



24 July 2020

Dear fellow rice growers,

2021 RIVERINA CROP YEAR FIXED PRICE CONTRACTS

Further to my letter dated Friday 17 July 2020, I am writing to advise you of the SunRice Board's decision in relation to an initial offer of fixed price contracts for limited volumes of key varieties for the 2021 (C21) Riverina crop year.

The Board and I understand that growers are keen to determine the role that rice will play in their summer cropping program, and are therefore seeking an early pricing offer from SunRice. The SunRice Group is also keen to start building volume for the C21 Riverina rice crop, which is why we are pleased to offer these fixed price contracts for key varieties at this early stage in the season. We will continue to monitor market conditions in the lead up to the October 2020 planting window, and may make further offers at a future point reflective of market conditions at the time. In developing this offer, the Board was cognisant of grower feedback that both a pool and fixed price contracts were attractive to growers. If seasonal conditions, water availability and water pricing continue to improve, it is our current intention to have the availability of a pool and to offer additional varietal options.

Enclosed is a Circular and sample contract, which contain the key details of the fixed price contracts which are being offered. Below are the prices for particular varieties in the offer:

Variety	C21 Varietal Pricing
Reiziq	\$475/mt
Doongara	\$525/mt
Koshi	\$625/mt

The fixed price contract offer will open for growers who produced paddy for SunRice in a Critical Year (C19 and / or C20) at **9am on Wednesday 29 July 2020** and then for all other growers at **9am on Friday 31 July 2020**. Should further 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.

SunRice is offering these fixed price contracts to encourage plantings, underpin our Riverina milling program, and to assist the SunRice Group in meeting premium demand in key markets. Our strong desire is to secure a large crop in 2021. As a consequence of the high prices we paid ahead of the C20 crop, we secured and replenished enough seed to enable the planting of an 800,000 paddy tonne crop. Should conditions improve sufficiently to warrant the opening of a pool, this additional volume would drive further efficiencies in the use of our facilities in the Riverina.

We appreciate that individual farm business balance sheets and cashflow have been impacted due to the past two difficult rice growing seasons. To facilitate increased rice production, SunRice will once again be offering the 'GrowRice' facility to qualifying growers to help fund water and other crop inputs –

and we will be providing further information on that product to you within coming days. We have also made improvements to our 'PayRice' system, should we be in a position to have the availability of a pool as intended. PayRice will offer 90 per cent of the payment due to a grower (based on the lower range of the estimated pool return), paid within seven days from delivery. We will provide further information on this in the coming months.

As I outlined in my letter on 17 July 2020, Riverina growers continue to underpin the SunRice Group. I hope that the Bureau of Meteorology's outlook for a wetter period into the planting window plays out so that we have better water availability at lower prices, and we all have the opportunity to grow some rice.

Sincerely,

A handwritten signature in black ink, appearing to read 'Laurie Arthur', written in a cursive style.

Laurie Arthur
Chairman
SunRice Group