

RICE FIELD DAY, YANCO, THURSDAY 15 MARCH 2018

CHAIRMAN'S SPEECH

- Thank you.
- In my 30 years of rice farming in the Riverina, I have never experienced a more dynamic period in agriculture:
 - There's unprecedented competition for our traditional growers' resources and expertise.
 - With the exception of cereals, there are strong - and in some cases booming - markets for our commodity crops.
 - And there's constant uncertainty around our access to water from season to season, leading to tough decision-making on farm.
- Agriculture - and our industry - has changed. *And so too has SunRice.*
- We share your optimism for the future and we're focused on making growing premium rice as easy and profitable for you as possible:
 - We have upgraded our pricing range in recent weeks. At \$350 - \$365/tonne, the C17 range has increased \$50/tonne in the past six months, which is fantastic for our growers.
 - We anticipate excellent yields and strong pricing for the C18 crop we are about to harvest.
 - And we look forward to announcing contract options in the coming weeks for C19 to underpin our premium market focus and secure production.
- You are also about to hear from our CEO Rob Gordon on the impressive progress we are making delivering on our Group Strategy:
 - The SunRice business is focused strongly on delivering on our dual objectives:
 - To optimise the paddy price for our grower shareholders.
 - And to optimise capital growth and dividends for our investor shareholders.
 - We are meeting competition from other crops and other markets head on.

- And we are supporting our growers to specialise in premium rice growing to achieve premium farm gate returns.
- Part of this includes the exciting new agronomic packages that you have heard about this morning. SunRice is continuing to roll out new initiatives to help our growers:
 - We have made contracts available, while continuing to underpin our industry's production through the paddy pricing pool.
 - We've introduced GrowRice, which gives you additional options to help those who qualify to maximize their plantings. It's worth noting that includes:
 - Up to \$1000 per ha for input funding, including water, fertiliser and diesel at an interest rate of approximately 4.5%; and
 - Pre-purchases of water prior to planting.
 - Grower Deduction Authorities are also readily accepted throughout the region.
 - We've had a great response from growers to these initiatives.
- We've also recently introduced changes in our paddy payments terms to align pool payments with how we receive revenue for your rice sales.
- As a part of that, we've established PayRice to give growers a range of cost effective options to manage how and when they receive pool payments.
 - We realise this initiative has been cumbersome for some of you.
 - But PayRice does deliver some very real benefits:
 - For SunRice, it has freed up substantial working capital funds in the business, which will allow Rob and the team to pursue initiatives that have the potential to strengthen paddy prices further.
 - And for our growers, it has provided new options to receive and finetune payment schedules to best suit individual or farm cash flow needs.
 - This now includes the ability to draw down between 60 to 75% of your estimated pool payments at harvest or defer until July each year.

- As a business we're comfortable with whichever payment option you take. We just want to provide all growers with prompt payment and plenty of options.
 - Around 85% of our growers are now signed up to the program and I want to thank you for your patience and perseverance. The other 15% of grower have nominated to receive their payments in line with the new payment terms.
 - We will continue to work with the CBA to streamline the process for the future.
 - An animated video explaining your new look payment summaries and the process will be coming out shortly and I encourage you to watch it ahead of your first payment.
- You've already seen the important work that's happening in R&D here today and SunRice continues to rethink and refine our approach wherever possible to strengthen returns:
 - This includes the MapRice GIS crop survey online tool, which we've updated for C18 to make it easier for growers to use.
 - You can now access it on a wider range of your smartphones, tablets and PCs, while key features such as farm boundary mapping and data recording have been simplified.
 - The analysis Grower Services can provide with this tool is designed to help our growers produce higher quality rice crops and receive greater returns for their rice.
 - And there are more initiatives to come.
 - It is a good time to be involved in the business of rice growing.
 - I am now pleased to welcome Rob to the stage. As you will hear, these are exciting times and we are committed to ensuring SunRice delivers maximum benefits for our growers and shareholders.
 - I will join Rob at the end of his presentation to take your questions.
 - Thank you.