



5 July 2021

Mrs Michelle Anderson  
Rice Vesting Review  
NSW Department of Primary Industries  
Locked Bag 21  
ORANGE NSW 2800

Dear Mrs Anderson,

**NSW Government rice vesting review**

The National Farmers Federation (NFF) appreciates the opportunity to provide a submission to the review of rice vesting in NSW.

The NFF was established in 1979 as the national peak body representing farmers and more broadly, agriculture across Australia. The NFF's membership comprises all of Australia's major agricultural commodities across the breadth and the length of the supply chain.

Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations form the NFF.

The NFF represents Australian agriculture on national and foreign policy issues including workplace relations, trade and natural resource management. Our members complement this work through the delivery of direct 'grass roots' member services as well as state-based policy and commodity-specific interests.

**The NFF supports the continuation of the current rice vesting arrangement.**

The NFF believes that the current rice vesting arrangement delivers the best outcomes for ricegrowers in NSW and that removing the current rice vesting arrangement would have an overall negative impact.

The International rice market is heavily distorted by tariffs, quotas and political trade-arrangements, and is therefore difficult to navigate for individual exporters. The rice vesting arrangements are critical to navigate these challenges.

The current vesting arrangements have led to above average prices for NSW grown rice sold overseas, with an export price premium of \$27 million for rice sold overseas by NSW growers in 2019-20. The total premium over the past nine years has been \$455 million.

There have been significant operational efficiencies by exporting rice in larger volumes via the vesting arrangements, reducing the cost of freight and logistics by \$2.41 million in 2019-20, and over \$72 million in the last eight years.

The scale and efficiencies provided by the vesting arrangements have provided significant economic and social benefit to regional communities, with SunRice employing over 2200 people that help sustain regional communities across the Riverina.

The vesting arrangements do not negatively impact domestic stakeholders or consumers. Domestic rice sales were deregulated in NSW in 2006, with domestic and international rice growers having full access to this domestic market. Additionally, the NSW Rice Marketing Board is fully funded by growers and does not impose any cost on NSW taxpayers.

If the current vesting arrangements were altered, it is likely that both the export price premium and freight scale advantage would disappear. The current arrangement has led to the development of a highly efficient integrated supply chain that recognizes the need for scale and efficiency to compete in global markets.

The current vesting arrangements have delivered significant benefits for NSW farmers, regional economies and communities. The NFF supports the continuation of the current arrangement. The policy contact for this matter is Alexander Desses, Trade & Economics Policy Advisor, contact: [adesse@nff.org.au](mailto:adesse@nff.org.au) or (02)62695666.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Tony Mahar', written in a cursive style.

**TONY MAHAR**  
Chief Executive Officer