

25 September 2015

Dear Grower

## **C2015 Price Update and C2016 Price Outlook**

The Directors and I have spoken to many of you over recent weeks about the challenging seasonal outlook and our need to have as much rice as possible produced. Most of you have pointed out you want to grow rice but need a better idea of the rice price outlook to provide the confidence to commit the water you have to rice or to purchase additional water to grow more rice.

I asked management to provide detailed information for the Board meeting today regarding trading conditions to date and the short and medium term outlook to enable us to provide growers with a further update on C2015 likely returns and the outlook for C2016.

### **C2015**

The Rice Milling and Marketing business is experiencing strong sales performance across domestic and global channels and the Australian dollar continues to trade at favourable levels. On the basis that current trading conditions continue we anticipate the C2015 price to be in the range of **\$385-\$405** per tonne (medium grain Reiziq basis).

### **C2016**

Looking ahead to C2016 and considering a number of factors including international pricing, competitive landscape, crop size, foreign exchange and conversion costs, we expect the C2016 paddy price to be in a similar range to C2015.

I am also pleased to advise the Board approved today a rice crop input funding facility - GrowRice. This facility is designed to improve cashflow prior to planting your rice crop or during the growing season. It will provide a competitively priced cash advance up to \$1,000 per contracted hectare to be repaid from the first payment after harvest, to assist with the purchase of rice crop inputs, including water. More details will be mailed to all growers early next week and I encourage you to use the facility to grow the rice we need.

I hope the improved price outlook combined with the GrowRice facility (and hopefully an increase in water allocation) will help you decide to make rice your main summer crop. I look forward to those of you who have not yet placed a seed order to have the confidence to do so in the coming days and I hope those who have placed a seed order may be able to contact Grower Services (1800 654 557 or [growerservices@sunrice.com.au](mailto:growerservices@sunrice.com.au)) to increase it.

Yours sincerely



Laurie Arthur  
Chairman