



## NSX ANNOUNCEMENT

8 August 2018

### SunRice Offers C19 Fixed Price Contracts for \$500 per tonne

SunRice will offer further fixed price contracts for rice harvested in 2019 (C19) of \$500 per tonne for medium grain Reiziq and up to \$650 per tonne for the specialty variety Koshi, that meet the Company's quality specifications. The contracts will be offered on a 'hectares planted' basis.\*

The decision to offer fixed price contracts is intended to encourage local rice production by providing Riverina growers with greater certainty regarding upcoming summer crop planting decisions, in the context of the current low water allocations and high water prices. Offering fixed price contracts for C19 is also in the best interests of the SunRice Group, as providing a strong incentive to growers is necessary to secure sufficient paddy rice to service our key high value markets and also provides a base level milling program for our facilities.

Marketing of the C19 crop will take place over the 2020 Financial Year ending 30 April 2020 (FY20). At this stage, with a couple of months of the season still to run, it is too early to predict the C19 crop size and whether C19 fixed price contracts would be fully funded from SunRice's Rice Pool business or if funds would be required to be allocated from SunRice's Profit Businesses to supplement the C19 fixed price contracts.

SunRice is working on a number of initiatives to mitigate the impact to the business should C19 fixed price contracts not be able to be funded by the Rice Pool. The Board will update growers and shareholders as more information becomes available.

In addition to offering additional C19 fixed price contracts, SunRice has also increased the contract prices that were offered in March/April 2018 for C19 fixed price-tonnage contracts.

- Reiziq has been increased from \$400 to \$500 per tonne;
- Koshihikari has been increased from \$550 to \$650 per tonne;
- Opus has been increased from \$415 to \$515 per tonne;
- Topaz has been increased from \$445 to \$545 per tonne;
- Doongara has been increased from \$450 to \$550 per tonne;
- Langi has been increased from \$430 to \$530 per tonne;

Commenting on these initiative, SunRice Chairman, Laurie Arthur, said,

*"Global demand for high quality Australian based SunRice products is expanding and in order to maintain existing consumer markets and pursue new opportunities we need as much rice as possible from the Riverina.*

*“The decision to offer further C19 fixed price contracts has been made following a rigorous review and the Board is very clear that providing certainty for the 2019 crop price is in the best interests of the SunRice business, and both A and B Class shareholders.*

*“I encourage our growers contact Grower Services for further information: 1800 654 557.”*

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\* Hectares planted will be determined by terms set out in SunRice's Fixed Price Rice Purchase Contract Offer and Confirmation document.