



## Food Grade Premise Planning Case Study Volac International Ltd

### Agriculture



Calf Products



Dairy Products



Sheep Products



Pig Products



Forage Products

### Volac Lifestyle Ingredients



Active nutrition



Senior nutrition



Weight management

### Dairy ingredients



Food ingredients products



Feed ingredients products

## Overview

Volac is one of Europe's fastest growing animal nutrition businesses. Started in the 1970s Volac now has a turnover of £200 million, employs around 400 people and produces more than half of its sales outside of the UK and Ireland. It now has production sites in Lampeter and Port Talbot in Wales, Liverpool and Sleaford in England, and joint ventures in Gudang Malaysia and Hoogeveen in the Netherlands.



Volac moved onto the Lampeter site in 1989 where there had been a dairy processing operation since the 1940's and so the building and site were ready to use. There was no local opposition to their employment land plans, as they did not build on any green field areas and kept the employment use more or less the same.

Volac originally moved onto the site as a tenant, but now owns the infrastructure and have taken over approximately 2/3rds of the site in total.

Food grade sites need access to energy, clean water, reasonable transport links and environmental permits.

### **Clustering Food Production Businesses at the Lampeter Site**

Volac believes that businesses benefit by clustering together food production on the Aeron Valley Enterprise Park and sharing some specialist infrastructure, such as an effluent treatment plant.

### **Welsh Government support – around 10% of total investment:**

Volac estimates that during the past 20 years it has invested around £30 million in the site and received around £3 million of grant assistance. This has allowed them to employ 102 full-time staff at the site today.

### **Expansion and Investment:**

Volac has invested in production facilities and this has increased the requirements to expand the footprint of the site to accommodate new plant and machinery. The production processes use a lot of heat energy to dry feed products and so Volac has installed its own heat and power generation plant for evaporation and spray-drying.

However, the site now has a development issue because it is adjacent to a floodplain and the planned expansion is being restricted in design and location due to this environmental issue.

Furthermore car parking and pedestrian pathways are also affected and so a proposal to raise a new car park onto stilts to allow flood waters to ebb and flow without displacement is being developed.

### **Planning:**

Over the years, Volac feels it has created effective partnerships between their structural and civil engineers, Natural Resources Wales and the Ceredigion County Council Planning Department. Volac sees the benefits of pre-planning consultation as this allows the big development principles to be discussed before the more detailed planning process takes place.

## **Lessons Learnt**

**Advice:** Enter into pre-planning in order to discuss the big concepts and ideas before committing to the detailed plans. Make sure that all of the stakeholders are involved at the pre-planning stage and allow plenty of time for the public officers to do their work and advise.

The Natural Resources Wales assistance is also very important as it provides a licence to operate within certain detailed environmental requirements. However Volac does raise concerns about the speed and detail of these decisions, which they feel can take too long to conclude; and each time Volac expands its site it is required to re-submit a variation to confirm it is operating within the limits of the licence.

Volac notes that delays in licence appraisal and approval can delay the speed at which they can develop and expand their business which in turn affects the overall economic efficiency of the site.

## Infrastructure and the environment:

**Advice:** Infrastructure of transport and key utilities is essential for high growth businesses to thrive.

Volac has to consider energy use and mix transportation networks, electricity consumption, water use and waste water release, biomass, Liquid Natural Gas, broadband connectivity and transportation of raw materials and finished products within its operational planning.

### Energy supply:

Volac consumes a lot of energy at its site, especially within its agri-food drying processes. Traditionally it burnt heavy oil releasing up to 30,000 tons of CO<sub>2</sub> each year. Volac has decided to use more carbon efficient and cleaner fuel types with the ambition to become a zero carbon site.

It has changed to 'greener' LNG, however, although one of the main unloading points for LNG is in Milford Haven, the gas pipeline infrastructure can't cope with the gas demands of Volac, and so they have to ship their supply by road tankers from Avonmouth and Kent. Their facility now requires one tanker a day.

Taking a very creative approach to energy demands, Volac invested £38m into a 20MW biomass thermal and electrical power station; generating 3MW of electrical power and 15MW of heat using locally produced wood chip, and biomass waste.

### Water:

In Volac's own words *"Water supply is a big issue for us... we're extracting about 1 million litres of water per day ... we already have a restriction on potable water into our site, because there just isn't enough mains water available"*.

Volac requires a good supply of clean water for their food processing operations, as do most dairy production companies. This can make Wales an attractive site for such businesses, as long as they can have access to consistent high quality supplies.

### Internet:

Volac works with around 400 employees across six sites and 5 countries and so ICT connectivity is important, to communicate intra-business, but also with its supply chain and customers.

One example where the Internet access is restricting the business is the requirement to share technical drawings and documents for a new turbine that is being commissioned from engineers in Italy and Austria. When in Lampeter, each variation of the technical drawings take several hours to download the whole technical set, whereas in better connected areas this takes a few minutes.

**Advice:** Planning of infrastructure and business parks needs to consider the installation of high quality ICT.

### **Transport:**

Volac is an international business, with a head office in Cambridge. Its Ceredigion production site is difficult to reach by air, or by train, which makes visiting the site difficult for some business visitors and staff.

Cardiff Airport remains difficult to access by road and has very limited business air route connectivity. The nearest reasonable access to the train network is Port Talbot due to the inefficient travel times from Carmarthen and Aberystwyth.

Road transport is important to Volac which uses a lot of raw materials and distributes a lot of finished product needing 50 to 60 trucks a day to and from the sites in Lampeter and Port Talbot.

**Advice:** Planning may need to consider business growth as well as the current planning proposal to make site expansion and growth opportunities clearer for business leaders to decide on.