



## PRESS RELEASE

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### **Campaign start: processing at starch factories well underway**

*€ 25 million investment in additional capacity*

The processing campaigns at AGRANA's three Austrian starch factories are already well underway. The AGRANA plant in Gmünd (Lower Austria) began receiving deliveries of starch potatoes on 30 August. The organic starch campaign also started here this week. Processing wet corn has been ongoing at the AGRANA sites in Aschach/Donau (Upper Austria) and Pischelsdorf (Lower Austria) since 15 September.

#### **Starch potatoes**

The starch potato campaign in Gmünd is expected to last around 130 days and finish in early January. Approximately 250,000 metric tons have been contracted for the 2021 season and current harvesting forecasts suggest that this volume will also be reached. Due to the slow vegetation growth this year, however, the quantity of potatoes ultimately depends on the weather conditions in autumn. The average starch content is expected to be on a par with the prior year at 18.5 percent.

The plant in Gmünd is Austria's only potato starch factory and the most important customer for around 1,350 potato growers. € 12 million are currently being invested in the existing production facilities at the Gmünd site to expand its drying capacity. Specifically, this entails building a spraying tower – a drying plant for infant formula, maltodextrin and dried glucose syrup – as well as a drum-drying plant for dehydrated potato products.

#### **Corn**

The wet corn campaign at the plants in Aschach/Donau and Pischelsdorf is forecast to last until the middle of December. This will be followed by a switch back to the use of dry corn. Due to the weather conditions this year and the later vegetation growth compared to the prior year, average to good yields are expected for the 2021 corn harvest.

The immediate processing of the freshly-harvested corn protects the environment since energy-intensive drying is not necessary. In 2020, the processing volume of wet corn in Aschach/Donau amounted to around 150,000 metric tons. This led to a saving of over two million litres of fuel oil for the drying process. Besides the environmental advantage, wet corn also enables farmers to achieve a higher gross margin compared to dry corn since the drying costs are not incurred.

A total of around 500,000 metric tons of corn – increasingly also special corn varieties such as waxy and organic corn – are processed annually at the Aschach site. AGRANA is currently investing around € 13 million at this facility to expand its capacity for processing special corn varieties.

#### **About starch**

Starch is used in nearly all areas of the food industry, for example in the baking and confectionery sectors or in dairy products. Due to its excellent palatability, starch is also used in infant formulas. Starch also plays an important role in the non-food sector. The main customers here are the paper and paper processing industries (e.g. corrugated board), the textiles industry (finishes and adhesives for fabrics), the construction chemicals industry (pigment pastes and shotcrete) and the petroleum industry. Starch is also contained in many pharmaceutical products (tablets) as well as in cosmetics, such as baby powder, and in household products and medical gloves.

#### **About AGRANA**

AGRANA converts agricultural raw materials into high-quality foods and numerous industrial intermediate products. Around 9,000 employees at 56 production sites worldwide generate annual Group revenue of approximately € 2.5 billion. Established in 1988, the company is the world's market leader in fruit preparations and the leading producer of fruit juice concentrates in Europe. In addition, its Starch segment is also a major manufacturer of custom starch products (made from potato, corn and wheat) and of bioethanol. AGRANA is the leading sugar producer in Central and Eastern Europe.

This announcement is available in German and English at <https://www.agrana.com/en>