ASX Announcement

11 August 2023

Presentation to the 2023 Australian Rice Growers' Conference

Please find **enclosed** a presentation which the SunRice Group CEO will speak to at the 2023 Australian Rice Growers' Conference today.

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About SunRice's structure

The structure of 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 ASX and may only be held by rice growers who meet the production quotas prescribed by the SunRice constitution. 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 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 generally have the right to vote at general meetings of SunRice. 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/

Update from SunRice Group CEO

Rob Gordon

11 August 2023

Important notice & disclaimer

This presentation has been prepared by Ricegrowers Limited (SunRice) and provides summary information only.

SunRice has prepared this presentation in good faith believing the statements made in it to be true as at the date of the presentation. SunRice is not otherwise warranting the accuracy of the information provided, noting that the presentation includes forward-looking statements reflecting SunRice's current expectations.

These statements are expressed in good faith and the expectations and beliefs are genuinely held but no representation or warranty is being made by SunRice that the matters stated in this presentation will in fact be achieved or prove to be correct. Forward-looking statements are subject to risks, uncertainties and assumptions that could cause the actual results or achievements of SunRice to differ materially from expectations.

These risks and uncertainties include changes in rice crop harvests, global rice market supply and demand, supply chain costs and availability; increased costs and demand for production inputs; changes in product pricing assumptions, changes in equipment life or capability; and environmental or social factors which may affect a licence to operate.

SunRice does not undertake to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this presentation, or to reflect the occurrence of unanticipated events. All figures are expressed in Australian dollars unless stated otherwise.

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Agenda

- Session overview
- Factors that can impact pool prices
- The global context
- The Australian crop
- The law of diminishing returns
- Our initiatives to maximise returns
- Stronger together

Factors that can influence pool prices

We're focused on delivering the highest possible returns for Australian growers, but there are a number of global and domestic factors that can influence prices.

Factor
World rice prices – long grain
World rice prices – medium grain
Government policy
Foreign exchange fluctuations
Shipping costs
Overhead recovery & milling yields (Riverina)
Oversupply of Australian rice

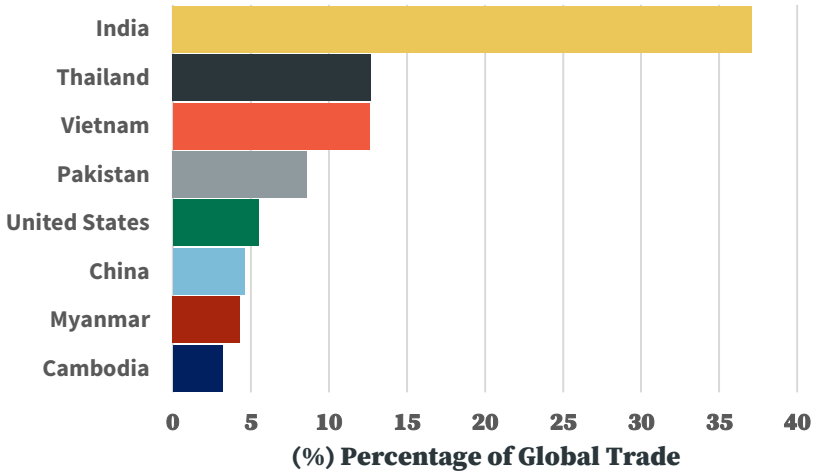
The global context

Long grain

The long grain global rice market is a complex dynamic.

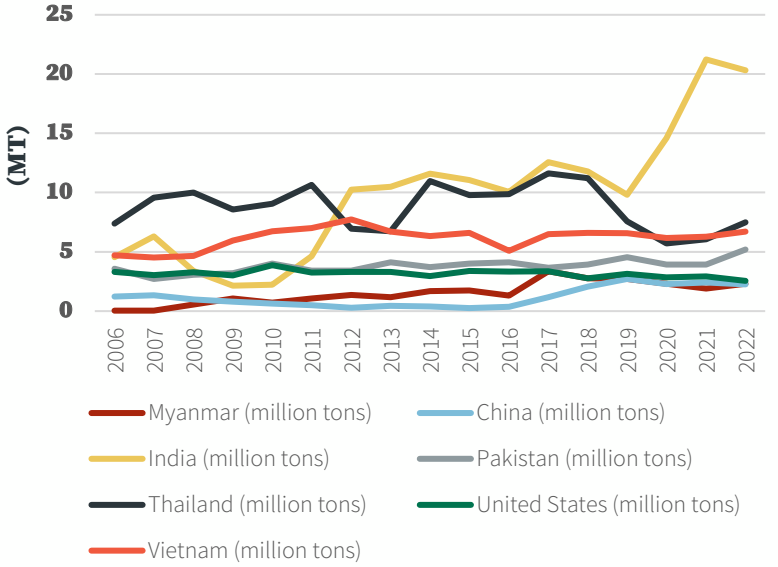
The global context

World Rice Exports: 2020-22

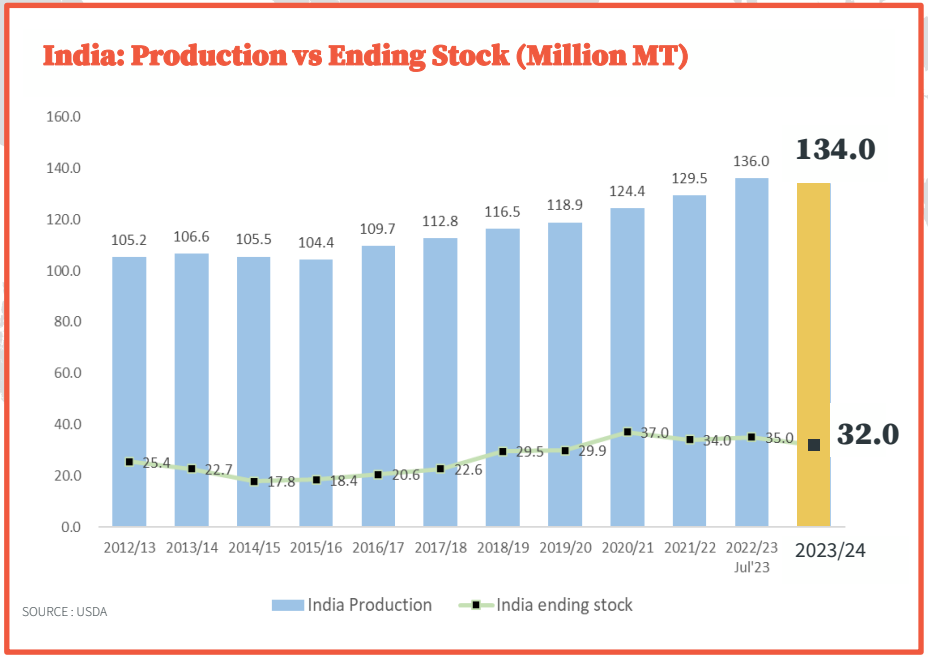


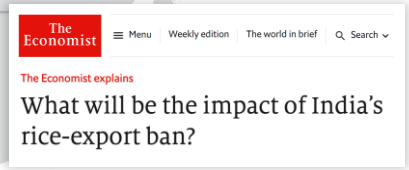
Notes: Trade share based on milled-equivalent basis of actual shipments. These exporters account for almost 90 percent of annual global rice exports. 2022 export data are based on September 2022 forecasts.
Source (both): USDA, Foreign Agricultural Service, Production, Supply, and Distribution database.

Rice exports by country: 2006-22



World rice prices India Government policy




The Economist | Menu | Weekly edition | The world in brief | Search

The Economist explains

What will be the impact of India's rice-export ban?

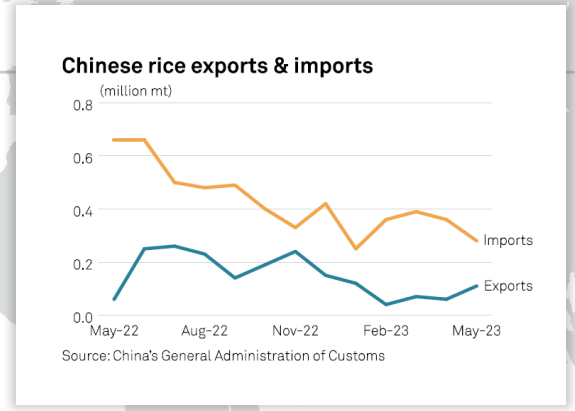
"Few things frighten governments as much as hungry voters… On July 20th the Indian government banned the export of non-basmati white rice to "ensure adequate domestic availability at reasonable prices… India is the world's biggest rice exporter, accounting for 40% of global trade by volume.

The Economist
26 July 2023

World rice prices
China Government policy

"Chinese Exports so far in 2023 are estimated at 400,000 mt, down 45% on the year."

Platts S&P Global
Japonica Rice
Market Report
July 2023

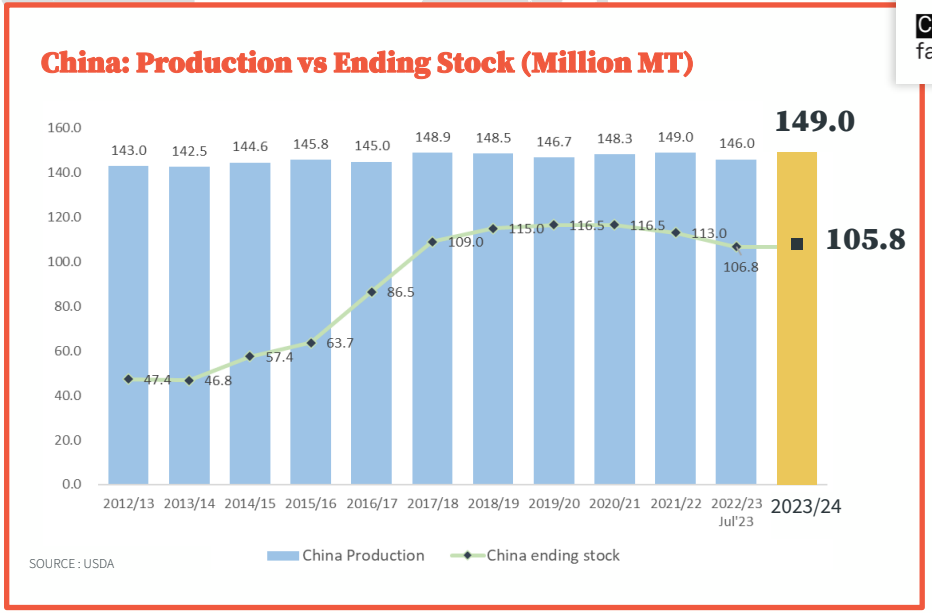


"Food security has become Beijing's strategic priority."

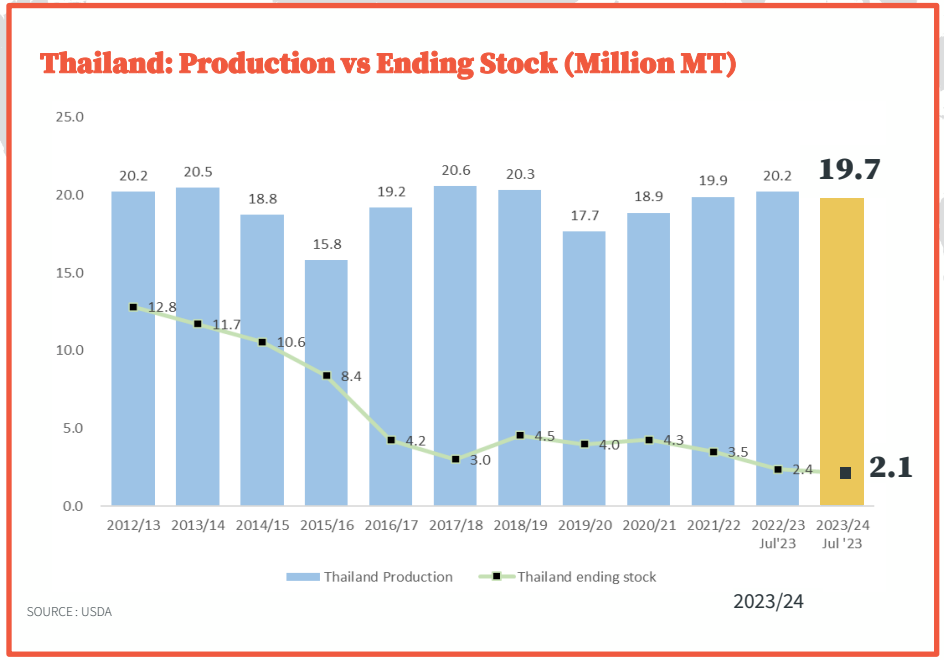
Platts S&P Global
Japonica Rice Market Report
July 2023

S&P Global Commodity Insights

China's food security push faces multiple challenges



World rice prices Thailand Dry conditions



Bloomberg

Global Supplies of Sugar, Rice at Risk From Looming Thai Drought

- Farmers advised to conserve water, avoid second rice crop
- Prolonged dry spell risks fueling inflation, economic recovery

"Farmers advised to conserve water, avoid second rice crop… Below-average rainfall in Thailand could even threaten the nation's position as the world's second-biggest supplier of rice."

Bloomberg
4 July 2023

World rice prices Vietnam Government policy

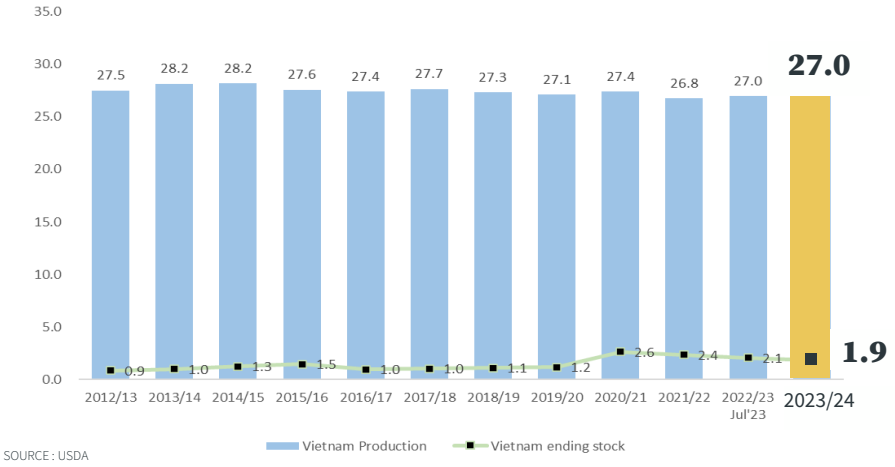
REUTERS

Vietnam calls for domestic food security after India's rice export ban

"Vietnam... called on the country's food association to ensure sufficient domestic rice supplies and food security after India's move to curb its export."

Reuters
21 July 2023

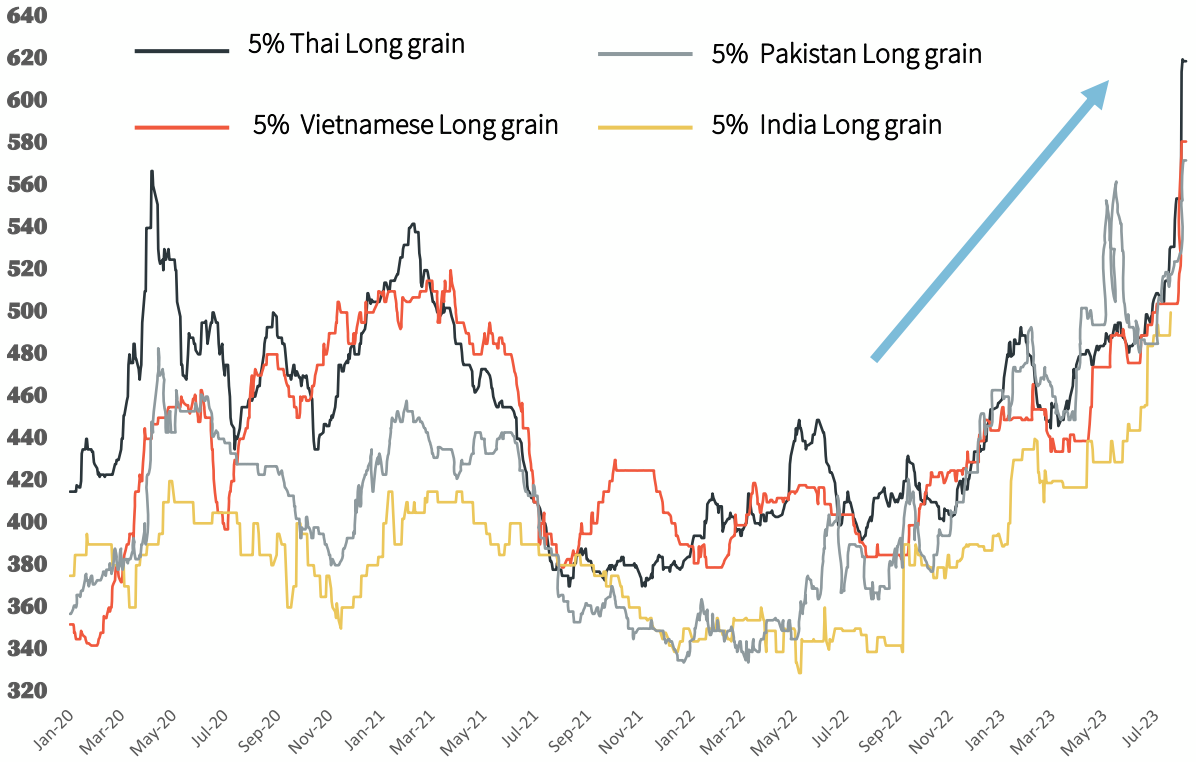
Vietnam: Production vs Ending Stock (Million MT)



SOURCE : USDA

World rice prices (2020 to Now)

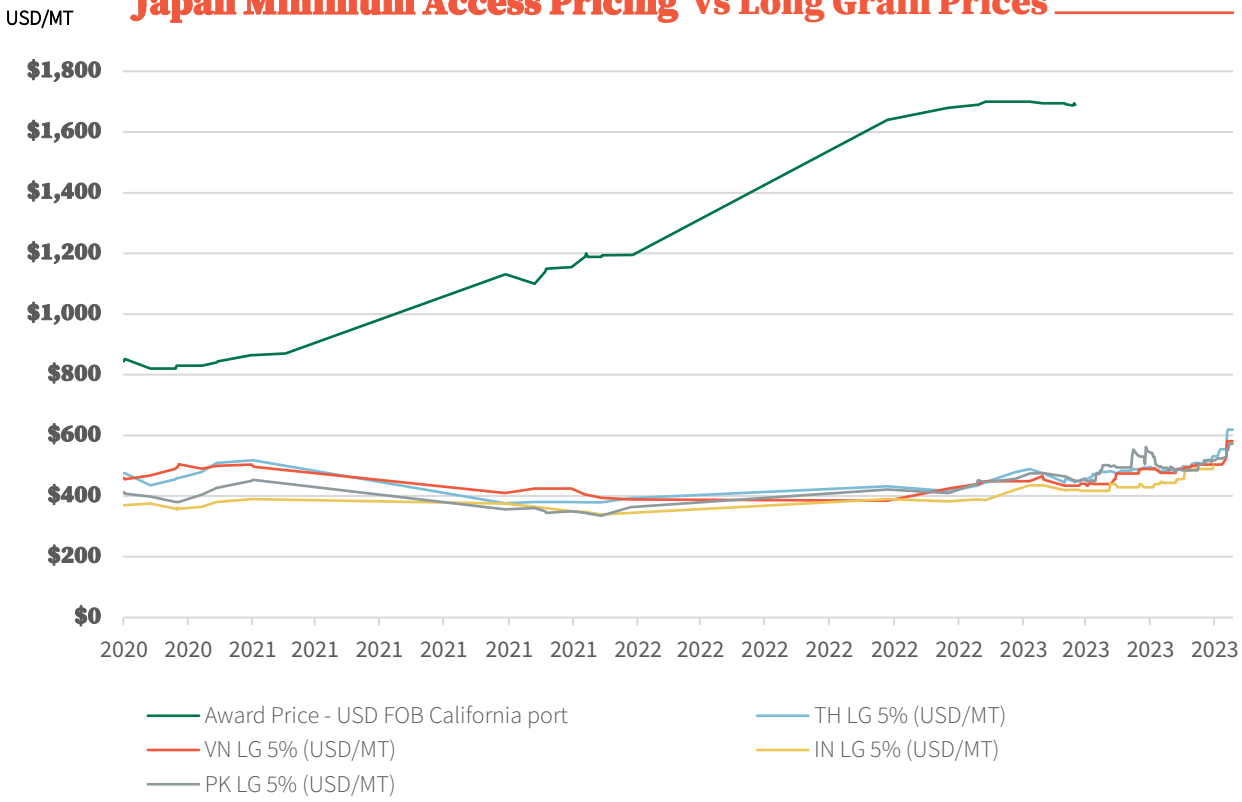
Long Grain Prices



Source : S&P Platts Data, Quantity: 1,000-5,000 mt, +/- 5% at seller's option, 50kg single woven PP, FOB (USD/MT) conventional vessel

World rice prices (2020 to Now)

Japan Minimum Access Pricing vs Long Grain Prices



Source : S&P Platts Data, Quantity: 1,000-5,000 mt, +/- 5% at seller's option, 50kg single woven PP, FOB (USD/MT) conventional vessel

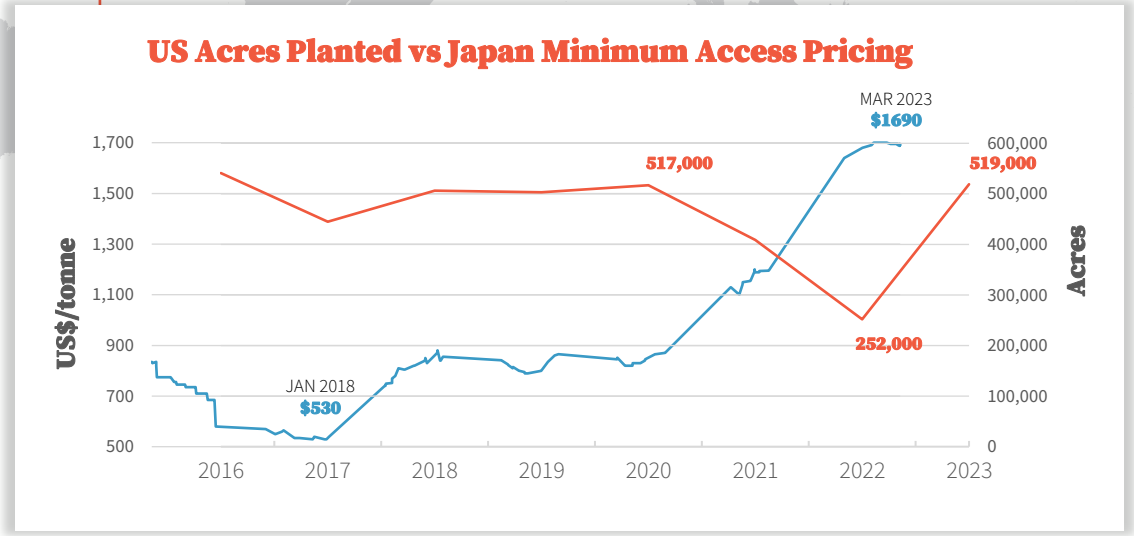
The global context

Medium grain

There are supply-side dynamics with key global competitors from Japonica-style rice countries.

California, U.S. back in business – US 2023/24 rice production projected to increase 25%

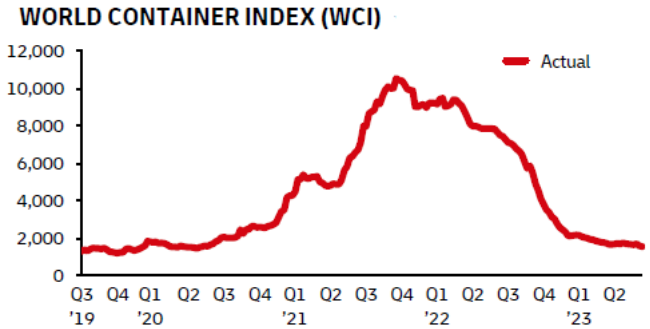
World rice prices California, US Supply dynamics



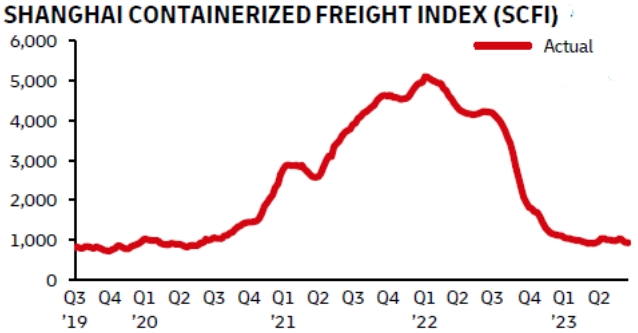
* Source: S&P Global Platts Japonica Market Report, July 2022

Factors that can influence pool prices

Shipping Costs



Source: Drewry, in USD /40ft container



Source: Shanghai Shipping Exchange, in USD/20ft ctnr & USD/40ft ctnr for US routes



World rice prices Southern Europe Supply dynamics

Spain

No rice has been sown in Andalucia, traditionally the most important region for rice in Spain which in the past has been sown with up to 40,000ha.

Italy

2023 planting hectares was lower than 2022 however expect better field yield and milling yield.

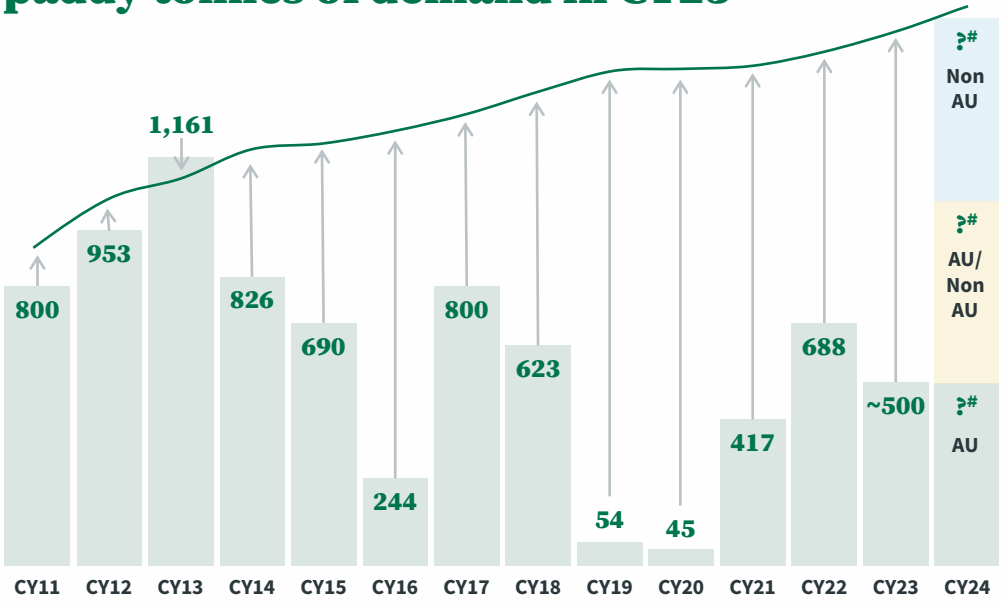
Drought continues to affect parts of Southern Europe, however tariff restrictions apply including EU tariff quota of 1,000Mt and general EU tariff of 175€/Mt of white milled rice.



The Australian crop

The Australian crop

SunRice Group has developed 1.5m paddy tonnes of demand in CY23*



12 SOURCE COUNTRIES


Australia


Cambodia


China


Uruguay


Pakistan


Taiwan


Thailand


Italy


Vietnam


USA


India

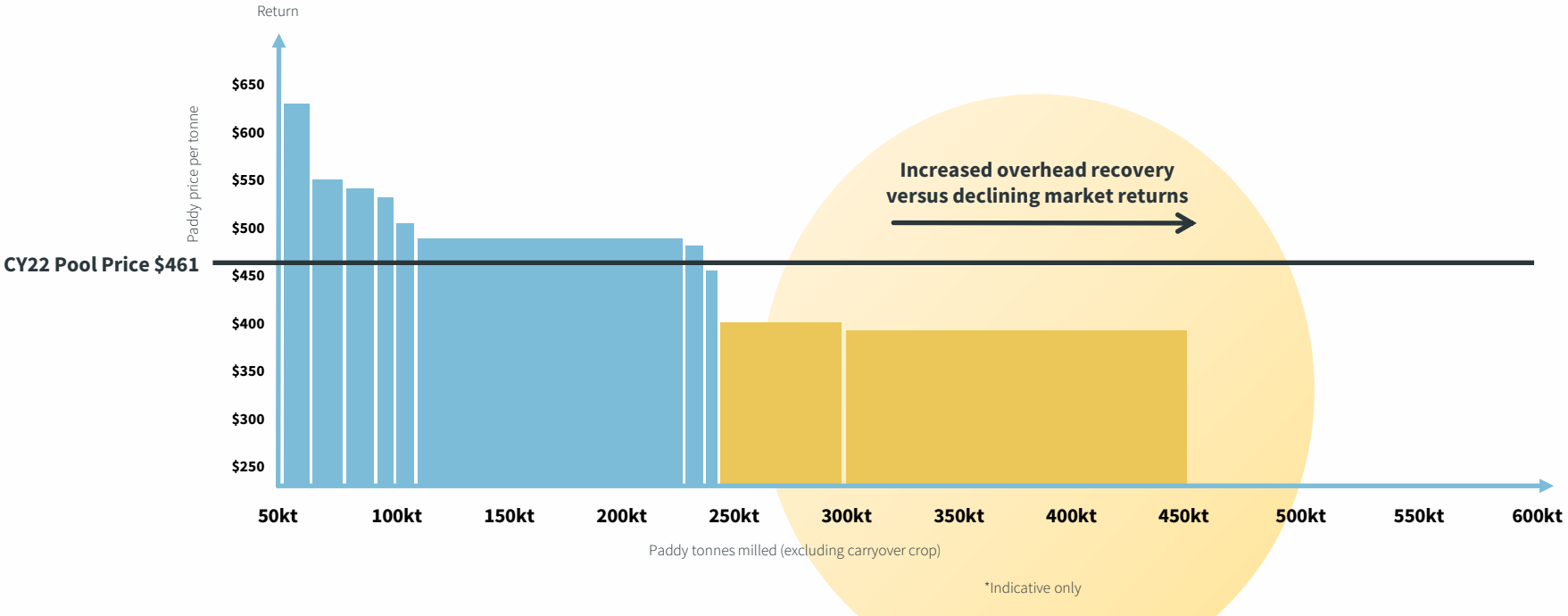

Argentina

*Paddy tonnes equivalent assuming average milling yields based on source country. This figure represents total demand based on current supply sources and existing market conditions, and potential opportunities given global rice market dynamics.

 # Illustrative purposes only, not a forecast for the CY24 crop year.

The law of diminishing returns

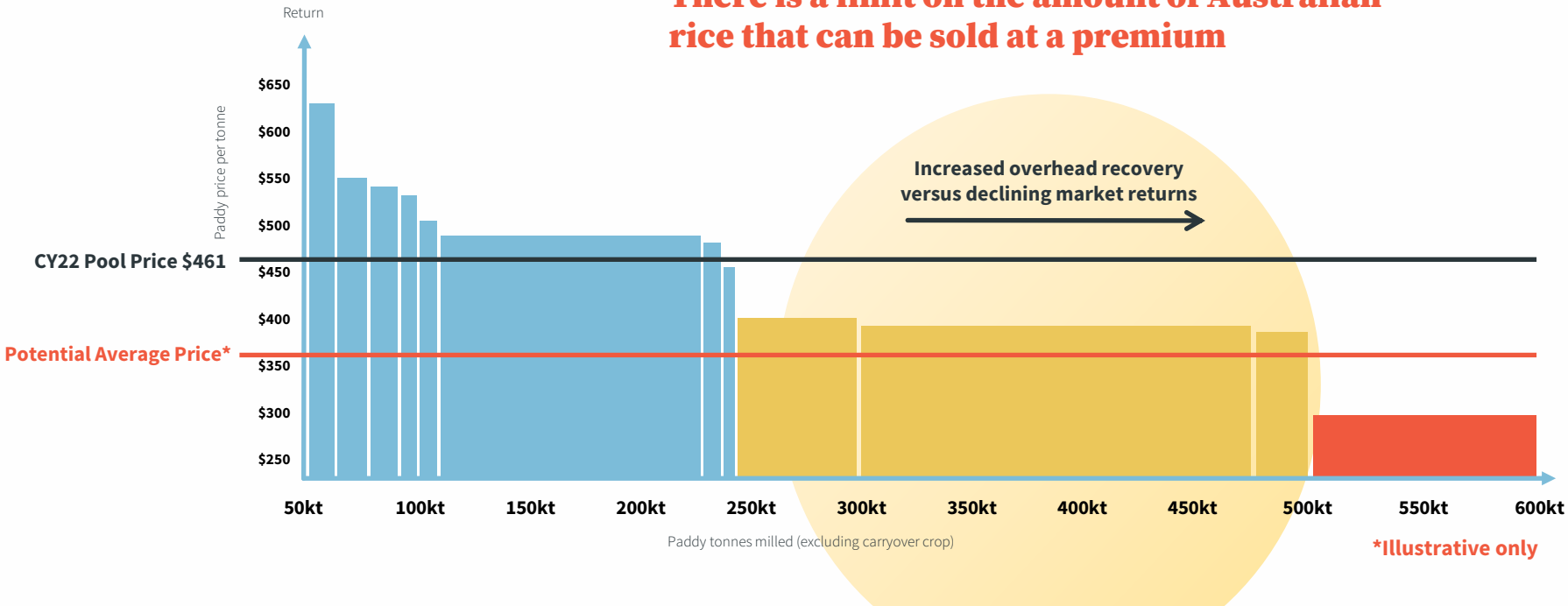
Returns to pool growers are a weighted average of all of our markets. There is a finite amount of premium export markets.



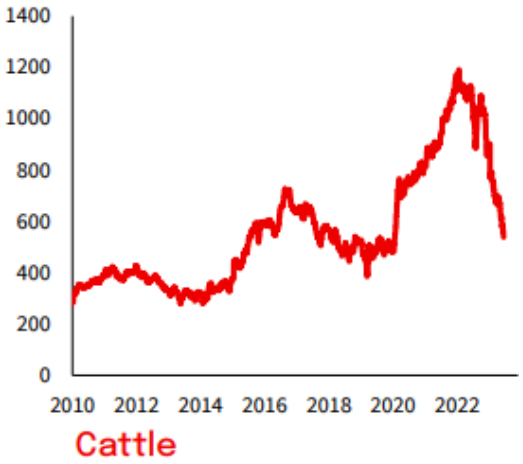
The law of diminishing returns

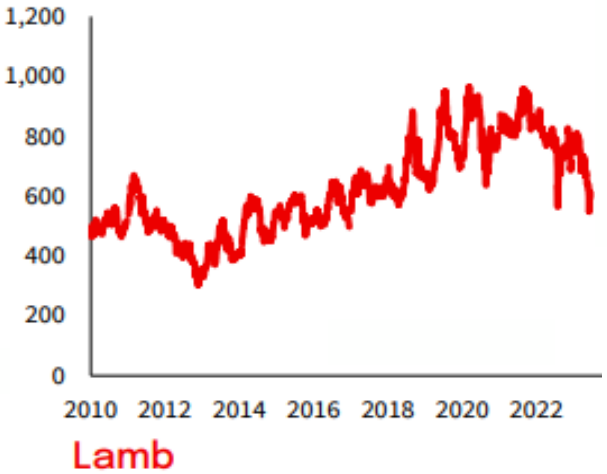
Returns to pool growers are a weighted average of all of our markets. There is a finite amount of premium export markets.

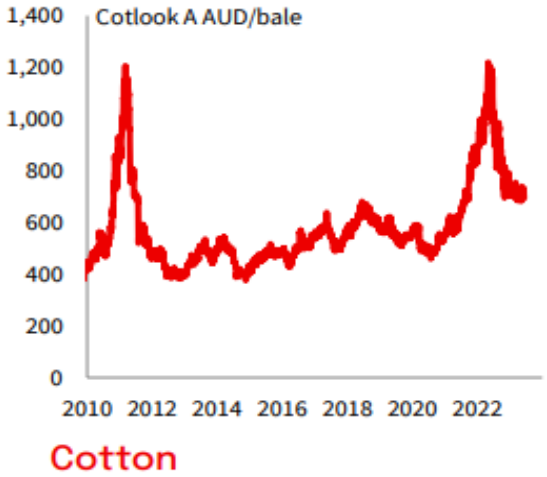
There is a limit on the amount of Australian rice that can be sold at a premium



Rice paddy pricing vs other commodities

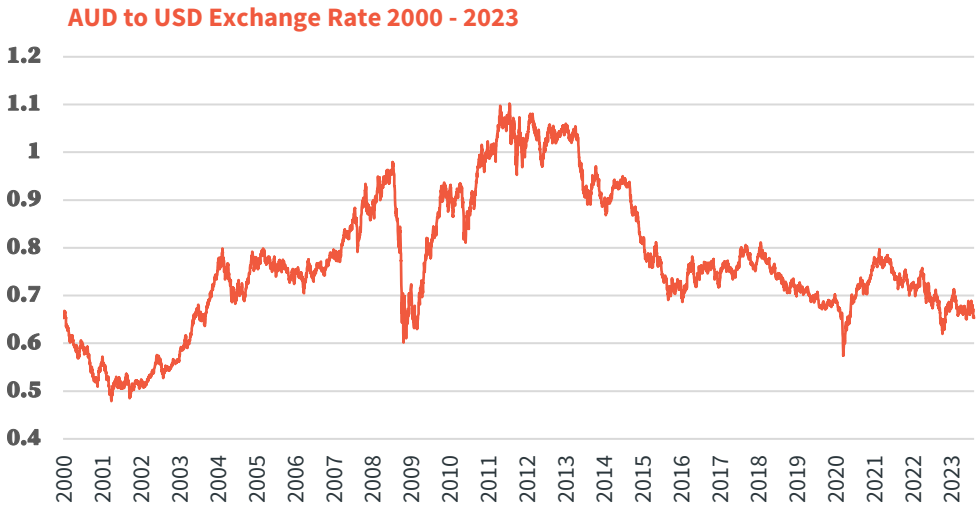




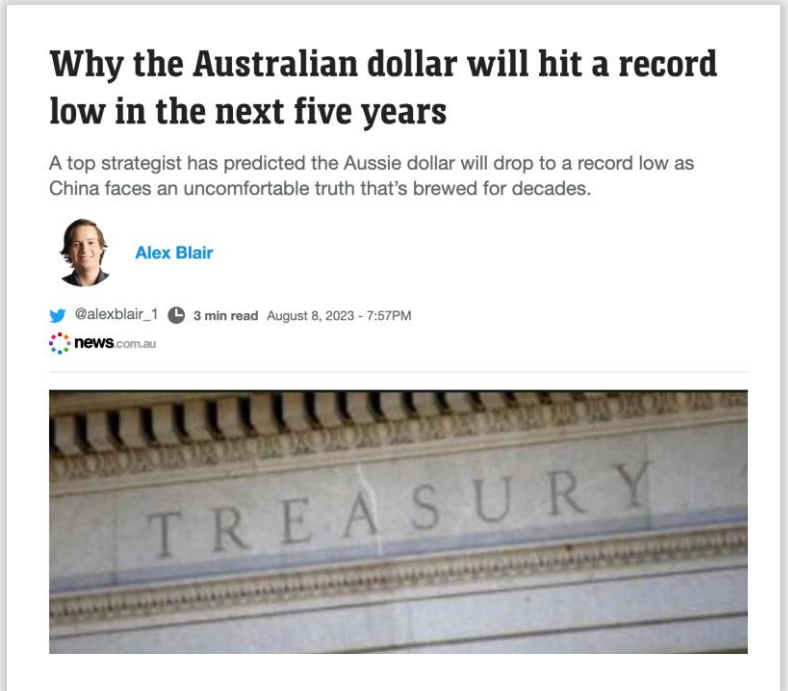


Source: NAB Rural Commodities Wrap, June 2023

AUD/USD historical cross rates



Source: Bloomberg



Why the Australian dollar will hit a record low in the next five years

A top strategist has predicted the Aussie dollar will drop to a record low as China faces an uncomfortable truth that's brewed for decades.

Alex Blair

@alexblair_1 3 min read August 8, 2023 - 7:57PM

news.com.au



Initiatives to maximise returns

Diversifying into new markets

The Australia-United Kingdom FTA (effective 31 May 2023, first shipment June 2023): represents an opportunity to develop a new market for our high-quality, medium-grain rice varieties.

Although negotiation of the **Australia-EU FTA** is ongoing, persisting dry conditions in Southern Europe present opportunities.

Australian rice a winner in UK trade agreement





Expanding markets for our products: the Middle East

- FY2023 saw our strongest Ramadan campaign in the Middle East in the last three years with strong increases in volume share for our SunWhite brand.
- SunRice Group has a leading market position in four Middle East markets.



New product development & innovation

Continuing focus on innovation and investment in new product development to capitalise on global food and consumer trends.

In FY2023, SunFoods launched its Kokusai brand into Costco stores in the United States.

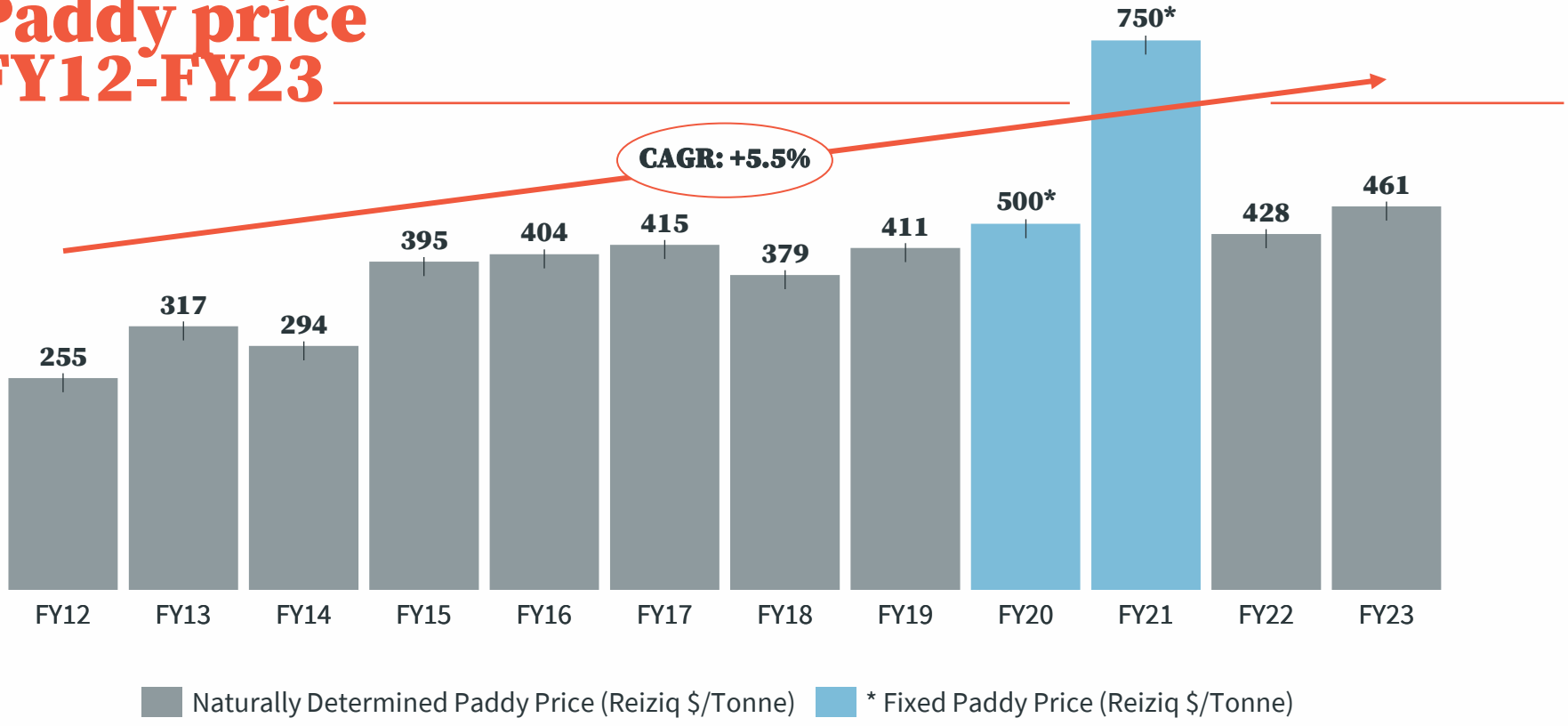
Selling Australian sourced medium grain rice targeting sushi application under the new Kokusai brand (meaning “international” in Japanese).

Factors that can influence pool prices

We're focused on delivering the highest possible returns for Australian growers, but there are a number of global and domestic factors that can influence prices.

Factor	Current status
World rice prices – long grain	
World rice prices – medium grain	
Government policy	
Foreign exchange fluctuations	
Shipping costs	
Overhead recovery & milling yields (Riverina)	
Oversupply of Australian rice	
Outcome	

Paddy price FY12-FY23



SunRice has outperformed the ASX300 by 493% since 2010



Stronger together

The future strength of the Australian rice industry relies on collaboration and innovation.





Making a difference to places and lives everywhere through nourishing and delicious products.

SunRice Group