

Focus on operating cost and operator comfort pays off for SunRice

Client:	SunRice
Location:	Murray Riverina Region
Application:	Warehousing/Distribution
Equipment:	Counterbalanced Electric & 2.5t 39X Forklifts



Reduced running costs and improved operator comfort are the key drivers behind one of Australia's great organisations switching its large forklift fleet to Linde.

SunRice is amongst this country's most recognized and respected food brands. It is the international brand and identity of Ricegrowers' Co-operative Limited, a 55-year-old organisation anchored in regional New South Wales and wholly owned by about 2,000 Australian rice growers.

This vertically integrated agribusiness produces and markets an extensive range of rice and value-added rice food products to more than 60 countries worldwide. With annual sales of approximately \$800 million, which includes nearly \$500 million from value-added exports, SunRice is a major contributor to Australia's export income.



Right: The fleet of Lindes are heavily utilised in all aspects of materials handling at SunRice.

Below: Les Watt, Fleet Manager at SunRice (pictured right) with Linde's National Account Manager, Peter McLoughlin.



It is Australia's largest exporter of processed branded-food products and the sixth largest rice food company in the world. The Australian rice industry is also internationally competitive and operates without production or export subsidies, unlike most of its major competitors.

With its recent strategic move onto a multi-food brand platform, SunRice is on track to make its vision, to become the world's favourite rice food company, a reality.

Sunrice has a proven reputation for efficiency in both marketing and production with strategically-located marketing offices and subsidiaries in Australia, Jordan, Singapore, Japan, Papua New Guinea and the Solomon Islands which enables it to capitalise on marketing opportunities. SunRice creates jobs in 63 regional towns – most located in southern NSW – and helps sustain significant regional communities.

The rice industry generates 20 percent of the employment opportunities in the Murray Riverina region and has more than \$2.5 billion invested in land, plant and equipment.

SunRice farmer-shareholders grow an annual average of about 1.2 million tonnes of paddy rice in an efficient and sustainable farming system. Harvesting commences in February and is completed by May each year. The growers are responsible for the movement of paddy rice into the SunRice storage sheds. Throughout the year this paddy rice is then moved by road and rail to the various mills where it is processed into a multitude of varieties, pack size configurations and brand names.

With such a massive volume of product, any improvement to supply chain efficiencies can obviously have a major impact on the overall profitability of the organisation. The company's ageing fleet of 100 forklifts was identified as a key area where improvements could be achieved.

“For SunRice this was the right decision – a premium, ergonomically designed forklift with a high degree of driver comfort and safety, with the lowest operating cost.”

David Hamilton – Supply Chain Manager, SunRice

Linde



Left: According to Warehouse Manager, Paul McGregor (pictured right) his drivers have “fallen in-love” with the Linde Hydrostatic Controls.

He also explains that the comfort level of the Lindes have made a dramatic difference to the operators’ work day.

Not only were ongoing maintenance costs an issue, but the welfare of the operators was a prime concern to senior management. Ergonomic design and driver protection along with operator comfort and back support were critical in the decision making process.

The task of changing the fleet was the responsibility of Fleet Manager, Les Watt.

“We had some fairly stringent conditions for the initial two phases of the tender process. The first phase included some basic operational needs such as flexibility with fleet size, 24/7 service with maximum 3 hour call out to cater for our 24 hour operation, on-site service technician, high level of driver ride comfort to handle the various operational surface conditions and flexible forklift speed limiting system,” Les explains.

“In phase 2 we looked for solution providers,” he says. The key criteria to get through this phase included;

- Ability to provide a fully maintained range of forklifts and warehouse equipment to handle current and any future needs without introducing other brands
- Ability to consistently offer sustainable improvements to our overall materials handling efficiencies
- Ability to collect intelligence on forklift activities and provide a range of exception reports
- Whole-of-life operating cost efficiencies
- Onsite driver training and re-training as required
- A single consolidated invoice per month

During this phase a detailed model was built taking into account the total operating and running cost of the forklifts over the term period.



“For SunRice, the decision to choose Linde came down to whole-of-life operating cost efficiencies, driver comfort, fuel and tyre savings and longest service intervals.”

Les Watt – Fleet Manager, SunRice

It became apparent that overall Linde offered the best value for money for SunRice. Linde’s guaranteed fuel savings of 35% and savings on tyre replacements (due to their ‘no wheel spin’ hydrostatic transmission) were key elements in the pricing decision for SunRice.

“The other significant saving will be achieved through less service downtime. Linde forklifts require servicing at 1,000 hour intervals, whereas other brands require service at 250 hour intervals. The impact that one service to every four can have on an operation like ours is significant over a period of time,” explains Les.

“For SunRice, the decision to choose the Linde forklift came down to whole-of-life operating cost efficiencies, driver comfort, fuel and tyre savings and longest service intervals. It’s a forklift that just makes a lot of sense to us and it is delivering exactly what we want,” said Les.

According to Supply Chain Manager, David Hamilton, comfort was of critical importance. “Sitting in a forklift for 7 hours every day can be tough, especially driving over the rough surfaces which some of our drivers endure.

“Our drivers are now more comfortable at the end of the day. Our warehouse and manufacturing environments are safer due to the significant reduction in emissions and noise, and our operators are looking after the forklifts so much better.

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“To have a company that is willing to stand behind their products with such confidence and contractually guarantee key saving components like fuel was important to us.

“Another interesting point of difference was that we could downsize from 3.0t rated forklifts to 2.5t due to the unique design that increases the lift rating on the Linde forklifts compared to other models,” said David.

The SunRice fleet predominantly consists of the Linde 39X model with 2.5t capacities as well as some counterbalanced electrics.



For further information contact

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