



Department of
Primary Industries and
Regional Development

DEVELOPING PREMIUM VALUE-ADDED GRAIN PRODUCTS IN WA

Developing Premium Value-Added Grain Products in WA Initiative

Call for Expressions of Interest – Guidelines and Submission Requirements

INITIATIVE INTENT

Developing premium grain food and beverage products is an initiative to grow opportunities for WA grower groups to investigate supply chain partnerships that could add value to their grain members businesses through the development of premium food or beverage products.

The GGA is inviting expressions of interest from individual consortia of grower groups, entrepreneurs and supply chain partnerships that want to investigate business cases aimed at pursuing ideas for value-adding grain in WA.

BACKGROUND

The Department of Primary Industries and Regional Development (DPIRD) Food Industry Innovation (FII) project has partnered with the Grower Group Alliance (GGA), hosted by the Grain Industry Association of Western Australia (GIWA) to help grower groups and their members investigate the opportunities for premium grain food or beverage products in WA.

The purpose of this initiative is to identify tertiary value-add opportunities for consumer facing products in areas where WA has a comparative advantage within the grains industry. This opportunity is specifically for GGA grower group members to investigate areas that may shift some of the value created within the WA grains sector to higher value consumer products. For more information on the partnership, download the GGA's review of the potential opportunities for the WA grower group network at www.gga.org.au.

The FII and GGA partnership objective is to encourage growers groups and their members to investigate opportunities in the grains processing and value-adding space. It is designed for groups where members have expressed a desire to explore new value-added products or processing ideas to lift the value of WA grains sector and help realise these opportunities.

The WA grower group network is in a prime position to provide aggregated supply opportunities of quality grains in WA. Grower groups have extremely strong local and regional connections and are agile and responsive to the needs of their members. The network is connected with industry and value chain partners and in a mature, commodity focused grains market, many groups and their members are beginning to explore opportunities to add value. This initiative provides the ideal opportunity for



grower groups capitalise on their existing networks and to further explore the feasibility of potential ideas.

Utilising seed funding through the FII project, the GGA will coordinate an initiative to assist in the pre-feasibility investigations or business case development for the most prospective opportunities for value-adding and processing of grain. This initiative is seeking expressions of interest (EOIs) from member groups looking to invest in this type of work to explore opportunities or develop business cases in the grains value-added space. Individual EOIs can be up to a value of \$30,000 and groups can submit multiple applications however, successful applicants will only be awarded support for a single business case or prefeasibility study. The total investment in this initiative is \$100,000 with individual EOI funding up to a value of \$30,000.

Submission of EOIs must meet the eligibility criteria outlined in these guidelines and must also clearly outline the proposed group, industry, and processing and/or market partnership. EOIs must provide evidence of how they address each of the eligibility criteria and submissions will undergo a competitive and merit based selection process. An expert technical panel independent from GGA management will assess submissions.

ELIGIBILITY CRITERIA

1. Expressions of Interest are open to grower groups in WA who are a member of the Grower Group Alliance.
2. Applicants must be an incorporated association or trade using an ABN.
3. The value-adding proposal will outline a concept or idea involving a food or beverage product for human consumption that will be produced using WA grains, oilseeds or cereals.
4. A demonstrated consortium from the grain supply chain comprising an entrepreneur, an existing business involved in the grain supply chain (preferably an existing processor or a marketer) and a grower group. This can be demonstrated by attaching letters of support from consortium partners outlining their proposed commitment.
5. Grower groups can engage a professional business consultant to develop the business case (preferred) OR a group must clearly demonstrate internal capability and capacity to prepare a prefeasibility study or business case.
6. The EOI must be matched with minimum financial contribution of fifty per cent by either a cash and/or in-kind investment.
7. The applicant must have the capacity to deliver a final prefeasibility report or business case by 31 May 2019.



ASSESSMENT CRITERIA

The criteria by which proposals will be assessed includes but is not limited to:

1. The level of grower group member support for the value-added idea in the form of a letter of support by the grower group chair or president.
2. The thoroughness of the pre-feasibility concept or business case idea that outlines how the grain will be value-added into a food and/or beverage product must be presented.
3. The demonstrated relationship with a business planning expert to develop the business case OR the demonstrated capability and capacity of the grower group applicant to provide a strong framework by which to develop and deliver a business case or prefeasibility study.
4. Degree of financial contribution (either cash or in kind) by grower groups.

Proposals may be wholly or partially funded and support may be conditional on the applicant being able to demonstrate additional requirements before approval. Decisions on funding are final and all applicants will be notified on the outcome of their application by email.

This initiative will fund

1. A business consultant to develop and deliver a business case exploring new value-add products or processing product ideas in the WA grain industry OR
2. A grower group who has demonstrated capability or capacity to develop a business case through the expression of interest process
3. Your business case or concepts developed through the prefeasibility study which will be your intellectual property for up to two (2) years from submission of the final business case to the GGA and FII. After this time has lapsed, these documents will become publically available with a provision to extend this embargo if the proponent is still actively developing the business opportunity.



This initiative will not fund

1. Administration and travel expenses.
2. Study tours.
3. Core business expenses.
4. Protecting intellectual property, such as legal advice.
5. The development of a brand, logo or marketing campaign.
5. Retrospective payments for business cases prepared prior to this initiative.
6. Any overspend that exceeds the agreed value required for the development of the business case.

Prior to progressing your idea or opportunity it is strongly encouraged that you:

1. Contact the Grower Group Alliance office to discuss your concept or idea.
2. Initiate and develop a relationship with a professional business planning consultant.
3. Discuss your idea with partners across the supply chain (e.g. local farmers to purchase grain from or those who will purchase the grain or product).
4. Review related reports and strategies including but not limited to:
 - Developing Premium Value-added Grain Products – Potential opportunities for the WA grower group network (GGA, Dec 2018)
 - Premium Agrifood Market Opportunity – A project under the Food Industry Innovation (DAFWA, Dec 2016)
 - Western Australia Arable Crops Industry – Overview for Potential Investors and Other Stakeholders (Coriolis, July 2017)
 - WA Grains Industry Strategy 2025+, produced by the Grains Industry Association of Western Australia (GIWA) in 2015

The above and supporting documents for the “*Developing Premium Value-add Grain Products in WA Initiative*” can be found at www.gga.org.au

HOW TO APPLY

Applications must be emailed to Grower Group Alliance admin@gga.org.au by 5pm (AWST) Thursday 28th February 2019.

Expressions of Interest must address each of the following items. Please give as much detail as is required.

1. Contact Details
 - a. What is the name of your organisation?
 - b. Are you registered for GST?
Yes No
 - c. What is your ABN?
 - d. Are you a member of the Grower Group Alliance?
Yes No
 - e. Who is primary contact for this project?
 - i. Name
 - ii. Phone number
 - iii. Email address
2. Please outline the value-adding proposal concept or idea involving WA grains, oilseeds or cereals for human consumption (max 500 words).
3. What grain type are you value-adding (wheat, barley, oats etc)?
4. How will you develop your prefeasibility study or business case? Please provide a clear outline of the business case template or framework to be used.
5. What are the expected benefits for the WA grains industry if the project is realised?
6. Who are the key partners in the project? Outline how relationships developed so far and explain the roles of each partner and their associated experience and capability.
7. What location will the project be primarily occurring?
8. What is the total cost to develop the business case and the total financial support requested? Include detail on matching cash or in-kind investment.
9. Please provide the contact details for three (3) individuals who can be contacted to provide a reference for your organisation's capacity and capability to deliver on activities outlined in this EOI.



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IMPORTANT DATES

9 January 2019	Expressions of Interest Open
31 January 2019	Teleconference for applicants and interested parties
28 February 2019	Expressions of Interest Close
8 March 2019	Applicants notified
31 May 2019	Final prefeasibility or business case due

MANAGEMENT OF SUCCESSFUL EOIs

Successful applicants are responsible for the delivery of the prefeasibility study or business case from the initial planning and through to final delivery. Financial support will be staged with 30% provided at the commencement of the agreement, 30% on review and acceptance of the draft prefeasibility study or business case with the remaining funds being paid on submission of the final report.

Any significant changes to the business case or prefeasibility study, timeframes or budget are to be approved by the GGA prior to any changes being made. The GGA must be informed immediately of any issues which may affect completion of the project in the required timeframe.

CONTACT FOR ENQUIRIES

If you have further questions regarding the program, please contact:

Megan Cechner
Stakeholder and Communications Manager
Grower Group Alliance
08 6180 5759 or 0408 944 806
mcechner@gga.org.au