into telecommunications and internet access in North East Victoria.

It is clear that the region is disadvantaged in some ways. The terrain makes mobile coverage difficult and expensive, it is relatively unimportant to carriers as a market for telecommunications and it has been slow and uncoordinated in seeking solutions.

Forum undertook the oversight of this activity as part of its obligations under the original contracts with the Governments and as part of its obligations to the councils which provided part of its funding.

Telecommunications will remain a major opportunity for the region and equally a major impediment. However, with the limited nature of Forum's funding, it cannot continue in this oversight role unless specific funding is provided by the municipalities or relevant government departments. Forum will be involved with improving communications and eCommerce opportunities for the region.

### **Organic Production**

Given the increasing importance of what were initially fringe activities, Forum has established liaison with the Organics Federation of Australia and with hydroponics suppliers and producers.

Organics producers, NRE specialists and the Federation were key speakers at the Future Options Supermarket organised by the Forum for Corryong in June 2001 as were representatives of the hydroponics industry.

Forum cannot directly influence or even recommend the development of organic or hydroponic production in North East Victoria but will maintain close liaison and preparedness to assist formation of marketing affiliations and groupings as and when required