

Report from the Chair



Citrus Australia Ltd is now in its third year of operation, and my second year as Chair. I'm pleased to report that the organisation has recorded a surplus of \$7,578 in this financial year, while growing our operations and increasing membership numbers for the third year in a row.

This result has been achieved by careful management of operational and project costs, and did not hinder the important work being done by Citrus Australia in areas such as market access, biosecurity and public affairs.

The work being done by our market development team was a particular highlight of the year, with the restoration of citrus exports to Thailand thanks to the development of a systems approach to the management of Fullers rose weevil. The South Korean market is also showing promise, and development of this opportunity will continue over the coming year.

On the domestic front we continued our value chain focus with the introduction of the first Australian Citrus Quality Standards; our first ever national weekly market dispatch reports (InfoCitrus) and our increased engagement with our major retailers.

Some other outstanding highlights of the year included:

- Successful mandarin and orange promotions
- The Aussie Orange Farmer Fightback campaign drawing government and consumer attention to the challenges we faced in the 2011 season

- Meeting growers face-to-face at Regional and National Export forums
- Development of a new Research and Development Plan; and the Australian Government's commitment to continued matching contributions
- Government lobbying, particularly on the Pacific Seasonal Workers Pilot Scheme, export market access, and the Murray Darling Basin plan.
- The 2010 National Conference held at Hervey Bay, Queensland.

The last Annual General Meeting, held in conjunction with the 2010 National Conference, saw Michael McMahon retire from the Citrus Australia Board. Our sincere thanks go to Michael for his valued contributions particularly as an inaugural grower director. We wish him all the best with his new family and citrus business commitments and look forward to his continued input as a grower member.

At the same time we welcomed two new Directors to strengthen and supplement the skills of other Board members. Greg McMahon joined as a grower Director and Neil Offner as an independent Director.

Our achievements for the year are the result of strong leadership provided by our Board of Directors and executive team, and the commitment from the staff to delivering an expanding range of essential industry services.

On behalf of the Board I would also like to thank the staff of Citrus Australia. They have worked with great dedication through continual change and often limited resources to bring key Citrus Australia programs to fruition for the benefit of our members and the industry as a whole.

Tania Chapman
Chair

Performance at a Glance

Citrus Australia's efforts over the past year have been focused on five program areas: market development, information, biosecurity, communications and public affairs. Here is a snapshot of its achievements.



Market Development

- Export Market, Domestic Market and Variety Committees formed
 - Market development team expanded
 - First National export forum
 - New FRW management protocol allowed resumption of trade to Thailand; and increased trade to South Korea
 - First National Citrus Quality Standards launched
 - Boosted promotions for larger mandarin and orange crop
- New, full-time Communications Manager appointed
 - Aussie Orange Farmer Fightback campaign
 - Regional forums, workshops and grower visits throughout Qld, NSW, Vic, SA and WA

Public Affairs

- Engaged with key government leaders and officers
- Actively participated in:
 - Inquiry into Biosecurity and Quarantine
 - South Australian Agriculture Minister's Review of the South Australian Citrus Industry Structure
 - Inquiry into the Australian Government Rural Research and Development Corporations Model
 - Inquiry into the Proposed Murray Darling Basin Plan

Information

- InfoCitrus went national
- Development of 2011 National Plantings Database started

Biosecurity

- Participation in AQIS Plant Entry Quarantine, Pest Categorisation, Citrus Pathology meetings and Global Citrus Conference held in South Africa.

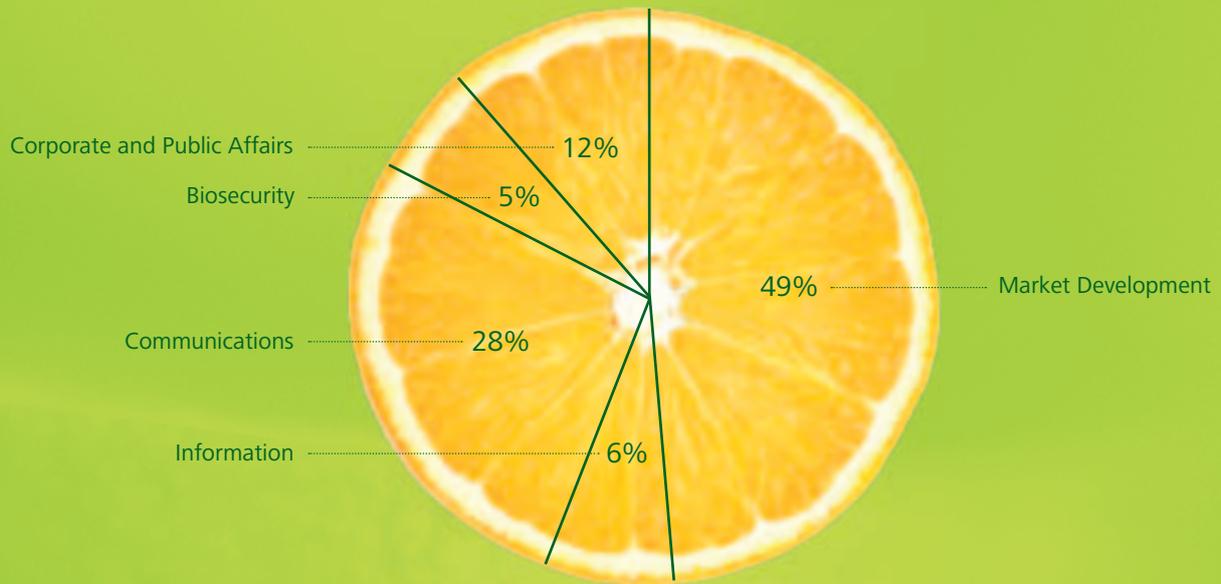
Corporate

- Two new Directors appointed
- New office; expanded team; new website
- Small surplus achieved
- Membership growth

Communications

- 2010 Citrus Australia National Conference held in Hervey Bay, Queensland

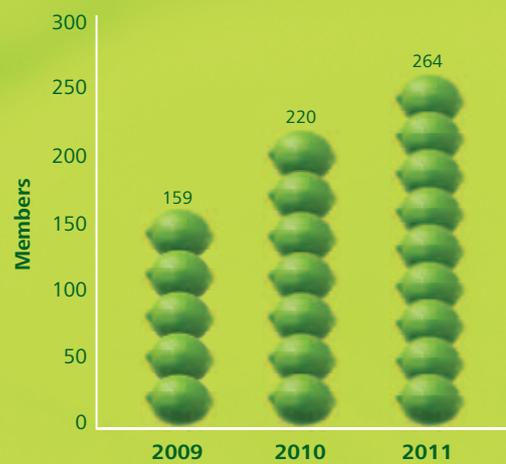
2010 - 2011 Program Investment



Profit and Loss



Growth in Membership



Note: 2009 represents an 8 month period only because Citrus Australia was formed part way through the 2008 - 2009 financial year.

Report from the CEO



The financial year being reviewed by this annual report spans a period of environmental, seasonal, political and economic extremes.

The 2010 citrus crop came in early and delivered a very light crop of mostly large fruit, partly due to ongoing drought conditions but mainly caused by an unusual heatwave in early November 2009 affecting flowering and fruit set. The shortage of fruit resulted in some extraordinary returns to growers. For example, returns from early export Valencia oranges were in the range of \$800 per tonne and late Valencia oranges for juicing returned up to \$500 per tonne. Record prices, but overall lower yields did not compensate. The large fruit also presented some out-turn problems in some key export markets, while small fruit markets were unable to be serviced.

In 2011 we faced a completely different set of challenging circumstances. Whilst the spectacular breaking of the drought was a reason for celebration it created a bumper crop of smaller fruit that came with higher production costs due to the need for fungicides and cold treatment. The wet summer weather unfortunately turned to despair in Queensland and parts of Victoria.

However the biggest economic threat came when the Australian dollar climbed past parity with the U.S. dollar to appreciate by over 30 percent, making our fruit less competitive in some export markets and slashing grower returns.

While the value of the dollar is outside the control of Citrus Australia, we were able to exert some influence over domestic demand with the anticipated increase in fruit volume with two national promotion programs - one for oranges and one for mandarins - and a public relations campaign called *Aussie Orange Farmer Fightback* aimed at raising awareness of the issues being faced by the Australian citrus industry, and urging consumers to buy more.

A year of growth for Citrus Australia

Despite the extremes, the year saw a significant period of positive change and growth for Citrus Australia, both in membership and the management of its operations. The organisation moved to a new modern office in February 2011; a fresh new website was launched boasting on-line payment facilities; new staff members were recruited to oversee critical programs and we celebrated our 200th grower member.

Government relations and advocacy were also given priority during the year, thanks to our growing member base. And what a year for Australian politics!

The year started with a hotly contested federal government election and the development of Citrus Australia's federal election policy statement.

This statement and accompanying lobbying efforts highlight the critical industry issues requiring renewed government attention. The issues are:

- Export market access and development
- Quarantine and biosecurity reform
- Water; Murray Darling Basin Plan
- Research and Development
- Workplace Relations; Pacific Seasonal Worker Pilot Scheme
- Horticulture Code of Conduct
- Truth in Labelling
- Climate change/carbon farming policies

Citrus Australia was able to meet with key government leaders including:

- Warren Truss, National's leader
- Simon Crean, Regional Minister
- Ministers Crean, Ludwig, Burke and Prime Minister Julia Gillard
- Joe Ludwig, Agriculture Minister
- Tony Windsor and other Members of Parliament
- Michael O'Brien, SA Agriculture Minister

We were also honoured to have local member for Mildura Peter Crisp and Mildura Mayor John Arnold officially open our new office.

Citrus Australia also made formal submissions and public hearing presentations to the:

- Inquiry into Biosecurity and Quarantine Arrangements
- South Australian Agriculture Minister's Review of the South Australian Citrus Industry Structure

- Inquiry into the Australian Government Rural Research and Development Corporations Model
- Parliamentary, Senate and Murray Darling Basin Authority inquiries into the Proposed Murray Darling Basin Plan

The Murray Darling Basin Plan will continue to be a focus for Citrus Australia over the coming year. Our lobbying efforts have been greatly strengthened by joining the National Irrigators Council based in Canberra. The Murray Darling Basin Authority has postponed the release of its plan (yet again) and we remain concerned about its impact on the Basin where 95 percent of Australian oranges are grown and 2.1 million people live and work – many of them dependent on citrus and other irrigated crops.

Coordinated marketing - what is the right mix?

The global market continues its economic turmoil, the high Australian dollar and increased southern hemisphere competition particularly in the US impacts our competitiveness. There is a mix of regulatory, market intelligence and consultative mechanisms that encourage coordinated marketing.

From a regulatory perspective, Citrus Australia continues to be involved in the Horticulture Australia Ltd. Citrus to China Committee and assists with dissemination

of its in-season minimum pricing recommendations. In the USA there is a sole importer appointed for Australian citrus.

Citrus Australia has commissioned an independent situational and value chain analysis on the commercial and regulatory arrangements of the Australian citrus to USA program. This project will assist industry and Citrus Australia to build submissions based on facts for the upcoming Department of Agriculture Fisheries and Forests review of Export Efficiency Powers.

Increased regional and national consultation

The Citrus Australia board and/or key staff expanded their on-the-ground consultation by attending key regional and national forums and grower visits. Citrus Australia held Board meetings and regional forums in Gayndah, Griffith, Mildura, Berri and Perth; held a successful National Export Forum in Melbourne and National Conference in Hervey Bay, Qld; facilitated Imperial mandarin forums across Qld, NSW, VIC, SA and WA; Fullers Rose Weevil control workshops in southern Australia and fungicide management workshops in Queensland.

Citrus Australia developed stronger market development, biosecurity and communication programs through a concerted effort to better engage the

entire citrus value chain and an expanded skills-based team. The set-up of three priority advisory committees (Export, Domestic and Variety) has been complete, and we have plans to continuously improve and increase industry involvement and input through targeted reference groups and R&D planning.

More information, and key results, on each of these programs appear in the following pages, and all of them will be continuing throughout the 2011-2012 financial year. Our stronger financial position and expanded team now sets the foundation for further "runs on the board".

I would like to thank all of our Members for their suggestions, feedback and support over the past year. Many of you have already indicated a desire to 'put this one behind us' and prepare for 2012. Thanks also go to the Board of Directors for its support and guidance, and to the staff for their tireless and enthusiastic work on behalf of members and the Australian citrus industry. We remain committed to representing your interests even through years of extremes.

Judith Damiani
CEO

Three Year Strategy

2010-2013

Our Vision	Transform industry to a unified new structure ensuring better value and returns to growers
Our Mission	A grower driven national organisation representing and leading the industry in: <ul style="list-style-type: none"> • Policy and Advocacy • Research and Innovation • Market Access, Development and Promotion • Communication and Information • Biosecurity
Our Values	A national organisation that values: <p>Change we will change and continuously improve our strategies, structures and programs to provide increased value and innovation</p> <p>Leadership we will take a visionary national approach, act with honesty, integrity, use resources responsibly and respect the environment</p> <p>Teamwork we will build relationships based on trust; and retain committed, friendly, talented, professional people who are motivated to individually and collectively achieve shared goals</p> <p>Grassroots we will be accessible to all and accountable and responsive to members and industry</p>

OUR PROGRAM	INDUSTRY BENEFIT	OUR APPROACH
Market Development	Increased demand for Australian fresh and processed citrus domestically and internationally	<ul style="list-style-type: none"> • Working with the whole value chain • Directed by national export, domestic and variety committees • Supported by a team of Value Chain Coordinators with a national and regional focus • Faster resolution of market access issues • More efficient quarantine services • National quality assurance program • National food safety program • National promotion/category management program
Information	Provide quality and timely information to industry enabling better decision making	<ul style="list-style-type: none"> • Crop forecasting • Plantings data • Production reports • InfoCitrus • Market/consumer reports and analysis
Communications	Educate and consult industry through streamlined, relevant and targeted communications	<ul style="list-style-type: none"> • National and regional forums • Annual conference • Workshops • Magazine • Website • Newsletters • National leadership program
Biosecurity	Protecting the production base of the industry	<ul style="list-style-type: none"> • Protect against and manage incursions through a national pest incursion deed • Increasing industry awareness through training and materials • Supporting a high health budwood and seed scheme • Increase quarantine and border protection • Scrutinise Import Risk Assessments
Corporate & Public Affairs	Provide a strong and financially secure national body to govern industry	<ul style="list-style-type: none"> • Provide a united 'voice' to government • Skills-based appointments • Governance focus • Member-driven • Industry wide consultation • Transfer of state resources into national programs • Enhance national levy investment program • Lobby to represent grower issues such as market access, quarantine, biosecurity, water

Review of Operations

Citrus Australia strengthened its financial position, grew its membership, expanded its team and made significant gains in each of its five key program areas during the year under review.



An agrichemical residue monitoring program for Japan exports was launched this year and will continue through coming years.



In line with its current three year strategy, Citrus Australia's efforts over the past year have been focused on five program areas:

Market Development	Building a stronger market development program through skills-based committees and expanded support staff with a focus on export market access, domestic quality standards, promotion and varietal development.
Information	Developing two national reports including a weekly online market dispatch report (InfoCitrus) and the 2011 national plantings database.
Biosecurity	Maintaining Australia's status of high health with low incidence of pests and diseases.
Communications	Building a stronger communications program to provide updated information to the citrus industry, and sharing the outcomes of research and development with a focus on regional and national forums/workshops, conference, website, magazine and e-newsletters.
Public Affairs	Representing the citrus industry to government and regulatory authorities on issues including the Murray Darling Basin plan; Research & Development; Quarantine and biosecurity; export market access and South Australian citrus industry structure review.

Following is a summary of Citrus Australia's achievements in each of these areas during the year under review.



Market Development

Developing a more market-focused value chain.

The establishment of a centralised market development team this year was a critical step towards integrating and refocusing traditional regional industry development into national, market-aligned value chain activities.

Aiming for a better balance, this year the market development team engaged with all levels of the citrus value chain via:

- Newly-appointed Export Market, Domestic Market and Variety Committees consisting of leading growers, packers, wholesalers, exporters, and researchers.
- Retailers – in particular the citrus category managers in the main chain stores
- Commercial and government contacts in key export markets

The market development team is comprised of Andrew Harty, Nathan Hancock and Kym Thiel.

The Variety Committee began undertaking a gap analysis of citrus varieties, taking into account consumer preferences and market requirements, domestically and around the world. It seeks to reduce grower risk when selecting varieties to plant by providing impartial information on the performance of different varieties of citrus fruit in relation to regional conditions and market requirements.

This committee also acts as a point of communication between the citrus industry and quarantine authorities, so the industry has a unified voice on biosecurity matters. Its other role is to be a neutral party to resolve issues and encourage smooth cooperation between variety commercialisers and other industry sectors and bodies such as Auscitrus.

The Export Market Committee has been devoting its time and resources to finding a solution to the Fuller's rose weevil problem – the main pest posing quarantine obstacles in the key export markets of South Korea, Thailand and China. Seeking a way through the complexities of agrichemical residue compliance in multiple markets is another ongoing priority.

A national export forum in February 2011 brought together leading growers and exporters to consult on market access issues facing the industry.

In January 2011, Thailand proposed a revised protocol which, if not contested, would have completely stopped the trade of citrus. Citrus Australia worked with Biosecurity Australia to gain acceptance of a systems approach to the management of Fuller's rose weevil (FRW). As a result, trade was permitted to continue this season with no FRW interceptions. The project has also been conducting commercial trials of a new post-harvest fumigant for the treatment of FRW.

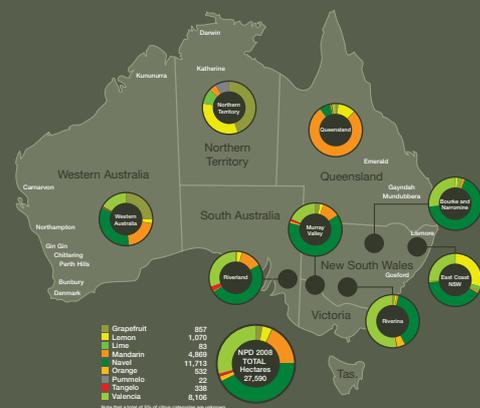
An agrichemical residue monitoring program for Japan exports was launched this year and will continue through coming years.

The Domestic Market Committee this year defined and implemented Australian Citrus Quality Standards (ACQS) for all citrus varieties, and also supported the development of two national category promotion programs.

The market development team has also worked on two other projects to improve fruit quality and size. A series of Imperial mandarin workshops was held around each region in the second half of 2010 to advise on growing and grading practices to reduce the incidence of dry fruit in this variety, and to define future research initiatives to solve this problem.

A national team was also assembled to advise industry on crop regulation practices, with the goal of achieving more regular crops of larger fruit. Regional workshops on pruning and crop thinning were held throughout last season in all regions, and were supplemented with a publicity program and a seasonal crop regulation guide.

The InfoCitrus online data management system was rolled out nationally this year.



Information

Mapping citrus plantings for future market development.

The National Plantings Database aims to develop a user-friendly report which will allow greater accuracy of short and long term forecasting, variety trends and market development priorities. It is achieving this by creating and maintaining an updated database of tree plantings by region and variety.

This was a cooperative project between Citrus Australia, Riverina Citrus, the Murray Valley Citrus Board and the South Australian Citrus Industry Development Board. A vendor, SunRISE 21, was appointed to provide mapping and develop a database that employs spatial information technologies.

Over the past year, the mapping project has achieved the following:

- Establishment of mapping, imagery and grower databases
- Identification of new areas of citrus plantings
- Acquisition of new imagery for existing and new plantings
- Updating of databases from 2003 and 2008 surveys, with new contacts added
- Surveys have been sent to all growing regions and data entered for all returns to date

Results will be presented at the 2011 Citrus Australia National Conference. The plantings database is envisaged to be updated every 3 years.

National weekly market dispatch reports achieved.

The InfoCitrus online data management system was rolled out nationally this year. It is a recent development for the citrus industry and gives the participants a better understanding of the impact of the supply/demand relationship in any particular year.

The program has been implemented in Queensland, the Murray Valley, the Riverina, South Australia and Western Australia. It enables the citrus industry to improve business decision-making, allowing better co-ordinated release of product.

The project is also providing national data on which the industry and Citrus Australia can build to improve knowledge of:

- Seasonal citrus supply
- Price impacts of over or under supply
- Supply and market/industry vulnerabilities
- Plantings and harvest rate data

InfoCitrus allows grower/packers and packing facility operators to enter citrus volume data and so allow the calculation of aggregated results of citrus production and supply estimates. The aggregated data can then be provided back to contributors for improved varietal, supply, marketing, operational and strategic business decision-making – effectively providing a seasonal supply/demand feedback loop to allow better planning and improved price over time.

The key achievements of this project during the year under review include:

- Completion of a fourth season of InfoCitrus reporting in Queensland
- Increased awareness of, extension of, and training for InfoCitrus and its benefits to Sunraysia, Riverina, Riverland and Western Australian growing and packing businesses
- Improvements to InfoCitrus functionality for industry and administrators in response to feedback
- Allocation of a specific resource to manage InfoCitrus and the market information it generates
- Weekly national reports on dispatch to market by variety and destination



Biosecurity is an area has been identified as requiring more resources, and planning is underway to address this gap.

Biosecurity

Maintaining the health of the Australian citrus industry.

Citrus Australia's biosecurity program enables the health of the citrus industry to be maintained through:

- Biosecurity and incursion management planning
- Awareness of and response to issues
- Provision and use of high-health planting materials, through Auscitrus
- A committed Technical Advisor

Pat Barkley (the technical advisor) has participated in the AQIS Plant Entry Quarantine, Pest Categorisation, and national Citrus Pathology meetings, as well as joining a HAL Gene Technology Workshop in Sydney and being a guest speaker on Biosecurity in Citrus at the Global Citrus Conference held in South Africa.

Ongoing priorities of this project include:

- Review and update of the Huanglongbing Incursion Management Plan
- Participation in the Citrus Industry Advisory Committee and the Variety Committee

This area has been identified as requiring more resources, and planning is underway to address this gap.



Membership grew for the 3rd year in a row with our grower and affiliate members up by 20 percent.



Communications

Communications program strengthens and diversifies industry media

The National Citrus Communications Program was initiated in the past year to maintain and improve national and regional communications within the citrus industry and ensure timely delivery and adoption of research outcomes. It includes multiple media and two-way communication channels including:

- National and regional forums
- The Citrus Australia National Conference
- Industry-related workshops
- Australian Citrus News - the industry flagship publication
- Newsletters - both print and e-publications
- Media releases and media relations
- Industry web site

The Citrus Australia web site was redesigned and relaunched in March 2011. It is now being further developed into a repository of news and information available in multiple formats including text, and audio and video downloads. These channels will support extension of content from industry-related workshops, forums, the Annual Conference and a new industry case study program.

A Communications Manager – John Back – was appointed in June 2011 and he undertook a review and audit of industry communications, followed by a revamp and expansion of media and communications channels. *Australian Citrus News* continued to be published on a bi-monthly schedule along with two popular e-newsletters: *Season Update* and *Citrus World News*.

The 2011 Navel orange season was a challenging one where a large crop of high quality fruit combined with a high Australian dollar that hurt exports resulted in an over-abundance of low-priced product in the domestic market. Citrus Australia implemented a proactive media and consumer communications program to help manage this issue.

The *Aussie Orange Week* campaign ran from August 13 to 20. It included a national program of print, TV and radio interviews, fruit handouts at two major AFL matches, and a coordinated day of product sampling for commuters in the city centres of Sydney, Melbourne, Brisbane, Adelaide and Perth. The results were an uptick in retail orange sales, improvements in point of sale citrus displays, positive feedback from consumers and extensive media coverage.

Citrus Australia 2010 National Conference

The 2010 Citrus Australia Annual Conference was held in Hervey Bay, Queensland, from 31 October to 1 November. It was attended by 250 delegates from across the supply chain including citrus growers, packers, exporters, marketers, processors, researchers, and providers of goods and services to the sector.

In the post-conference survey 94 percent of respondents said the conference met their reason for attending. Reasons given for attending included the networking opportunities, followed by content, quality of speakers and field trip.

Stand-out presenters included Sue Middleton, Antony Allen, Zespri, Celsius, DNE and Kim McCosker. The field trip to Gayndah was also rated good to excellent by 90 percent of delegates.

A charity auction during the informal dinner was a real hit, with \$3,600 being raised and donated to two charities: local Chances for Children and national CanTeen.



A new IT system (database and website) was developed and rolled out during the year. It updated the web site with easier navigation and online payment tools.

Corporate and Public Affairs

Representing the citrus industry to government

Citrus Australia developed a policy statement in the lead up to the federal election held in August 2010. This statement and accompanying lobbying efforts highlight the critical industry issues requiring renewed government attention.

The issues are:

- Export market access and development
- Quarantine and biosecurity reform
- Water; Murray Darling Basin Plan
- Research and Development
- Workplace Relations; Pacific Seasonal Worker Pilot Scheme
- Horticulture Code of Conduct
- Truth in Labelling
- Climate change/carbon farming policies

Citrus Australia also made formal submissions and public hearing presentations to the:

- Inquiry into Biosecurity and Quarantine Arrangements
- South Australian Agriculture Minister's Review of the South Australian Citrus Industry Structure
- Inquiry into the Australian Government Rural Research and Development Corporations Model
- Parliamentary, Senate and Murray Darling Basin Authority inquiries into the Proposed Murray Darling Basin Plan

We have also joined the Horticulture Task Force so that common issues across horticulture can be more effectively communicated to the Australian Government. Citrus Australia's CEO Judith Damiani was elected Chair and represented the group at the first meeting with Agriculture Minister Joe Ludwig in April.

Corporate governance

The Board met nine times over the 2010/11 financial year. Some of the meetings were held in conjunction with Regional Forums held in Gayndah, Griffith, Mildura, Berri and Perth. This gave members and industry an opportunity to meet personally with Directors and executive staff.

AustSafe Super kindly donated a door prize at each Regional Forum.

Membership grew for the 3rd year in a row with our grower and affiliate members up by 20 percent.

With an expanding team and scope of operations, Citrus Australia moved to bigger, more modern offices with ground floor presence in the Mildura CBD.

A new IT system (database and website) was developed and rolled out during the year. It updated the website

with easier navigation and online payment tools. Further enhancements are being planned for 2011/12.

Citrus Australia encourages continual improvements and feedback and undertook a review of its Governance and Employee Manuals, evaluated staff satisfaction and planned for a Board performance review and committee reviews. A review is also planned of the HAL Citrus Industry Advisory Committee.

Citrus Australia is a member of HAL, Plant Health Australia, the National Irrigators Council and PMA ANZ. Representatives attended their respective AGMs and industry forums.

Financially Citrus Australia has achieved its first surplus result after three years of set-up costs and membership growth. Starting in November 2008 with only 11 inaugural members this is indeed a pleasing result and now allows for enhanced service delivery to members and the wider industry.

There is much more to be done, and a review of the national R&D, marketing and plant health programs has commenced. This will require further discussion on our national levy rates, some of which have not changed for over 18 years.

Members of the Board

Citrus Australia is led by an enthusiastic skills-based board that includes four grower directors and three independent directors.



Tania Chapman
Chair
Grower Director

Tania manages a citrus and grape growing business, and provides specialised bookkeeping services to horticulturists and a variety of other rural businesses. In addition, she has been Secretary to the Sunraysia Table Grape Growers Association and the Murray Valley Table Grape Growers Council. Tania has been Chair of Citrus Australia since March, 2010. She holds a Diploma of Accounting and Advanced Diploma in Business Management, and is a Member of the Australian Institute of Company Directors and a Member of the Australian Institute of Management.



Kevin Parr
Deputy Chair
Grower Director

Kevin has 30 years of experience in citrus growing, packing, exporting and marketing. His business is one of the largest citrus growing operations in Australia and the largest in Queensland. He has served previously as a board director of Australian Citrus Growers and a board member and treasurer of Queensland Citrus Growers Inc. He is also chairman of Sweetee Citrus and managing director of Central Fruit Packers, a horticultural packing enterprise in the Central Burnett.



Greg McMahon
Grower Director

Greg McMahon is currently Managing Director of Seven Fields which owns over 450 hectares of citrus across the Sunraysia region and the Northern Territory, as well as mango, wine grape and almond interests. Greg also brings extensive experience as a legal practitioner and Director, as well as in business management – having established his own legal firm and primary production enterprise. He has tertiary qualifications in law, commerce, Applied Finance and Investment and holds an MBA.



Kevin Cock
Grower Director

Kevin has a citrus growing business in the Sunraysia region and was previously a director and vice president of Australian Citrus Growers. He was the inaugural Chair of Citrus Australia. Kevin has extensive experience in citrus production over the past 40 years and has been an active representative of the industry through a variety of industry committees and boards, media relations and government and trade delegations, and in advancing industry policy issues with government.



Greg Dhnaram
Independent Director

Greg has 30 years of experience in retail through a variety of senior roles with Woolworths Australia. He is currently Chief Executive Officer of the Favco Group. Favco is a fruit and vegetable company which grows, markets and supplies produce domestically and overseas. Greg is also a Director of Patties Foods Limited (PFL) a publically listed company. PFL brands include Four n Twenty, Patties, Nannas, Snowy Mountain, Chefs Pride and Creative Gourmet. Greg has a Graduate Certificate in Management, a Diploma in Finance and a Diploma in Business Knowledge.



Michele Phillips
Independent Director

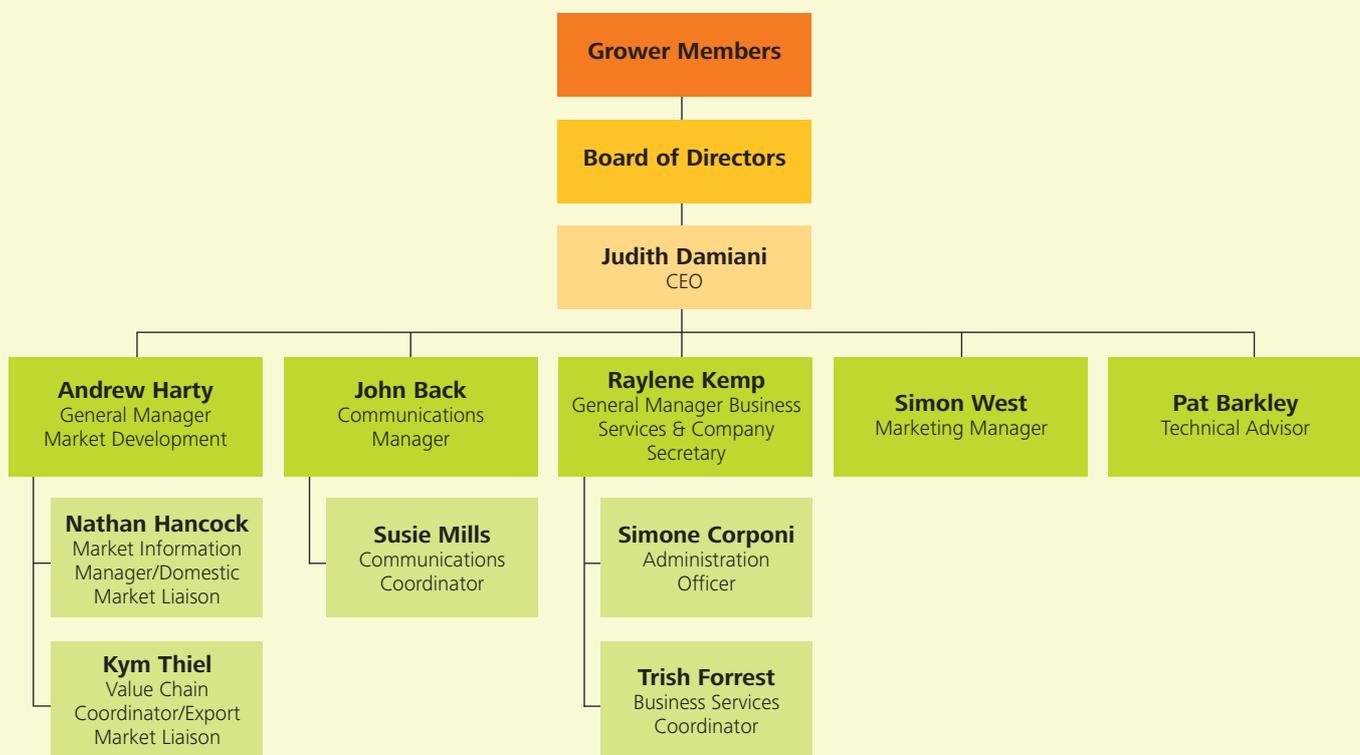
Michele has 20 years of experience working in Australia and Asia in strategic and operational marketing roles for major firms including Electrolux Australia/Asia Pacific, Nestle Australia/NZ, Kellogg Australia and Kimberly-Clark Asia Pacific. Michele is the Executive Director of Redfish Capital, a private equity search firm, and also chairs the Environmental Engineering Society (Sydney). Her family owns a fruit farm in the Tweed Valley. She holds a Bachelor of Business degree, an MBA and is a member of the Australian Institute of Company Directors.



Neil Offner
Independent Director

Neil Offner's company Freshlink Services markets citrus, stone fruit and other fruits for Australian grower/packers. He is a past Director of the International Pink Lady Alliance, is currently chairing the Apple & Pear Export Sub-Committee and is an independent appointee to the Riverina Citrus Committee. Neil's experience includes roles with the Australian Quarantine and Inspection Service, an Export Development Manager position with the Australian Horticultural Corporation (now HAL), and marketing and site manager positions with Excello and then Golden Circle located at Griffith, NSW. He has tertiary qualifications in Applied Science.

Organisation Chart



Advisory Committees

Export

Sue Brighenti
Bindi Pressler
Mark Chown
Richie Roberts
Ferd Bergamin
Kevin Parr
Kym Thiel
Andrew Harty

Domestic

Marcus Scott
Frank Mercuri
Barry Scott
Robert Nugan
Greg Dhnaram
Michael McMahon
Cathy Lowe
Dean Morris
Simon West
Nathan Hancock
Andrew Harty

Variety

Pat Barkley
Steve Burdette
Graeme Sanderson
Bill Robinson
Mano Babiolakis
Vito Mancini
Kevin Parr
Kym Thiel
Andrew Harty

Financial Statements

For the Year Ended 30 June 2011

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Directors Report for the Year Ended 30 June 2011

Citrus Australia Limited

Your directors present their report, on the company, for the financial year ended 30 June 2011.

1 General information

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Appointed/Resigned
Tania CHAPMAN	
Kevin COCK	
Greg DHNARAM	
Michael MCMAHON	Retired 1 November 2010
Kevin PARR	
Michele PHILLIPS	
Neil OFFNER	Appointed 1 November 2010
Gregory MCMAHON	Appointed 1 November 2010

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Raylene Kemp. Raylene has worked for Citrus Australia Limited since its inception in October, 2008 as General Manager Business Services. She also worked in the same role for the Australian Citrus Growers Inc since 2002 until its wind up in October, 2008.

Operating Results

The surplus of the company after providing for income tax amounted to \$7,578.

Significant Changes in State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

Principal Activities

The principal activities of Citrus Australia Limited during the financial year were represent the interests of Australian citrus growers on regional, national and international issues affecting the citrus industry.

No significant change in the nature of these activities occurred during the year.

2 Other items

After balance date events

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

Future developments

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental Issues

The company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

Dividends Paid or Recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Meetings of Directors

During the financial year, 9 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	Number eligible to attend	Number attended
Tania CHAPMAN		9	9
Kevin COCK		9	9
Greg DHNARAM		9	8
Michael MCMAHON		3	3
Kevin PARR		9	9
Michele PHILLIPS		9	9
Gregory MCMAHON		6	5
Neil OFFNER		6	6

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Cont'd...

Directors Report for the Year Ended 30 June 2011 *Cont'd...*

Citrus Australia Limited

Indemnifying Officers or Auditors

During or since the end of the financial year the company has paid insurance premiums to indemnify all directors.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out at page 21.

Signed in accordance with a resolution of the Board of Directors:

Director 

Dated this 19th day of September, 2011.



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ABN 21 502 474 861

Citrus Australia Limited

Auditors Independence Declaration under Section 307C of the Corporations Act 2001 Citrus Australia Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Martinella CA RCA

WHK Audit Services

Mildura, Victoria.

Dated this 19th day of September, 2011.



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Legislation other than for the acts or omissions of financial services licensees

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Statement of Comprehensive Income for the Year Ended 30 June 2011

Citrus Australia Limited

	Note	2011 \$	2010 \$
Revenue	2	2,826,054	2,348,103
Other income	2	18,576	53,556
Employee & director benefits expense		(428,827)	(383,174)
Depreciation, amortisation and impairments		(1,078)	(4,395)
Audit, legal & consultancy expenses		(251,987)	(87,293)
Rent & operating lease expenses		(46,714)	(41,775)
Project expenses		(1,959,993)	(1,783,962)
Travelling expenses		(60,043)	(35,132)
Meeting expenses		(27,464)	(11,916)
Other expenses		(60,946)	(67,351)
Profit before income tax		7,578	(13,339)
Taxation		-	-
Profit for the year		7,578	(13,339)
Other comprehensive income:			
Total comprehensive income for the year		7,578	(13,339)

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2011

Citrus Australia Limited

	Note	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	935,030	794,128
Trade and other receivables	5	90,344	206,081
TOTAL CURRENT ASSETS		1,025,374	1,000,209
NON CURRENT ASSETS			
Property, plant and equipment	6	7,838	2,317
TOTAL NON CURRENT ASSETS		7,838	2,317
TOTAL ASSETS		1,033,212	1,002,526
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	193,098	147,705
Provisions	8(a)	60,862	25,144
Other Liabilities	9	404,278	465,594
TOTAL CURRENT LIABILITIES		658,238	638,443
NON CURRENT LIABILITIES			
Long term provisions	8(a)	10,638	7,325
TOTAL NON CURRENT LIABILITIES		10,638	7,325
TOTAL LIABILITIES		668,876	645,768
NET ASSETS		364,336	356,758
EQUITY			
Retained earnings		364,336	356,758
TOTAL EQUITY		364,336	356,758

The accompanying notes form part of these financial statements.

Statement of Changes in Equity for the Year Ended 30 June 2011

Citrus Australia Limited

2011	Retained Earnings \$	Total \$
Balance at 1 July 2010	356,758	356,758
Profit or loss attributable to members of the parent entity	7,578	7,578
Balance at 30 June 2011	364,336	364,336

2010	Retained Earnings \$	Total \$
Balance at 1 July 2010	370,097	370,097
Profit or loss attributable to members of the parent entity	(13,339)	(13,339)
Balance at 30 June 2010	356,758	356,758

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the Year Ended 30 June 2011

Citrus Australia Limited

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from funding and customers		2,912,010	2,296,265
Payments to suppliers and employees		(2,812,742)	(2,379,099)
Interest received		48,356	31,225
Net cash provided by (used in) operating activities		147,624	(51,609)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		-	16,585
Purchase of property, plant and equipment		(6,722)	-
Net cash provided by investing activities		(6,722)	16,585
OTHER ACTIVITIES			
Net increase (decrease) in cash held		140,902	(35,024)
Cash and cash equivalents at beginning of financial year		794,128	829,152
Cash and cash equivalents at end of financial year		935,030	794,128

The accompanying notes form part of these financial statements.

Notes to the Financial Statements for the Year Ended 30 June 2011

Citrus Australia Limited

1 Summary of Significant Accounting Policies

(a) General Information

Citrus Australia Limited is a company limited by shares, incorporated and domiciled in Australia.

(b) Basis of Preparation

Reporting Basis and Conventions

The directors have prepared the financial statements on the basis that the company is a non reporting entity because there are no users dependent on general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of the *Corporations Act 2001*.

The financial report has been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in notes. The material accounting policies have been adopted in the preparation of this report are as follows:

(c) Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of a change in accounting policy.

Citrus Australia commenced trading on 1 November, 2008 following the wind up of Australian Citrus Growers Inc. The current and comparative 2010 reporting period constitute a 12 month period.

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	20 - 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings incur rent liabilities in the statement of financial position.

(f) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

(g) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Cont'd...

Notes to the Financial Statements for the Year Ended 30 June 2011 *Cont'd...*

Citrus Australia Limited

(h) Income Tax

The company is exempt from income tax under the provisions of the Income Tax Act, 1997.

(i) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the life of the lease term.

(j) Revenue and Other Income

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

All dividends received shall be recognised as revenue when the right to receive the dividend has been established.

Funding revenues are recognised in the statement of incomes on a systematic basis over the period(s) in which the company recognises as expenses, the related costs for which the fund revenues are intended to compensate. Accordingly unexpended income is recognised as a liability in the company's balance sheet until such times as that income is expended.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

2 Revenue and Other Income

	2011 \$	2010 \$
Revenue from Continuing Operations		
- Interest income	48,356	31,225
- Operating grants	2,242,565	1,786,164
- Member subscriptions	134,342	108,730
- Project income	400,791	421,984
- Other revenue	18,575	53,556
Total Revenue	2,844,629	2,401,659

3 Profit for the Year

	2011 \$	2010 \$
(a) Expenses		
Loss on disposal of non current assets	123	6,556

4 Cash and Cash Equivalents

	2011 \$	2010 \$
Cash on hand	200	200
Cash at bank	934,830	793,928
	935,030	794,128
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	935,030	794,128
	935,030	794,128

Cont'd..

Notes to the Financial Statements for the Year Ended 30 June 2011 *Cont'd...*

Citrus Australia Limited

5 Trade and Other Receivables

	2011 \$	2010 \$
Trade receivables	54,733	91,343
Other receivables	35,611	114,738
Total current trade and other receivables	90,344	206,081

6 Property, Plant and Equipment

	2011 \$	2010 \$
Plant and equipment		
At cost	9,525	3,511
Accumulated depreciation	(1,687)	(1,194)
Total plant and equipment	7,838	2,317

(a) Movements in Carrying Amounts

Movement in the carrying amount for each class of plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment \$	Total \$
Balance at the beginning of year	2,317	2,317
Additions	7,031	7,031
Disposals	(432)	(432)
Depreciation, amortisation and impairments	(1,078)	(1,078)
Carrying amount at the end of 30 June 2011	7,838	7,838

7 Trade and Other Payables

	2011 \$	2010 \$
Unsecured liabilities		
Trade payables	193,098	147,705
	193,098	147,705

8 Provisions

	Employee entitlements \$	Total \$
Opening balance at 1 July 2010	23,098	23,098
Additional provisions	48,402	48,402
Balance at 30 June 2011	71,500	71,500

(a) Analysis of Total Provisions

	2011 \$	2010 \$
Current	60,862	25,144
Non-current	10,638	7,325
	71,500	32,469

9 Other Liabilities

	Note	2011 \$	2010 \$
Deferred income	1(j)	404,278	465,594
Total		404,278	465,594

Cont'd..

Notes to the Financial Statements for the Year Ended 30 June 2011 *Cont'd...*

Citrus Australia Limited

10 Auditors' Remuneration

	2011 \$	2010 \$
Remuneration of the auditor of the company for:		
- Auditing or reviewing the financial report	3,680	3,475
- Other services - audit acquittal	1,000	-

11 Contingent Liabilities and Contingent Assets

At 30 June, 2011 the directors' are unaware of any liability, contingent or otherwise, which has not already been recorded elsewhere in this financial report.

12 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

13 Cash Flow Information

	2011 \$	2010 \$
(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Net income/loss for the period	7,577	(13,339)
Cash flows excluded from profit attributable to operating activities		
Non cash flows in profit		
- Depreciation	1,078	4,395
- Net gain on disposal of property, plant and equipment	123	6,556
Changes in assets and liabilities		
- (Increase)/decrease in trade and term receivables	115,737	107,704
- Increase/(decrease) in trade payables and accruals	(15,922)	(166,296)
- Increase/(decrease) in employee benefits	39,031	9,371
	147,624	(51,609)

14 Events After the End of the Reporting Period

Since the date of preparation of this financial report, there have been no events occurring after the reporting date which requires specific disclosure.

15 Members Guarantee

The company is limited by guarantee. If the company is wound up, the company's constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. At 30 June, 2011 the number of members was; 202 grower members and 62 affiliate members.

16 Company Details

The registered office of the company is:

Citrus Australia Limited
115 Lime Avenue
Mildura Victoria 3500

The principal place of business is:

115 Lime Avenue
Mildura Victoria 3500

Directors' Declaration

Citrus Australia Limited

The directors of the company declare that:

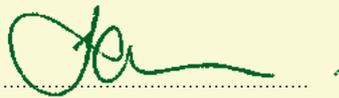
- 1 The financial statements and notes, as set out on pages 22 to 33, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of the company.
- 2 In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director



Director



Dated this 19th day of September, 2011.

Citrus Australia Limited

Independent Audit Report to the members of Citrus Australia Limited

Report on the Financial Report

We have audited the accompanying financial report of Citrus Australia Limited (the company), which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Director's Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Citrus Australia Limited

Independent Audit Report to the members of Citrus Australia Limited

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Citrus Australia Limited on 19 September 2011, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion the financial report of Citrus Australia Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.



Grant Martinella CA RCA
WHK Audit Services

Dated this 19th day of September, 2011.