



## ASX ANNOUNCEMENT

20 April 2022

### NSW Government renews rice vesting arrangements for a period of 5 years

The SunRice Group welcomes the decision of the NSW Government to renew the rice vesting and Sole and Exclusive Export Licence (SEEL) arrangements for a further five years (enclosed).

These arrangements are policy mechanisms of the NSW Government that provide the Rice Marketing Board (RMB) the right to control the marketing of all rice grown in NSW, provided it generates net benefits to the NSW rice industry and the general community.

Under the arrangements, the RMB issues a SEEL to SunRice to help obtain the highest possible premiums and freight scale advantages for the export of NSW-grown rice through its Australian Rice Pool Business.

Commenting on the NSW Government's decision, SunRice Chairman, Mr Laurie Arthur, said:

*"As our Riverina rice growers harvest the largest crop in five years, this decision from the NSW Government is a major vote of confidence in our industry and will enable SunRice to continue to navigate increasingly complex global rice markets."*

*"The vesting and single desk marketing arrangements allow SunRice to deliver significant export price premiums and freight scale advantages, which ultimately lead to higher farmgate prices for the ~98 per cent of Australian rice growers who farm in the NSW Riverina region."*

*"The RMB has reported that these export price premiums have totalled more than \$455 million in the nine years since Financial Year 2012."*

*"This includes through SunRice strategically targeting higher-value markets, investing in Australian brands and their association with the high-quality reputation of NSW grown rice, countering tariff, subsidy and quota protections in global markets and delivering significant scale benefits for growers."*

*"This unique partnership between the NSW Government, Riverina rice growers and SunRice, and the structured marketing arrangements, have allowed the industry to build positions and strong market demand for branded and other rice products in approximately 50 markets."*

*"These arrangements only apply to the export of NSW-grown rice – the Australian domestic rice market is one of the most open and competitive in the world and remains so for the benefit of NSW and Australian consumers."*

*"Importantly, the arrangements are strongly supported by those most impacted by their continuation or removal – the rice growers of the Riverina region, and the communities and businesses which rely upon them."*

*"The continuation of the arrangements also provides ongoing support for SunRice's Riverina operations, which generate close to \$400 million in direct economic activity annually in years of normal production, through payments to growers, staff and local businesses."*

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**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. A Class Shareholding Limit: a person must not 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.*

*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/>.*



**Paul Toole**

Deputy Premier  
Minister for Regional NSW  
Minister for Police

**Dugald Saunders**

Minister for Agriculture  
Minister for Western NSW

## MEDIA RELEASE

Wednesday, 20 April 2022

**\*\*Grabs and footage available below.**

### RICE VESTING ARRANGEMENTS EXTENDED

Deputy Premier and Minister for Regional NSW Paul Toole and Minister for Agriculture and Western NSW Dugald Saunders have travelled to Deniliquin to announce a five-year extension of the vesting powers of the NSW Rice Marketing Board.

Rice vesting is an arrangement established under the Rice Marketing Act 1983, where legal ownership of all rice grown in NSW is fully vested in the Rice Marketing Board of NSW.

As part of these arrangements, a Sole and Exclusive Export Licence is currently issued to SunRice with the exclusive ability to export NSW-grown rice.

Mr Toole said NSW will continue rice vesting in the Rice Marketing Board until 30 June 2027.

"This is an industry we can truly call our own, with over 99 per cent of all rice produced in Australia grown in NSW," Mr Toole said.

"The NSW rice industry had an estimated farm gate value of \$184 million in 2020-21, with an average farm gate value of \$188 million per annum over the past ten years. The industry contributes significantly to our world-class agricultural output, so it is critical that businesses and growers have some certainty in how their rice will be marketed moving forward".

Minister for Agriculture and Western NSW Dugald Saunders said the Department of Primary Industries conducted a detailed review of the rice vesting arrangements in NSW.

"The Rice Vesting Review found overwhelming support for the continuation of vesting arrangements by stakeholders in the state's major rice growing regions," Mr Saunders said.

"I am proud to stand behind an industry that can produce up to 1 million tonnes of rice per year, playing an important role in food security in Australia and around the world.

"The NSW Government is also commissioning an independent report to address a broad range of issues identified by the 2021 Review and provide more clarity on how we can continue to support the entire rice industry across NSW."

For more information about the review of rice vesting in NSW, visit:

<https://www.dpi.nsw.gov.au/about-us/legislation/list/rice-marketing/review/info-paper>

**\*\*Grabs and footage available for download [here](#).**

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