

Good morning and welcome to SunRice's 2010 Annual General Meeting.

Today marks our 60th meeting – a wonderful achievement.

Before we take a look at the last year, let us reflect for a moment on the past 60.

As most of you know, SunRice was borne out of hardship and opportunity. It was fed by the desire of a group of growers to take the future into their own hands.

Our forefathers had huge vision – they took Ricegrowers Co-operative to the world.

There is no denying that in our 60 year history we have enjoyed and taken advantage of some excellent circumstances – establishing our products, establishing rice processing and distribution in Papua New Guinea and of course other strategies.

But we have had our fair share of hardships too.

We have lived and breathed through back-to-back droughts, the dramatic deregulation of our industry, and production down to 19,000 tonnes.

And yet here we are:

- An over 800 million dollar company.
- Marketing around one thousand products.
- Employing close to 2000 people.
- With operations in five countries.
- And customers in 50 more.

That is an outstanding success story.

Now to our results.

The global rice price cycle that delivered 2009's record profit result was nothing short of extraordinary.

It delivered extraordinary opportunities for our company, both financial and strategic.

The inevitable price softening that followed, returned SunRice to more normal levels of financial performance in 2010.

Our company delivered consolidated revenue of \$817 million – just 9% lower than last year's result.

Net profit after tax was \$11.7 million - markedly lower than 2009, but again, in line with the results achieved in previous years.

We paid a record medium grain paddy return for the 2009 crop. \$550 per tonne – the highest return in our organisation's history.

The Board was delighted to be able to pay shareholders another fully franked dividend of 22.5 cents per B Class Share.

I am mindful that these figures - when mapped in a bar graph as they are in the Annual Report - do not necessarily do justice to what has been another successful year.

Make no mistake; we have every reason to be pleased with these results.

They were delivered through the outstanding efforts of the SunRice team, against a backdrop of falling markets, an ongoing drought and increasing competition.

It is one thing to succeed when conditions are favourable. But it is quite another to do so when they are not.

I want to spend a few minutes talking about success and what it means in the context of the year we've just had.

I am often asked what I attribute SunRice's success to.

I wish to put to you today that it's the result of two things - tenacity and foresight.

These qualities are inherent in our shareholders, our management team and our employees.

We continually re-invent ourselves.

In SunRice....tenacity and foresight drive our innovation cycle. In this past year, our product development program delivered no less than 33 new products to market.

New meals, new snacks, new packaging innovation – all were delivered in the face of unprecedented levels of competition and market congestion.

Yet we continued our market leadership in Australasia, the Pacific, Middle East and our other key markets.

We made new ground in the US, where our value added microwave rice and rice cakes were launched under the HINODE brand. Gary will address this.

And Riviana Foods delivered a stand out performance...achieving record revenue

through marketing and product innovation across key sectors of its business.

The resilience of our growers is remarkable. Despite seven consecutive years of drought, rice production is slowly rebounding....

....from the record low crop of 19,000 tonnes in 2008, to....

....66,000 tonnes in 2009....

...205,000 tonnes in 2010....

...and hopes of a larger crop in the year ahead.

The rebound has gone hand-in-hand with record-breaking yields that finished at 11.5 tonnes per hectare for our three main medium grain varieties.

This included the new cold tolerant variety YRM69, which is likely to be released and named soon. YRM69 achieved yields of 13.5 in the MIA, and will help growers achieve stable production levels even in cooler years and to continue our improvement in water use efficiency.

What better example can we have of the industry's tenacity and foresight at work?

There is a renewed sense of optimism among our growers and in our communities.

But there is also concern about what the future will bring.

The much anticipated Murray-Darling Basin Plan and its final implementation will determine the future of all irrigated agriculture in the basin.

The establishment of the draft plan and its Sustainable Diversion Limits is creating a large degree of uncertainty for our growers.

I am pleased that the MDBA is beginning to acknowledge the social impacts that its decisions will have.

However I'm not convinced that all policy makers understand that water is not just another resource for those of us who live in regional Australia.

Water is part of the economic and social fabric that underpins our regional communities.

It grows our food.....It fuels our factories, our retailers, our schools, our hospitals.... It employs our children...It's our currency.

Substantial allocation cuts will not only threaten the future of Australia's food supply, but deliver chronic economic and social outcomes for regional NSW.

When the draft plan is released we must make ourselves available at every opportunity to participate and advocate the right balance between agriculture and the environment in our region. There is too much at stake for us not to do so.

While water policy is the biggest threat to our regional communities, it is not the only one.

It is important that governments recognise the linkages between food production, processing and regional economies.

In Australia, like all other countries, the business environment within which we operate must be geared for local production. If it is not, companies have little choice but to purchase what they need internationally.

We must make certain that we don't become exporters of low value products and importers of high value products.

No-one wins under that model. Not the growers, not the food processors, not

Australia and certainly not the regional communities that rely on us.

I have often talked of food security – well it's no accident that BHP wants to spend \$45 billion on fertiliser production to produce food. I hope Australia gets the food security message before it's too late.

In closing, I would like to acknowledge my Deputy Chairman Mark Robertson, the Chair of our Finance and Audit Committee, Grant Latta, and my fellow Board members Russell Higgins, Noel Graham, Laurie Arthur, Gillian Kirkup, Alan Walsh, and Norm McAllister.

Their expertise, dedication and extraordinary enthusiasm in times of both prosperity and adversity is invaluable. We are very well served by these fantastic directors.

Thanks go to our Chief Executive Officer, Gary Helou and our Corporate Management Team. Gary once again led with great enthusiasm from the front and the team delivered a strong result in difficult circumstances.

Thank you to our employees too, who continue to demonstrate innovation and great commitment.

Special thanks to Noel Graham, who retired as Chairman of the Rice Marketing Board following a change in legislation. Congratulations to Nick Papallo on his appointment as incoming Chair.

I would like to thank Les Gordon, President, and Ruth Wade, Executive Director of the Ricegrowers' Association of Australia Inc., for their significant contribution to the industry.

Also a special thank you to all our wonderful growers and shareholders who continue to support our business.

And of course my thank you's would not be complete without paying tribute to my wife Sue – who stands beside me with both poise and patience.

In closing,

Let us hope 2011 is the year that we turn the corner on the drought.

And let us hope that this is the year that marks the firm and unequivocal return of our Australian rice industry – the best in the world.