



BEAN GROWERS AUSTRALIA LIMITED trading as

Bean Growers Australia

HEAD OFFICE: River Road, Kingaroy • Postal: PO Box 328, Kingaroy Q 4610
Phone: (07) 4162 1100 • Fax: (07) 4162 4706
Email: info@beangrowers.com.au

Across the CEO's Desk : February 2007 **SHAREHOLDER NEWSLETTER**



With your dividend payments enclosed this was a good opportunity to update our shareholders of the current situation for the Bean Growers Australia Group. The biggest feature of the current business environment is the continuing dry weather across eastern Australia and how this effect is impacting directly on the business.

HARVEST GRAINS AUSTRALIA

Due to the continuing drought and the lack of available product in Victoria we have closed down Harvest Grain Australia, our subsidiary company in Horsham in which we have approximately 80% equity. Our strategy is to minimize any further losses that would undoubtedly occur through until the end of 2007. The facility officially closed as at the end of February but if appropriate is capable of being reopened if the

season improves and we consider that the business will be financially viable into the future.

At this time however we believe that the best option for the company is to find a buyer on a vacant procession basis or alternatively to consider a break up of the assets for individual sale. The assets of the business are valuable and there has been good capital growth in real estate over the last five years in the district. Given our view of the value of the asset which has been supported by a valuation by a licensed valuer, we are confident sellers and believe it likely that a worthwhile premium will be achieved over the original investment. We are currently negotiating with a number of potential buyers in this regard.

BGA AGRISERVICES

BGA AgriServices is consolidating after the acquisition of three new stores in the Wide Bay region; the additional stores have caused some growing pains that are now being resolved through system development and better management. These improvements are largely the result of management restructuring and additional financial personnel to assist the General Manager. The drought is also having an impact on the sales of the business and margins will continue to be under pressure with farmers needing to

minimise costs in order to try to remain profitable in these difficult times.

BEAN GROWERS AUSTRALIA

As you would expect the drought is also having an effect on the tonnages of specialty grains that will be traded through the Kingaroy plant although with record high world prices at least the returns for the growers are the best we have seen in decades. The management is focused on continuing the high standard of quality control that has served the business well since its humble beginnings while at the same time we must continue to reduce overheads especially in the production area to ensure the best grower returns can be achieved. It is envisaged that with this very poor summer plantings that by the end of June 2007 we will have little stock left to trade which could make next financial years sales below budget.

It is in the difficult times that you really get to appreciate the efforts of the staff who continue to strive to achieve great outcomes for everyone, the growers, the shareholders and our customers. On behalf of everyone I thank them and hope that the 2007 year brings a return to reasonable weather conditions and prosperity for everyone.

Mark Adamson
Chief Executive Officer

BGA Share Markets

Due to pending changes to the way the Australia Securities Commission is directing share transactions through "Grey Markets" like the BGA share market, advice to all shareholders will be provided from Philip Fox Lawyers on the effect of these changes in due course.

In the mean time we have set up new email accounts to better assist shareholders lodging interest to sell or buy shares shares@beangrowers.com.au or

shares@bgaagriservices.com.au respectively. If you have an interest in buying or selling shares please send an email to these addresses and when the changes to trading on the Grey Market are clarified we will notify you in due course.

If you prefer to log your interest by telephone please call 07 41621100 and ask for Alison Murray or Tanya Brown who will assist you.

Changes to the Board



Pictured: Left Colin Hoey and Right: Ian Sharpe.

It was with a degree of sadness that I accepted a resignation at the end of December from Mr Ian Broadfoot after serving on the both Boards for more than ten years. Ian came to BGA as an independent Director and proved his value during his term on a continuing basis, his business and financial acumen have served the board, the shareholders and the Management and staff extremely well and we thank him for his contribution. We wish him every success in his retirement or any other ventures he takes on in the future.

As the Chairman it also gives me great pleasure in announcing that he will be replaced by Mr. Ian Sharpe who comes to us with a wealth of experience in the industry and a particularly strong financial acumen. Following is a brief description of Ian's achievements.

MR IAN SHARPE

Bachelor of Business – Accounting

Fellow Australian Society of CPA's

Member of the Australian Grain Institute

Member Australian Institute of Company Directors

- | | |
|----------------|--|
| 1982 | Company Secretary – Toowoomba Foundry Pty Ltd (Manufacturing Company for Southern Cross Organisation) |
| 1982 -1985 | Board Secretary Queensland State Wheat Board |
| 1982 - 1987 | Board Secretary Bulk Grains Queensland |
| 1987 - 1990 | Bulk Grains Queensland General Manager Corporate Services |
| 1990 - 1993 | Chief Executive Officer Queensland Grain Growers Association |
| 1994 - 2003 | Regional Manager Darling Downs – Queensland Cotton Corporation |
| 2003 - Present | Director Sharpe Business Pty Ltd a financial management company
Associate – MAIPBAS a CPA Accounting Practice |

Ian Sharpe will take a Directorship of both the Bean Growers Australia Limited board and of the BGA AgriServices Limited Board. As the Chairman I feel confident that he will continue the good work of his predecessor as well as the rest of the board members as we move into the future.

Colin Hoey
Board Chairman

Crops Handled

Bean Growers Australia are well known for specialty crop marketing on the domestic and export markets.

Main crops handled are Navy Bean, Mungbean, Adzuki bean, Soybean , specialty bean crops and Macarina Chickpeas.

For up to date marketing information contact:

Lloyd Neilsen 0741 621100 mobile 0427 757906

Mungbean marketing and contracting:

Don Spanner 0746 359175 mobile 0428 710946

Mark Schmidt 0746 304242 mobile 0429 783128



Lloyd Neilsen in a Soybean Crop



Mark Schmidt in a Mungbean crop