

Frequently asked questions

About MSM Milling

1. Who is MSM Milling?

MSM Milling is a 100% privately owned Australian business operating the successful canola processing facility in Manildra, NSW. We have a long history with brothers Bob and Pete Mac Smith starting canola processing operations on their farm near Cudal in 1991. In 2004 the Honan and Mac Smith families formed MSM Milling and construction of the existing MSM plant at Manildra began in 2006 where production started in mid-2007.

2. Where is the MSM Milling plant?

The plant is located at Manildra, around 44km from Orange with good rail and road access for canola seed and finished products. Manildra is a quiet rural centre, distinctive because of the economic and social contribution of two large operations, the Manildra Flour Mill and the MSM Canola Milling facility.

Project overview

3. Why is this project important?

MSM Milling produces and sells Canola based products in the Australian and international market. Upgrading the technology in our plant will position us on a level playing field with our key Australian competitors, being two large foreign owned entities and a large publicly listed company. It will also make us internationally competitive to help grow Australian exports of value added products which provide more employment opportunities than raw grain exports. The investment will build a more resilient and profitable business to ensure a more sustainable future in Manildra.

MSM Milling has a strong local business profile and contributes to the local community in terms of employment generation and additional sales for local businesses as well as financial support for social causes and facilities. A major expansion to improve our infrastructure and add a new Solvent Extraction Plant to our operations will generate increased economic benefits for the local and wider community.

4. What are the benefits of this project?

The proposed development comes with benefits for the business and employees, the town and the wider area:

- The project will maximise the value of the canola seed we process and the amount of oil we are able to extract from the canola seed.
- The project will markedly increase the efficiency of how we use labour, energy and water, allowing us to significantly increase the volume of canola oil and meal that we produce.
- The project will deliver a more sustainable business enabling stability of operations during good times and challenging times.

- Some of the economic advantages for the town and the wider community include:

- Additional temporary jobs during construction.
- Approximately 15 new jobs (about a 20% increase in fixed labour) required for operation of the expanded facility. This will be a mix of operational, maintenance, technical and high-level managerial support roles. Total employees will then be approximately 100.
- Improved job stability for our workforce during economic cycles.
- The expansion will materially increase demand for locally grown Canola seed, improving opportunities for local farmers.
- Ongoing increased economic activity for other businesses in the town and surrounding districts, e.g. food, fuel, contractors etc.

5. What does the project involve?

By improving the efficiency of our operations and increasing the plant capacity, we will be catering for the ongoing growth in demand for our products and enhancing the long-term viability of the business. This ensures we can continue to provide a resilient company for all our employees and associated economic benefits for the town of Manildra and the broader region.

The work involves three separate projects, which are:

Rail Intake Upgrade

This includes new infrastructure such as:

- One new large grain silo, approximately 17m high and 13m diameter, with the possibility of a second one later.
- One smaller elevated silo, approximately 9.5m high.
- Mechanical equipment such as conveyors and walkways.

We'll be able to unload canola seed from trains faster, allowing more grain to be delivered by rail and reducing our reliance on road deliveries.

The seed will be received into the new silos as it is being unloaded from the trains at a rate of approximately 350 tonnes per hour. We anticipate that there will be around three (3) rail deliveries per week once all three projects are built and operational.

Site infrastructure upgrade

The site infrastructure upgrade will include new:

- Office and amenities for staff.
- Carparking areas.
- Internal paths and roads.
- Weighbridge.
- Processing, storage and loading facilities for canola meal.
- Storage tanks and loading facilities for canola oil.
- Electrical equipment.
- Site stormwater and odour management infrastructure.

Workers and visitors to the site will benefit from new site infrastructure, and the company's operations will be more efficient. Additional odour management systems will ensure that odours from the plant are managed effectively. Stormwater management will protect our local waterways.

Canola oil Solvent Extraction Plant

A new Canola oil Solvent Extraction Plant will be housed in an industrial style building approximately 25m high. In the building will be a suite of processing and mechanical equipment, and outside, a new overhead conveyor and walkway will connect the existing plant to the new plant. We will install all necessary safety and other systems to keep workers and the community safe.

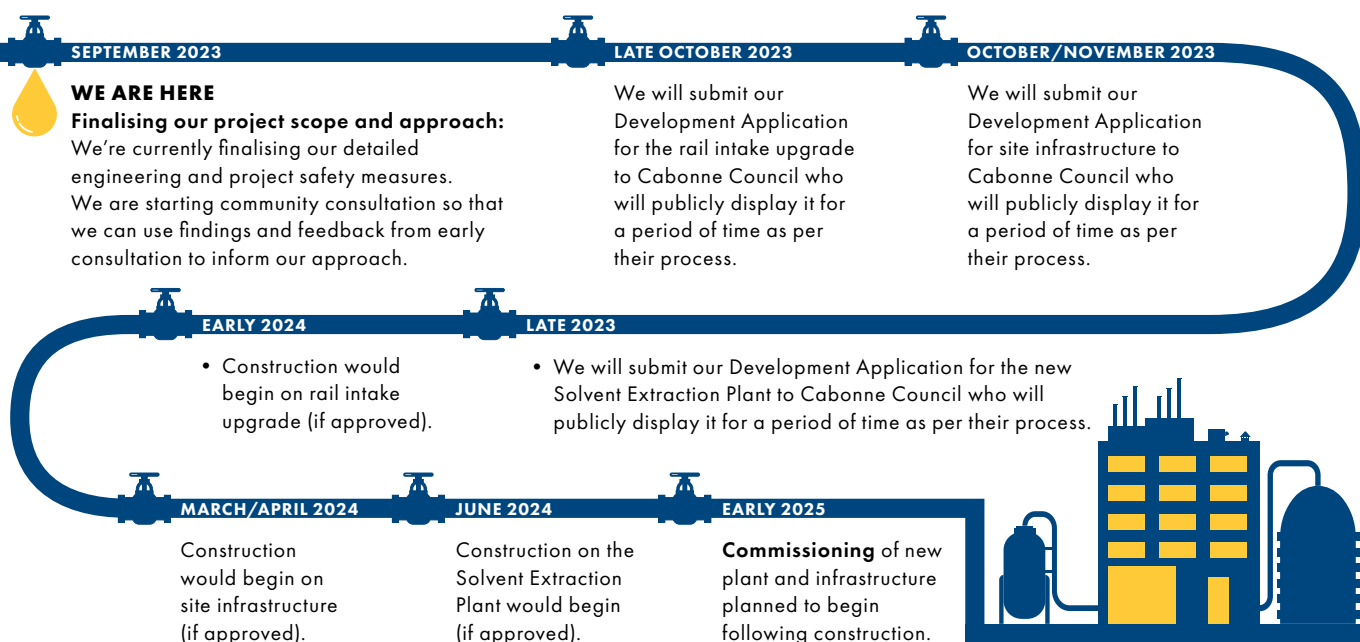
The new plant will nearly double our production capacity and improve oil yields, enhancing our long-term sustainability. There will be ongoing economic benefits for Manildra during construction and operations, and flow on benefits in the town and surrounding districts.

6. Will the project include expanding the footprint of the current plant?

The work will involve expanding the footprint onto land to the west of the existing plant, where two houses are currently used as offices. The land and the houses are owned by Manildra Group and MSM Milling.

Project timeline and impacts

7. What are the timeframes for the project?



8. What impacts can the community expect to experience during construction?

During construction, we anticipate that there will be some additional noise from tools and machines and dust from activities such as digging and earthworks. There will be a small increase in traffic around the plant, including some oversized vehicles for delivery of plant, equipment and materials. Impacts during construction are expected to be localised to the immediate area around the plant. Construction hours will be governed by the conditions of Council's Approvals.

9. How is MSM addressing those impacts?

MSM Milling will develop a Construction and Environmental Management Plan to manage the way construction work is completed and reduce impacts as much as possible. We will communicate with neighbours and members of the community who may be impacted by the work ahead of time.

10. How are you protecting our local waterways?

Environmental protections will be in place during construction as part of the Construction and Environmental Management Plan. A new on-site stormwater management system will be constructed as part of the plant expansion.

11. Will there be impacts during operations of the expanded facility?

Operation of the expanded plant will be very similar to the existing plant. The new rail intake facility will mean that a larger percentage of grain will be delivered by rail, so there will only be approximately two extra truck deliveries of grain per day on average.

There will also be additional finished products dispatched by rail, meaning an estimated five extra trucks leaving the site with oil and meal per day.

12. What are you doing about potential additional odour?

A very successful biofilter is already in operation at the existing plant and a second biofilter will be installed as part of the expansion. Biofilters treat odours from processing operations before the treated air is released from the biofilter.

13. Is the plant focused on using sustainable renewable energy?

MSM Milling has been focused on adopting renewable energy and taking steps to protect the environment, such as the very successful biomass boiler installed in 2019. With the biomass boiler in operation, our total energy requirements are now supplied by approximately 51% renewable energy.

Changing our processing technology will reduce electricity consumption per tonne of seed processed by an estimated 40%. This will be substituted by increased steam consumption which will be supplied by our zero-carbon biomass fuelled boiler. Approximately 700kw of rooftop solar panels are also planned to be installed on the existing and new plant which will mean that the completed plant's total energy consumption will be supplied by over 60% renewable energy.

MSM Milling is continually reviewing and assessing the compatibility of new environmentally friendly or 'green' technologies as they reach the market. The plant is being designed so that we are able to adopt appropriate green technologies in the future.

Project approvals

14. What approvals will the project need to go ahead?

MSM Milling plans to submit three Development Applications (DAs) for the three parts of the expansion project. Each of these DAs will be submitted to Cabonne Council for review, who will also publicly display the DAs for a period of time as part of their process.

15. What is a Development Application and who will approve the project?

A Development Application or DA is a formal request to undertake development. An application is made to the local Council, in this case, Cabonne Council, seeking consent to build the project.

16. Why does this qualify as a DA process and why are there three DAs?

The proposed development is to provide for improved operational efficiencies, and alterations and additions to an existing facility and are not anticipated to result in any additional significant impacts to the environment or community. As the planning studies and engineering details are finalised for each separate project, a DA will be lodged for that section. A Statement of Environmental Effects will be prepared

for each of the DAs to enable adequate assessment of the impacts and mitigation measures. Preliminary discussions with Cabonne Council confirm that this is an appropriate approach for our project.

17. How will the community and stakeholders be able to get involved and provide feedback?

MSM Milling will be reaching out to the community and stakeholders before the DAs are submitted to let them know about the projects, what they involve and the timeline. We also want to understand what's important to the community, and if the community have any questions or feedback about the projects that we can answer.

Once the DAs are submitted to Council, they will be publicly displayed as part of Council's process, and community and stakeholders will be able to comment on and make submissions on the applications during this period.

For more information you can call Guin Dickie on 02 5325 4309, or email community@msmmilling.com.au.

18. When will the project be built?

Subject to approvals, we anticipate that construction will be fully completed for the three parts of the project by late in 2024 with commissioning due to begin in early 2025.

Solvent extraction

19. Why use solvent extraction?

There are many environmental and economic benefits to using solvent extraction in the processing of Canola seed and hexane is the best performing and most practical solvent to use. Benefits include reduced operating costs and a reduced carbon footprint. This maximises the value of all the resources used in growing and transporting the canola crop by increasing the yield of oil from the canola seed and reducing water and overall energy consumption.

20. What solvent will MSM Milling use in the new extraction plant?

The new plant will use hexane as the solvent. The use of hexane as a solvent to extract oil from seed crops like Canola is accepted industry practice in modern oilseed processing facilities around the world, including in four plants in Australia, with the first Australian Solvent Extraction Plant starting in 1922. This method maximises the amount of oil we are able to extract from each seed and will nearly double our total oil production.

21. How safe is solvent extraction for the operators and for the community?

Hexane is an industrial grade hydrocarbon solvent that is widely used in the food industry as well as a cleaning agent in printing, shoe making, textiles and furniture making. It is a colourless, odourless liquid at room temperature. Workplace health and safety standards around the storage, handling and use of hexane are well established internationally and have become more comprehensive over time as the technology has advanced in processing facilities.

The safety of our employees, the community, and the environment is our highest priority. The new plant is being designed to meet the highest internationally recognised safety standards to make sure we mitigate environmental risks and safeguard our workers and the community. MSM Milling will implement a detailed management and operating plan to keep our operators and the community safe. This plan will include measures that have been developed over several decades by the US National Fire Protection Association to safely manage these types of facilities (NFPA 36: Standard for Solvent Extraction Plants).

It is important to MSM Milling that we continue to liaise with the community, staff, and stakeholders to provide information about solvent extraction technology in canola seed processing. We have developed a Solvent Extraction Processing Fact Sheet (www.msmmilling.com.au/plantexpansion) which explains how the new plant will operate and what safety measures we'll have in place.

22. Have there been any incidents in Solvent Extraction Plants?

Over the past 100 years, the industry has learnt from poor management practices. The most significant incident occurred some forty years ago in Louisville, Kentucky USA. This incident did not cause any loss of life but did create significant damage to town infrastructure. This damage was caused by hexane being illegally discharged into the town's sewer system and not from an incident at the plant itself.

These events have shaped the creation of a very hazard aware, safe industry. In Australia, there have been no reported significant incidents (at plants in Newcastle, Sydney, Melbourne, Numurkah and Wagga Wagga) in over 100 years of operating history.

23. What other methods has MSM Milling considered to extract Canola oil?

Up to this point in time, MSM Milling, and our prior businesses have all relied on mechanical pressing, which is generally more appropriate for smaller operations. A mechanical pressing system is far less efficient in terms of energy consumption and extraction performance than a solvent extraction process. This means that as the business has grown, we have become less able to compete effectively in the marketplace.

Water, alcohol and supercritical CO₂ can also be used as solvents to extract oil from canola seed. Using these types of solvents requires more water, resources and energy, and results in higher emissions and energy costs.

Other 'green' solvents are not operationally or economically feasible at the moment. MSM will continually monitor this space and if a green alternative becomes available, the company will determine if it is applicable for use at the MSM Canola Milling facility in Manildra.

Economic benefits

24. Are there additional jobs both during construction and operations?

During construction, we anticipate a mix of trades and additional temporary jobs will become available.

We have assessed that we will need approximately 15 new staff members (about a 20% increase in fixed labour) for operation of the expanded facility. This will be a mix of plant operators, maintenance, technical, management, administrative, and sales staff. Total MSM Milling employees will then be approximately 100.

We will focus on advertising for these roles in the local and surrounding regions.

25. How will you share any financial benefits?

Investing in the local community is important to us. Over the past ten years alone, the MSM Milling business and its Directors have donated over \$500,000 to support a variety of causes. These have included initiatives important to Manildra residents such as for local schools, the Manildra Skate Park, The Amusu Theatre, the Manildra Showground Development and the Annual Manildra Christmas Party. On a wider level, we have provided

charitable donations to support national causes such as Food Bank, We're for the Bush Campaign, the McGrath Foundation, The Melanoma Institute and Beyond Blue.

26. How will MSM Milling work with Manildra and the wider community moving forward?

We remain committed to continuing our meaningful support of Manildra and surrounding areas, and we are proposing to create a dedicated community investment fund to be able to respond to requests we receive from the community.

MSM Milling will deposit money into the fund each year and are also proposing to establish the MSM Milling Community Investment Committee to administer the fund. The committee would include members from the local community, MSM Milling and local business and organisations.

We are seeking feedback from the community on the proposed community investment fund and committee and we want to understand what areas and causes are important to you. If you are interested in being part of the new committee or have suggestions for any organisations that might be, we encourage you to give us your feedback via our online feedback form so we can better understand the community's priorities.

We welcome any questions and comments.
We will consider all feedback and keep you informed during project development.

You can email or call us:
E: community@msmmilling.com.au
P: Guin Dickie on 02 5325 4309
W: www.msmmilling.com.au/plantexpansion

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