



MEDIA RELEASE

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Update on production at SunRice's Riverina facilities

- The SunRice Group is currently hiring seasonal positions across its receival and storage operations, and positions at its Deniliquin and Leeton facilities, to process the much larger 2021 Riverina rice crop
- Following the two difficult years of 2019 and 2020, which saw production at near record-low levels of 54,000 and 45,000 paddy tonnes respectively, the 2021 crop currently planted is expected to be more than 450,000 paddy tonnes
- Remaining supplies of Australian rice from the extremely small 2020 crop are now expected to be exhausted before the 2021 crop is harvested in March and April
- SunRice had planned and took significant steps to maintain a base milling program through to the harvest of the 2021 crop, however, increased demand due to COVID-19 accelerated the exhaustion of remaining supplies
- This will unfortunately lead to a short period of ceased production at SunRice's Leeton and Deniliquin processing mills, before production ramps up in April to process the much larger 2021 crop
- Affected employees have been offered short-term redeployment and training where possible, which may include at storage and receival operations, and also the rice cakes facility in Leeton (for Leeton-based employees)
- While there will be a short period of ceased production at Riverina facilities, this will not impact SunRice's ability to supply product to the Australian market as there are sufficient stockpiles of processed and packaged product

With the 2021 Riverina rice crop expected to total more than 450,000 paddy tonnes when harvesting commences in March, the SunRice Group is currently hiring employees across its operations to facilitate increased production.

The crop is the largest since 2018, and expected to be more than 10 times the size of the 2020 crop which was the second-smallest on record due to drought, high water prices and low water availability – exacerbated by the impacts of water reform.

The SunRice Group is currently hiring a significant number of seasonal positions for its Australian Grain Storage operations to enable the receival and storage of the crop once harvesting commences in March.

The Group is also hiring additional positions to commence after 1 May 2021 across its Deniliquin and Leeton Mills, to enable the processing and packaging of the crop into high-value branded products for sale to consumers and customers in domestic and international markets.

From 1 May 2021 production is expected to ramp back up at Deniliquin and Leeton Mills to a 24/5 configuration*, and then increase further at Leeton later in 2021.

However, the Group also announced to employees that there will be a short period of ceased production at the Leeton and Deniliquin Mills prior to the 2021 crop being harvested.

This temporary period of ceased production is due to the extremely small 2020 crop, which represented less than 25 per cent of Australia's annual rice consumption, and increased demand for SunRice's products due to COVID-19, which accelerated how quickly the remaining supplies were processed.

While SunRice had planned and took significant steps to maintain a base milling program through until the harvest of the 2021 crop, unfortunately these factors have led to a short period of ceased production prior to ramping up of activities in April 2021.

At the peak of the increased demand in 2020, caused by changes to consumer shopping patterns, SunRice was anticipating exhaustion of remaining supplies prior to 31 December 2020.

The short period of ceased production will unfortunately mean employees may be required to take periods of leave from late March to early April. This period of ceased production is not expected to exceed two weeks across the Leeton and Deniliquin mills.

Affected employees have been offered short-term redeployment and training where possible, which may include at receipt and storage facilities, and also at the rice cakes facility in Leeton (for Leeton-based employees).

Commenting on the ceasing of production, SunRice Group CEO Mr Rob Gordon said:

“The last two years of drought, low water availability and very high water prices – exacerbated by the impacts of water reform – have led to 2019 and 2020 being two of the smallest Riverina rice crops on record.

“This has been an incredibly challenging situation for our growers, but also the employees across SunRice’s Riverina facilities.

“While we are pleased that conditions have improved significantly to allow the planting of a much larger Riverina rice crop, there will unfortunately be a short gap between when we exhaust remaining supplies of rice and when the next crop is harvested.

“SunRice took significant steps to maintain a base milling program, including offering record fixed price contracts which enabled the 2020 crop to be planted despite the challenging circumstances. We also took the decision to process remaining seed after the conclusion of planting of the 2021 crop in November 2020.

“Unfortunately the small size of the crop – coupled with the increased demand for our products due to changed consumer shopping patterns throughout COVID – has meant that there will be this short gap prior to the harvest of the 2021 crop when production ceases.

“At the peak of the demand spike from COVID-19 we were estimating exhaustion of remaining supplies of Australian rice before Christmas – so we are pleased to have managed this situation to ensure there is now only going to be a short gap in March and April.

“We are working with our employees to minimise disruption, and are offering redeployment and training opportunities across other operations where possible.

“While there is this period of ceased production, we are pleased to be currently hiring for a number of additional roles across our Leeton and Deniliquin Mills to process the much larger 2021 crop once it has been harvested in April.

“We are also recruiting a significant number of casuals at our Australian Grain Storage facilities across the Riverina to receive and store the paddy from our growers throughout the harvest in March and April.”

***24 hours per day, five days per week**

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