

5 June 2024

Presentation on NSW Rice Vesting and CY25 Crop Planning

Enclosed is a SunRice Group presentation on the recent announcements by the NSW Government on rice vesting arrangements, and an update on CY25 crop planning, which will be presented by SunRice Group Chairman Laurie Arthur and CEO Paul Serra at information sessions to be held today and tomorrow across the Riverina region for growers.

Authorised by Kate Cooper, General Counsel and Company Secretary

Investor inquiries:

Richard Rose
Head of Corporate Development and Investor Relations
0410 300 986/ rrose@sunrice.com.au

Media inquiries:

Anthony McFarlane
Head of Corporate Affairs
0447 324 674/ amcfarlane@sunrice.com.au

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/>



NSW Rice Vesting Information sessions

5-6 JUNE 2024



Welcome & Agenda

1. **SunRice Chairman:**

2023 ABARES Report and the NSW Government response

2. **SunRice CEO:**

What does deregulation mean, maximising grower returns and CY25 planning update

3. **The RGA's perspective**

4. **Q&A**

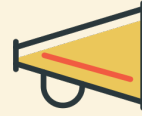


Laurie Arthur, SunRice Chairman



NSW Government releases response to ABARES report

On 8th April the NSW Government released the 2023 ABARES 'Independent Report into NSW rice vesting arrangements' and the NSW Government's Response to the report (**NSW Government Response**).



What did it say: The NSW Government Response recommended a **partial deregulation** of NSW rice vesting arrangements, creating two sets of rules for Southern NSW growers and Northern NSW growers, along with new reporting arrangements.

These proposed arrangements presented challenges for industry.

The problem with partial deregulation: **uncertainty**

Our preference was for the NSW rice vesting arrangements in their current form to be retained.



However, the NSW Government's proposal for a partial deregulation between Southern NSW and Northern NSW growers, over a prolonged timeframe, would have created **uncertainty** for our industry at a time when we need **greater flexibility** to adjust to a new operating environment.

The problem with partial deregulation: water reform

The Federal Government's ***Restoring Our Rivers Act 2023 Cth*** increases the likelihood of significant water recovery.

The impact of this reform is likely to have an unfavourable impact on the availability and cost of water in Southern NSW and on the Riverina rice industry.

Both SunRice and the RGA met with the NSW Minister for Agriculture and the NSW Premier's Office ***to highlight potential consequences and our concerns.***



NSW Government's announcement: deregulation

After consulting with all major stakeholders, the NSW Government announced last week that it will introduce draft legislation **to end rice vesting arrangements by 1 July 2025.**

Rice vesting arrangements continue to apply for the upcoming crop year (CY25).



We believe the announcement is the right decision for SunRice, our growers and the rice industry, *rather than a partially deregulated model.*

Paul Serra, SunRice CEO



Why is this in the best interests of the rice industry?

To retain a strong rice industry, and to maximise returns for our growers in Australia, a dynamic and flexible model now makes better sense for the industry.

“Without the regulatory constraints of vesting, we can work more directly with growers to enable the industry to achieve long-term sustainability as we navigate through new challenges, including water reform, that have accelerated the need for the industry to transition.”

Why is this in the best interests of the rice industry?

Along with the rice pool, SunRice will now be able to assess new contracting and pricing options for growers which should enable the business to better match supply with demand from our premium markets.

These new structures should enable both large and smaller rice growers to participate in the industry in a way that *better suits each grower's circumstances while ensuring more consistent supply.*

What's next?

Next steps:

- Draft legislation introduced (June).
- The NSW Government has announced the formation of a Rice Transition Group.

We will be working with the NSW Government, our growers and industry partners to map out the transition and ensure a well communicated and structured transition in the lead up to 1 July 2025.

We will continue to focus on **improving grower and shareholder returns.**



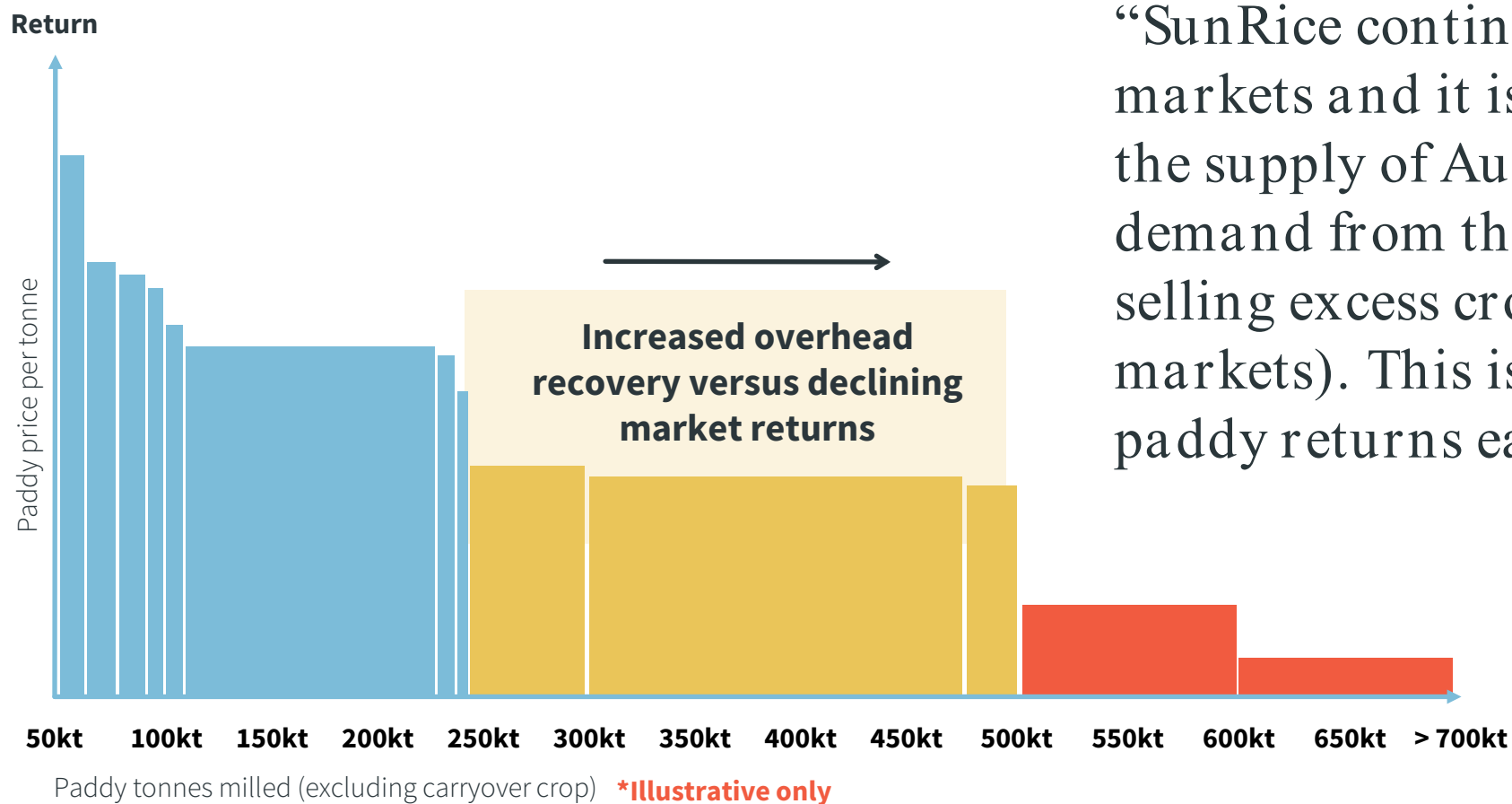
CY25 Planning Update



Industry context to CY25

- **Your farm input costs** continue to rise: water, fertiliser, machinery, energy prices, etc.
- Despite our leading production efficiencies, Australian rice remains higher cost (compared to other countries).
- **To maximise the paddy price**, we have moved away from selling branded Australian rice into traditional lower value markets, which has underpinned the growth in paddy pricing (ie. compared to bulk traded volume sales).
- Over the past 15 years we have **streamlined milling capacity** to optimise our supply chain, better matching supply and demand, to maximise paddy returns for growers.
- Over the past 4 crop years, average rice supply has been above premium market demand and milling capacity. SunRice carried out a healthy crop volume from CY23 to CY24 to enable us to efficiently service our markets if forecast drier conditions returned. As a result, we currently have **full carryover** levels.

Law of Diminishing Returns



“SunRice continues to grow our premium markets and it is important that we match the supply of Australian rice to the demand from these markets (rather than selling excess crop into lower returning markets). This is the best way to maximise paddy returns each year.”

CY25 Planting Update

Following the feedback, we provided an update on 15 May 2024 prior to the planting window for the CY25 crop:

- To maximise paddy returns, **we recommended a CY25 planting base from growers that is 30% less than last year's crop (CY24).**
- This crop size should assist us to maximise paddy prices for our Riverina growers and enable an optimal milling program through to CY26.
- A crop size above this level *could* materially reduce grower paddy returns.
- We will provide further updates as seasonal conditions firm in the coming months.

The RGA's Perspective

NSW RICE VESTING INFORMATION SESSIONS

Questions

