



Media Release

6 February 2019

SunRice delivers \$25 per tonne paddy price uplift

Leading Australian branded foods company SunRice has announced an additional payment of \$25 per tonne for all varieties delivered into the 2018 crop year (C18) Rice Pool, providing a \$12 million injection for Riverina rice growers.

The payment was made on top of SunRice's scheduled 1st February 2019 C18 paddy pool payment. SunRice is pleased that the timing of the payment will assist growers who have planted a crop this year (C19) amidst tough drought conditions and high water prices.

In an update to growers, SunRice Chairman Mr. Laurie Arthur explained the payment was made possible due to the business' strong focus on achieving premium prices in key markets around the world and cost control in anticipation of a smaller C19 crop.

"Despite whole grain yields for the C18 crop and difficult milling conditions due to heat and low humidity affecting operational efficiencies, the Rice Pool continues to benefit from the geographical sales mix of Australian rice exports into markets such as Japan and the Middle East, and the expansion of the Koshihikari rice varietal and Long Grain sales into food service channels.

"We have recently reviewed market conditions and SunRice's outlook and following positive trading conditions in December 2018 and ongoing cost saving measures, SunRice is in a position to adjust upwards the C18 paddy pool price range for medium grain Reiziq to between \$385-\$410/tonne (the previous low end of the range was \$360/tonne). As a result, there will be an additional payment of \$25/tonne for all varieties delivered into the C18 Rice Pool, representing an additional \$12 million injection into the regional communities that we operate in and are a part of."

Mr. Arthur, a rice grower himself with a crop in this year, added the business was acutely aware of the tough ongoing drought conditions across the Riverina, and hoped the additional payment would assist this year's growers.

"We have been closely monitoring the drought situation throughout the Riverina and the implications this is having on water allocations and prices. SunRice is sharing in this experience with our growers and has had to make tough decisions regarding the reconfiguration of operations and staffing levels in the Riverina in anticipation of the greatly reduced size of the C19 rice crop.

"It is an extremely challenging time to be a rice grower and I would like to take this opportunity to sincerely thank those growers who have persevered and committed to planting a crop this year despite the tough seasonal conditions. I am acutely aware that those growers who have planted a crop would be using more water than predicted and facing the need to purchase additional water at extremely high prices to carry their crop through to harvest. For those who have planted a rice crop, hopefully this additional payment will provide a useful injection of funds to ease the pressures.

"To be able to increase the paddy pool price for our growers at such a critical time, which follows consistent delivery of previous price range estimates, demonstrates SunRice's commercial resilience and strong track record in generating the best possible returns for the industry.

"We are hopeful that with a continuation of the positive movements in global markets that this trend may continue. However, any softening in markets and a further strengthening of the Australia dollar will naturally influence the final pool result."

Media inquiries: Sally Edgar, Sauce Communications, 0425 247 133
sally@saucecommunications.com.au