

DISCLOSURE STATEMENT

Murray Plains Meat Co-operative Ltd

REGISTERED OFFICE: 139 Market Street, Balranald, NSW, 2715

A Distributing Co-operative

APPROVAL DATE: 6.12.18

This Disclosure Statement has been approved for use at the formation meeting of the co-operative. After registration of the co-operative, this Disclosure Statement must be provided to any person who intends to become a member of the co-operative along with a copy of the co-operative's constitution. The legislation requires that this Disclosure Statement must be maintained as a current document reflecting the current financial position and prospects of the co-operative. Updates for the disclosure statement must be lodged with the Registrar of Co-operatives in your jurisdiction.



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1. BACKGROUND AND DEMAND FOR SERVICES

1.1 Why is the co-operative being formed?

The co-operative is being formed to build and operate a micro abattoir in the township of Barham, situated on the New South Wales and Victorian border, to overcome the issues that have become apparent since several abattoirs have closed within a three hour radius of the region.

The region hosts many small scale farming operations, and several branded meat businesses who are incurring increased costs and travel due to the abattoir closures which are severely impacting their businesses.

The co-operative is required to be set up initially to allow for the completion of the Feasibility Study, capital estimates and to lodge applications for Government Funding. The Government Funding requires a business structure to be established prior to lodgement of any applications. If the application for Government Funding is successful the co-operative will consider what additional funding is needed.

1.2 Purpose of the co-operative

The purpose of the co-operative is to establish and operate a micro abattoir facility to process livestock for local producers at a lower cost and higher quality whilst also creating local employment opportunities and providing efficiency gains for local businesses.

To achieve this purpose the co-operative will establish standards for high quality and fully traceable meat processing. Having a local abattoir will also allow increased farm gate profit, decreased labour hours used for logistics

2. MEMBERSHIP

2.1 Who can be a member

Co-operatives are open and voluntary organisations. The qualification for membership is stated in the rules as follows:

A person qualifies for membership of the co-operative if the person is able to use or contribute to the services of the co-operative.

If you are able to use the services offered by this co-operative and are able to support the co-operative's activities by complying with the active membership rule, then you are eligible to join the co-operative.

A member must be able to process through the co-operatives processing facilities a minimum of five animals during any period of twelve months.

2.2 Primary activities of the co-operative

Co-operatives are incorporated bodies with the same powers of any corporate entity.



They have power to:

- enter into contracts with persons, including their members,
- employ managers or staff,
- borrow or lend money,
- own, buy sell or lease property,
- invest in other entities, and
- provide a range of services and products to members and other persons.

Co-operatives are 'for purpose'. They serve members' needs by focusing on core or primary activities.

The primary activities provide a focus for the co-operative's operations and the basis of the transactional relationship between the co-operative and its members.

The primary activities of the co-operative are to provide a Micro Abattoir and processing facilities to livestock producers in the Riverina area of South West New South Wales and North West/Central Victoria.

2.3 Active membership requirements

Members are required to use or support an activity, or activities, of their co-operative in order to retain the right to vote and to remain a member of the co-operative.

Active membership is a cornerstone of the co-operative legal model and it creates the basis for ongoing mutual transactions between the co-operative and its individual members. Co-operatives work when their members actively support the co-operative's enterprise.

Active membership is linked to the primary activities and represents the minimum commitment members will make to support the co-operative's enterprise.

In order to establish and maintain active membership of the co-operative a member must process through the co-operatives processing facilities a minimum of five animals during any period of twelve months.

The co-operative is a separate legal entity that can enter into contracts with its members. Members may enter into contracts over and above the requirements under the active membership rule with the co-operative from time to time and under terms set out within those contracts.

If a member is unable to comply with the active membership requirement the board of the co-operative may, on the application of the member, defer or reduce the member's obligation temporarily.

2.4 Failure to comply with the active membership rule

If a member does not comply with the active membership requirement for a period of 3 years the member is at risk of having their membership cancelled.

2.5 Other rights and liabilities of members



Active members of the co-operative will each have one vote at co-operative general meetings.

The right to vote is a right of membership and is not related to the number of shares that may be held by a particular member. Inactive members, that is, members who have not complied with the active membership rule will not be entitled to vote.

Active members of the co-operative have the right to be nominated or to nominate another person, to be a director of the co-operative.

All members are entitled to be given notice of all general meetings and to attend and vote (if they are active members) at all general meetings.

Membership of the co-operative may be jointly held by more than one person, but there is still only one vote in respect of that membership. Other corporate bodies may also be members; however, they must nominate a representative to attend and vote on their behalf.

2.6 Membership application fee

Persons (including corporations) that wish to join the co-operative must make an application to become a member.

In making an application, a person is stating that they can comply with the active membership requirements. They are also agreeing to purchase the minimum required number of shares and pay any subscriptions (see Part 3 of this disclosure statement for detailed information about share capital and annual subscriptions).

An application for membership must be considered by the board of the co-operative, which will consider whether the applicant will be an active member of the co-operative. Rule 2.2 of your constitution sets out the process for membership applications.

There is a non-refundable application fee for membership to cover the administrative costs of processing an application. An Application for Membership and Shares Form is at the end of this disclosure statement and sets out the application fee.

2.7 Member's liability

The co-operative is a separate legal entity and has limited liability.

Members are not liable to contribute to the debts of the co-operative beyond the amount they have paid for or may still owe for shares. If the co-operative is wound up and the co-operative has insufficient assets to satisfy the co-operative's debts, members do not bear any additional personal liability for those debts.

In other words, if the co-operative is wound up in insolvency:

- a. members may lose their share capital.
- b. if a member has subscribed for shares and the member has not fully paid for his or her shares, the member may be liable to pay any amounts unpaid in respect of those shares.
- c. if a member owes money to the co-operative under a contract the member will still be liable to pay those amounts to the co-operative.



2.8 Termination of membership and forfeiture of shares?

There are three ways that a membership may be terminated:

1. Resignation:

A member may resign by giving the co-operative one months' notice in writing. Once a member's resignation is effective, the member's shares must be forfeited and cancelled by the co-operative. Subject to the terms of issue of those shares, the share capital is repayable by the co-operative to the member, less any amounts owed by the member to the co-operative (see rule 2.4 of the constitution).

2. Expulsion:

A member may be expelled from the co-operative if the member persistently breaches the rules, hinders the co-operative from carrying out its objectives or brings the co-operative into disrepute.

The procedure for expulsion is set out in rule 2.5 of the constitution.

Once expelled, the member's shares are forfeited and cancelled. Subject to the terms of issue for the shares, the share capital is repayable to the former member, less any amounts owed by the member to the co-operative (see rule 2.6 of the constitution).

3. Cancellation due to inactivity:

Membership may be cancelled if the member does not comply with the active membership rule (see rules 1.3B and 1.4.2 of the constitution).

The shares of a member whose membership is cancelled through inactivity must also be cancelled and repaid to the member subject to any terms of issue of those shares and less any amounts owing by the member to the co-operative.

Co-operatives legislation provides rules and processes for the repayment of shares in each of these cases, including circumstances where the co-operative may defer repayment or substitute other securities for those shares.

For other circumstances in which membership of the co-operative ceases, see rule 3.2 of the constitution.

3. SHARE CAPITAL, FINANCE AND TERMS OF ISSUE OF SHARES

3.1 Minimum share capital

A member must subscribe for the minimum number of member shares at the time of making an application for membership.



The minimum subscription and share price is set out in rule 3.1 of the constitution, which provides that:

1. The initial capital of the co-operative must be raised by the issue of **member shares** of nominal value of \$1.00 each.
2. A member must hold a minimum of 500 fully paid member shares in the co-operative and must not hold or have a relevant interest in more than 20% of the nominal value of issued share capital of the co-operative unless permitted to do so under the Law.
3. A share in the co-operative does not carry a vote.
4. The right to vote in the co-operative is attached to membership

From time to time, the co-operative may offer additional shares to members. These additional shares may or may not have different terms of issue from the original member shares. For any additional share offers, members will be provided with their terms of issue at the time of offering.

Any additional shares (above the minimum share capital contribution required) will not carry any voting rights in the co-operative. They will have a fixed value and can only be owned by members of the co-operative.

3.1A Annual subscription

There is no annual subscription.

3.2 Shares may be repurchased by the co-operative

A member may request the co-operative to repurchase some of their shares. A repurchase of shares can only occur if requested by the member and is different from any obligation of the co-operative to repay shares due to the expulsion or resignation of a member.

Restrictions under co-operatives legislation limit how many shares the co-operative may repurchase in a financial year. These restrictions ensure its financial stability. If the board agrees to repurchase a member's shares, repayment is restricted to no more than 5% of the total issued share capital of the co-operative in a financial year.

The board of the co-operative may refuse a member's request to repurchase shares.

The terms of issue of any additional classes of shares may also contain specific restrictions on the member's right to request a repurchase of those shares.

3.3 Summary of terms of issue for member shares

The rights and liabilities that attach to shares in the co-operative are governed by the co-operative's rules, co-operatives legislation and any terms of issue under which the shares are offered.

The co-operative's board of directors controls the offer, issue and allotment of shares including the minimum subscription requirement for member shares under the rules. Different classes of shares may be offered from time to time with different rights and liabilities attaching to such classes



The rights and liabilities attaching minimum member shares and additional member shares that may be offered at a later time are summarised as follows:

- Shares do not carry any voting rights. The right to vote attaches to membership resulting in the **one member: one vote** principle for co-operatives.
- The co-operative may distribute a dividend based on a member's shareholding in addition to or as an alternative to a rebate based upon the volume of transactions carried on with the co-operative.
- Shares may be transferred, provided they are transferred to another person who is already a member of the co-operative or who has applied for membership of the co-operative.
- A member who transfers shares to another person, and as a result of that transfer no longer holds the minimum number of member shares, will cease to be a member of the co-operative.
- Shares in a co-operative are issued at a fixed price and are not subject to increase or capital gain. They cannot be traded on a public or licensed share market.
- The value of a share at the time of repayment by the co-operative may decrease if the underlying assets of the co-operatives are less than the total share capital on issue.
- Dividends may only be paid on share capital if there is a surplus and the board determines that it is appropriate to make a distribution by way of dividend. Co-operative regulations limit the amounts that may be paid as dividends on shares.
- The co-operative may also allot fully paid bonus shares to members from a surplus or any reserves.

4. BENEFITS OF MEMBERSHIP

4.1 Access to services

The primary benefit for members is the access to a local abattoir for the slaughter and processing of their livestock.

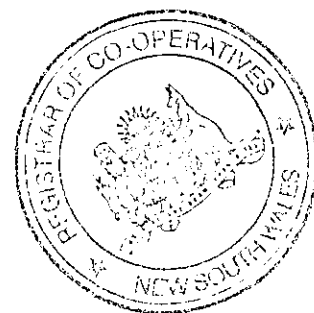
4.2 Benefits of ownership

The benefits of ownership include the ability to democratically control the co-operative and its service offering, through the election of directors. The co-operative model is therefore well-suited to the interests of farmers, because it gives those farmers the ability to decide how to expand or improve service delivery to members or to sell services beyond the membership.

As owners, members can share the financial success of their co-operative by sharing in any surplus or contributing to planning about how the surplus should be re-invested. Distributions of surplus may be unlikely in the first few years of operation and will be subject to decisions by the board regarding the need to retain enough capital to ensure the co-op's development.

5. MANAGEMENT OF THE PROPOSED CO-OPERATIVE

5.1 Board of directors



The co-operative's business will be managed by a board of directors, who will be elected by the members.

The board must have 5 directors.

The board of directors must comprise a majority of directors that are active members of the co-operative.

Directors are accountable to members through duties imposed by co-operatives legislation.

As managers of the co-operative's business, the board has authority to exercise all powers of the co-operative that are not required to be exercised by the co-operative in a general meeting.

The following types of decision are reserved for members:

- any amendments to the constitution,
- the election, removal and remuneration of directors,
- important decisions specified in co-operatives legislation regarding:
 - the structure of the co-operative,
 - major acquisitions or sales of assets, and
 - other matters that potentially impact on the co-operative's ability to carry out its primary activities.

5.2 First directors of the co-operative

The term of office for a director is normally three years. The co-operative's first board of directors will comprise directors of varying terms of less than or equal to three years, to establish a system of rotational retirement. Board rotation will occur so that only one third of the board of directors will be required to retire each year.

Terms of office for the first directors will be determined either by agreement or ballot at the formation meeting of the co-operative.

The following persons have consented to be elected as the first directors of the co-operative:

Name: Bianca Margaret Shepherd

Address: 7616 Murray Valley Highway, Narrung, Vic, 3597

Phone number: 0438 461 355

Experience relevant to role of director: Bachelor of Applied Science - Agriculture, Sheep farmer selling direct to consumers.

Name: Alan Murray Mathers

Address: 123 Gonn Road, Barham, NSW, 2732

Phone number: 0427 208 906

Experience relevant to role of director: Semi Retired Beef/Dairy Farmer, Councilor - Murray River Council, Former Director of NSW Dairy Farmers Association (12 years), Australian Dairy Farmers Federation (4 years), Dairy Farmers Milk Co-op (9 years, 5 years Deputy Chair), Murray Regional Development - Sub Group of Riverina (4 years).

Name: Lauren Maree Mathers

Address: 929 East Barham Road, Barham, NSW, 2732



Phone number: 0458 532 333

Experience relevant to role of director: Farmer - Director of Bundarra Berkshires.

Name: Darcy Adam Hare

Address: "Westlee" Tullakool, Barham, NSW, 2732

Phone number: 03 5453 9222

Experience relevant to role of director: Mixed farmer of rice, cereals, cattle & sheep. Two subject from completion of degree in Agribusiness.

Name: Graeme John Dick

Address: "Karoola Park" RMB 505, Bunnaloo, NSW, 2731

Phone number: 03 5489 7258

Experience relevant to role of director: Qualified boiler maker, Shearer, Sheep & rice farmer.

5.3 Election of directors

All directors except the first directors will be elected at the Annual General Meeting under a nomination process set out in rule 4.4. of the constitution.

All active members of the co-operative are eligible for election to the co-operative. Persons who are not active members, but who have specialised knowledge, skills or experience may be elected as non-member (independent) directors.

5.4 Committees

The board of the co-operative may establish committees either in an advisory capacity or to assist with specific delegated management tasks from time to time.

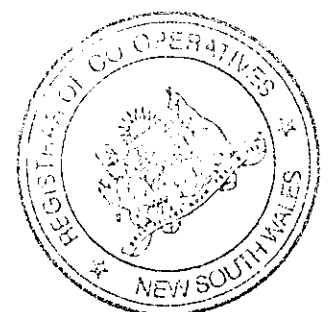
5.5 Remuneration of directors

Directors are entitled to be reimbursed for reasonable expenses incurred for attendance at meetings or the performance of specific tasks. Any other director remuneration must be approved by the members at the Annual General Meeting or at a special general meeting called to consider director remuneration.

5.6 Reporting to members

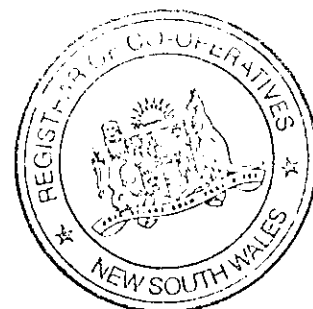
The co-operative must provide annual financial reports to members. The form of those reports is set out in rule 6.3 of the constitution.

The board of the co-operative may determine from time to time whether specialist reports on markets or other impacts on the co-operative's enterprise will be provided to members.



6. BUSINESS PLAN AND FORECAST FINANCIAL STATEMENTS

[Please insert your Business Plan (including forecast financial statements) here before submitting your document]



BARHAM MICRO ABATTOIR

Farming Together Case #02504

Assistance with Feasibility Study

MICHELE LALLY – SENIOR CONSULTANT
30TH APRIL 2018

ETHICAL FIELDS | www.ethicalfields.com



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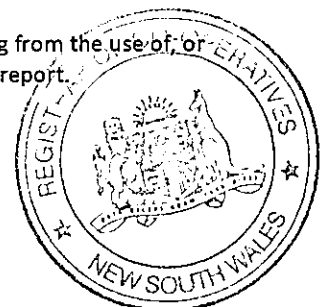
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Disclaimer

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Ethical Fields is not liable for any loss caused, whether due to negligence or otherwise arising from the use of, or reliance on, the information provided directly or indirectly, by use of the information in this report.



Executive Summary

The Barham Micro Abattoir group approached Farming Together for a Feasibility Study into the building of an abattoir in their region to overcome the issues that have become apparent since several abattoirs have closed within a three hour radius of the region.

The region hosts many small scale farming operations, and several branded meat businesses who are severely suffering due to the abattoir closures.

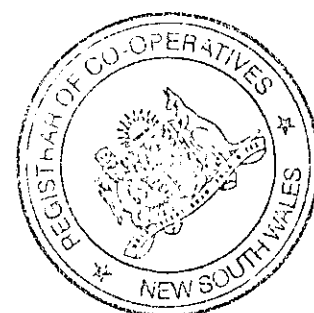
Barham is located in an agricultural central location that is in close proximity to Sydney and Melbourne freight routes, and has identified a number of stock to fill the required throughput of the unit to make it viable. Challenges could include freight and logistics, positioning of an abattoir in such a flood prone location as well as continued management of stock throughput to ensure the abattoir is feasible.

A cooperative structure has been chosen to set up the group and they expect to apply for funding through the Growing Local Economies fund with the NSW State Government.

Regional Overview

The location of this abattoir would lie in the westernmost section of Riverina of New South Wales (NSW) comprising a substantial portion of the regions more than 9,704,469 hectares. Barham is bordered by the Murray River to the South, as well as the town Koondrook in Northern Victoria. Barham is almost entirely encircled by the waterways of overarching Murray River and Murrumbidgee River valleys and is essentially equidistant between the towns of Swan Hill (to the northeast) and Echuca Moama (to the southwest) along the Murray River. Barham is characterized. While the areas surrounding Barham are typically drier than the eastern sections of NSW – 200-500mm vs. 500-800mm of annual rainfall. However, this relative lack of rainfall in the agricultural sector is offset by a utilization of the surrounding waterways and groundwater through more irrigated agricultural practices. That aside, the vast majority of the surrounding hectares is dominated by raising both dairy, beef, and sheep animal raising.

In general, Barham is part of the larger Riverina alluvial plain, flattening and decreasing in elevation moving from West. Barham consists of the sedimentary basins of the Murray River, with increasingly more saline clays on the less frequently flooded areas of the floodplain. These geological formations are largely uniform to the rest of Western NSW, which is dominated new sedimentary rocks from the late Cainozoic time period. Furthermore, the red-brown and grey clays in the region are largely responsible for supporting the grassland and grazing communities of the broader Barham.



Industry Overview

Farming Practices

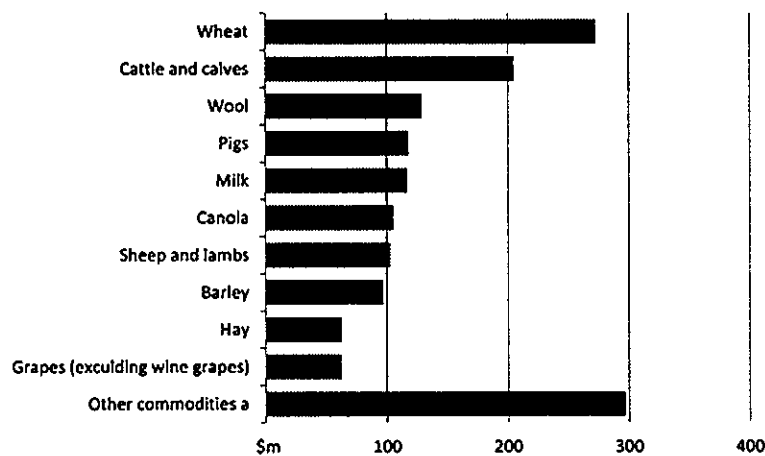
Historical Overview

The history of agriculture in Barham dates back to the mid-19th century and expanded rapidly following the Victorian gold rush where individuals started to raise cattle and sheep along the Murray River. Obviously, these practices have developed immensely over the past 150 years – with agriculture worth over \$1 billion across the Barham region by the beginning of the 21st century. In 2015-16 the Murray region accounted for 12% of the total gross value of agricultural production in New South Wales.

Current Farming Practices

The farming practices within Barham are diversified across sectors and size of livestock producers, which are largely dependent on factors such as geographic location, water, and access to appropriately sized markets in the Victoria and NSW.

Value of agricultural production, Murray region, 2015-16



Note: The graph shows only data published by the ABS. Some values were not published by the ABS to ensure confidentiality. The "Other commodities" category includes the total value of commodities not published as well as those with small values.

Source: Australian Bureau of Statistics, cat. no. 7503.0, Value of agricultural commodities produced, Australia 2017

And while Barham does possess a diverse offering of livestock production, the overall agricultural industry is dominated by the grain growing industry, then the raising and production of cattle and sheep/lamb. A number of the livestock farms are currently operating on modified pastures across the relatively dry river plains. Due to the vicinity of grain producing mixed agricultural farming operations, feedlot and grain fed animal production is popular. Cattle production encompasses over 15% of the total income for the region, with sheep/lamb production and dairy production encompassing an additional 15-17%.



Number of farms, by industry classification, Murray region, 2014-15

Industry classification	Murray region		New South Wales	
	Number of farms	% of Region	Number of farms	Contribution of region to state total %
Grain Growing	779	28.9	4,454	17.5
Beef Cattle Farming (Specialised)	391	14.5	13,059	3.0
Grain-Sheep or Grain-Beef Cattle Farming	340	12.6	2,826	12.0
Sheep Farming (Specialised)	265	9.9	3,397	7.8
Grape Growing	235	8.7	756	31.0
Rice Growing	167	6.2	365	45.7
Dairy Cattle Farming	116	4.3	1,121	10.3
Sheep-Beef Cattle Farming	109	4.1	3,053	3.6
Citrus Fruit Growing	80	3.0	425	18.8
Other	210	7.8	5,997	3.5
Total agriculture	2,692	100	35,453	7.6

Note: Estimated value of agricultural operations \$5,000 or more. Industries that constitute less than 1 per cent of the region's industry are not shown
Source: Australian Bureau of Statistics 2016

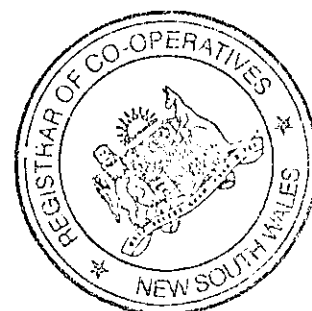
Across Australia and the world small, locally sourced agricultural products and sustainable farming practices are increasingly demanded from consumers. However, relatively few of the more than 150 farms offering meat products have access to closer, affordable abattoirs.

Farm cash incomes are currently below the Australian national average and the region produces a relatively small percentage of NSW's total livestock. Overall, the region accounts for 13-15% of NSW's total agricultural production.

The relative development of the Barham region's livestock production capabilities and gross number of livestock will provide the foundation for the utilization of the new abattoir in the region. Unfortunately, the gross number of livestock specific to just Barham and outlying areas is rather difficult to ascertain. Due to the current distance of competing abattoirs to the community, this report takes a more regional approach to the gross livestock numbers in an attempt to define a broader market for the utilization of this new abattoir. The number of cattle across North Central Victoria and the Murray River are numbers that are easier to collect. Accounting for overlap between these two areas, there are more than 550,000 heads of cattle in the broader region. Furthermore, there are estimated to be around 7 million sheep and lamb. However, Barham has seen a dramatic drop in the number of abattoirs operating in within 100-150km of the town.

Meat Processing Overview

Before assessing the potential markets and demands for the meat processed through a new abattoir, it is important to outline the current dynamics of livestock production in the region and its effect on the market demand opportunities for a new abattoir. The largest of these factors is the relative scarcity of abattoirs in the region whatsoever and the rising cost of livestock processing to small and medium sized producers.





In the past 6 weeks the local pig processing abattoir closed (Riverside Meats) forcing pork producing farmers to now travel over 3 hours each way to have their pigs processed. The issue with this is the entire new process that is required to be set up with a new supplier as well as the entire complication of logistics. Unfortunately, in the case of the Benalla abattoir, which has now taken on most of the animals that were previously slaughtered at Riverside (now closed), their location offers less available chilled transport available due to their location. This has caused great stress and complication for the pork producers of the region, who are now looking to purchase a truck to share the travel back and forth from the abattoir, so the growers don't have to spend 2 whole days of their week travelling to deliver their live animals and then return to pick up the carcasses.

The demand and market size available to the abattoir will be robust. The new abattoir will strengthen demand from two primary markets: 1. Barham and Murray River consumers seeking high-quality, local, and affordable meat products 3. Interstate and Intrastate, Australian Demand (Victoria and NSW). There will be both trade and consumers who will benefit from a small scale abattoir in this region. Several of the producers interviewed already have markets in Sydney and Melbourne while others have online direct business and farmers markets to deliver to.

The backbone of this increased demand will be an ever-growing client niche which seeks more sustainable, higher-quality products. These are individuals that are increasingly concerned with quality, provenance, environmental sustainability and ethical production practices. A new abattoir will allow producers to be more mobile and responsive to both pricing and preference changes and generate more autonomy in their supply-chain management. Beyond growth in the premium sector of the market, this abattoir will facilitate the expansion of affordable and quality meat products to the local Barham, Southwest NSW, and North Central Victoria markets.

Barham and Murray River Consumers Seeking High-Quality, Affordable Meat Products

The utilization of a micro abattoir will help to bring down costs for local producers, which will in turn pass along those savings to local customers and increase demand. By decreasing the costs across all steps of the value-chain, while simultaneously increasing the quality, livestock farmers and meat producers can expect an increase in farmgate profit and a decrease of labour hours used for logistics management of live stock and chilled carcasses as well as higher quality meat processing product and full traceability of the animals that are dropped off.



Interstate and Intrastate, Australian Demand

Barham livestock producers are in a unique position to capitalize on the high-value, clean, and sustainable niche left open in the marketplace by the scarcity of affordable abattoir kill space. A 2016 consumer research survey found that 70% of Australians give preference to locally made and grown goods when making purchasing decisions, and consumers are increasingly demanding high-quality products grown to Australia's high standards. The increased production of high-quality meat products through the utilization of this abattoir would help to fill a welcomed and much needed niche in the market.

Regulation and Planning Constraints

All NSW abattoir applications must be tested and adhere to the NSW Environmental Planning and Assessment Regulation 2000, as a Schedule 3, Designated Development as part of their state based regulation for all meat processing facilities.

These developments must sit in the Rural Zone. Because they are relevant to animal production, they will easily reside in the Rural Zones 1.

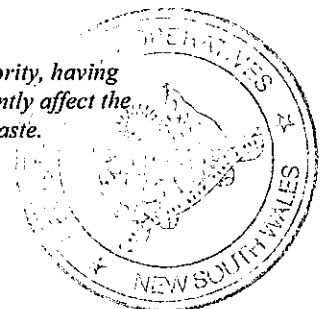
The relevant animal processing designated development wording is listed below for this Statewide NSW Regulation and provides some rudimentary guidance for the positioning of an animal processing facility.

Environmental Planning and Assessment Regulation 2000, as a Schedule 3, Designated Development

22 Livestock processing industries

Livestock processing industries (being industries for the commercial production of products derived from the slaughter of animals or the processing of skins or wool of animals):

- (a) *that slaughter animals (including poultry) with an intended processing capacity of more than 3,000 kilograms live weight per day, or*
- (b) *that manufacture products derived from the slaughter of animals, including:*
 - (i) *tanneries or fellmongeries, or*
 - (ii) *rendering or fat extraction plants with an intended production capacity of more than 200 tonnes per year of tallow, fat or their derivatives or proteinaceous matter, or*
 - (iii) *plants with an intended production capacity of more than 5,000 tonnes per year of products (including hides, adhesives, pet feed, gelatine, fertiliser or meat products), or*
- (c) *that scour, top, carbonise or otherwise process greasy wool or fleeces with an intended production capacity of more than 200 tonnes per year, or*
- (d) *that are located:*
 - (i) *within 100 metres of a natural waterbody or wetland, or*
 - (ii) *in an area of high watertable or highly permeable soils or acid sulphate, sodic or saline soils, or*
 - (iii) *on land that slopes at more than 6 degrees to the horizontal, or*
 - (iv) *within a drinking water catchment, or*
 - (v) *on a floodplain, or*
 - (vi) *within 5 kilometres of a residential zone and, in the opinion of the consent authority, having regard to topography and local meteorological conditions, are likely to significantly affect the amenity of the neighbourhood by reason of noise, odour, dust, lights, traffic or waste.*



The objectives of the Wakool Development Control Plan for the animal processing industry (a designated development project) in RU1 of their region is as follows:

A.2.6 DESIGNATED DEVELOPMENT „

Designated development' is a form of „Local Development“ and refers to developments which are high-impact developments (e.g. likely to generate pollution), or which are located in or near an environmentally sensitive area (e.g. a wetland). For example, designated development includes heavy industry with the potential to pollute, intensive livestock industries, extractive industries, mining operations, marinas, and aircraft facilities.

This type of development requires a greater level of rigour and you must provide an Environmental Impact Statement with a development application for designated development.

There are two ways a development can be categorized as „designated development“: The class of development can be listed in Schedule 3 of the Environmental Planning & Assessment Regulation 2000 as being designated development; or WLEP2012 or a State Environmental Planning Policy can declare certain types of development to be designated.

If a development application is categorized as designated development, the application: must be accompanied by an Environmental Impact Statement ('EIS') (Appendix 1); will require public notification; and can be the subject of a merits appeal to the Land and Environment Court by objectors.

Wakool Development Control Plan

It is recommended that a full Environmental Impact statement is performed for this region due to the location being so close to a flood plain area which then implicates concern about waste management and waste water. Involvement with the EPA with this application would be recommended due to this, and to ensure plans are carried out from the beginning with the EPA and keeping in mind, the effluent, bio-digesting and fermenting of the majority of the waste.

For further information on either of these plans, they are found at the following public sites

Barham Development Control Plan

<https://www.wakool.nsw.gov.au/sites/wakool/files/public/images/documents/wakool/Planning/WSC%20DCP%202013-%20last%20updated%20April%202015.pdf>

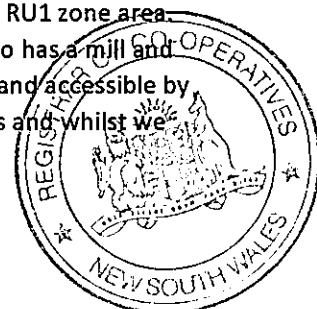
NSW Designated Development Act

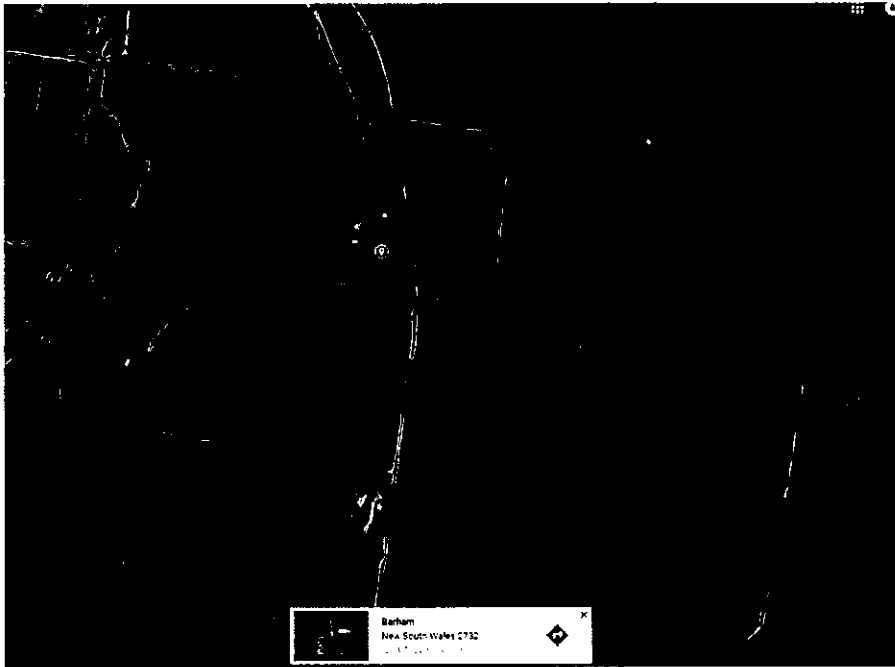
<https://www.legislation.nsw.gov.au/#/view/regulation/2000/557/sch3>

Suitability of proposed sites

Proposed Location

The proposed location for the abattoir is approximately 8km South East of Barham, on East Barham Road. This location is approximately 8km from Barham township and is zoned in the RU1 zone area. The land is currently part of Todd O'Brien's property, which is a piece of land that also has a mill and wood storage yard on it approximately 1km away, on the other side of the property and accessible by another road. The local area (within 5 km radius) has several houses within 1-2km's and whilst we have collected soil samples, they have not yet been returned from the laboratory.





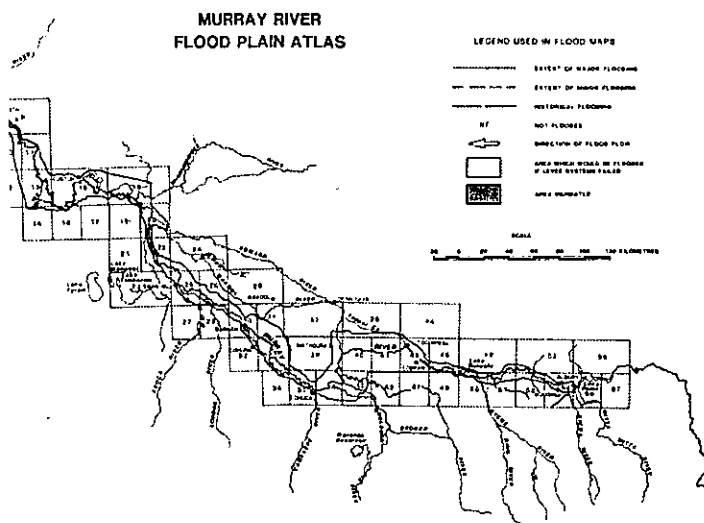
From maps.goggle.com

[https://www.google.com.au/maps/place/Barham+NSW+2732/@-](https://www.google.com.au/maps/place/Barham+NSW+2732/@-35.6445473,144.1626594,7777m/data=!3m1!1e3!4m5!3m4!1s0x6ad95071da1cbed3:0x40609b49043c710!8m2!3d-35.6249666!4d144.1386071)

[35.6445473,144.1626594,7777m/data=!3m1!1e3!4m5!3m4!1s0x6ad95071da1cbed3:0x40609b49043c710!8m2!3d-35.6249666!4d144.1386071](https://www.google.com.au/maps/place/Barham+NSW+2732/@-35.6445473,144.1626594,7777m/data=!3m1!1e3!4m5!3m4!1s0x6ad95071da1cbed3:0x40609b49043c710!8m2!3d-35.6249666!4d144.1386071)

Barham is situated almost on the Murray River where levy banks protect the township from flooding, this includes the greater area of Barham, including the lot that is potentially going to house the proposed Barham Micro Abattoir. The location for the abattoir is not in the surveyed flood zone and offers a close situation to the infrastructure and logistics of the town. It does on a macro scale fall into the greater major flood zone.

After a meeting and discussions with Council, the below maps look at the location of the property by using mapping software available in the council offices.

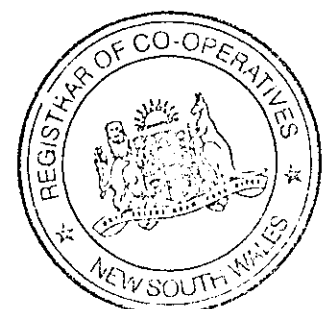
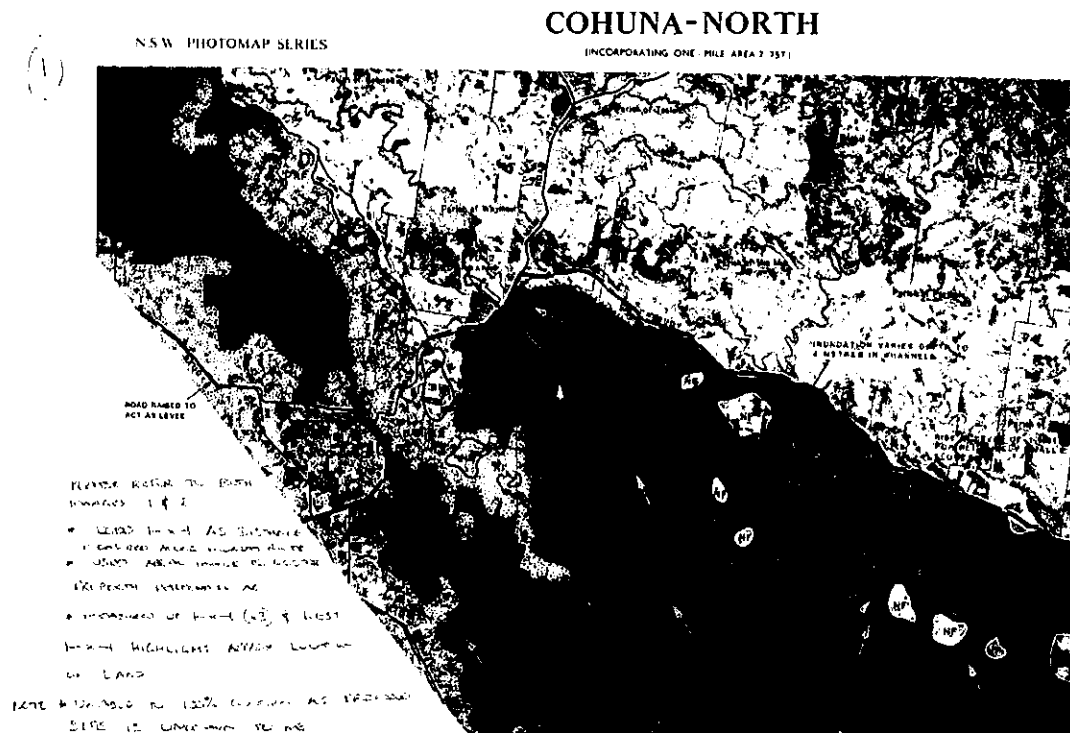


The council planning officer, assisted to locate the property on the maps. This shows the property is in a small area at the top of a major flooded section of the landscape that was not flooded in the major



flood events of 1957, 1974 and 1975. The strategically built levy banks, have been built to offer protection. Whilst this is good news, it still means the development falls outside the NSW guidelines where abattoir developments need to fall into a non-flood zone.

Images all supplied by Murray River/Wakool Council Planning department and include reference guides to understand mapping process.



2



Water

The location does not have any current suitable water infrastructure for potable water. There are sub surface irrigation channels for transporting water, however this is not suitable for water for use in an abattoir and could potentially bring air borne or run off contamination into the facility. It would be unlikely that the health authority would allow this type of water movement as an acceptable form for potable water – even if it was filtered on site. This is unable to be overcome with any work around options. All water used in an abattoir must be continually tested for potability.

The suggestion to pipe potable water has been discussed with Council. We have been unable to determine a cost to do this due to their Economic Development officer being replaced late 2017 and the new staff member not starting until 25th April 2018. We expect to have further information from Council prior to the end of May 2018 on this topic and have already had communications with the new Economic Development Officer.

Water in this region is affordable and readily available with the Murray River close by. Alternatively, the option to include this cost into the Growing Local Economies grant application could be optional and is the most likely outcome. To begin the project, and due to the time constraints for the farmers and the council, trucking potable water to static water tanks constructed on the property (again built through the Growing Local Economies grant) could be used as a temporary solution, until Council is able to offer this service. With many other businesses requiring House and Stock water along the road, the council is open to costing this service and looking at the benefits to others in the region.

Power

The property does have 3 phase power, and the group is open to looking at solar and wind for further power generation on site and to ensure costs of power use are as low as possible. There are some



small abattoir projects currently being delivered in developing countries where methane produced from the facility's waste is being used to power and heat elements in the unit as required.

Methane production in abattoirs has not yet developed very far, although there have been some private projects delivered in NSW in recent years that failed due to their size.

Roads and Logistics

The proposed location has strong infrastructure surrounding and is situated on a bitumen road. There are freight companies in the township that can offer chilled transport and freight. Most farmers expect they will deliver their own stock but

Soil

The soil is a riverbed clay loam and from discussing with local building companies, does not offer any rocky outcrops or difficulty with cement laying, earthworks or building as there is little sedimentary rock close to the surface. The location is on historical high river flood plains, and is made up of Fence Trail soil (high flood plain with minimal Gilgai), Rusty Gate (mid flood plain - Grey Clays) and minimum Bonum Sand hills (CSIRO soil study - <http://www.publish.csiro.au/sr/sr09195>). There has not been a flood event in recorded history that has had water to the necessary height to flood the proposed abattoir location according to our research. The soil is not highly permeable or acid sulphate, sodic or saline soils due to the inclusion of clay in its structure. Further testing of this would need to occur to satisfy the Development Application Process.

Communications

Broadband and mobile phone coverage are unavailable at the location. This infrastructure and development could be included in the Growing Local Economies grant application and would benefit not just the applicants, but all residents and business owners in the vicinity of the proposed abattoir location greatly, due to the very poor service of both internet and mobile coverage at the location. It would be required for the development to go ahead and to ensure the facility is data ready and able to be connected for real time data retrieval from the abattoir kill floor to the offices and clients.

Waste Management issues and Solutions

Waste Management for abattoirs is usually a concern however, with smaller facilities come more options. All abattoir waste needs to be accounted for. Based on the high floodplain location, and the sand/clay soil base, with little sedentary rock, it would be best to look for a raised platform abattoir style construction. This would provide further height and also ensure there would be no contaminants in danger of being released should a major flood event occur.

The most positive news is that the group of farmers we met with are very keen to explore sustainable and environmentally regenerative waste systems for further income generating activities. This could include folia sprays and bio fertiliser, a product that could be gassified using the local rice industry's husk product to assist with the production of a phosphorous product that soils often require for correct balance and soil health.

Fecal Waste

As the waste product from the live animals are completely encapsulated in the yards and the Fecal waste can be washed down each day through the storm water and drainage system, this can be collected in several ways:

1. Collected in IBC's or tanks and fermented with other abattoir waste to create biofertilizer using proven scientific methods



This is the groups most popular option so they can buy back fertiliser and reuse the waste from their animals.

2. Collected in a filtration system and filtered through reed beds and a system of stones to reuse water for outdoor use.

This would only be suitable for intermittent use, and trials would need to take place to then test the water after it had passed through the reedbed set up.

3. A reticulation system to treat the waste is installed.

Most large abattoirs install a very large waste treatment system for this. Unfortunately, due to the size of the land this would not be suitable.

4. An effluent pond is installed.

There is already a pre made dam at the location. This would require plastic lining and a pump system put in for operation. This could cause an odour problem however for the homes in the closer proximity of the abattoir.

Viscera and Paunch

The soft tissue of the animal that is considered waste includes but is not always limited to, stomach and stomach contents, lungs, heart, trachea, intestines and bowel. Many of these products can be reused for sausages or in offal products, but the sales demand for them does not ever outstrip supply. Viscera is considered the solid soft tissue that is not saleable meat. This is often spoken or described as "the offals" in the industry. The Paunch is considered the liquid contents of stomachs and bowels. The paunch consists of many microbes due to the anatomy of a ruminant's stomach.

Both of these items can be used in a biofertilizer/soil conditioner product which is fermented for pathogen destruction and to therefore overcome any health or regulatory issues.

Waste can be collected in IBC's daily, fermented and then set aside in a controlled environment for approximately 30 days. This could be a bio-digester off the shelf or perhaps a hybrid of a bio-digester and a IBC (readily available in the region due to the spray use by grain farmers close by) depending on the volumes of waste expected. A waste specialist in this space is available through Australian Micro Abattoirs.

Further study is required to calculate the size of the bio-digester or bank of bio-digesters and this would depend on the overall animal species throughput, with cattle and sheep providing more waste than pigs and poultry offering different waste again. An integrated waste management plan would need to be specialised to the location and species being slaughtered.

Bio-digestors also produce methane. It's still in its infancy, however, the studies that are being shown from developing countries where this process is currently being used, demonstrates that gas stoves can be run in a household, or the methane production could also heat water – something that abattoirs require a lot of.

Bones and solids

Solid materials are best managed by trucking offsite, composting in a long term compost pit or, by releasing the phosphorous and calcium through Gasification/Biochar. With the rice industry close by, it would be highly viable to work with the rice processors to access quality husk and turn this into phosphito or bio char, a form of mineral fertiliser that can be easily created from a store of bones and meat meal. This process turns the bones into a powder by raising the temperature to a very very high temperature (650 – 850 °C) which removes any pathogen from its product, and then in return turns into a powder that can be spread on properties to increase levels of Calcium, Phosphorous and hydrogen in some cases that could be then reused in the abattoir to heat water in the same way as methane production from the Bio-Digester.



Further development of a waste management plan for the abattoir application for council approval is required to ensure these options are warranted in the region.

The least environmentally risky option for most abattoir projects is to have the waste trucked away, or sent to compost. We have not explored these options as the group was adamant that a sustainable and on site waste solution was their preferred option.

Waste water

Waste water can easily be used in the bio-fertiliser preparation.

Otherwise, it is expected that it can be used for agricultural pursuits as long as it is not deposited on any land where animals will graze for several months. We would recommend this is only done on a tree lot or forested area, or an area that does not run animals for a good period of time during the year to ensure time allows for proper breakdown of the necessary blood and waste water. The area may lend itself to several locations where this could happen due to the large number of forest plantations and cropping opportunities in the district.

Potential Operational and Ownership Models

The Barham Micro Abattoir group has identified the preferred option of a cooperative to create a mutually owned and operated business for the benefit of their group.

A cooperative is a business of organisation owned and controlled by its members who can be customers, staff, suppliers, local residents or a combination of these stakeholders.

Cooperatives in Australia, A Manual 2nd Edition

Members have an equal say in how the cooperative is run.

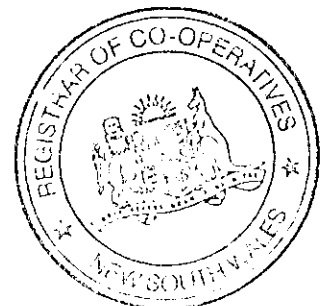
Members choose what to do with profits, whether distributing among members, reinvesting in the business or giving to the community.

Principles that Cooperatives can offer include

1. Voluntary and open membership
2. Democratic Member control
3. Member economic Participation
4. Autonomy and independence
5. Education, training and information
6. Cooperation among cooperatives
7. Concern for community

Other shareholding business structures could be looked at, specifically for this group and those options might include:

1. Companies with shareholders (eg Pty Ltd)
Profit driven. Simple decision making process according to what will make the company more profit.
2. Associations (eg inc)
3. Partnerships



4. Public Company (ltd by guarantee with members (not for profit))

Cooperatives are difficult to form which is why they are seen in smaller numbers throughout Australia's economic landscape. This is usually a result of the difficult for a group of people on the constitution and rules of the group to agree fully around the entire group. However, there is a solidarity for members who are working together in a similar situation where they share a common goal and share the principle of cooperation. The democratic control lends itself to ensure a cooperative business model is less exposed to take over bids by profit seekers from an outside source. This is a mutually benefitting structure that has a history of working well in an agricultural context.

Staff and Management

The staff and management have been included in the outline for the Financial modelling of the project. Farmers in general are very time poor. Those farmers who have identified that they are interested in becoming a member of the Barham Micro Abattoir Co-operative are highly time poor due to the issues they are experiencing logistically with their current abattoir arrangements.

The abattoir that has been costed in the Profit and loss model, suggests it would require a full time equivalent (FTE) Certified Cert 3 or 4 Meat Hygiene professional, a one FTE Apprentice Meat Hygiene professional and 0.3 FTE Butcher. The administration staff required that have been costed in the attached Profit and Loss include 0.5FTE Manager and 0.3FTE Scheduling/bookkeeper.

Marketing and Accounting have also been accounted for in the overhead costs to take care of the start up of the business, assistance with branding, logo development and any communications requirements required for amicable introduction into the community and industry.

It would be strongly advised that shareholders are not employees of the abattoir to ensure there are no conflicts of interest, however, a management committee would be required to ensure the abattoir business continued to have a strong and strategic direction as well as decision making in a democratic manner. Management committees are usually made up of members who have suitable skills and experience, and who have the passion to see the business continue successfully.

Due to the number of abattoirs closing in the region, it is expected that the skilled labour required to come on board as part of the team is unlikely to cause a problem.

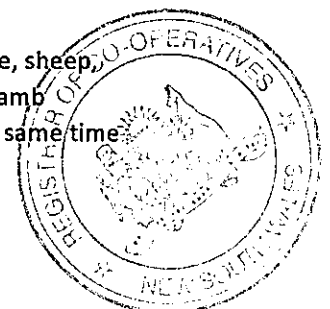
Data Analysis and Return on Investment

The producers who are part of the Barham Micro Abattoir Group already make up enough throughput to make the abattoir viable and feasible.

The cooperative alone provides the following numbers of animals

	Cattle	Goats	Lambs	Other	Pigs Large	Pigs Small	Poultry
Totals	94	100	670	0	111	3640	16110

We have tested some numbers against the cost of a large stock abattoir for all species (cattle, sheep, pigs and goats) which we have assumed will cost approximately \$650,000. The goats and lamb numbers have been collated into just lambs as they cost the same to slaughter and take the same time.



to process. The poultry is mostly formed from Olsen Game Birds, who process approximately 16000 large game birds per year over just 4 months of the year.

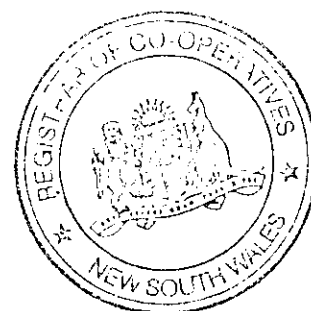
Capital and operating Costs

The assumptions used in the below data modelled profit and loss over 5 years have used the numbers directly provided by the group. We have not included the cost of an associated chicken abattoir on the site at this stage as there is very little data showing the cost of this available. This further facility can share many elements of the large stock multi species abattoir but the stock must be slaughtered separately. We estimate the cost of this unit to be approximately \$150,000 for a fully operational small scale chicken abattoir.

We have assumed the group will raise the money to build the facility and purchase the land by applying for the Growing Local Economies grant. Its expected that due to this, the return on the investment will provide the farmers with an instant ability to over come their slaughter and freight/logistical issues as well as start to make money. Each member will then be able to afford to become a member of the cooperative without having the added pressure of running the abattoir. A number of staff have been included based on the throughput of the facility and the start up systems design in administration and scheduling.

There is no allowance in this report for selling on of biofertilizer or phosphito/biochar, nor is there the cost of a biochar machine which could cost up to \$300,000. Another much smaller and more humble option could be found through Langley Farm. They have phosphito cones available for approximately \$2500. A large biochar unit could be well utilised by other food waste in the region, especially since there is a large number of grain growers, and a high demand by agricultural this group for this type of fertiliser.

Out of 1495 hours available in the abattoir each year (42 weeks production) there is still 277 hours available for further billable activity. This suggests the abattoir could be viable and break even with less stock available from the group, but would be relying heavily on Murphy's Creek Pork and Bundarra Berkshires to ensure the throughput is strong and the continued stock availability is there. Its expected that some other farmers are likely to get involved once the facility starts working. These could include producers driving further to take advantage of the high levels of humane and ethical welfare that's expected in a small scale abattoir, or they may be close by but aren't yet aware of the project.



Australian Micro Abattoirs

Profit and Loss Forecast - Summary

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue					
Contract Kill Only	257,504	319,500	319,500	319,500	319,500
Contract Kill and Cut	239,570	239,570	239,570	239,570	239,570
Carcasses Sold (inc. price premium)	-	-	-	-	-
Boxed Product (Branded Meat)	-	-	-	-	-
Skin Sales	5,730	6,000	6,000	7,250	7,250
Waste sales	-	-	-	-	-
	502,804	565,070	565,070	566,320	566,320
Cost of sales					
Stock purchases	-	-	-	-	-
Direct labour cost	(123,448)	(124,220)	(124,220)	(125,574)	(125,574)
Refrigerated Freight to Trade	-	-	-	-	-
Ancillary supplies	(4,615)	(4,700)	(4,700)	(4,850)	(4,850)
Utilities	(40,952)	(41,666)	(41,666)	(43,663)	(43,663)
	(169,014)	(170,586)	(170,586)	(174,087)	(174,087)
Gross profit	333,790	394,484	394,484	392,233	392,233
<i>Gross profit %</i>	<i>66.4%</i>	<i>69.8%</i>	<i>69.8%</i>	<i>69.3%</i>	<i>69.3%</i>
Overheads					
Salaries - Admin and Marketing	(51,324)	(51,324)	(51,324)	(51,324)	(51,324)
General administration and marketing	(16,900)	(16,900)	(16,900)	(16,900)	(16,900)
Property costs	-	-	-	-	-
Repairs and Maintenance	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)
Initial start up costs (Year 1 only)	(10,000)	-	-	-	-
Grower levies	-	-	-	-	-
Slaughter levies	-	-	-	-	-
	(90,224)	(80,224)	(80,224)	(80,224)	(80,224)
EBITDA	243,566	314,260	314,260	312,009	312,009
<i>EBITDA %</i>	<i>48.4%</i>	<i>55.6%</i>	<i>55.6%</i>	<i>55.1%</i>	<i>55.1%</i>
Depreciation	(60,667)	(60,667)	(60,667)	(60,667)	(60,667)
Interest	-	-	-	-	-
Profit before tax	182,899	253,594	253,594	251,342	251,342
Income tax	(54,870)	(76,078)	(76,078)	(75,403)	(75,403)
Profit after tax	128,029	177,516	177,516	175,940	175,940



Possible funding sources

Standard abattoirs nowadays cost upward of \$10million to construct and plan. Most feasibility studies are contracted to large engineering and services firms for more than \$250,000. This makes it completely out of reach for the regular farmer, or even a very wealthy farmer.

Small stock units with Australian Micro Abattoirs cost approximately \$350k and large stock units cost approximately \$650k. With full feasibility studies performed by this firm for approximately \$25 – 30k, and other services available for grant writing and regulatory application management, the costs of a small stock abattoir are becoming more available. According to Australian Micro Abattoirs, this price includes all requirements to function as an abattoir including equipment and yards all to Australian Standards and regulation.

Recommendations for capital raising and investment opportunities in NSW centralise around NSW State Government Grants which offer over \$1million for grants in regional communities to grow regional centres. This offers no end to a good solution with the opportunity to install a fully multi species unit with extra chill space, butchery and packing area for the region including red meat, pork and game as well as poultry. By building all the facilities together its envisaged that economies of scale will allow the overall cost to be more viable so there is a single boning room, and packing room and chill space and only one piece of land – the process and buildings don't need to be reinvented.

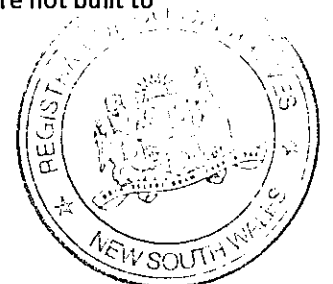
One positive about the Australian Micro Abattoirs solution is that because it can be unbolted at the end of its life and repurposed, the unit can be sold on. This means an equipment lease or chattel mortgage would be suitable with regard to financing. With only small investment from growers into the Cooperative to show membership fees and commitment, financing these abattoirs could be done very similarly to another large piece of equipment. Many Rural Banks are happy to look at this favourably.

Crowd Funding can also offer potential for a community to build an abattoir and access funding from outside the region to assist. There has been a great deal of interest from many over the past 5 years to make this type of community funding a success using online platforms such as gofundme and pozible. These also offer farmers ways to offer product back for funds offered. Hamper packs and experiences on the farm have been well taken up as fund offerings, as well as salami classes and lunches and it builds a community outside of the facility who feels a sense of ownership in the project. Often these people can be invited to be involved further, should they offer skills that the region does not have but require for the success of the project. These people are often invested and feel a sense of belonging to a group which offers good support to farmers embarking on this journey.

Private equity and angel investors can also be included in the mix of capital raising at, as well as venture capitalists who may see the opportunity to become Agricultural entrepreneurs in the meat processing industry. With the agtech offering now becoming more developed in Australia, this is a real opportunity for any group of farmers to explore.

Recommendations

There are no specific small engineering or abattoir building firms in Australia except for Australian Micro Abattoirs. This business is out of South Australia and offers small scale modular abattoir for this very project. There are international manufacturers of similar facilities, but these are not built to Australian Standard or regulation.



A purpose built shed and facility could be built from scratch but could cause a problem with regard to construction on the proposed site, which may create further complications around waste treatment and plumbing of the facility.

Council and state development need to be in approval of the project's fundamental principles and objectives to ensure a successful pathway through regulation without too much interference from the relevant bodies who both inspect, audit and regulate.

Time Scale

After successful council and state approval, the construction time is variable depending on construction availability, infrastructure build and power availability from 3 months for modular type solutions, to 12 months for static shed developments.

With a project manager focussed on the project this time will be minimised, however, if it is left up to volunteers, it may cause fundamental burn out in early days trying to get the entire group together and sign off on the cooperative.

Cooperative set up can be done in a very short period of time, but the group must be motivated to have it happen and be driven to finalise this quickly and succinctly.

Organisational Capability to deliver the project outcomes

All volunteer led groups develop burn out quickly due to the difficulty it is to get a number of busy people in a room all together at the same time. Then to drive the project and associated partners together to make decisions and continue progression.

This group is in such a pressure situation now, with so little number of abattoirs in their 2 hour radius that should a group go ahead, there would need to be clear role clarification between the management committee of the cooperative, and the working staff. This is particularly important in the lead up to the abattoir build.

It is strongly recommended that a professional business or service provider is brought on to drive the project and the cost of this person is factored into the grant submission. There is only several in Australia who have experience in delivering a small scale project such as this, and most work in their own abattoirs already. Australian Micro Abattoirs offer this service as part of their delivery and installation and it would be suggested that further work could be carried out with that company moving forward to outsource the cooperative set up, development application, feasibility installation, strategy for the business to grow and operate as well as assistance on their management board etc.

Most other abattoir construction engineering companies provide project management throughout the project to allow for experience and smooth delivery in the region and on site. This is imperative to allow farmers to get on with farming and the delivery/install to progress without any distractions and means that the project will be sufficiently delivered to an auditable standard in a timely manner.

Should crowdfunding or investment occur from external parties, it is imperative that the project is run professionally by someone with experience and understanding and ability in the sector.

Importantly, it should be noted, that this feasibility study has not gone to the lengths required to cover the needs of an EPA application, Council Development Assessment Panel application or the suggested grant application and further work should be conducted to ensure this project is ready for those processes and the next steps to deliver the facility.



Conclusion

After visiting this region, it is imperative that this project is considered and developed further with more research and work and the assistance of the relevant authorities who can assist in the process. The group of farmers who run businesses that have been jeopardised due to the lack of abattoirs in the region amounts to approximately 10. This number could grow, but many are not opening or expanding their businesses because of the lack of abattoirs in the region and the difficulty that is presented to use current logistics and businesses well outside the 1 hour radius of the greater Barham region.

Whilst the financial modelling concludes that this project is feasible, there are still several elements of the project that require more thought and research to ensure the project can withstand the strict elements of the EPA, Council and NSW Food and Health Authority. Its expected that with the offer of Grant funding from the NSW Government's Growing Local Economies fund, this project will come together for the greater good of the Barham, North Central Victoria and NSW Riverina regions.

The importance to provide stability in stock numbers is required to ensure continued throughput and viability. The cooperative model will lend itself toward this and its expected that as information about the abattoir is released locally, this abattoir will continue to see extended interest. The data set that has been looked at still has time available for further contract killing.

The project is extremely important to the regions farmers and due to that, the minor issues that still need to be overcome will happen with both time and further research. There is little likelihood this project won't go ahead, unless the farmers decide to close their business prior to this project being delivered.

References

NSW Department of Cabinet, Regional Growth

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MLA

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CSIRO

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SixMaps

www.maps.six.nsw.gov.au

Australian Abattoirs

www.australianabattoirs.com.au

Australian Meat processing corporation

<https://www.ampc.com.au/uploads/cgblog/id123/A.ENV-0138-Water-saving-in-the-routine-cleaning-of-carcase-chillers.pdf>



Abares

<http://www.agriculture.gov.au/abares/research-topics/aboutmyregion/nsw-murray#agricultural-sector>

Longley Organic Farm Biochar Cone Kiln costings

<https://www.activevista.com.au/product/biochar-cone-kiln-truncated/>

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MURRAY RIVER MEAT CO-OPERATIVE LTD

CAPITAL BUDGET

Inflows

Initial Capital	Issued Shares	(39 x \$500)	19,500
	Joining Fees	(39 x \$100)	3,900
			<hr/>
			<u>23,400</u>

Outflows

Establishment and Formation Costs	5,000
Administration Costs	2,000
Funding Submission & Business Development	16,400
	<hr/>
	<u>23,400</u>

The initial capital raised is to fund the Co-operative establishment and the funding submissions.



7. WARNINGS AND DISCLAIMERS

Each prospective member is advised to make any investigations (including the obtaining of professional advice) which that person believes to be necessary to satisfy himself or herself about the contents of this documentation or the decision of whether or not to join the proposed co-operative.

This disclosure statement has been approved by the Registrar of Co-operatives for the purpose of forming a co-operative. This approval is not to be taken in any way as an indication that the disclosure statement sets out all information that may be relevant to the proposal.

Approval does not relate in any way to the merits or otherwise of the co-operative's proposed activities. No responsibility as to the contents of the disclosure statement and attachments and annexures that form part of this document and the associated Rules which all collectively make up the formation documentation is to be taken by the Registrar, or by any of its servants or agents.

The responsibility for ensuring that the Law has been complied with in relation to the preparation of the disclosure statement lies with those issuing the statement. Persons making false or misleading statements in a disclosure statement may be liable for criminal penalties and expose themselves to civil liability to anyone who suffers loss as a consequence.



CERTIFICATION:

We the undersigned, certify that this is a copy of the disclosure statement which was presented to the formation meeting on ___/___/_____ for the purpose of forming a co-operative to be known as:

Name of co-operative

Chairperson of formation meeting
(Name and Signature)

Secretary of formation meeting
(Name and Signature)



8. APPLICATION FOR MEMBERSHIP AND SHARES FORM

Murray Plains Meat Co-operative Ltd

Membership application fee: \$100

Annual subscription: \$N/A.

Applicant Name:
[1]

Address:
.....

Contact details:

Phone: Email: [2]

I consent to the use of the above email address as the address for services of notices about your co-operative? YES/NO

I/We hereby apply for membership of the co-operative.

I/We have read the Disclosure Statement and the Rules of the co-operative and agree to be bound by the Rules.

I/We apply to purchase shares in the co-operative at per share.

I enclose payment of \$..... being the application fee and any subscription payable under the rules along with \$..... being payment for the allotment of the minimum number of member shares in the co-operative.

Signed: Date:

OFFICE USE:

Member payment:

Application fee \$..... Y/N
Annual subscription \$..... Y/N/No subscription
Share capital \$..... Y/N
TOTAL \$..... Receipt issued? Y/N

Application considered by board: Admitted/not admitted Date:

Member registered?..... Shares allotted?..... Shares numbered to

[1]If the applicant is a corporation insert corporation name and either ACN or ABN. If the application is made jointly, then insert both or all names.
[2]If the applicant is a corporation please also insert relevant contact person's name and position.

