

SunRice Pre-Season Grower Meetings: Chairman's Opening Speech

Good afternoon and welcome.

It is again shaping up to be an incredibly busy couple of months. CEO Rob Gordon and I are out this week speaking to growers in Griffith, Coleambally and Deniliquin. We've got the Rice Growers Association Conference in early August, then our annual AGM later that month. So there's a lot happening.

We've called these special pre-season meetings in the main because we want you to grow more rice. They're of course also a great opportunity to hear from you our growers; to take stock of the season past; and provide you with a comprehensive view forward.

You will see as per the slide on show now – we've got a fairly full agenda.

As part of today Rob will discuss the positive prospects for the rice industry. He'll also give you a detailed business update on the 2014 crop and 2015 crop outlook.

We will also hear from Booth Associates' Michael Ryan, Rice Research Australia's Russell Ford and SunRice's Mike Hedditch.

At a high level I would like to acknowledge the season we've just had - we're anticipating a final crop of around 825,000 tonnes and the paddy looks to be in good condition, with encouraging milling yields.

SunRice pricing for 2014 is also looking good.

We've got an indicative paddy price that is now more than \$320 per tonne for medium grain (Reiziq) and upwards of \$450 per tonne for Koshihikari. We hope to be able to better these results as the year progresses too.

What we also have is solid growth in market demand. SunRice - through the hard work of our team - now has premium markets and related pricing available for more than 950,000 tonnes of your rice.

What this simply means is that based on the 2014 crop size, we've got more demand for your rice than actual supply.

With such positive market dynamics at play, this presents some attractive opportunities for you, our growers.

To help drive this progress we need you to grow more rice and we want it to be your 'first choice' crop.

To arm growers with valuable information that will assist you in making planting decisions, we recently commissioned an independent economic assessment of cropping choices in the Riverina, which you'll hear more about today from Michael Ryan. The results highlight that returns for the rice farming system are more attractive and sustainable than most other crops including cotton and irrigated winter crops.

We understand that price is a key factor and that cash flow is also important. In light of this we've been exploring different measures to give you a greater impetus to choose rice at planting time. These include looking at different payment structures; assistance with crop inputs; and possibly varying the timing of rice price announcements.

So I hope you walk away from today understanding there are a number of compelling reasons to commit more of your resources to the rice industry.

As I rice grower myself, I believe you actually should be asking yourself why rice **wouldn't** be your first choice summer crop.

Thank you. Please welcome Rob Gordon, CEO of SunRice.

Chairman's Close

Thank you everyone.

Please feel free to stay on and ask us questions.

And just in case we didn't make it clear – we want you to grow more rice!

- The prospects for our industry are very bright;
- We have premium markets;
- We have premium pricing;
- For the majority of you it yields a better return on-farm; and
- We're working on making it easier for you to opt for rice as your 'first choice' crop.

We'll take 800,000 tonnes, but we'd prefer 950,000 tonnes!