

The background of the slide is a photograph of a vast rice field. In the distance, two large combine harvesters are working in a golden-brown field. The sky above is filled with large, white, fluffy clouds. The foreground is a close-up of the rice plants, which are a mix of green and yellow.

The SunRice 5R Value Proposition

**Rice Industry Leaders Presentation
Griffith
2nd August 2017**

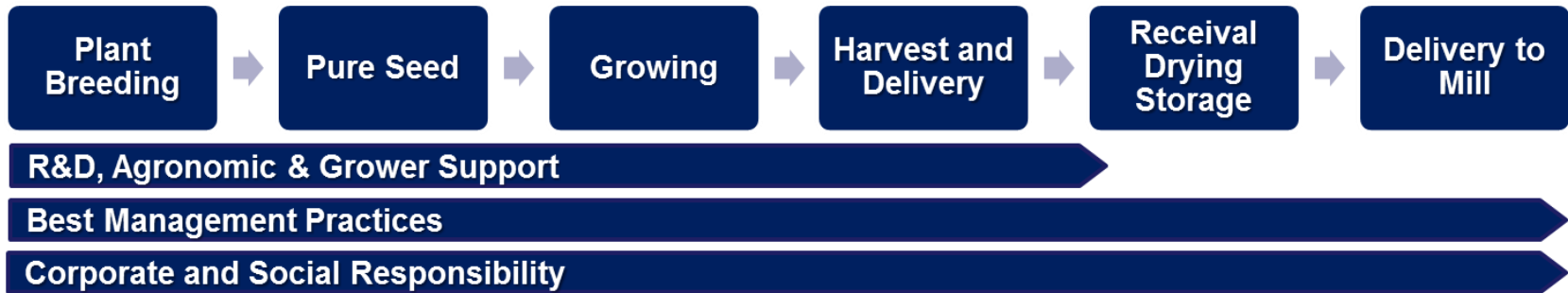


Presentation Outline:

- The SunRice AGRO Team
 - AGS,
 - RRAPL,
 - Grower Services
- The Changing Face of Rice
- Our Key Guiding Principle
- The 5-R Rice Value Proposition



What does the SunRice AGRO Group cover:



- a) **Varieties & Farming Systems** that meet and exceed the current and future requirements of our customers and growers,
- b) A **market leading value proposition** for the rice based farming system (the 5R's).
- c) **Agronomic and extension support** for growers across all geographies
- d) Regionalised **Best Management Practices** (BMP's)
- e) Pre Milling **Operating efficiencies and effectiveness**
- f) Acting in both a **socially and environmentally responsible manner**, protecting the quality and reputation of SunRice's products and name.



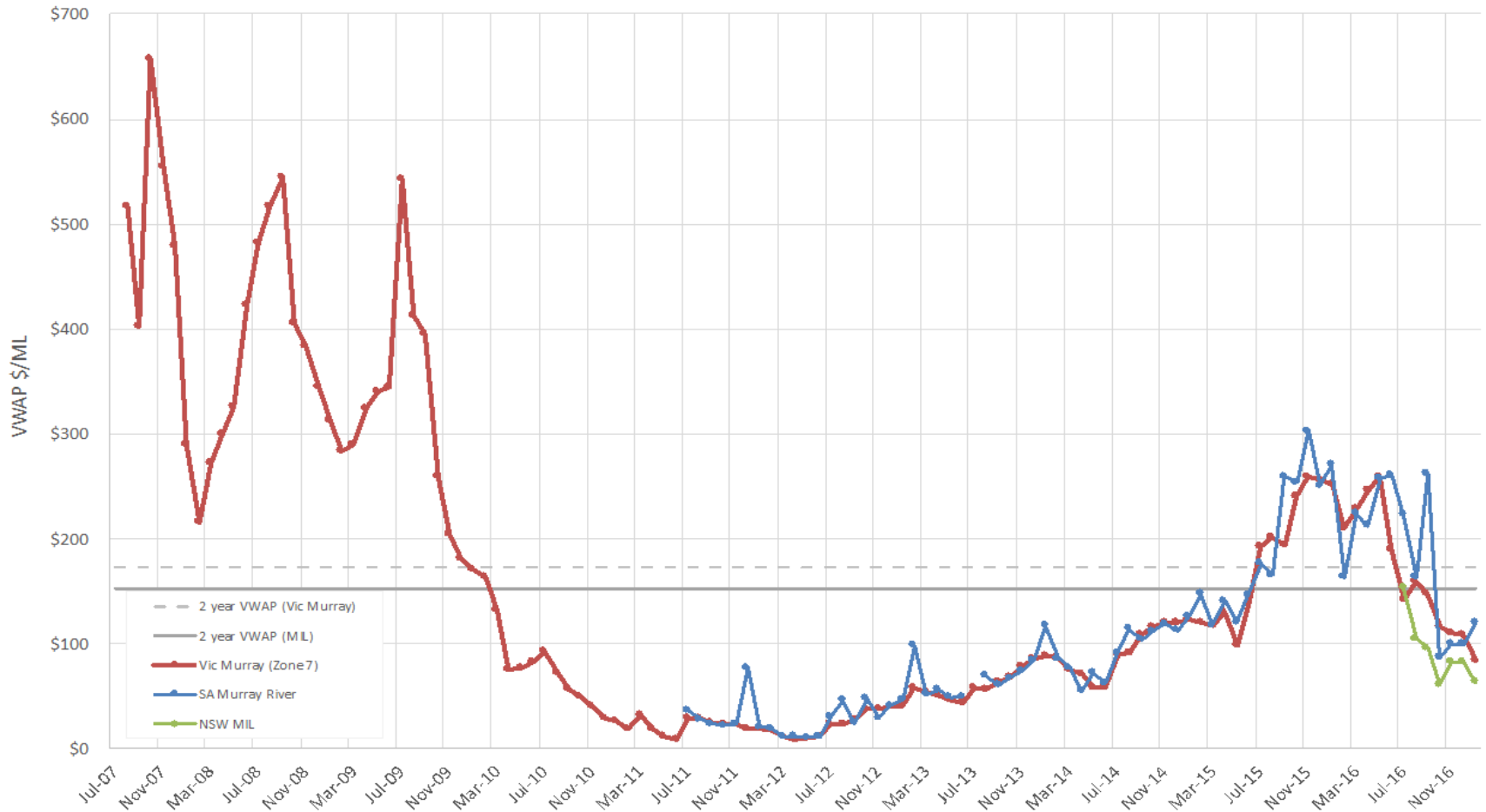
Our Guiding Principle:

Rice – The Crop of Choice

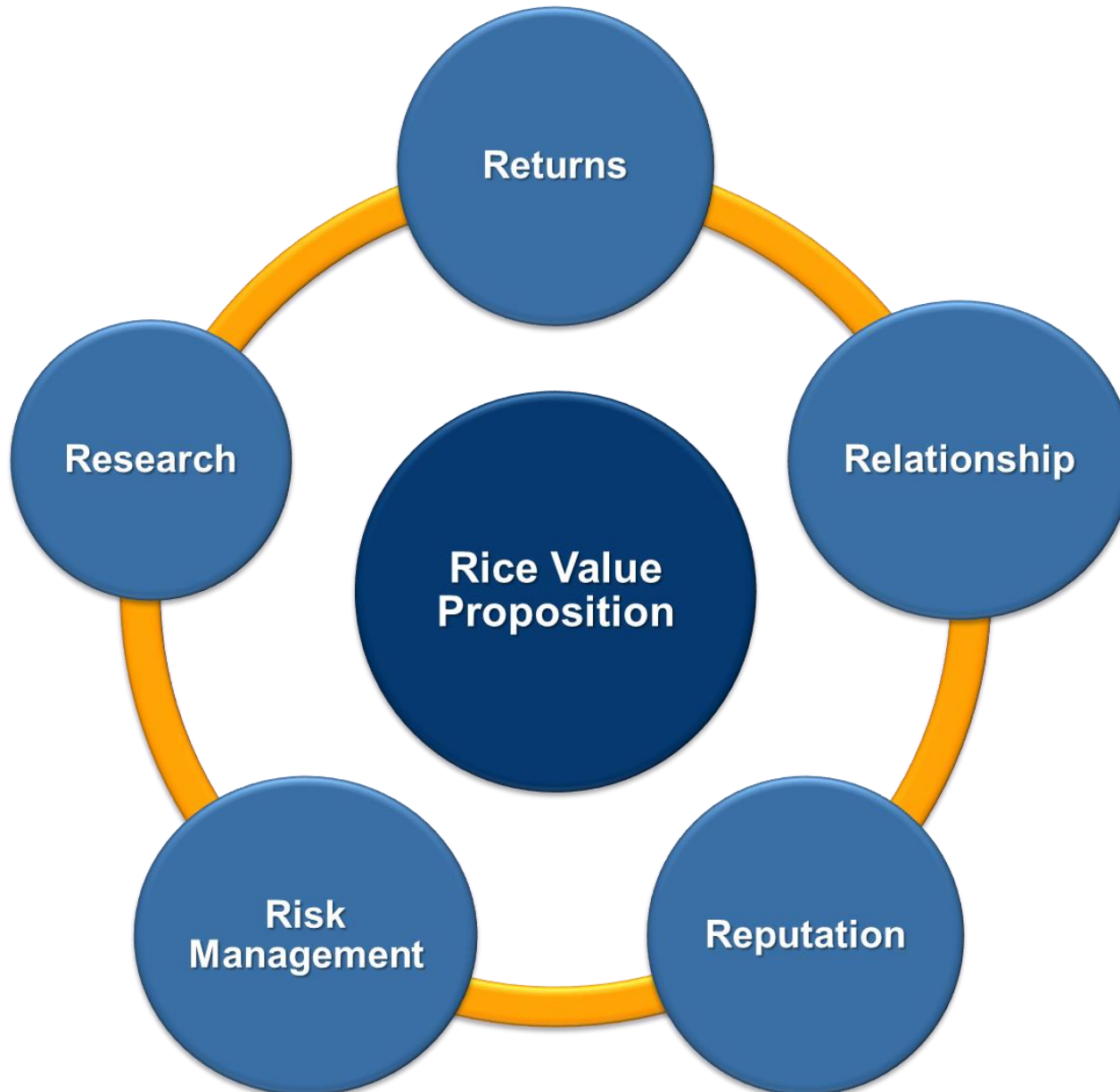


Long Run Allocation Prices - temporary water

Monthly Volume Weighted Average Price (VWAP) \$/ML of Water Allocations
Jul 2007 to Jan 2017



The SunRice 5-R Value Proposition:



Returns:

- Maximise Returns per Hectare
- Maximise Returns per Megalitre
- Maximise resilience of whole farm earnings
- Optimise pre-production supply chain costs
- Maximise Returns to the Group



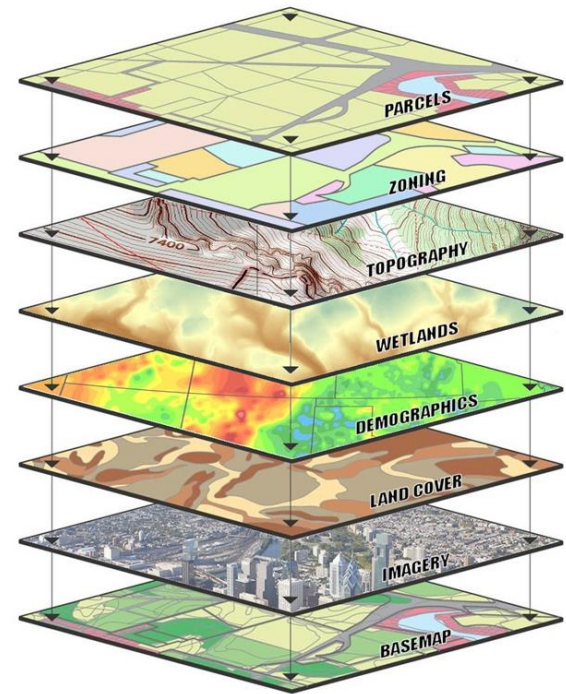
Returns:

- Increase proportion of **premium varieties** grown
 - Short grains, Low GI, niche varieties
- Increase whole farm **cropping frequency** and total returns per ML and HA annually.
- **Optimise AGS storage and handling costs/mt**, improve regional varietal plans to optimise milling and freight.
- **Maximise flexibility** of the rice based farming system
 - Short season varieties
- **Maximise quality** of paddy delivered
 - Minimise quality discounts
- Use of “**Big Data**” to drive improve performance



How can we invest in “Big Data” to improve Returns:

- The collation of agronomical all **spatial information** (GIS)
- The development of **Predictive Analytics** to forecast and optimise maximum result on farm
 - Variety by soil type
 - Planting dates and windows
 - Nutrition
 - Pl timing and NDVI imagery
 - Draining and crop finishing
 - Grain Quality and WGY
- Align **Customer Demands** with **agronomic practices**.
- Exploit our presence along the entire **Value Chain**



Risk Management:

- Increase the options for growers to participate in price risk management.
- Align Varietal Premiums with Market Pricing.
- Increase Fixed Price alternatives.
- Explore Water options for growers and SunRice.
- Increase the use of alternative risk management options.

Rough Rice Futures Overview

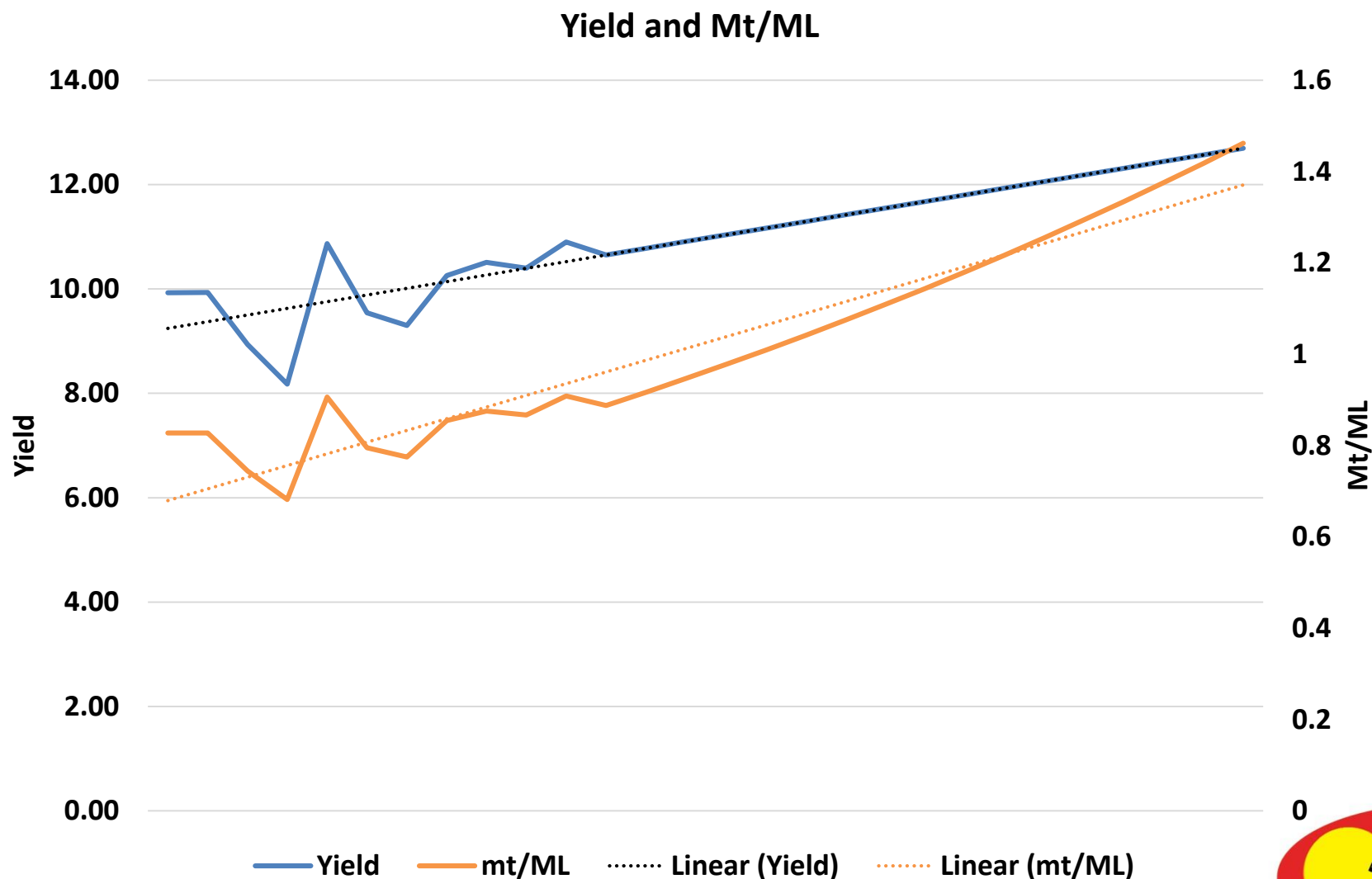


Research (Increase returns, reduce risk):

- Improve **Yield and Water Use Efficiencies**, continued and expanded R&D into **Dry Rice**
- Improve **nutrition and pest/disease management** regime's
- Continuous Improvement of Best Management Practices.
- Improvements in **Quality Appraisal** Systems, quality at the sample stand
- Adoption of **Precision Agriculture**
- Ongoing **varietal development** and commercialisation



The impact and importance of R&D on yield and WUE



An example of our opportunity and direction:

Improved Yields, Increased Cropping frequency, Increased WUE.

A YRM 70 example:

- Drill Sown 15th Nov into a winter pasture paddock.
- Four flushes, permanent water 23rd December
- Nil nutrition upfront, 100kg Urea 23rd Dec, 100kg at PI 4th Jan
- Drained 25th March, harvested across 4 days (16.6% to 20.1%)
- **Yield 13.3Mt/Ha, water use 9.38ML/Ha, 1.41Mt/ML**

Crop	Yield t/ha	Water Use ML/ha	Price/t	Costs \$/ha	Gross margin \$/ha	GM \$/ML
Pasture					\$ 810	-
YRM70	13.3	9.4	\$300	\$ 1 420	\$ 2 570	\$ 273
TOTAL					\$ 3 380	\$ 360



An example of our opportunity and direction:

Improved Yields, Increased Cropping frequency, Increased WUE.

A YRK 5 example:

- Winter Hay cut in October.
- YRK 5 sown in November, harvested April
- Sown to Wheat in May/June, 3 crops in 20 months
- Lower water use
- Increase in rice, lamb & cereal production
- Better returns/ML
- Late sowing varieties spreads workload and watering schedule

Enterprise Name	Paddock Size	Water Use	Gross Margin/ha	Gross Margin/ML
YRK5	50ha	10ML/ha	\$2,059.67/ha	\$205.97/ML
Pasture	50ha	2.5ML/ha	\$874.64/ha	\$349.86/ML
Wheat	50ha	0ML/ha	\$151.96/ha	\$NaN.N/ML

Reputation:

- Enhance the reputation of the industry as **modern, innovative** and market leading.
- Call out the worlds leading **productivity and sustainability** of the Australian sector.
- Highlight the **uniqueness** of the industry
- **Advance the reputation** of the Group in all regions in which we operate.



Relationship:

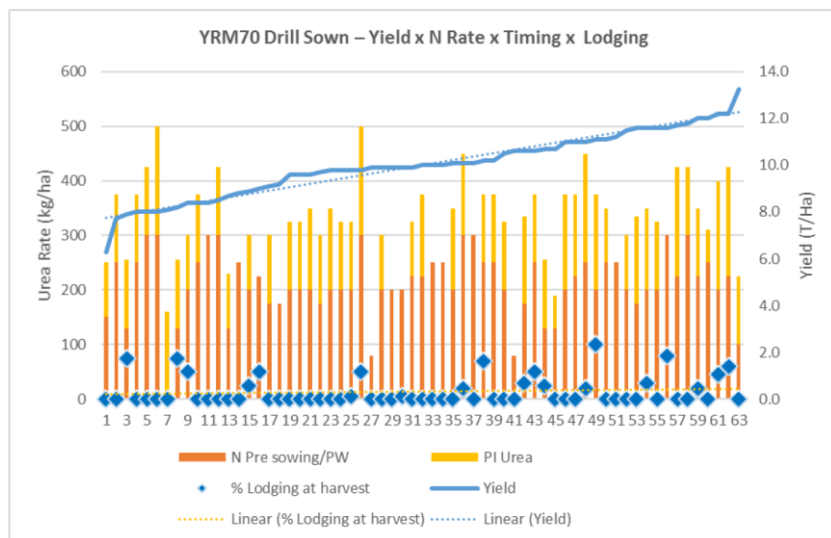
- Improve the performance of individual rice growers by developing a closer, **one on one relationship**.
- Improve returns from a detailed under **understanding of individual growers**, your farming enterprise and how to specifically improve performance and quality.
- **Tailor our Service and product offering**
- Understanding and use of **individual and industry data** to:
 - Benchmark and **improve current performance**.
 - Understand where **performance opportunities** lie.



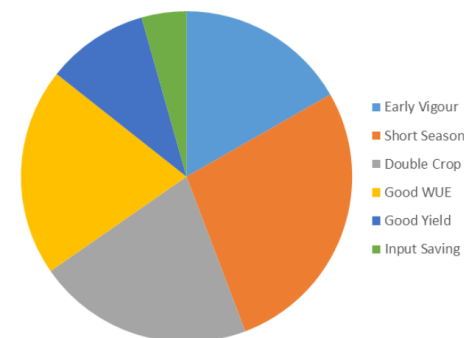
How we benefit from stronger Relationships:

Learnings and understanding of YRM70 and YRK5 trials:

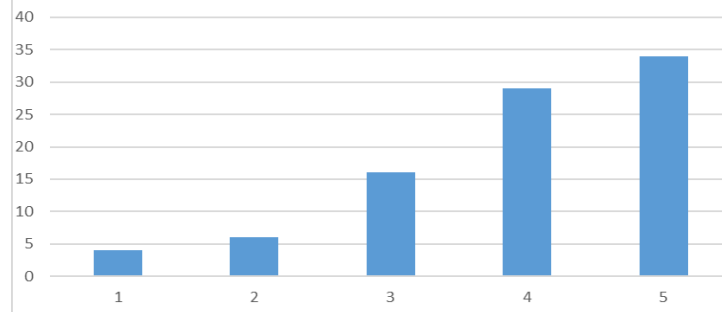
- 4,126 Ha of YRM70 (93 growers) 2,065 Ha of YRK5 grown (55 growers)
- >90% of all growers extensively surveyed on results.
 - Sowing dates, nutrition, sowing rate, Double Cropping v Fallow, Yield, Water Use
 - Results, lodging %, grower sentiment
- Significant Enhancements to BMP, reducing risks



Wheat are the greatest strengths of YRM70



Q3. On a scale of 1 to 5 with 1 being very unlikely, 5 being very likely, how likely is it that you will use one of the new short season varieties if commercially released?



The 5R's – A summary:

Maximise returns for Growers and Shareholders by continually strengthening the premium position of “Rice - the Crop of Choice”.



Expanding Agronomic, AGS and Big Data capabilities to increase **Returns** for Growers & Shareholders

Investing in **Research & Development** that delivers superior varieties, grain quality & farming systems

Enhancing & leveraging our **Reputation** as the world leader in rice Productivity, Food Safety, Sustainability and Traceability.

Increasing **Risk Management** options and tools for Growers and the Group to better manage key risks

Developing Stronger and deeper **Relationships** that deliver improved and individualised grower returns