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GROWING THE NORTH Knowsley Agricultural Opportunities

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Department of **Water**
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ROYALTIES
FOR REGIONS

GROWING THE NORTH

Knowsley Agricultural Opportunities

DERBY, WESTERN AUSTRALIA



KNOWSLEY AGRICULTURAL PRECINCT CONCEPT PLAN

The Knowsley Agricultural Precinct has been identified as a potential site for the development of intensive agriculture. The Precinct sits just outside the town of Derby, at the mouth of the Fitzroy River in the Kimberley region of Western Australia.

The Western Australian Government is committed to the development and diversification of the agricultural and food sectors to capitalise on the opportunity of growing world food and fibre markets in the Asia-Pacific region and globally. Both financial and policy measures of Government have been aligned to identify reliable water resources and available land for new irrigated agriculture precincts in the West Kimberley, Pilbara and around the State.

The Government is currently undertaking groundwater availability and suitability assessments as a priority to guide the development of the Knowsley Precinct.

Future Developments

Subject to favourable water investigations, approximately 7,000+ hectares is potentially developable for irrigated agriculture close to Derby. More broadly, soil and water investigations are being undertaken across larger tracts of land surrounding Knowsley to explore further areas for investment. These areas include the May and Meda Investigation area north east of Knowsley, and the Lower Fitzroy Investigation area to the south. Both of these areas may provide access to water resources which could potentially be utilised for irrigated agriculture across the broader precinct through the use of water pipelines.

Once the groundwater potential has been assessed, work will commence on the necessary planning and negotiations with Traditional Owners and other stakeholders to make this land available for investors.

The State Government will assess sustainable ground water yields in and around the Derby area from the May-Meda Rivers Systems to the north to the Lower Fitzroy River investigation area to the south.

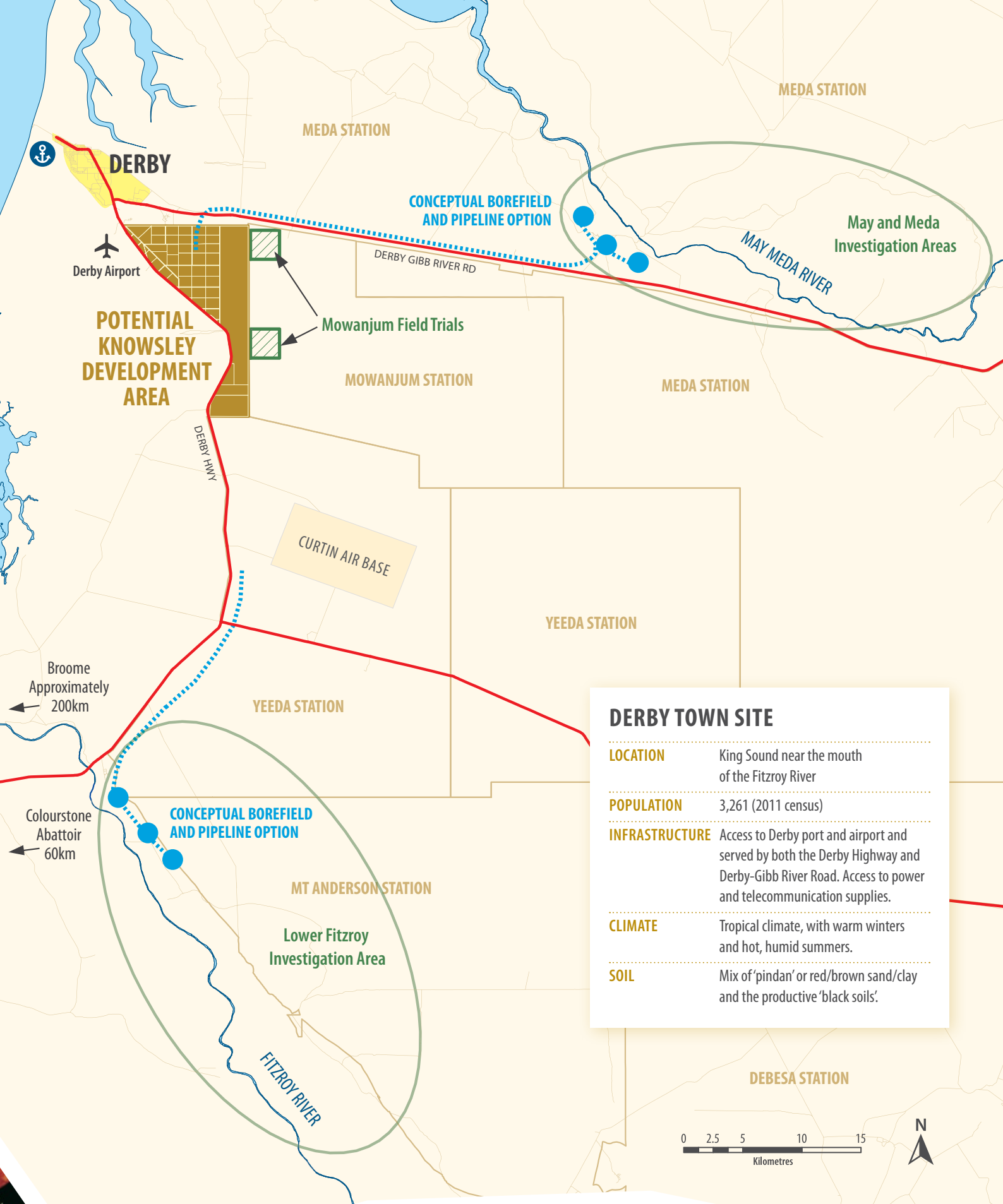
These investigation works are expected to be completed by the end of 2015 and will inform the extent of the potential Knowsley agricultural precinct in the first instance, and also other nearby pastoral lands.



WHAT ARE CENTRE PIVOT IRRIGATION SYSTEMS?

Centre Pivot Irrigation Systems are widely used in the agricultural sector as an efficient mechanised automated irrigation system. Centre pivots usually consist of one single sprinkler pipeline suspended above ground by towers on wheels which are connected to a central water source and Pivot. The Pivot drives the sprinkler pipeline in a circle either by an electric or diesel motor. The area covered by these systems depends on the size of the Pivot, though the average size is usually around 38 hectares.





DERBY TOWN SITE

LOCATION	King Sound near the mouth of the Fitzroy River
POPULATION	3,261 (2011 census)
INFRASTRUCTURE	Access to Derby port and airport and served by both the Derby Highway and Derby-Gibb River Road. Access to power and telecommunication supplies.
CLIMATE	Tropical climate, with warm winters and hot, humid summers.
SOIL	Mix of 'pindan' or red/brown sand/clay and the productive 'black soils'.



PROJECT FINANCIALS

Estimated development costs for clearing, irrigation and farm development range from \$20,000 to \$30,000 per hectare, dependent on the pumping and irrigation method employed. To underpin private sector investment the Government understands that appropriate land tenure is needed; long term tenure options including Crown leases and development pathways to freehold will be considered.

Development Strategy

The State Government's development strategy seeks to maximise private sector investment. The scale of development, reliable water sources and secure land tenure have been identified as the key focuses for de-risking this project.

The Government is committed to conducting the necessary preliminary works and adjusting policy, including land tenure reform, to create the necessary investment environment to partner with the private sector, to deliver regional economic development.

In addition to the Knowsley Agricultural Precinct, the La Grange horticultural precinct south of Broome, and other locations in the Fitzroy Valley, like Gogo Pastoral Station are also being investigated for their potential for expanded agricultural production. Unlocking the potential of the Knowsley Agricultural Precinct and other developable areas in the north will only occur if the mix of Third Party investors, pastoralist and Traditional Owner involvement is right.

What's Happening Now?

Mowanjum Field trials

The Mowanjum field trials comprise one and potentially two, 38 hectare centre pivot pilot sites, which in partnership with the Mowanjum Aboriginal Corporation, aim to grow cattle fodder to allow the station to improve heard quality and numbers. The success of these trials will underpin the Mowanjum Aboriginal Corporation's long term objectives to establish a large scale regional cattle feedlot to advance the West Kimberley beef industry.

The development of a regional cattle feedlot will provide the ability to store cattle from surrounding pastoral stations that are typically cut off from road transport during the wet season and thereby improve cattle condition, marketability and price for live export or domestic slaughter. The success of these trials will showcase the diversification potential to other pastoral stations in the region.

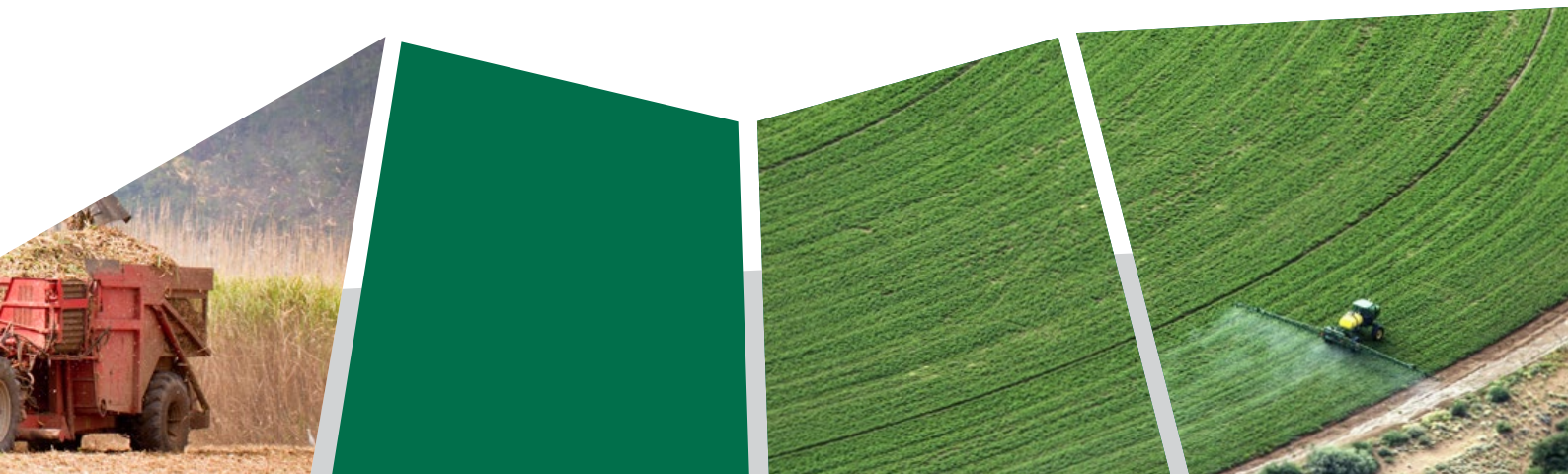
The Government recognises that there is strong potential for the development of an interconnected supply of cattle fodder for beef production to provide consistent feed to raise cattle numbers in the West Kimberley region.

SUCCESS BUILDS SUCCESS – AGRICULTURAL PRECINCTS

The Ord-East Kimberley Expansion Project is a nationally significant and successful agricultural project aimed at utilising the full potential of available land and water resources in the East Kimberley at the northern tip of Western Australia.

On 20 November 2012, the State Government announced Kimberley Agricultural Investment Ltd (KAI) as the preferred proponent to develop 13,400ha of irrigated farmland, potentially doubling the size of the Ord Irrigation Scheme Area to 29,000 hectares.

KAI proposes to invest up to \$700million to establish a sugar export industry in Kununurra, to annually produce about four million tonnes of cane and 500,000 tonnes of export sugar crystal. KAI also wishes to explore any opportunity that may arise for the future development of a further 14,000 hectares into the Northern Territory.



GLOBAL ECONOMY AND EMERGING MARKETS

It is expected that most of the world's economic growth during the 21st century will come from the Asia Pacific region. Driven by the rising consumer demands of the middle class in Asia-Pacific nations to the north, and a growing global population, the demand for high quality food and fibre products will increase and eventually outstrip supply in the years to come.

With the world's population set to reach 9.5 billion people by 2050, clear opportunities exist to grow Australia's food supply chains and increase productivity to meet a portion of this rising demand for quality food products.

The Government of Western Australia is making strategic investments to grow the agricultural sector of Western Australia to align to global demands and opportunities for increased security for food supply chains. A key aspect of this strategic view will be the attraction of investors and partners with the capacity and experience to develop and operate food and fibre enterprises.



Market Advantages of Western Australia

Investment in agriculture is considered essential to the economic growth and diversification of remote areas, particularly across northern Australia. While northern regions enjoy a number of competitive advantages, many are currently underutilised, including:

- Significant natural assets relating to agriculture, mineral and energy resources and tourism.
- Geographic advantages from proximity to established and emerging centres of economic activity – for example, the booming economies of South East Asia and Southern China are all within about three to five hours flying time.
- Time zone advantages, relative to Europe or North America, from sharing a similar time zone to many Asian countries (which facilitates service industries in particular).
- Brand advantages associated with being part of Australia and its reputation for quality, safety and a pristine natural environment.
- Average daily sunshine hours in north western Australia are between 10-11 hours.
- Land in northern Australia is predominantly utilised for Mining and Pastoral uses. The capacity to diversify Pastoral properties to increase agricultural productivity will create significant opportunities.





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Looking for more information on the Knowsley Agricultural Precinct?

Visit our website at www.drd.wa.gov.au

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