

**MINUTES OF MEETING OF THE WAKOOL BRANCH OF THE RICEGROWERS ASSOCIATION OF AUSTRALIA
INC. HELD ON THURSDAY, 7 JUNE 2018 COMMENCING AT 7.00 P.M.**

Attendance: George Rathbone, Dave May, John Bradford, Laurie Arthur, Jeremy Morton, John Lolicato, Michael Chalmers, Graeme Krueger, Neil Bull, Craig Feuerherdt (H2OX), Michael Gorey, Barry Gorey, Paul Gorey, Anthony Gorey, James Gorey, Shaun Thomas, Norm Thomas, Danyon Williams, David McDonald, Shane McNaul, Marie Martin, Nick Warne, Amy Lolicato, Andy Arthur, Sean Collins, Michael Pisasale, Dennis Gleeson, Victoria Taylor, Doug Hocking, Nev Hollins, Leigh Vial, Tom Howard, Ryan Gleeson

Apologies: Apologies noted were Anna Jewell, Robert Glenn, Peter Kaylock, Helen Collins, Les Gordon, Anthony Thomas, Mark Martin, Ian Mason, Drew Braithwaite, Rachel Kelly

Minutes: Moved by Mr J Lolicato, seconded by Mr L Vial;

That the minutes of the Branch meeting held on 14 January 2018 are a true and correct record of that meeting.

CARRIED

Wakool Branch Presidents Report (Michael Chalmers)

- a) Michael welcomed all attendees to the meeting.
- b) Congratulations to the newly elected MIL Board Members, Ryan Gleeson, Noel Baxter and Steven Fawns.
- c) Wakool Branch is hosting the next conference, to be held in Echuca-Moama in August and will include a tour of the Barmah Choke. John Lolicato noted that this is a missed opportunity to showcase the local Wakool and surrounding regions. Michael explained that the venues and Barmah Choke tour were attractive when seeking where to hold conference.
- d) John Lolicato raised concern that the Murray Valley is not being well represented on the water front. The Northern Basin have a strong representation, and are always defended and the Murray Valley is suffering. Jeremy highlighted that this issue was also raised at Deniliquin Branch AGM.

Motion:

Moved by Mr J Lolicato, Seconded by Mr S Collins;

RGA organise peak groups and bodies to present at a water forum that is open to the public.

CARRIED

RGA Presidents Report (Jeremy Morton)

- a) Discussed his observation how politics are heavily influenced by social media, and through this believes issues and concerns can be amplified. This was highlighted when the Northern Basin story was featured on Four Corners.

Elections

Mr T Howard held election as a block elections. Mr James Gorey was nominated to be alternate, Mr P Kaylock has stepped down as an alternate.

Motion:

Moved by Mr S Collins, seconded by Mr D McDonald;

That all the incumbents be nominated for their respective positions for 2018/2019.

CARRIED

| <u>POSITION</u> | <u>PAST</u> | <u>ELECTED</u> |
|---------------------------------|---|--|
| President | M Chalmers | M Chalmers |
| Vice-President | P Martin | P Martin |
| Secretary | S Martin | S Martin |
| Central Executive delegates (2) | J Morton, P Martin, M Chalmers | J Morton, P Martin, M Chalmers |
| Central executive alternates | J Lolicato, P Kaylock, S Robertson, J Alexander | J Lolicato, S Martin, J Alexander, J Gorey |
| Seed committee delegate | M Martin | M Martin |
| Seed committee alternate | L Vial | L Vial |
| Moulamein Shed Committee | R Glenn, C Mertz, S Collins | R Glenn, C Mertz, S Collins |
| Burraboi shed committee | M Chalmers, J Lolicato, M Martin | M Chalmers, J Lolicato, M Martin |

RGA Executive Director (Graeme Kruger)

- a) Graeme acknowledged the work of the RGA Staff, with particular reference to Neil Bull, Rachel Kelly, Courtney Dillon, Leah Wythes and Carmel Cristofaro – thank you for what you do.
- b) Outlined why the constitution is being reviewed and changed. Highlighted the sentiment of the constitution must not be changed. Members are welcome to look at the suggest changes to draft constitution. Suggestions for changes are to be brought forward within 28 days of the AGM, otherwise an EGM needs to take place.
- c) Five key policy areas were discussed, and their three key components. These are used as guides when talking to politicians and media.
- d) Jeremy Morton updated attendees on MDBA and Water Sharing Plans, movements in Parliament with particular reference to the SDL's, projects have been brought forward to offset water recovery of 605GL, projects aim to be completed by 2024. Water Ministerial meeting being held in Canberra, where social and economical neutrality test and impact on the states will be heard. NFF and National Irrigators Council have requested that ministers resolute a better test, with key points clearly defined and if need to recover water from the recovery pool.
- e) Jeremy discussed recent meetings with Federal Minister Lisa Chester and MDBA chair Neil Andrew, separately. Encouraging that Lisa Chester concerned about future of irrigators. Laurie also part of meeting with Neil and Jeremy, discussed how government can help MDBA rollout the plan and reduce the social and economic impacts on irrigators. John Lolicato questioned whether deal was done with peak groups to get SDL's over the line, and expressed concern that the Murray Valley feeling the effects of the plan significantly in that employment and water gone from the region. Jeremy highlighted a lot of work to do, need to deal with whats in legislation, must work with government and opposition to make sure no more water is recovered. Dave May questioned as to whether there is possibly a case to be built in looking at the impacts on this region in particular. Jeremy believed that how the efficiency products were originally started needs to be revisited.
- f) Graeme touched on the review into the levy to increase it from current amount. The increase in the levy is aimed to go towards variety breeding, getting 1.5t/ML, agronomics and best practice management. Shane McNaul questioned if there was a main focus on regions in the south, or the north. Funding has currently been put towards the north, but will remain in the south. The government will match the amount untill cap is reached.
- g) Graeme acknowledged the work of Rachel Kelly and Troy Mauger in the roll out of the ARLF initiative, and that the first program has commenced. Announced that 100% od the funding that was requested was guaranteed, and believed that it was because it was a whole industry approach, not segregating gender, ages, etc which impressed the selectors.
- h) Graeme highlighted that RGA is supportive of Sunrice being listed on the ASX at the moment. There is more information to come and RGA will look at the proposal from the perspective of growers. John Lolicato stressed that storage infrastructure was not addressed as a key component, and that it is separate to processing. RGA noted that this will be made a priority when talking to growers.

RGA Representative (Neil Bull)

- a) Two native game bird management packages available on controlling ducks and best management practices.
- b) Two bitterns still being tracked with Bitterns in rice project, one in Shoalhaven district and on in Coleambally district.
- c) Matt Herring has a fascinating presentation to be presented at annual conference, definitely worth watching as It includes the NDVI imagery of how the bitterns could be found in the rice.
- d) WMLIG, Rice Extension and RGA are hosting an event next Thursday in Barham. Details can be found on website, or by contacting Laura Kaylock at WMLIG in Barham.

Sunrice Chairman's Report (Laurie Arthur)

- a) Announced that there will be review and a vote into who can hold A class and B class shares.
- b) This will be done in part of the process of the ASX listing. Sunrice is a dual share structure, which the ASX have not allowed before. Have negotiated that ASX that grower control must stay. Key drivers are to optimize the paddy price, and deliver best possible outcome to growers.
- c) \$25million dollars to be invested into the Deniliquin mill over the next couple of years to improve infrastructure for short grain varieties. New contract with Sumotomo in Japan, wanting 46,000t of quality Australian short grain varieties.
- d) Gearing currently down to 17%, this allows ability to borrow funds and have access to capital. Sunrice shares are greatly undervalued.
- e) Next Sunrice AGM, elections will be held and a new director will be elected.
- f) Laurie revisited John Lolicato's concern and stated that the local delivery sheds are the slowest in the country.

- g) Michael Chalmers questioned the removal of the 5% cap. Laurie answered that in making the cap 10%, this will mean Sunrice can efficiently increase the capital and believe it will attract more institutional investors. Broadening the shareholder base will spread the risk.
- h) John Lolicato questioned as to whether there was a strategy in place to allow younger growers to have easier and quicker access to shares to make growing rice more attractive. Laurie said currently not a plan in place, and he finds this concerning.
- i) Sunrice board subject to continuous disclosure, and therefore should something prevail growers and shareholders must be notified immediately.

Sunrice Growers Services (Tom Howard)

- a) 622,000t received by AGS in C18, exceeded yield expectations.
- b) Dry harvest, whole grain yields have been variable, moistures fell quite rapidly. C17 Whole grain yields were 61%, C18 average is 56%, high variability in reziq and sherpa. Poorer quality grains will be milled in the winter. Aim to have whole grains and QOC appraisal finished early than September this year.
- c) Opening C18 pool - \$355-400/t. C17 \$355-365. Board has announced that upper end of that range will be exceeded. C19 forward contract options are available as well as the pool. Will review through the course of the year.
- d) Growrice uptake was increased this year, used a lot more for the purchase of water and is now being reviewed how water can be funded across the season.
- e) Payrice was launched this year, and just under 20% of growers took up payrice. Offer 75% up to 12 days after harvest, at lower interest rates. Very competitive industry, driver of grower services is to push paddy price and create as much value and make business with Sunrice as easy as possible.

Rice Marketing Board (Victoria Taylor)

- a) Victoria Taylor has taken over from Robyn Club. Also joined by Doug Hocking and John Bradford.
- b) Finalising two major reviews at the moment that came out of the review of vesting. Now available on the website. A review into the viability of the rice industry expanding greater than the Riverina will take place, more information will be available at the conference.
- c) RMB believe there are no risks of the proposal of Sunrice listing on the ASX.

Agrifutures Rice R&D Advisory Panel (Graeme Kruger on behalf of Drew Braithwaite)

- a) Drew has taken over as chair from Ian Mason. New panel announced.
- b) Budgets for R&D are fairly conservative going forward. Good to see members and growers encouraging and supporting the initiative of the new levy review.
- c) Rice extension have been given another 3 years of funding.

Murray Irrigation Limited (Nick Warne)

- a) PIOPP 3 involves \$50m worth of updating between Lake Mulwala and the Lawson Siphon.
- b) 2016 & 2017 inspection works – refurbishing replacing or modifying existing structures to extend their life by another 50 years along the canal.
- c) Major partners are ERTECH – major contractor, fit it into 12weeks and AWMA – gates on the regulators this year, based in Cohuna.
- d) John Lolicato questioned whether de-silting will be done at the Wakool Offtake. Nick will take on board as to be part of ongoing maintenance.

H2OX (Craig Feuerherdt)

- a) Les gave a weather update. Various models are leaning towards an El Nino later in the season, however may not be as dry as typically seen in the past. The region is behind average rainfall, and overall storage levels are low.
- b) Carryover could be half of the allocation this year. Be aware of allocation and carryover from different systems. Prices will be driven by rainfall. Expect price pressure at the start of the season, with low allocations.
- c) Dave May raised the concern of people punting the water market. For entitlement particularly. Institutional investors and superfunds are putting water towards horticultural space, and agricultural institutions. Will pay dividends in low allocation years.

General Business

- a) George Rathbone expressed how confusing the commonwealth bank statements are currently. Tom Howard expressed that the statements will have less lines next year, and be one simple transaction.
- b) Dave May raised concern that the communities and irrigators in the MV are wearing the risks should the 605GL target not be reached. This point needs to be reinforced at every possible opportunity.

Motion:

Moved by Mr D May, Seconded by Mr J Lolicato;

The RGA seeks an ironclad commitment from MDBA that if current 605GL of offsets shortfall, the extra water is found through supply measures or alternative projects (rather than water purchases).

CARRIED

- c) John Lolicato wished to amend some comments he made that were recorded in the previous minutes, that water was more likely to come out of the Southern system and that the WMV is affected more than anywhere else. He also previously raised that the four day delay was not required as the water was effectively off quota at that point in time.

Meeting Close 10.15 P.M.