

18 January 2019

MURRAY RIVER ORGANICS REWARDS GROWERS WITH MAJOR PRICE INCREASES FOR AUSTRALIAN DRIED VINE FRUIT

Murray River Organics (MRO) today announced major price increases for 2019 as part of its “Growing Together” program for third party grower dried fruit.

MRO has increased prices by up to 25 per cent, as part of its plan to ensure growers receive a fair return for their fruit commensurate with global pricing trends which have seen a doubling of pricing in comparable global grower markets in the last few years.

MRO Chief Executive Valentina Tripp said: “Prices that have been paid to growers don’t reflect the high grade fruit being produced in the region. As the largest dried vine fruit grower in Sunraysia with over 1000 hectares planted, MRO is committed to increases in Australian dried fruit pricing, providing strong support for further investment in the industry with new plantings and yield enhancement programs.”

“Growers have been severely disadvantaged as price increases were severely constrained with more than 70% of Australian fruit servicing domestic channels, and they missed out on global demand and price growth. Export markets were typically an afterthought, and only if there was fruit available to be traded.”

The Global Dried Vine Fruit Market is experiencing significant growth in demand and Sunraysia Growers can now share in this trend by working with the MRO team which is primarily focused on growing export markets. More than 80% of MRO’s dried vine fruit is exported around the world.

MRO has well established export market customers in Japan, China, Vietnam, Korea, Taiwan and USA - many of these customer relationships have been growing and strengthening since 2012. With a focus on high quality Australian value-added dried vine fruit. Bringing ‘Sunraysia to Asia’ through MRO brands and innovative new products was launched last year with new ranges to be progressively through 2019, both organic and natural better-for-you categories.

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MRO is delighted to announce it's 2019 pricing as per below, with payment terms 80% 14 days, balance 30 days:

Variety & Grade	2019*	2019* Sun Muscat Variety
4 & 5 Crown (Light)	\$2,600/MT	\$2,650/MT
4 & 5 Crown (Brown)	\$2,300/MT	\$2,350/MT
3 Crown (Light)	\$2,300/MT	\$2,350/MT
3 Crown (Brown)	\$2,000/MT	\$2,000/MT
Currants	\$2,300/MT	-
TSR	\$2,200/MT	-

*Above pricing is based on minimum 100T commitment (volume bonus = \$50/t) and 5 year contract (five year bonus = \$100/t).

MRO is poised to strengthen its market position and accelerate growth opportunities following a successful capital raising in November 2018, where MRO welcomed a large group of new investors, and the implementation of a detailed turnaround plan.

MRO has received significant support from major institutional investor, Thorney Investment Group headed by Alex Waislitz, which owns more than 30 percent of the company.

Ms Tripp said a group from Thorney Investment Group including Mr Waislitz visited MRO in late December and were impressed with the operation and the progress being made.

Ms Tripp said that MRO was focused on growing export customer markets and its brands and planned to offer more growers in Sunraysia the opportunity for their fruit to be part of the largest branded export program in dried fruit in Australia.

"MRO is investing in its brands and marketing the value-added benefits of its Australian provenance story, and with the new pricing structure, sharing these benefits with the growers of Sunraysia."

"Australia has the best dried vine fruit in the world and our focus for 2019 is to extend our range of branded Dried Vine Fruit products, both natural and organic, suited to the Asian consumer. With concerns about food safety in Asia and the trusted Australian clean and green image we believe the strong interest we are seeing from the region will result in significant new contracts", Ms Tripp said.

"Our customers can't get enough of our amazing Sunraysia fruit and as we continue telling our story far and wide with our customers across 26 countries, we are confident that Murray River Organics brand profile will gain recognition".

Ms Tripp visited China and Vietnam before Christmas and was pleased by the extensive ranging and support MRO's brands have achieved in premium and mainstream retail across China and Vietnam, and the significant opportunities available to expand and accelerate growth.

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Murray River Organics Group Limited (ASX: MRG) is a leading Australian producer, manufacturer, marketer and seller of certified organic, natural and better-for-you food products. We service the organic, natural and healthy food and snack market globally.

For further information please visit www.murrayriverorganics.com.au

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