

### Introduction:

As part of the Rural/Primary Production Areas Planning Policy review, the Council intends to make it easier for farmers to obtain approval for a range of activities which will add value to their current farming activities, and thereby improve their operations sustainability. The purpose of this information paper is to define what “value adding” industries are and seek input from farmers and their industry representatives, regarding the type of “value adding” industries which should be considered for inclusion in the Policy Review.

Please also note that “value adding” to the range of business activities in the Hills will also be a key component of Council’s *Economic Development Strategy*.

### Background:

In its broadest sense, “value adding” is taking a raw material, processing it or adding something to it, to create a saleable item which appeals to a different or wider group of buyers. Branding a product can also add value by “justifying” a higher sale price.

In a conventional business chain, raw material (e.g. cherries, apples, vegetables) is sold to a processing business (e.g. a canning plant), with the processed product being distributed to retailers, who sell the product to the final consumer. In this case, “value adding” could involve a grower making a different product line (e.g. cherry or apple pies), the growers setting up their own canning plant, or the co-operative canning plant selling direct to the public. Each case can result in greater returns to the primary production level having value added to it.

Currently, many business options in the Hill’s Water Catchment areas are not able to be undertaken because of their potential impact on the drinking water quality. State Government land use policy as contained in Council’s Development Plan is focused on protecting water quality runoff within the Mt Lofty Ranges Watershed and only allows, for example, those agricultural industries that wash,

grade, sort and pack produce. Any additional processing, or other value adding activity, is not currently identified as a desirable activity in the watershed and is classed as a “non-complying” form of development (i.e. that should not be permitted).

Council’s intention through this Planning Policy Review is to see an assessment of proposed value adding developments based on their actual potential impacts rather than their type of activity, and make the processing of such development applications easier.

### What we need from you:

Council has some ideas for activities which should be permitted to occur in rural/primary production areas. We need your ideas on what sorts of activities and “value added” products should be considered as part of this process. These activities may be undertaken by individual farmers or as a group of farmers.

### Council’s Ideas:

The Adelaide Hills district has economic strengths primarily in Agriculture and Tourism. However the area has limited demand and ability to allow for any major retail activities due to a number of factors including its location in the Watershed (which provides no scope for high impact manufacturing or related industries), being in a high bushfire prone environment and the general lack of service infrastructure (mains water, sewer, and stormwater).

While local agriculture produces food and fibre mainly as raw materials, there are opportunities to “value add” both at the industry level and at the individual farm level. For example, at the farm level, products requiring in-house processing can be sold at road sides, or sold in a small on-site shop (where approval has been obtained), or grouped with similar scale products and marketed under a common brand, eg, Adelaide Hills Farm Fruits. At a larger scale, co-operatives have been established which work at the industry level to process and pack produce for distribution. Options exist for

related industry groups to similarly “process and pack” or to create new products from existing raw materials, eg baking fruit goods.

The wine industry already excels at value adding, through processing grapes, manufacturing wine, selling through cellar doors, and adding restaurants, functions and related products to their income streams.

Tourism has great potential for value adding through linking and cross-marketing attractions, accommodation and events. For example, farm-stay accommodation can link with restaurants, wineries and specialist shops to cross-market and provide a wider experience for their guests

Professional Services in the Council area tend to operate effectively as single practitioners, however

there is scope for Serviced Offices to provide specialist reception, meeting and IT services for professional, investment and other small businesses.

Large land holdings like farms and rural residential lots also have small businesses capacities ranging from home office based businesses, to joineries, to minor fabrication, to storage, and with high speed internet, online sales and distribution.

Council, together with its Rural Land Management Advisory Group (RLMAG) have come up with the following ideas for value adding activities within the different types of farming as are detailed in the table below. In essence it seems that there are a range of options to widen the range of products that farmers can produce, for example:

Agro-forestry	drying, milling, oils, resins, wood products such as mulch, boards
Alpacas	fibre, weaving, knitting, doonas/quilts using fibre, manure
Cattle	meat, milk and milk products, manure, skins, leather and leather products
Flowers	cut flowers, dried flowers, oils, perfumes, internet sales
Goats	fibre (angora) meat, milk and milk products, manure, skins, leather
Herbs/Spices	dried herbs, oils, seeds, recipe packets, potpourri, internet sales
Horses	agistment, training, riding equipment, fashion products, horsehair products
Horticulture	fruit, wine, grapes, drying of fruit, vegetables, mulch, seeds, medicines, health care products, making of pies and delicacies, juices, fruit bottling and preserves
Other animals	free range eggs
Nuts	nut products (spreads, etc), mixed nuts & dried fruits
Sheep	meat, milk and milk products, skins, wool, manure
Farm stall/shop	allowing for one small (up to 100m <sup>2</sup> ) farm stall on a farming property for the sale of produce grown on that property. This could include the sale of value added products (e.g. jams, juices, oils) made on the property. This is currently non-complying in rural areas.

*Note: the intent to consider permitting the manufacturing of a product on a rural property will only be permitted if it is to be small scale, not result in pollution of the environment or negatively impact on surrounding neighbours by way of noise, smells and general amenity. The proposed planning policies will clearly define these conditions or principles of development control.*

## How you can help:

Council is seeking your ideas in this regard. Please either write, email or call Council with your ideas, questions and suggestions for consideration as part of the preparation of these planning policy changes

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