

# FOOD PRODUCT MANUFACTURING PROFILE 2016



TOOWOOMBA  
REGION



## Important manufacturing sector

Food Product Manufacturing makes a major contribution to the Toowoomba Region economy, adding significant value to the agriculture industry turning raw ingredients into a range of value added products. In 2015, the value of Food Product Manufacturing production was \$268 million and accounted for 41% of the total manufacturing industry (value add) in the Toowoomba Region.

**% of total manufacturing industry value added,  
Toowoomba Region, 2015**



## Adding value to agricultural producers

The Toowoomba Region's Food Product Manufacturing industry benefits from being located in one of Australia's most productive food regions. In 2015, the Toowoomba Region was one of the highest gross value areas of agricultural production in Australia. Agriculture in Toowoomba contributes almost 12% of Queensland's Agriculture value add. The area produces a wide range

of agriculture products including grain, beef, poultry, eggs, fruits and vegetables.

This direct access to food producers has enabled the Food Product Manufacturing industry to gain a competitive edge in the supply chain and develop specialisations. In the Toowoomba Region, around 3.3% of value add is within the Food Product Manufacturing Industry, well above the Queensland benchmark of 1.7%.

## Diverse range of products

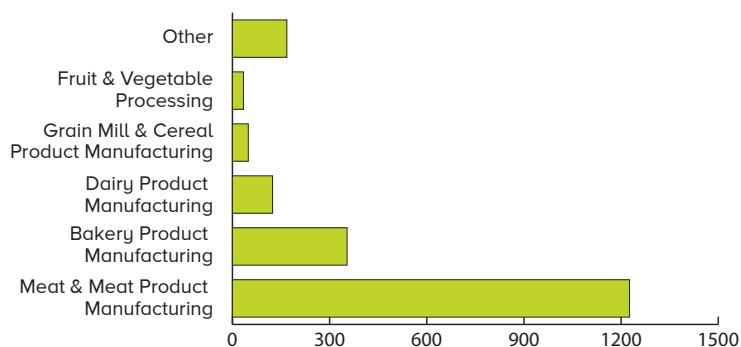
Key Food Product Manufacturing activities in Toowoomba Region include meat, bakery, dairy product, and grain mill and cereal product manufacturing. There are a number of major players in the area. In meat product manufacturing, there is JBS Beef City and NH Foods' owned Oakey Abattoir. In April 2016, the State Government announced funding of \$2.5m for the upgrade of rail facilities through to Western Queensland. This will help facilitate rail cattle movements between South West Queensland to Oakey. This includes siding upgrades which will potentially allow Oakey Beef Exports to undertake a major plant expansion, substantially increasing the abattoirs output.

In dairy production, Toowoomba has two ice-cream production facilities: Pixie/Home Ice Cream and Weis Frozen Foods. Other major businesses in the area include: Stahmann Farms (pecans and macadamias); Quality Desserts; Mother Meg's (Australian fine foods); Story Fresh (grower and preparation of fresh-cut vegetables); and CJ Nutracon (beef stock).



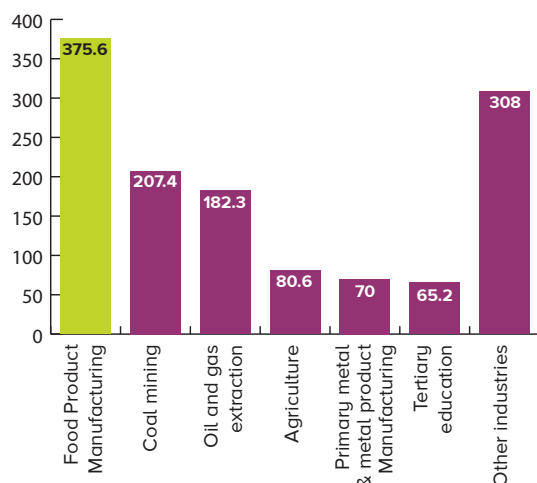


**Employment (Census) by food product manufacturing, Toowoomba Region, 2015**



Source: National Institute of Economic and Industry Research (NIEIR) ©2016. Compiled in economy.id by .id, the population experts

**International exports by selected industry, \$ million, Toowoomba Region, 2015**



Source: National Institute of Economic and Industry Research (NIEIR) ©2016. Compiled in economy.id by .id, the population experts

## Internationally focussed

Food Product Manufacturing is the largest international export sector in the Toowoomba Region (at the 2 digit ANZSIC level). In 2015, food product manufacturers in Toowoomba exported \$708m worth of goods. Over half of all exports were to international markets (53%). The Toowoomba Region is well placed to leverage off its strengths in food production and food processing to benefit from the shift in Australia's trade and export patterns towards Asia, in particular for the emerging middle class.

## Strong growth in productivity

Food Product Manufacturing currently employs 2,221 people, accounting for 3.1% of total employment, well above the Queensland benchmark of 1.9%. While employment levels have declined, primarily due to technological advances, worker productivity has increased significantly over the past 10 years, increasing by around 24%.

## Highly competitive infrastructure

Toowoomba's Food Product Manufacturing exports are supported by the emerging strength of the region's transport infrastructure including road, rail, air and port facilities. As a result, 85% of the Australian population can be reached within 24 hours via road transport. Toowoomba is just over one and a half hours drive to the Port of Brisbane, giving easy access to domestic and international markets.





Major infrastructure investment in and around Toowoomba will considerably improve the competitiveness of Toowoomba's Food Product Manufacturing industry and export potential.

- **Brisbane West Wellcamp Airport** – The \$200 million-plus Wellcamp Airport is jet-capable, available for regular passenger services, charter flights, fly-in-fly-out (FIFO) and airfreight services and will further embed Toowoomba Region's higher order economic function as a major regional city. The airport will open up new export markets for Toowoomba's Food Product Manufacturing industry. In November 2015, Cathay Pacific undertook a trial flight carrying 50 tonnes of produce to Hong Kong. This produce included frozen and chilled beef, nuts, mangoes, organic chicken, and lettuce. It is anticipated that regular flights will commence by the end of 2016.

- **Toowoomba Second Range Crossing (TSRC)** - The \$1.6 billion infrastructure project is a major city/region shaping project set to drive growth in the region's transport and logistics capabilities linking Brisbane, the Darling Downs and the Surat Basin on the road freight network. This will support the cost competitiveness of Toowoomba's Food Product Manufacturing industry.
- **Inland Rail Project** - The Inland Rail project will decrease the time it takes freight to travel between Toowoomba and Brisbane. This new/upgraded line will also provide improved access to Sydney and Melbourne. It will also increase the volume capacity of freight, with trains able to carry the equivalent of 108 B Doubles.

Connecting much of this infrastructure is InterLinkSQ – a 200 hectare intermodal terminal and industrial precinct located 13kms west of the CBD.







These infrastructure improvements will enhance the supply chain for the Food Product Manufacturing industry by increasing the competitiveness of its production, processing, and freight and distribution base. Brisbane Airport handles around 12% of Australia's international air freight, the third largest airport in Australia. Toowoomba has a great opportunity to meet some of this demand as well as respond to the significant opportunities presented by Asia's growth.

## Growth in higher-value production

Integration of new technologies and targeted export market campaigns will increase Toowoomba's ability to supply more higher-value food products. Initiatives that are supporting this include:

- AccessChina'16 – A trade mission to Shanghai focussing on export opportunities for Toowoomba businesses.
- AgInnovate Investment Forum – A forum which will showcase technologies from early-stage and mature

businesses which integrate components including genetics, engineering, software and smart machinery, and outline opportunities for innovation and investment.

- Food Leaders Australia – A collaborative partnership between growers, manufacturers and researchers to create a more efficient agriculture industry and generate new, value-added food products.

**Sources:** Economic and employment data - National Institute of Economic and Industry Research (NIEIR) ©2016  
ABS Census of Population and Housing 2011

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