

INQUIRY INTO ASPECTS OF AGRICULTURE IN NSW

Organisation: Bartter Enterprises
Name: Mr Peter Bartter
Position: Joint Managing Director
Telephone: 02 6961 9700
Date received: 12/09/2007

Failed by Peter Bartter
9 12.9.07



Inquiry Into Aspects Of Agriculture In New South Wales

Standing Committee on State Development Visit To Leeton

Wednesday, 12th September, 2007

POULTRY (BARTTER) AND THE RIVERINA

This business is significant to the Riverina as it supplies 8% of Australia's daily consumed chicken meat.

Bartter employs over 1,200 people and injects into the local economy >\$150M (million)/year through the direct purchase of goods and services not counting wages. It currently employs assets of \$380M (replacement cost).

It has been built on the back of reliable grain, water and other key infrastructures along with the availability of a permanent workforce.

BACKGROUND

The business started in 1955 as Peter's Junior Farmer Project for which he won Star Junior Farmer for poultry in NSW.

Bartter Enterprises started in the poultry business in the Riverina (Hanwood) and during the 1960's expanded to be Australia's largest egg producer by 1970. In the mid 1980's the business moved its focus to supplying chicken meat into the Australian market. Domestic consumption of chicken meat grew rapidly through the 1980's from 20 kg/head to 39 kg/head/year in 2007 and with this growth Bartter has expanded both within the Riverina and throughout Australia producing 30% of Australia's demand. Although we have an operation near Newcastle our comments in this document will relate to the Riverina business.

The Riverina operation consists of breeding operations in Jerilderie, Coleambally and Griffith, the major activity within the Griffith area is the growing of the broiler (meat bird) which once processed is sold into the domestic market. The breeding operations are required to build up the numbers and achieve through the various cross-mating (3 times) a final broiler with the right hybrid vigour and efficient feed conversion (kg feed in live weight of bird out). The process takes 2 years from initial great-grandparent (GGP) bird to broiler. From the 16,000 breeders placed into the Jerilderie complex per year some 100 million broilers will be grown 2 years later by companies under contract to Bartter. These companies employ approximately 60 people.

Bio-security is paramount, which is helped considerably by the advantage of isolation in Griffith, Coleambally and Jerilderie from other commercial poultry operations which are predominantly in the outer metropolitan areas of the cities of Australia.

CURRENT

The last 3 years have seen continual capital expansion (\$28M) being undertaken with increases in breeding farms, broiler farms and processing technologies.

Over the next 12 to 18 months further capital expenditure of \$22M is already underway enabling full utilisation of our Processing Plant capacity.

As a result employment will increase by approximately 125 people.

BEYOND 2008

The Company's strategic plan proposes a significant expansion of the processing facilities (new processing line) and supporting livestock facilities.

The programme from 2009 to 2014 requires some \$250M of capital expenditure.

This investment will create some 400 new jobs and will require an additional \$125M of goods and services from the local region, taking the total to an estimated \$275M/year.

Impediments

Water

Labour

Grain

Electric Power

WATER

The poultry industry from a livestock and Processing Plant view point is a low water user in relativity to other forms of livestock breeding and processing (100 litres/bird or 30 litres/kg).

Maintenance of our current operation but also our future development is very reliant on water being available for cereal crops, livestock and our Processing Plant needs.

- The allowance of trading of water licences from within the region to outside the immediate region reduces the certainty of available water as well as potentially impacting on the efficiency and viability of reticulation of the remaining licence holders. Quantum water allocations must remain with defined regions.

- Water needs to be available for cereal crops which are a major input into the poultry industry.
- Reticulation water losses could be greatly reduced by the investment in a piped reticulation system.

All the water used in the Hanwood poultry Processing Plant is treated through our own treatment plant then stored to be used to irrigate our summer crop of corn.

LABOUR

The Griffith/Riverina area is an attractive place for people to live being generally adequately serviced with people's needs. With the demand for an increasing labour force it should be an ideal area to settle/attract new migrants. Notwithstanding this region still struggles to attract sufficient labour for a number of reasons:

- Housing – the cost of housing appears to be a barrier. There is a need for more affordable/lower cost housing to meet new migrant and others needs. Government can take a more active role to resolve this issue through:
 - Specific development projects;
 - Reduction in taxes/charges;
 - Provision of new subdivision services
- Medical – There is a need for additional medical/dental resources/services to support the current and future demand.

LABOUR – SKILLED

A requirement for locally available trade schools to cover a wider range of trade disciplines which are required by the expanding local industries. It is a cost burden on industry when, what are now common, trade groups for apprentices are not fully available in the regional centres and require apprentices to be sent to Sydney or other major centres for either part or all of the apprentices schooling.

(Refrigeration, electronic, automotive trades)

GRAIN

We have spoken about the water requirement for grain but also importantly we can ill afford to have non-food users and in particular Ethanol production being subsidised directly or indirectly through a regulatory use requirement. An unequal market advantage competing for grain from irrigated cereal crops may potentially make established industries unviable. The amount of grain that has been stated that the Ethanol plant in Coleambally will use is more than the total production of grain produced within the Riverina.

Decision looks for planned Coleambally dairy, ethanol plant

Posted Fri Aug 3, 2007 10:28am AEST

The chairman of the Riverina Regional Organisation of Councils (RIVROC), Terry Hogan, says the proposed \$100 million Coleambally dairy and ethanol plant, in southern New South Wales, is only weeks away from going to the Planning Minister for a decision.

• [Map: Coleambally 2707](#)

The Riverina council group recently met the Minister for Regional Development, Tony Kelly, about progress on the Four Arrows Group project, which has been in the planning for the past two-and-a-half years.

It is the biggest of several ethanol and biofuel development proposals being mooted for the Riverina.

It would need 750,000 tonnes of grain a year from the region to produce 300 megalitres of ethanol, and its by products would sustain an 18,000-head dairy.

It is proposed to create 100 new jobs.

Four Arrows Group spokesman Brandon Price has told RIVROC that after approval, the plant could be up and running within two years.

Tags: [alternative-energy](#), [states-and-territories](#), [rural](#), [livestock](#), [dairy-production](#), [coleambally-2707](#)