

## **RGA Annual Conference – 11:55am, 9 August 2012**

Address by SunRice Chairman Mr. Gerry Lawson AM

**963,000 tonnes**

...that's how much rice you, our growers, harvested during 2011/12.

**23 million**

...this is how many people around the world our rice will feed, every day, for the next year.

**8.3 billion**

...that's the incredible number of meals which will be consumed by those people.

To put this into perspective, that's **one meal for every person on the planet today**, with some left over to spare.

As CEO Rob Gordon outlined earlier – we are in a big ocean when it comes to world rice production and trade – but what a fantastic result for any food industry, let alone one that's only just emerged from a decade of drought.

I'm sure you'll agree that these figures speak for themselves in providing a snapshot of the value of the Australian rice industry and what we're able to achieve when we have access to productive water.

They highlight the scope of our growers' work and our company's operations, in supplying rice food products to 60 countries.

I would like to acknowledge everyone in this room and the many who are not, for delivering such an inspiring set of numbers.

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I am extremely pleased to be here today at the 2012 RGA Annual Conference, in the wake of another remarkable harvest. This is a moment to celebrate the triumphant return of Australian rice.

The theme of this year's conference '*Growing our Future*' could not be more relevant. As Rob outlined earlier, positioning SunRice for growth is of vital importance to the overall profitability of our industry – from the paddy returns paid for premium Australian rice, to the dividends paid to our shareholders.

Our return to full production will help underpin this growth.

Many of you will have already read yesterday's shareholder letter and the news that this year's crop has allowed us to reopen the Coleambally Mill and create jobs for 34 people.

I am delighted that we have been able to make the announcement this week, ahead of the next sowing season.

It is a wonderful outcome for our business, growers and shareholders, and of course – the people of Coleambally.

It comes on the back of a solid 12 months in which we created 200 new jobs, instigated major upgrades at our sites, and re-established supplier relationships with regional businesses.

Combined with dividend and paddy payments, these activities have delivered an injection of approximately \$300 million into our local communities.

All in all, the return to full production is providing an optimistic outlook across the Riverina, following what has been a difficult number of years for our growing regions.

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Much has been said recently about Australia's role in producing food for the world and helping to feed a growing Asia, and it is a role which we take seriously.

There's no doubt that our ability to supply more than 8 billion meals is an important contribution. Of course where we sit in relation to other countries that export rice to the world is an important factor in considering how our responsibilities in this area will play out.

On the home front, I applaud our Minister for Agriculture, Senator Joe Ludwig for launching the National Food Plan Green Paper. This is the first time an Australian Government has recognised the importance of food production in this way.

The resulting food policy aims to strengthen Australia's food system so we can respond to global opportunities and challenges. It is an initiative we need to support as we move towards achieving a strong and sustainable future for our industry and our nation.

We have also witnessed our Prime Minister formally acknowledging the agricultural sector and the fact we must continue to invest in irrigation. This is a positive step forward in our nation coming to terms with the importance of local food production and its foundation – water.

It is wonderful that we can turn our most precious natural resource into food to sustain Australia and other nations. This is why we continue to push for balance in the Murray Darling Basin Plan, and for water savings to come from investment – not from our share of entitlement.

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I would also like to take this opportunity to speak briefly about the recently announced Capital Structure Review for SunRice.

In the wake of the drought and a range of other factors, we have committed to reviewing the objectives we set during our conversion to a company and our governance procedures.

I acknowledge that this is not the forum to discuss this process and what the next steps will be – that will take place at the SunRice Annual General Meeting.

But at this point, I do wish to acknowledge the spread of views relating to the way our company has performed over the past year.

The turnaround in our bottom line and the reduction in our gearing rate has taken some of you by surprise and resulted in a range of emotions.

Eighteen months down the track, we recognise that a few of you feel angry and upset about the change in our company's balance sheet.

We recognise that there are others who are celebrating this success as well.

We understand that this is a matter about which you want to be heard, and you have my assurance that we will provide opportunities for you to share your thoughts and feedback as part of the review.

When all is said and done, we hope you will work with us to focus on our industry's future.

There is no doubt that the rice industry and SunRice are in a stronger position today than we were 12, 24 and 36 months ago.

But we still face many challenges – our debt, the review into vesting, the Murray Darling Basin Plan, the strength of the Australian dollar and increasing competition – here and overseas.

It is now time for our industry – growers, shareholders, employees and stakeholders – to unite and stand together as we look towards '*Growing our Future*'.

Thank you.