



Department of  
**Primary Industries and  
Regional Development**



COMMERCIAL IN CONFIDENCE - RESTRICTED CIRCULATION

# **Grower Group Alliance National Summit**

**Commercial Opportunities for Grower Groups**

**17 August 2017**



Department of  
**Primary Industries and  
Regional Development**



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# WA Open for Business

## Our purpose

To promote and facilitate investment into WA's agribusiness and food industry by supporting investors, engaging with industry, and collaborating across government departments for the benefit of Western Australia.

## Our role

The WAOFB Office is primarily focused on supporting improvements in the pre-deal enabling environment, with post-deal aftercare as required, acknowledging its role as a government agency and the complimentary expertise of professional services firms.

## The Investment Process



# WA agrifood - current state

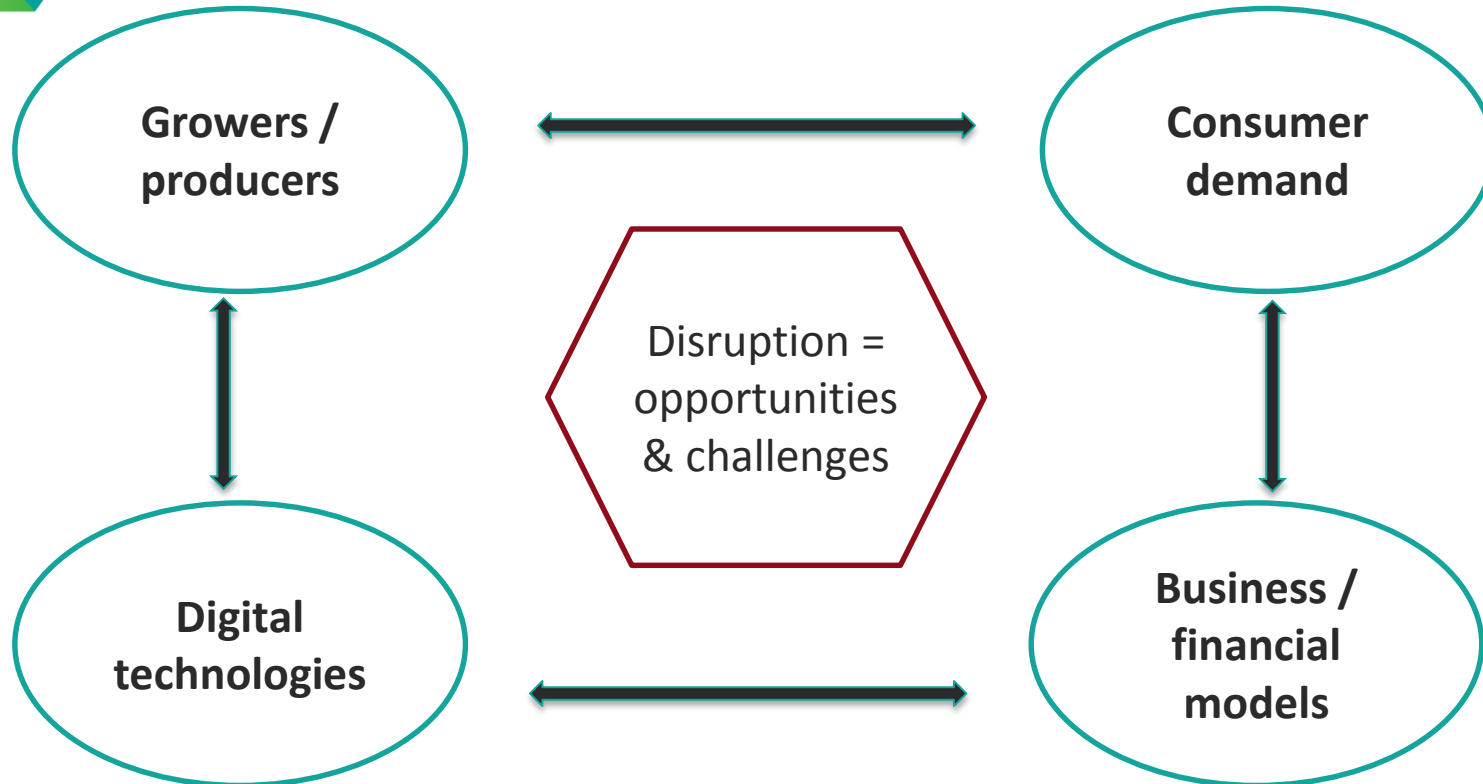
- Strong export growth (2011 – 2016)
- Asian century opportunity
- Currently 85% of WA product exported
- Remains largely commodity-based;
- Limited value-add product / high costs of production
- Concentration of sectors, fragmentation of firms
- Capital constraints, \$60B tied up in assets
- Positive investor interest but often mismatch between investors and opportunities

Export Value (\$m) Western Australia: Commodity Based Trade

Source: ABS & DFAT, 2014-15



# WA grower groups - key trends



# Commercial opportunities

- Producer / grower group opportunities to collaborate and commercialise:
  - WA Ag Sciences R&D Fund / 'Grower direct' products / Premium Agrifood Market Opportunities
  - but opportunity is not enough!
- Businesses need to be investor ready to attract capital to grow.
- The key is to make it easy as possible for investors to invest!



# Key investor readiness considerations



## 1 Build your team

Readiness is heavily influenced by talent acquisition and retention.



## 2 Create your business plan

Create your Unique Selling Points, with defensible content to satisfy the inquisitive mind.



## 4 Know your audience

Where are the investors you need to engage with?



## 5 Establish your legal structure

Legal structures matter as they offer protection and benefits.



## 6 Governance is essential

Establish a good governance framework to ensure openness and transparency



## 9 Refine your execution plan

Engage with professional advisors



## 7 Create your proposition

Clearly communicate the opportunity and the business model that will drive profitability.



## 8 Focus on the deal

Have a clear idea of your expectation and valuation comparables.





# Support offerings

- WAOFB staff and website going live – September
- WAOFB & CCI WA investment ready guide – September
- Agriculture & Food WA sector industry opportunity guides – September / October
- WAOFB investor ready support programme (development stage)
- Various professional service partner documents, such as
  - King & Wood Mallesons(KWM) ‘From Farm to Table: Guide to investing in Australian agribusiness’,
  - KPMG & KWM ‘Investment structures: A guide to investing in Australia’s food and agribusiness sector’
- Other sources: AusIndustry, FIAL, Coles Nurture Fund etc



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