

13 September 2016

Rice Vesting Review
c/- Ms Leah Mansfield
Department of Primary Industries
Via email: rice.review@dpi.nsw.gov.au



Re: Rice Vesting Review

The National Farmers' Federation (NFF) welcomes the opportunity to make a submission to the DPI's *Review of Rice Vesting Proclamation*. The NFF is the peak national body representing farmers and, more broadly, agriculture across Australia. The NFF's membership comprises of all Australia's major agricultural commodities. Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations collectively form the NFF.

Under the *Rice Marketing Act 1983*, all rice produced in NSW is vested in the Rice Marketing Board of NSW. The current vesting period established by government proclamation will expire on 30 June 2017. **The NFF supports a continuation of the current rice vesting arrangement.** Vesting has proven to be in the best interests of rice farmers, continuously leading to higher than average prices for NSW-grown rice sold overseas. Rice vesting places no additional cost on domestic consumers since the domestic market for rice is deregulated and Australian producers face significant competition from imports.

The NSW rice export industry has a relatively small size compared to international competitors. Through vesting, however, the NSW rice industry has been able to provide the business scale required to continuously invest in SunRice's product range, its' clean and green marketing, lower milling costs, and operational efficiencies. Moreover, the freight advantage through exporting rice in higher volumes has been substantial in past years, amounting to \$14.3 million in 2015/16. In total, the export price premium achieved in 2015 amounted to \$82 million for NSW rice growers.

In addition to higher than average rice export prices and greater farm-gate returns, rice vesting has delivered substantial benefits to NSW rice growers and the Riverina community at large: SunRice and its subsidiary companies have been able to provide stable employment for over 2,100 highly skilled and qualified people that help sustain the regional communities across the Riverina.

In summary, the evidence shows that current vesting arrangements have delivered benefits for NSW rice farmers and regional wealth in the Riverina region through consolidation of export channels, the maximisation of sales and marketing scale, and supply chain efficiencies. The NFF supports continuation of the current arrangements.


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