



ASX ANNOUNCEMENT

16 August 2021

Letter to A Class Shareholders and Riverina rice growers – 2022 (CY22) Riverina rice season

We attach a copy of a letter being sent to A Class Shareholders and other Riverina rice growers, regarding the opening of an initial offer of fixed price contracts for limited volumes of key varieties for the CY22 Riverina crop year, and the opening of a pool for the CY22 season.

This table sets out the prices for particular varieties in the initial offer of fixed price contracts:

Variety	CY22 varietal pricing
Reiziq	\$400/mt
V071	\$400/mt

This table sets out the varieties available in the CY22 pool, with estimated premiums to base grade Reiziq:

Varietal	Estimated premium to base grade Reiziq
Reiziq / Viand / V071	Base
Langi	\$50/mt
Topaz	\$90/mt
Opus	\$20/mt
Koshihikari	\$150/mt

Authorised by Kate Cooper, Group Company Secretary and General Counsel, SunRice.

Investor inquiries:

Peter Magee
Head of Corporate Development, SunRice
0425 808 800 / pmagee@sunrice.com.au

Media inquiries:

Julian Luke
Head of Corporate Affairs, SunRice
0414 548 504 / jluke@sunrice.com.au

About SunRice's structure

The structure of Ricegrowers Limited (SunRice) contains non-standard elements including its dual class share structure comprising A Class Shares and B Class Shares. A Class Shares confer on their holders the right to vote at general meetings but no right to dividends. A Class Shares are not quoted on the ASX and may only be held by Active Growers. The right to vote is based on one member, one vote and no person may hold more than 5 A Class Shares. In practical terms the voting rights held by A Class Shareholders give those shareholders the right to control the election of directors and any changes to SunRice's constitution.

Sydney Office
Level 17, Governor Macquarie Tower, 1 Farrer Place, Sydney |
NSW 2000
PO Box Q166 QVB Post Shop | NSW 1230
T +61 (0)2 9268 2000 | F +61 (0)2 8916 8360

Registered Office
57 Yanco Avenue Leeton | NSW 2705
Locked Bag 2 Leeton | NSW 2705
T +61 (0)2 6953 0411 | F +61 (0)2 8916 8350

www.sunrice.com.au

Ricegrowers Limited
ABN 55 007 481 156
trading as SunRice

B Class Shares are quoted on the ASX and confer on their holders the right to receive dividends, as determined by the directors from time to time. Holders of B Class Shares do not have the right to vote at general meetings of SunRice and may only vote on proposals involving a variation to their class rights or if required for the purposes of the ASX Listing Rules. This means B Class Shareholders have no right to vote on the election of directors of SunRice. No person may hold more than 10% of the total number of B Class Shares on issue.

For more details of the non-standard elements of SunRice's structure see <https://corporate.sunrice.com.au/investors/>.



16 August 2021

Dear fellow rice growers

2022 RIVERINA CROP YEAR POOL ANNOUNCEMENT AND 2021 AGM

I am writing to inform you of the SunRice Board's decision with regard to pricing and contracting for the 2022 (CY22) Riverina rice season, and to provide an update on the 2021 Annual General Meeting (AGM).

As we look ahead to the October 2021 planting window, it is pleasing for the first time in a number of years to be in a situation in which water availability is promising, water pricing is lower and the outlook for the next few months is positive for further inflows. We are optimistic that these conditions will underpin the planting of a significant Riverina rice crop in CY22.

With that in mind, the Board has made the decision to offer both fixed price contracts and a pool for the CY22 season. I will begin with the details regarding the fixed price contracts.

Fixed price contracts for CY22

The Board has received consistent feedback from growers that they value both fixed price contracts and a pool. The Board is therefore pleased to announce the opening of an initial offer of fixed price contracts for limited volumes of key varieties for the CY22 Riverina crop year. This will allow growers to commence planning their 2021-22 summer cropping program, while also allowing SunRice to commence building volume for the CY22 season. The fixed priced contracts will be offered on a fixed tonnage basis, with both varieties also to be available in the CY22 pool.

Below are the prices for particular varieties in the offer:

Variety	CY22 varieties pricing
Reiziq	\$400/mt
V071	\$400/mt

The fixed price contract offer will open for growers who produced paddy for SunRice in the CY20 Critical Year at **9am on Wednesday 18 August 2021** and then for all other growers at **9am on Friday 20 August 2021**. Contracting will be available by calling Grower Services, or registering your interest on the Grower Portal, once the contracting period opens. SunRice reserves the right to close the fixed price contract offer at any point without notice, and to announce further fixed price contracts for additional varieties. Should additional fixed price contracts be offered, they will be reflective of market conditions at the time. SunRice will not re-price any fixed price contracts which have been offered.

The Board is pleased to announce the inclusion of V071 as the new bold medium grain variety available for contracting in CY22, and the cold-tolerant replacement for Sherpa. V071 has performed well across agronomic, milling and consumer acceptance testing, which is why it has been made available for the CY22 season. The variety has also demonstrated strong cold-tolerance traits. Given the issues with unseasonably cold weather experienced by some growers in CY21, and these improved cold-tolerance traits of V071, we are hopeful that this variety will suit

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growers wishing to mitigate against this risk. SunRice has undertaken significant consumer acceptance testing, which shows that V071 can be co-mingled with Reiziq for sale into our most premium markets, placing it at an advantage to Sherpa which cannot be co-mingled. Further, the agronomic results from the large commercial trials undertaken in CY21 were pleasing, particularly when V071 was compared with Sherpa and Reiziq. These agronomic results showed an average yield across all regions of 12.6 tonnes per hectare¹, compared with Sherpa's equivalent yield of 10.5t/ha. The performance of V071 exceeded Sherpa in all regions. For example, in the Western Murray Valley V071 yielded 13t/ha while Sherpa yielded 10.8t/ha. In the Eastern Murray Valley V071 yielded 11.1t/ha compared with Sherpa's yield of 10.4t/ha.

For the initial fixed price contracts, V071 will be offered evenly across the Murray and Murrumbidgee (including the Coleambally Irrigation Area).

Pool for CY22

The Board is also pleased to announce the opening of a pool for the CY22 Riverina rice growing season. The Board is unable to disclose an estimated range at this stage, given the ongoing uncertainty in global markets, specifically related to such factors as foreign exchange rates, world rice prices, conditions in end markets and ongoing disruption and volatility in global shipping supply chains due to COVID-19. The Board is also cognisant that the final pool price for CY22 will not be known until April 2023. We will continue to monitor these factors and will provide an estimated range to growers when practicable.

However, we confirm that the following varieties will be available, with estimated premiums to base grade Reiziq:

Varieties	Estimated premium to base grade Reiziq
Reiziq / Viand / V071	Base
Langi	\$50/mt
Topaz	\$90/mt
Opus	\$20/mt
Koshihikari	\$150/mt

In addition to Sherpa being unavailable for the reasons outlined earlier, the Board has also made the decision not to make Doongara available at this time. SunRice has sufficient carryover of this varieties from CY21 to meet forecast demand, including with growth initiatives. Our alternative long grain varieties Langi and Topaz will be available, and we are seeking for our growers who prefer to grow long grain to switch to these options instead of Doongara for the CY22 season.

Seed orders for the CY22 pool will open to CY20 Critical Year growers in early to mid-September, and then to all growers two days later. The CY22 Seed Circular will be sent out with key details early next month.

Support for growers to increase production in CY22

In addition to providing fixed price contract and pool options for growers, SunRice is constantly seeking to improve the overall offering it can provide to make rice production an attractive proposition. We are pleased to again be offering for CY22:

- Our GrowRice facility, which provides input funding for approved growers of up to \$1500 per hectare (or \$2000 per hectare for Critical Year growers). We also improved the GrowRice facility this year to provide approved growers use of the facility to purchase carryover water for CY22.

¹ NSW Department of Primary Industries Rice variety guide 2021-22, June 2021, https://www.dpi.nsw.gov.au/_data/assets/pdf_file/0009/1320597/Rice-variety-guide-2021-22.pdf

- Our PaddyPay Harvest Payment option (previously known as PayRice), through which growers can elect to now access up to 90 per cent of the estimated pool return (lower end of the range), paid within 5 days end of week of delivery. This option will be available in CY22 in line with CY21.

The SunRice Grower Services team remains available to growers to help with any aspect of your planning and considerations for the CY22 crop, including more detail on GrowRice and PaddyPay. Please do not hesitate to contact the team on 1800 654 557 or via email at growerservices@sunrice.com.au.

2021 Annual General Meeting

As A Class Shareholders would be aware, voting is now open for the resolutions the Board is putting forward to the 2021 Annual General Meeting. Given the continuing COVID-19 pandemic and restrictions, the meeting will be held online only, at **10.30am on 25 August 2021**.

One of the resolutions the Board is seeking support for is changes to the structure of SunRice's A Class Share criteria, which have been developed following a review and detailed consultation with growers. We have developed a short video to better explain these changes, which is available at www.sunrice.com.au/agm along with all other materials relating to the AGM. If shareholders require any assistance with voting, they may contact Link Market Services (which provides share registry services for SunRice) on 1800 237 764.

I remain available to any A Class Shareholders or other growers who would like to discuss the proposed resolutions for the AGM, the other matters raised in this letter, or any other topics. Please don't hesitate to contact me on **0428 500 232**, or feel free to reach out to your local Grower Director.

Sincerely,



Laurie Arthur
Chairman
SunRice Group