



FARM PRIDE FOODS LIMITED 2016 AGM

26 October 2016

People - Animal Welfare - Performance.



Farm Pride Foods Board of Directors



Peter Bell	Non-executive Chairman
Malcolm Ward	Non-executive Director/ Audit Chairman
Bruce De Lacy	Chief Executive Officer

Phillip Campbell, non executive director, resigned at the end of September 2016.
Search for a replacement will commence in due course.

Farm Pride Foods Management Team



Bruce De Lacy	CEO
Don Woodhouse	Business Manager – Manufacturing
Brent Phillips	National Sales Manager
Darrell Boyle	National Farms Manager



Farm Pride Foods – Today



There have been a number of significant milestones over the last two years including:

- Introduction of a simplified business model
- New CEO & management team
- Streamlined management
- Positive year end results
- ACCC Egg Cartel – judgement was in our favour. ACCC appeal remains outstanding



The Australian Egg Industry

Farm Pride has experienced a significant increase in investor interest over the last two years but,

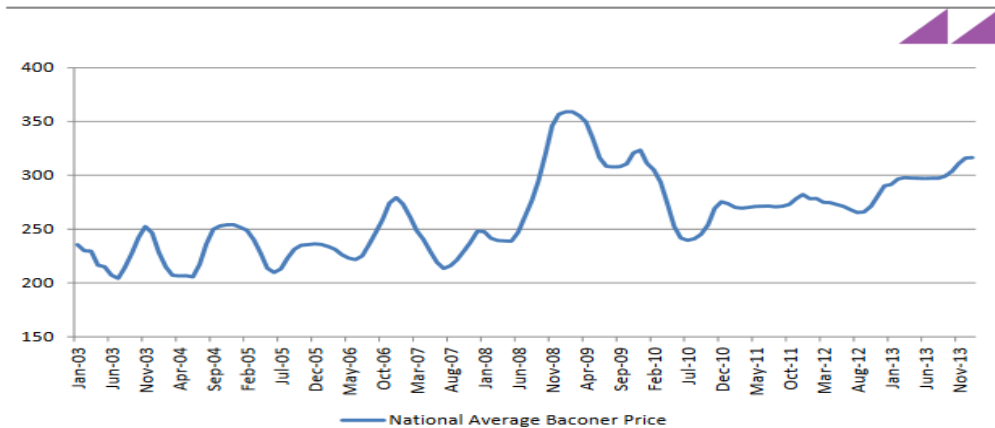
the Egg Industry lives with cycles or outside forces including weather, grain, over production and disease the same as many other agricultural industries. For example there was a lack of investment across the industry contributing to an egg shortage. That has changed very quickly and now we see the potential for over production which could have an impact on margins over the next 12 to 18 months.

"Yesterday, Lion Dairy managing director Peter West said the company would also begin transporting its excess milk to South Australia due to having "more milk than we need in Western Australia".

"At the moment with spring milk flush and our current sales volumes, we have more milk than we need in Western Australia," Mr West said.

Source ABC Rural 3 October 2016

Figure C1 Average monthly price of market pigs – June 2003 to November 2013



Source: APL

Shareholder Speculation

- Recently there was some unhelpful speculation on a stock market forum about disease at one or more of our farms.
- Despite the fact that this was uninformed it is not our role to monitor or regulate that speculation.
- For the record there have been no Emergency Animal Diseases (EAD) such as AI and ND at Farm Pride.
- However, there are other less virulent diseases that have the potential to be present and may affect poultry production on all egg farms.
- Diseases are not new. Management and control is usually by a combination of vaccination, biosecurity and hygiene as we have in the past.

Shareholder Expectations

We have a small management team that must remain focused on the business.

We cannot control shareholder speculation.

“...at the end of the day earnings speak for themselves.....”

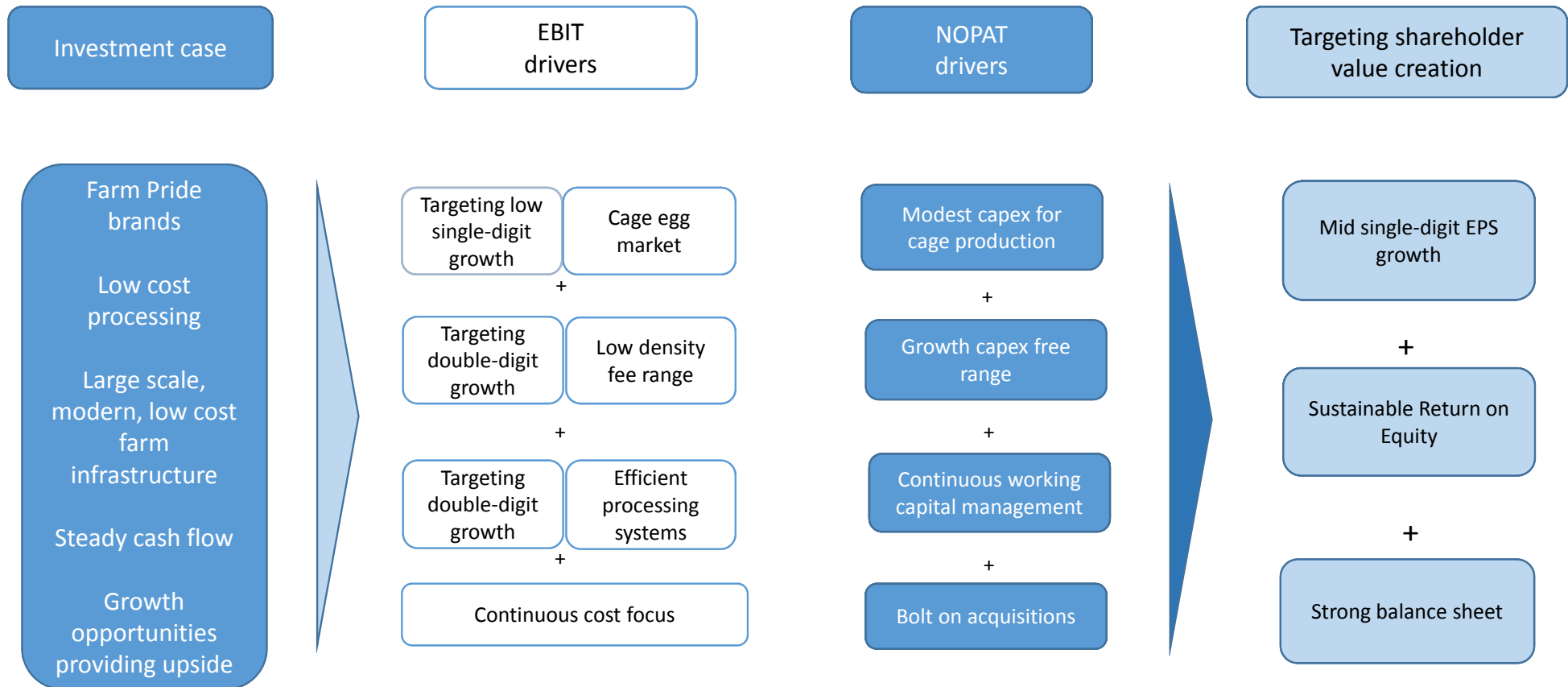


Impact of the Recent High Rainfall

- Although our farms have been affected by the recent wet weather especially in Victoria, there has been no damage to flocks or sheds.
- Ridley Agriproducts our largest feed supplier have reported the biggest issue was getting access to grain because of the heavy rainfall. Old crop pricing is up because of the rain but the new crop in December is expected to push pricing back and at this stage it still looks like a record crop in Australia and globally.
- As a result we will wait until December before locking in further wheat contracts.
- Despite some waterlogging in some areas it looks like there will be a lot of grain around this season but it may present some quality challenges

Shareholder value proposition – long term strategy

Farm Pride focus is to generate long term sustainable returns for all shareholders



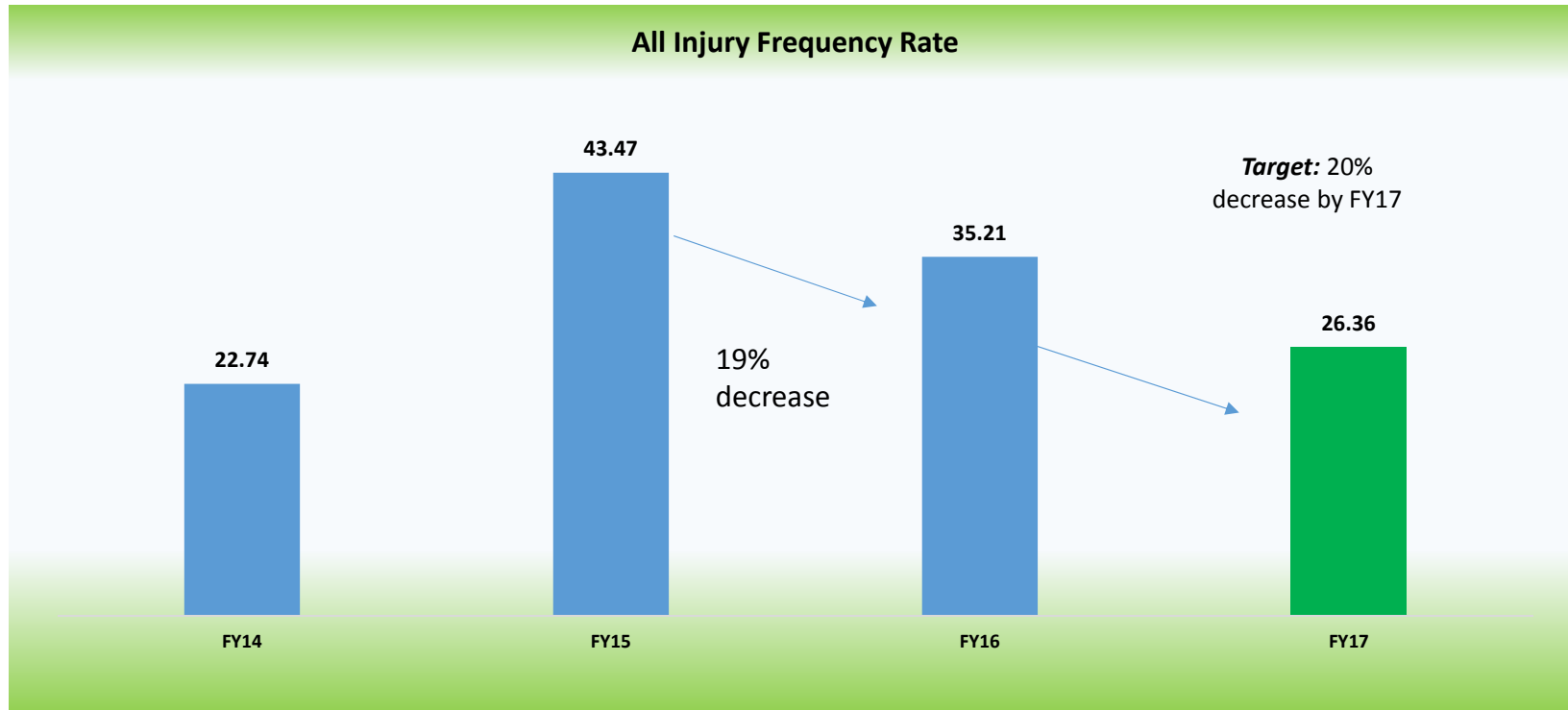


People - Animal Welfare - Performance

Simplified Business Model	We Have Nothing to Hide	We Must be a Lower Cost Producer	Sustainable Earnings	Customer Expectations
Safety Focus	Animal Welfare	New Free Range	Determination	Australian
Hands on Culture	Greater Transparency	New Capital Equipment	Re-invest in the Business	Local
Flat Structure	Nothing to Hide	Vertical Integration	Stronger Cash Flow & Balance Sheet	Provenance
				Trust



Safety



All Injury Frequency Rate (“AIFR”) calculated as the number of injuries per million hours worked. Includes permanent and casual and employees. Includes lost time injuries, medical and restricted work injuries.



Farm Pride Foods – Leading the way



Brand reputation has become a critical driver of repeat purchase.

Food in particular is increasingly being sold on its provenance – both the transparency of the supply chain and where and how it is grown, harvested and processed.

Free range products have been receiving significant focus and attention.



Farm Pride Foods – Leading the way



ORIGIN CERTIFICATION

Farm Pride has partnered with Oritain, a world leader in scientifically proving the origin of products.

This is an audit process which will provide for the independent certification of Farm Pride Foods free range eggs.



Farm Pride Foods – Leading the way



The result is that Farm Pride free range eggs can be guaranteed as being sourced from free range farms supported by a robust scientific approach to supply chain transparency.

This will provide comfort to our customers and consumers, and confidence in the knowledge that what they are buying is what they will receive.



01

Authentic egg samples are collected from the farm



02

The samples are analysed in a laboratory to identify unique properties



03

An origin fingerprint representing the farm of origin is created



04

Fingerprint stored in Oritain database



05

Samples can be tested against the origin fingerprint



06

If the sample doesn't match the origin fingerprint further investigation is required

Farm Pride Foods – Leading the way



For Farm Pride, the ability to transparently guarantee the origin of free range eggs is becoming increasingly important.

This guarantee will build brand trust and protect the brand from any potential fraud.

In response to changing consumer demand and buying habits, Farm Pride Foods have moved production investment to non-cage methods.

KEY CHANGES

»New capacity for 90,000 free range bird in 2016.

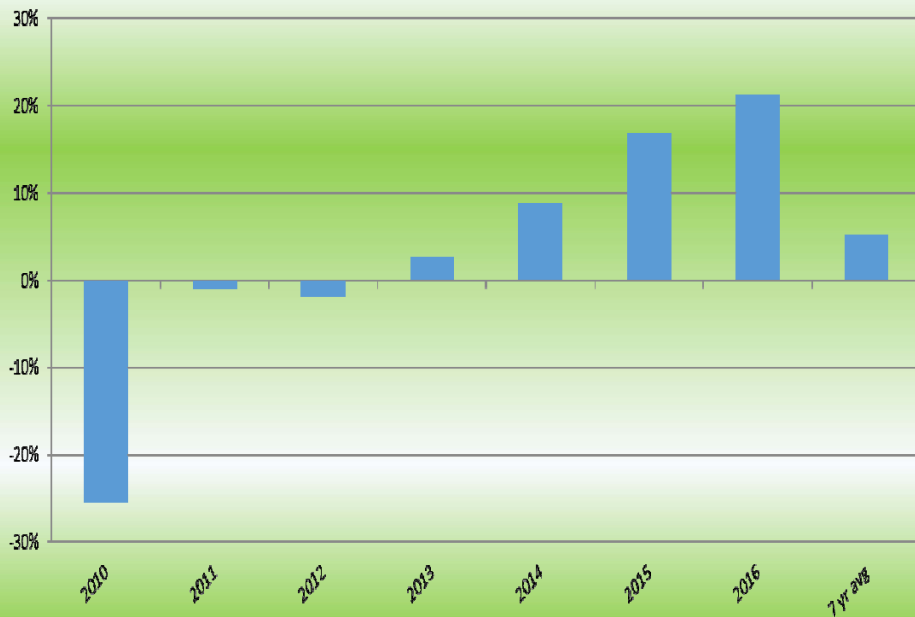
»Increasing product offerings by varying stock density ranging from 750 birds to 10,000 birds per hectare giving consumers more choice.

»Intention for Farm Pride's production capability to be in line with changing consumer demand.

Improved Performance



Annual Return on Equity % - Farm Pride Foods Ltd

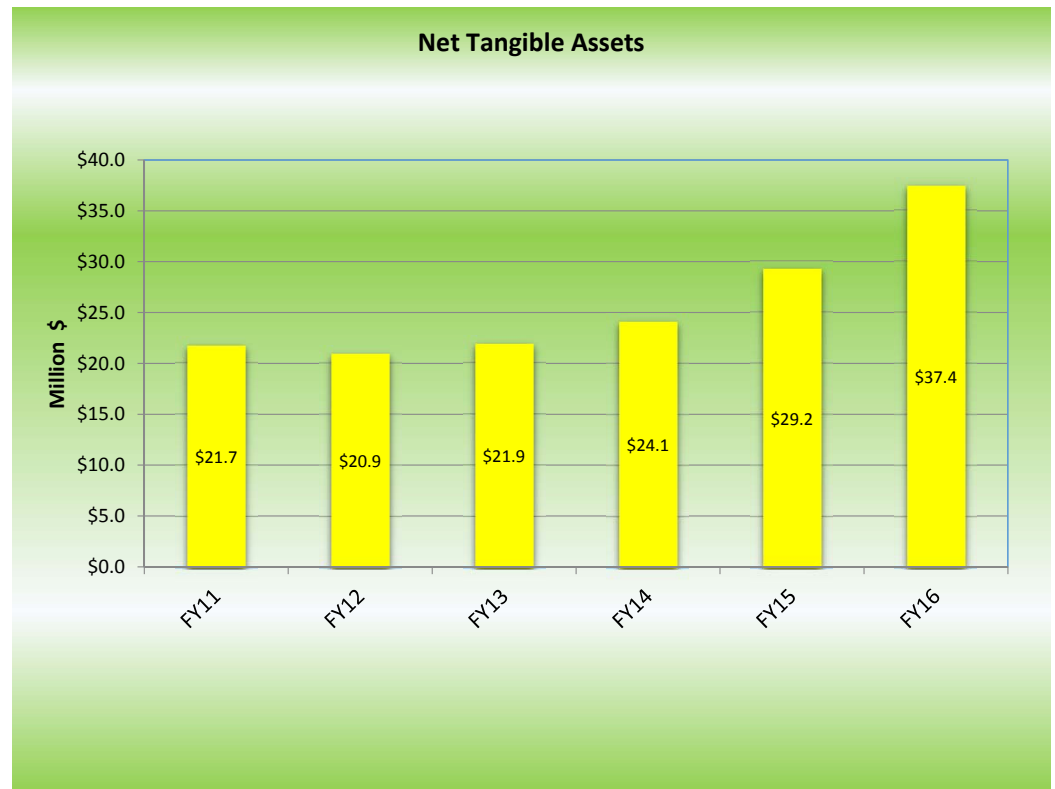
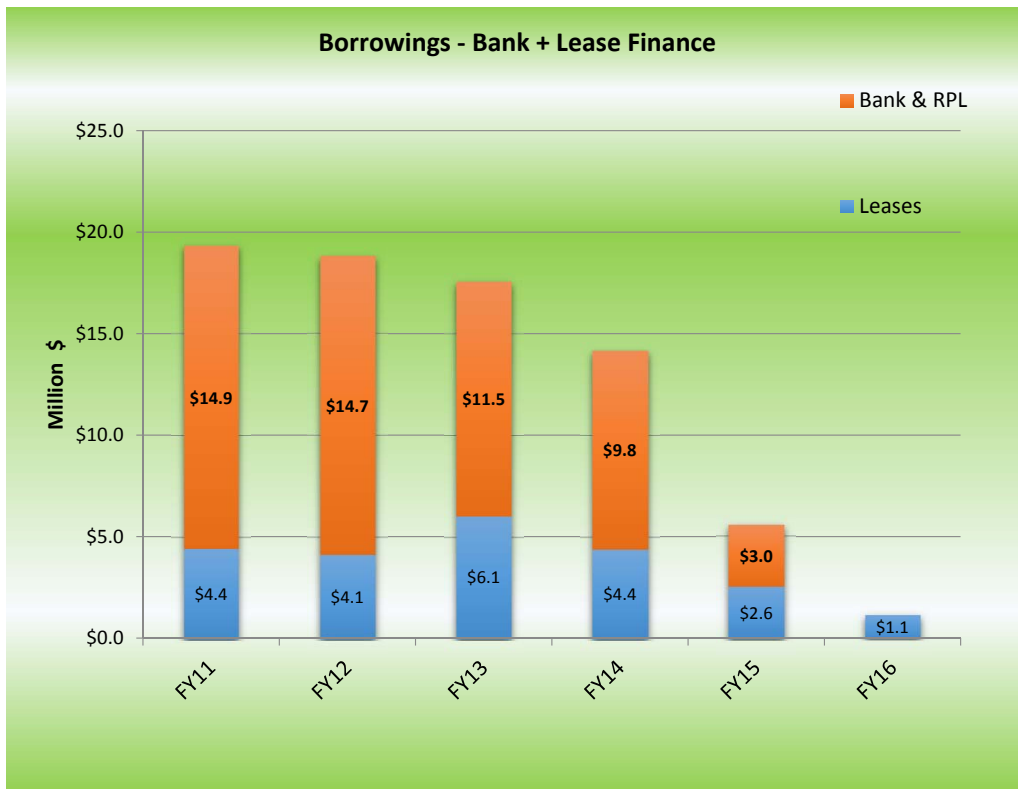


EBITDA - Farm Pride Foods Ltd \$'000





Improved Performance Continues



Net Cash Flow From Operating Activity

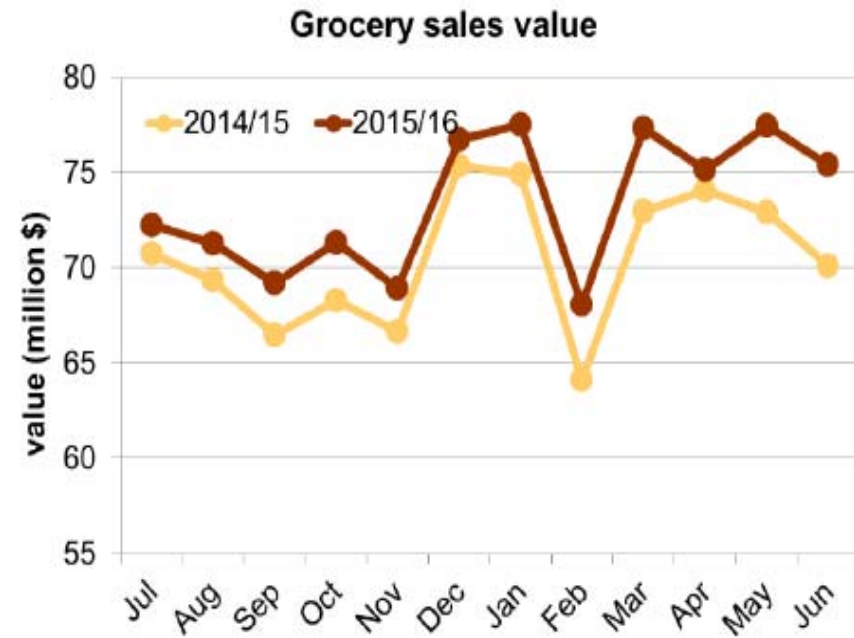
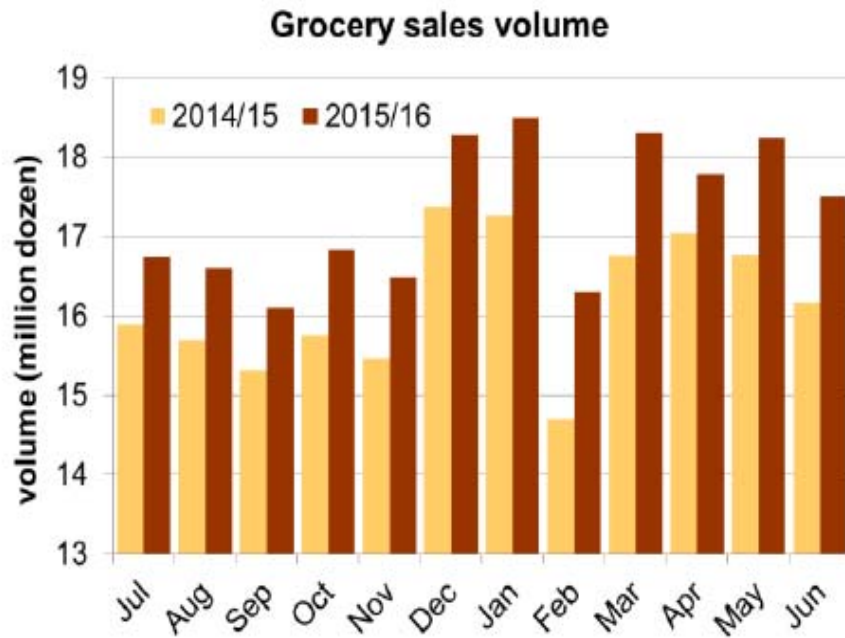




Half Year Revenue Last Eight Years



Australian Retail Grocery Egg Sales

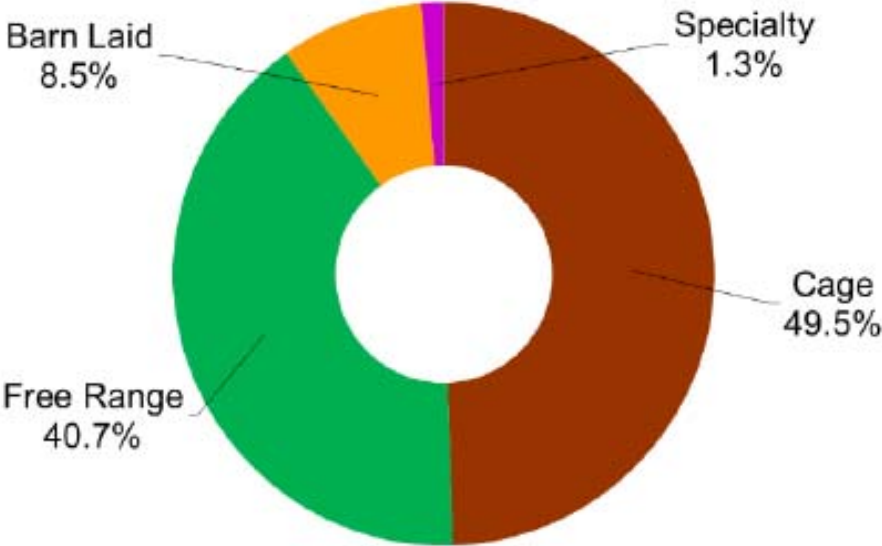


Grocery Sales are the major supermarkets and some IGA's with a weighting for other independents and an estimate for Aldi

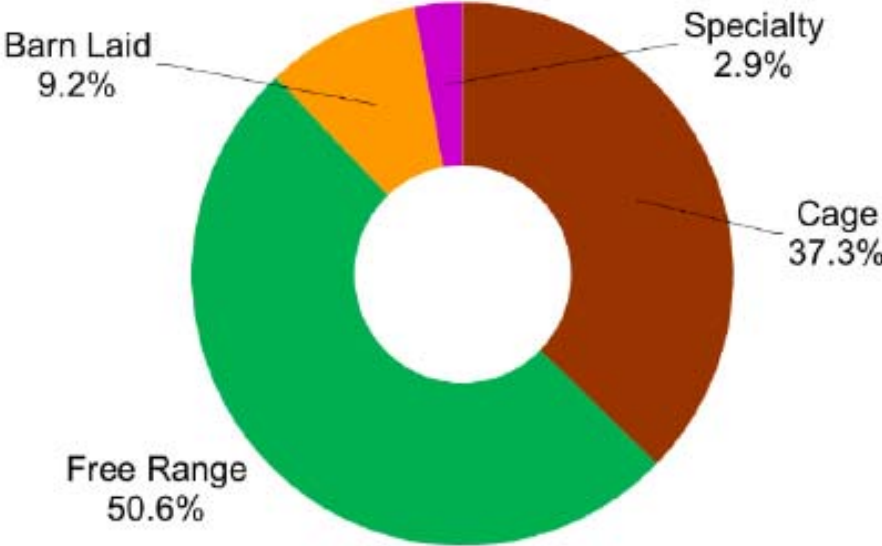
Grocery Retail Report – June 2016



Segment volume market share



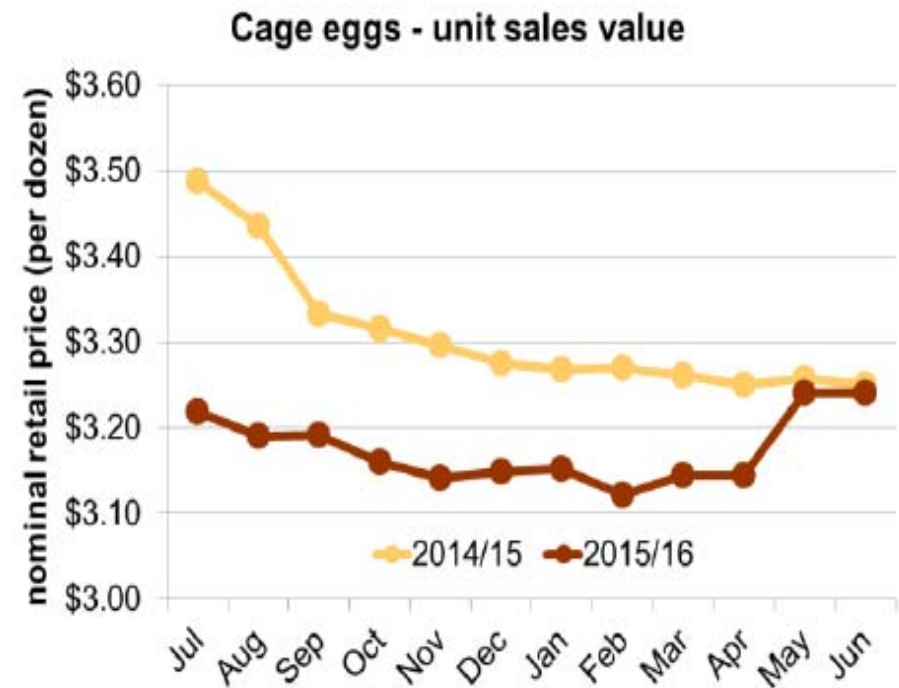
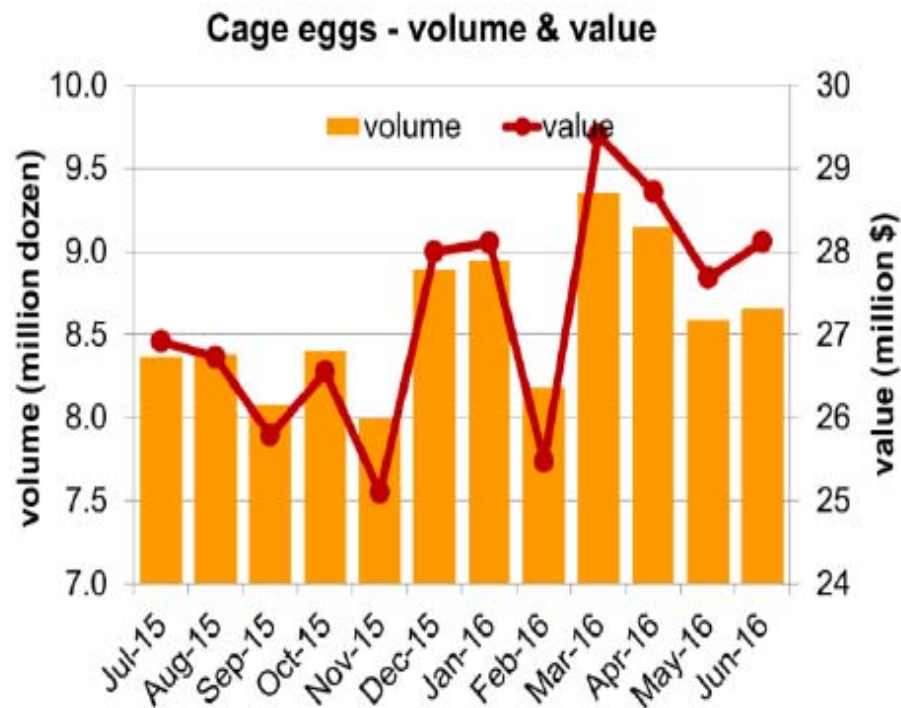
Segment value market share



Grocery Sales are the major supermarkets and some IGA's with a weighting for other independents and an estimate for Aldi

Courtesy AECL

Australian Retail Grocery Egg Sales

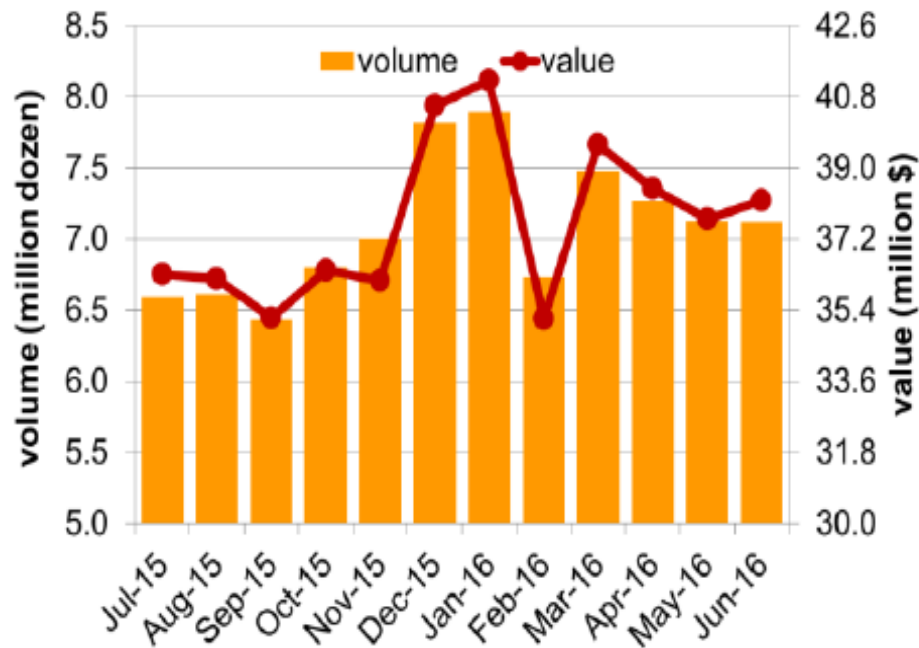


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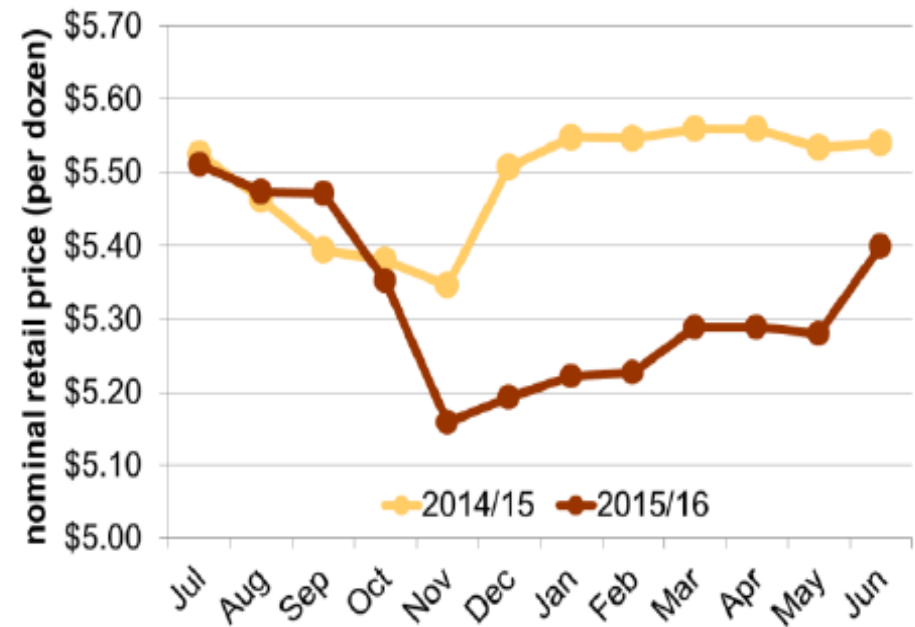


Australian Retail Grocery Egg Sales

Free Range eggs - volume & value



Free Range eggs - unit sales value

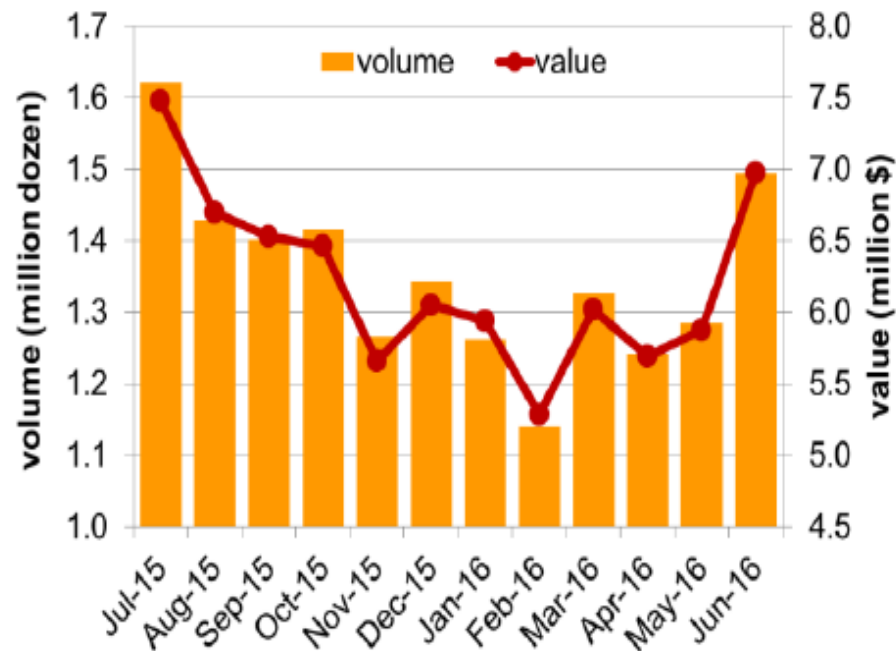


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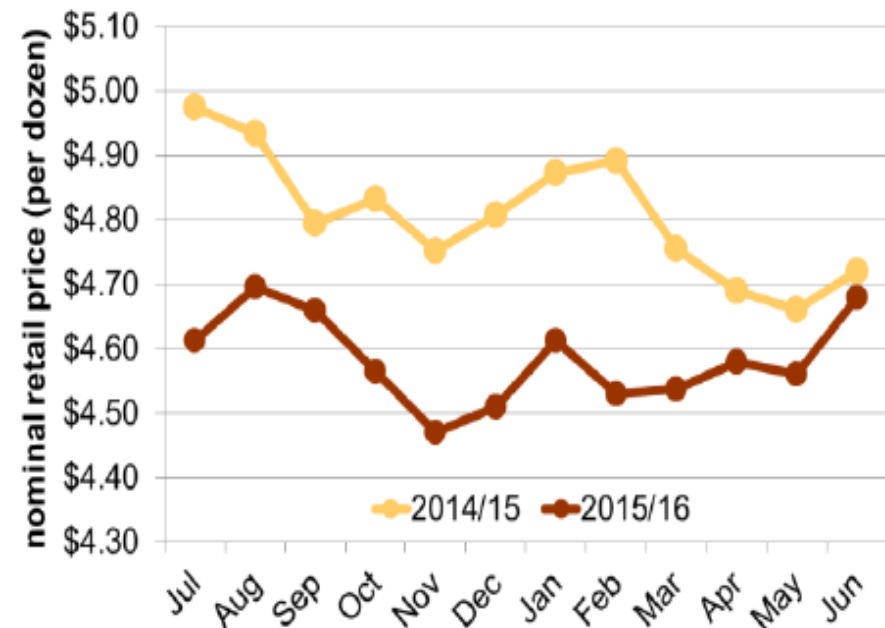
Australian Retail Grocery Egg Sales



Barn Laid eggs - volume & value



Barn Laid eggs - unit sales value



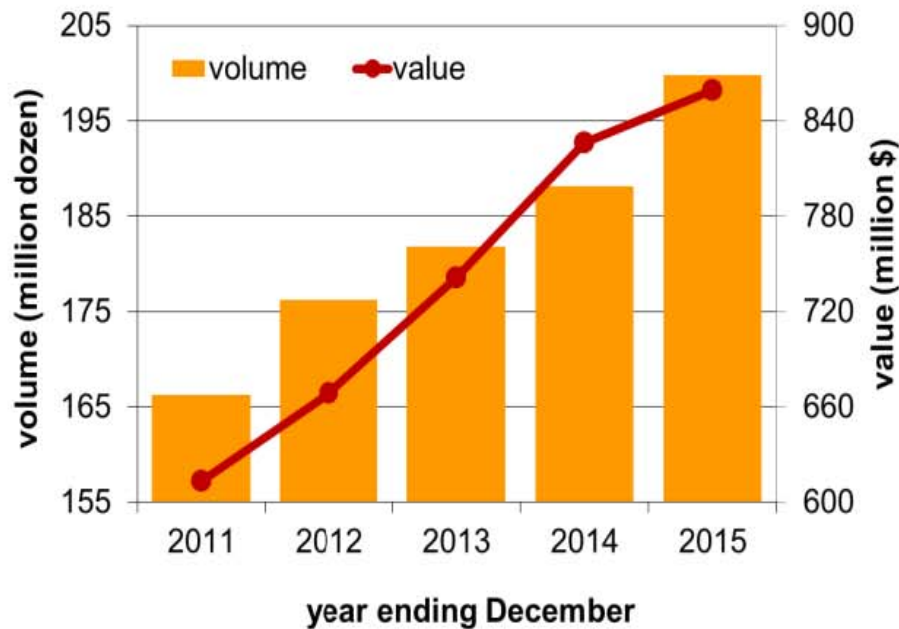
Courtesy AECL

Grocery Sales are the major supermarkets and some IGA's with a weighting for other independents and an estimate for Aldi

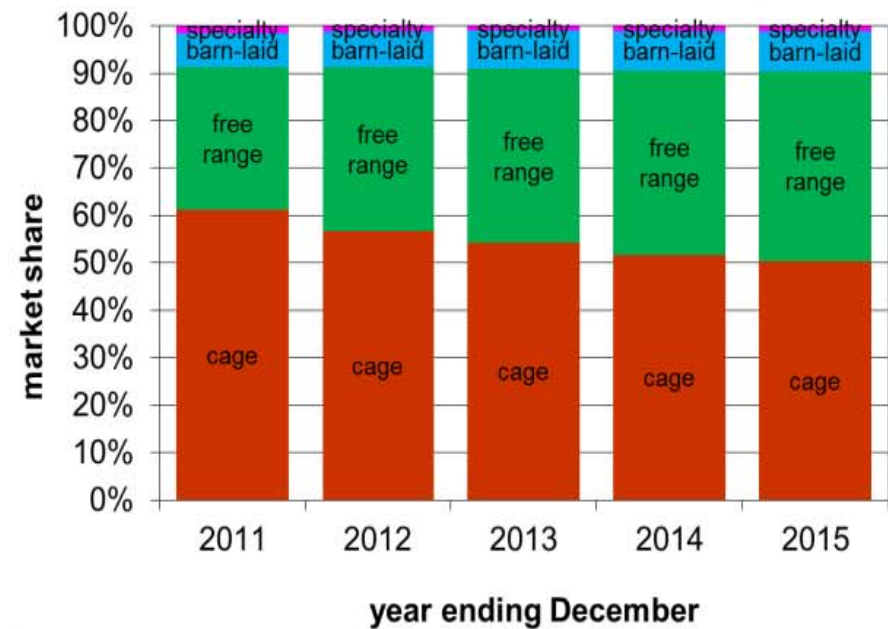
Australian Retail Grocery Egg Sales



Grocery sales of eggs - volume & value

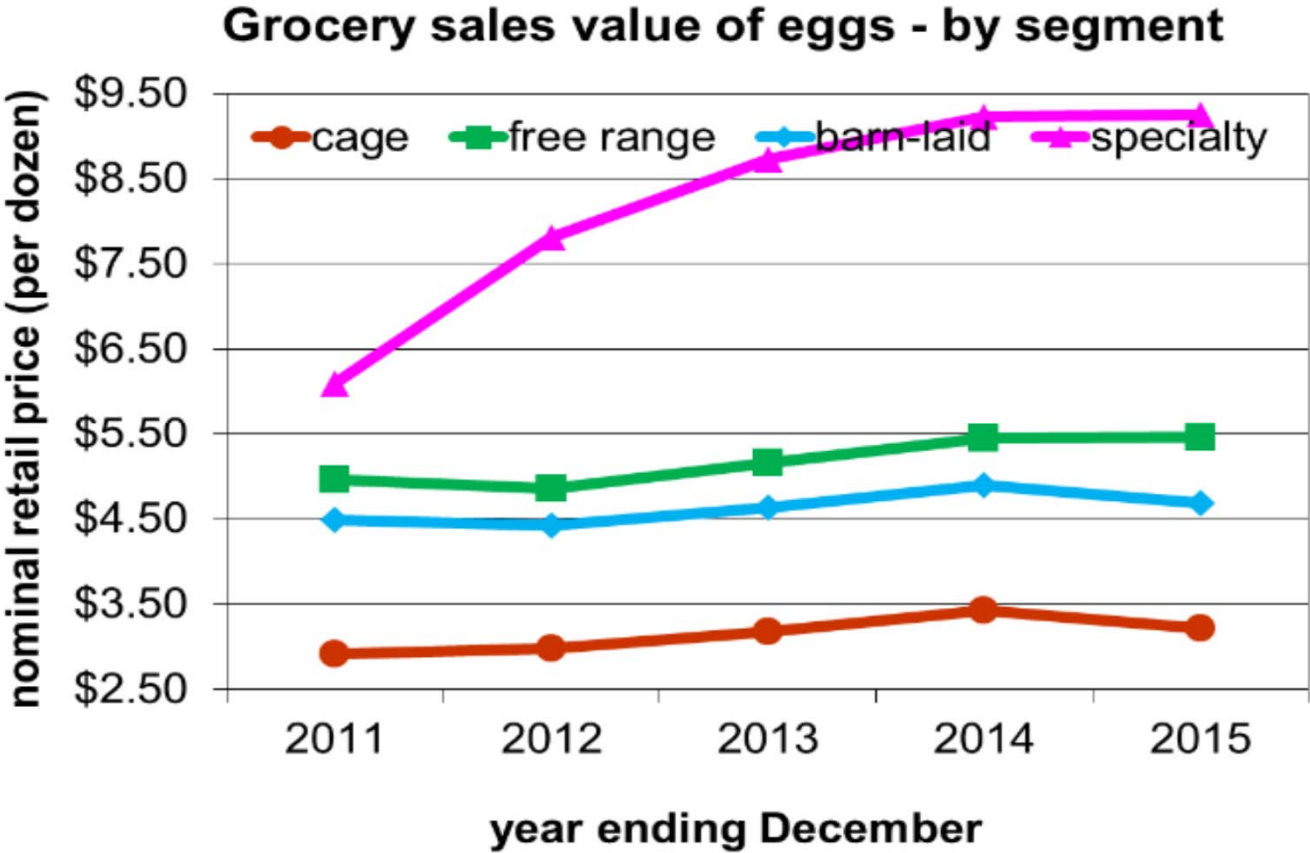


Grocery market share of eggs - by segment



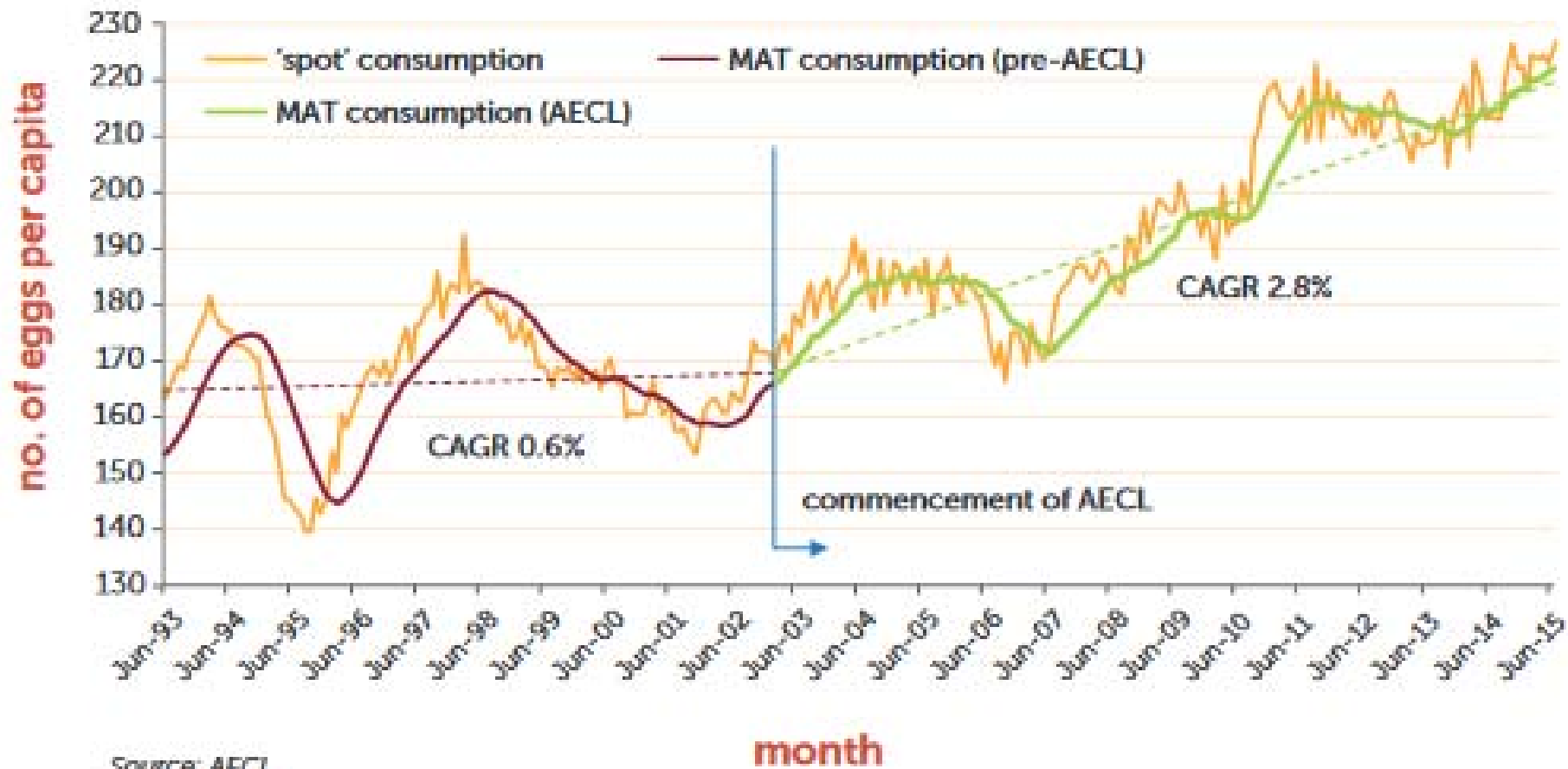
Grocery Sales are the major supermarkets and some IGA's with a weighting for other independents and an estimate for Aldi

Grocery Sales Value of Eggs by Segment



Courtesy AECL

Egg Consumption



Source: AECL



1. High in Folate

Eggs are an unbeatable source of folate for mums to be.



2. Fully Loaded

Eggs contain 11 different vitamins and minerals.



3. Quality Protein

Eggs have the highest nutritional quality protein of all food sources.



4. Shell Shock

The surface of each eggshell can contain as many as 17,000 tiny pores.



5. Solid for Seniors

Due to the variety of nutrients found in eggs, they are an ideal food to include in the diets of older adults.



6. Heart Health

A source of omega-3 fats (the healthy fats), which can have significant benefits for the heart and blood vessels.



7. We Love Cartons

Eggs are kept at their freshest when stored in their cartons, in the fridge.



8. Treat Acne

It is suggested that eating eggs may help treat acne as they lower the glycaemic load of the diet.



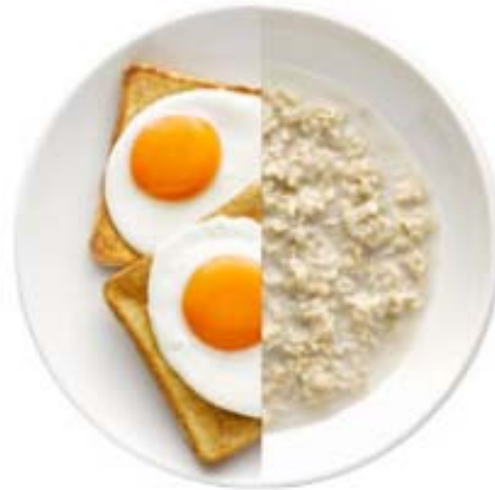
9. Aussie Farms

There are about 301 commercial egg farmers in Australia.

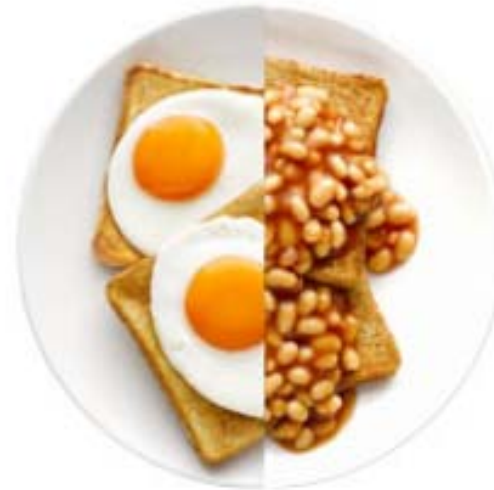


Eggs. OK every day

2 Eggs on 2 slices wholemeal toast is...



48% more protein than
porridge*



32% more protein than
baked beans*

86% higher in protein than 1/2 cup muesli with, 1/2 cup reduced, fat milk*

32% higher in protein than 1 cup of baked beans on 2 slices wholemeal toast*

48% higher in protein than 1 cup porridge with, 1 cup reduced fat milk*



Questions?

Questions & Answer Session

