ASX ANNOUNCEMENT

29 November 2021

Letter to A Class Shareholders and Riverina rice growers – update on the CY22 Riverina rice season

We attach a copy of a letter being sent to A Class Shareholders and other Riverina rice growers, regarding an update on the 2022 (CY22) Riverina rice season, and the estimated plantings and crop size.

Authorised by Kate Cooper, Group Company Secretary and General Counsel, SunRice.

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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. The right to vote is based on one member, one vote and no person may 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/.

29 November 2021

Dear fellow rice growers

UPDATE ON CY22 RIVERINA CROP

I am writing to provide an update on the CY22 Riverina crop, now that the planting window is coming to a close.

While the rain currently falling across the Riverina is proving to be a headache for harvest of winter crops and has had impacts (along with colder weather) on the rice which has been recently planted, water allocations are at their maximum level in both the Murray and Murrumbidgee valleys. It's the first time this has occurred since 2016 and is positive for both the current and forthcoming cropping seasons.

Particularly after the difficult CY19 and CY20 seasons, which at 54,000 and 45,000 paddy tonnes were the third and second-smallest on record, it is pleasing to once again have good water availability, lower water prices and as a consequence a significant rice crop.

While there is still potential for a small additional volume of some late-season varieties to be planted, based on seed issued to our growers, SunRice's current expectation is that in excess of 60,000 hectares of rice will be planted across the Riverina. Assuming five-year average yields by variety and by region, our expectation is that will lead to a crop in excess of 600,000 paddy tonnes to be harvested.

If these five-year average yields are achieved, there should be a crop in excess of the CY18 harvest of 623,000 paddy tonnes – being the largest in five years. Approximately 517 growers across 807 farms have now planted a crop, with approximately 42 per cent planted in the Murrumbidgee Irrigation Area, 8 per cent in the Coleambally Irrigation Area, 23 per cent in the Eastern Murray Valley and 27 per cent in the Western Murray Valley.

Given the 420,000 paddy tonne crop harvested earlier this year, we have just ramped up operations this month at our Leeton and Deniliquin core rice milling facilities from 24 hours a day, five days a week, to 24 hours a day, seven days a week.

The size of the CY22 crop means that our facilities in the Riverina should fully recover their overheads and deliver a naturally earned paddy price at the end of the 2023 Financial Year, given that crop will be processed and marketed between 1 May 2022 and 30 April 2023.

Thank you all for your strong support of our industry, and I look forward to working with you throughout the CY22 season.

Sincerely,

Laurie Arthur
Chairman
SunRice Group

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