



PORK PRODUCTION – PROGRESSIVE MODEL

This greenfield pork production facility will leverage the increasing global demand for animal protein. As well as enjoying equity in Australian farming, investors will participate in a modern design with progressive animal husbandry ensuring the more efficient production of quality Australian pork and allowing for continuing herd and system improvement.

Overview

Too often in Australia, pork production has been hamstrung by legacy systems, site design and restrictions on capital.

Many factors affecting pig growing - such as feed diet and physical environment - have been identified but opportunities exist to enhance the management of each of these inputs. By way of example, stock identification, intelligent feed systems, animal health tracking and virtual fencing, use technologies which can be advanced and integrated for better farm management.

Jambon will apply technologies, smart systems and advanced farm management to grow and produce pork more efficiently - and with high integrity. The outcome of this progressive approach will be a commercial operation with improving efficiency and product quality.

The final disruption is in the distribution model. The scale and quality of production will support and indeed drive a 'direct to customer' distribution model (B2B and B2C) to obtain a premium over the established market which is already more than viable.

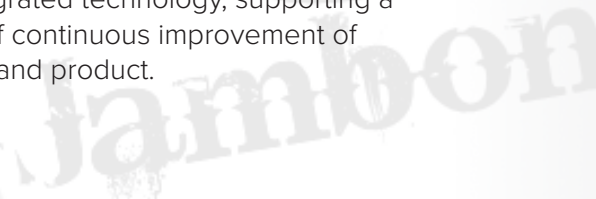
In the mid-term, continuing growth will be available through leverage of state-of-the-art technology

and developed pool of expertise by such opportunities as growing under licence and brand-driven customer development.

Jambon will encompass a clear venture model to take an industry lead in pig production:

The venture is profiled with these key features:

- Sustainable protein business
- Location in the South Eastern region of South Australia, a mainland state of Australia
- Staged development (scope for horizontal and vertical expansion)
- Regionally favoured investment and employment
- Mix of outdoor and indoor farming
- First stage of project utilising 800 hectares and producing 45,000 units per year
- Domestic market sufficient to absorb production but major scope in exports
- Trade Mark secured and brand developed from commencement
- Documented quality and recording system, with integrated technology, supporting a culture of continuous improvement of systems and product.



Timeframes

Milestone	By When
Investment [Stage 1]	Month 1
EPA and other outstanding approvals formalised	Month 3
Site works & infrastructure build commences	Month 4
Herd Establishment	Month 10
First Growers weaned	Month 18
First product to market	Month 24
Second product to market	Month 25

Investment Model

- o Company incorporated under Australian law, with one class of shares
- o Single company will hold all assets and conduct all operations including; employment contracts, development of technology systems, brand and other intellectual property
- o Investment from overseas and trade partners welcome, subject to any controls necessary to preserve business integrity
- o Initial equity raising of AUD \$11.5 million, sufficient to become viable
- o Potential opportunity to accept further equity to fund expansion
- o At completion of first stage, being end of year 3, annual revenues projected at over \$12 million and surplus cash generated and operating profit in the order of \$1.2 million.

Commercial & Operational Elements

- o Greenfield Site (no legacy issues or old pork farming plant and process constraints)
- o International Search - Best Management and Animal Husbandry Expertise
- o Ideal Land (secure title, water resources, transport access, close to processing options)
- o Mix of Outdoor & Indoor Farmed Product
- o Continuity of Supply - approximately 1,000 animals produced, per week
- o Advanced Animal Husbandry model (improved genetics)

- o Self Replacing Herd (for best bio-security practice)
- o Applied Technology for Advanced Farm & Animal Management
- o Targeted Feed Composition & Pelletised Feed Delivery Method
- o Herd Rotation for Waste Management (includes cropping on rested hectares)
- o Links to SA based University and CRC (on-farm research & study programs)
- o Annual Audits (for herd and farm accreditation APIQ)
- o Regulatory approvals (EPA, APIQ, Regional Council)
- o Stock Identification & Traceability
- o Product Designed for Domestic and International Exports - including whole carcase.

Summary

This business is **commercially viable and offers good returns**. The venture offers an opportunity to take a position in Australian agri-business.

The investor will acquire operations in an established industry with **secure title on productive, rural land and accompanying water**.

The actual operation will combine progressive technology, advanced animal husbandry and will operate to the highest levels of bio-security. This operation will be managed - with technical and farming expertise - **supplying 'high integrity' protein to both domestic and export markets**.

The business will be taking advantage of issues such as, food supply, biosecurity concerns - plus the increasing demand for protein: this demand is projected to grow over time. The business while initially viable will service this inevitable increasing demand for animal protein and lends itself to leverage both horizontally and vertically.

Contact Information

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