



ANNUAL REPORT
2012–2013

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Citrus Australia Annual Report 2012–13



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Overview

Who we are

CITRUS AUSTRALIA LTD is the recognised peak industry body representing the nation's commercial citrus growers.

Established in 2008 as a non-profit company limited by guarantee (following a decision by growers across the country to create a new industry body), Citrus Australia commenced very modestly with an enthusiastic skills-based board, 11 voluntary grower members and a small team based in Mildura, Victoria.

Today, we are supported by more than 250 grower and affiliate members and an expanded Citrus Australia team that provides vital services to the industry.

Citrus Australia 3 Year Strategy 2013–16

Our vision

A unified industry maximising value and returns to growers.

Our mission

A grower-driven national organisation representing and leading the industry in:

- Policy and advocacy
- Research and innovation
- Market access, development and promotion
- Communication and information
- Biosecurity

Our values

A national organisation that values:

- Change: we will continuously improve our strategies, structures and programs to provide increased value and innovation
- Leadership: we will take a visionary national approach, act with honesty and integrity, and respect the environment by using resources responsibly
- 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
- Grassroots: we will be accessible, accountable and responsive to members and industry

Market development

The industry benefit

Increased demand for Australian fresh and processed citrus domestically and internationally

Our approach

- Working with the whole value chain
- Directed by national export market, domestic market and variety committees
- Supported by a market development team with a national and regional focus

- Focus on markets of competitive advantage, particularly Asia
- Faster resolution of market access issues
- More efficient quarantine services
- National quality standards program
- National food safety program
- National promotion/category management program

Information

The industry benefit

Provide quality and timely information to industry enabling better decision making

Our approach

- Crop forecasting
- Plantings data
- Production reports
- InfoCitrus
- Market/consumer reports and analysis

Communications

The industry benefit

Educate and consult industry through streamlined, relevant and targeted communications

Our approach

- National and regional forums
- Digital communications
- Workshops
- *Australian Citrus News* magazine
- Citrus Australia website
- Fortnightly eNewsletter
- National leadership program

Biosecurity

The industry benefit

Protecting the production base of the industry

Our approach

- Protecting against and managing incursions through a national pest incursion deed
- Increasing industry awareness through training and materials
- Supporting a high health budwood and seed scheme
- Increasing quarantine and border protection
- Scrutinising Import Risk Assessments

Corporate and public affairs

The industry benefit

Provide a strong and financially secure national body to govern industry



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Our approach

- Provide a united voice to government
- Skills-based appointments
- Governance focus
- Member-driven
- Industry-wide consultation
- Enhanced national levy investment program through a national levy increase
- Lobby to represent grower issues such as market access, quarantine, biosecurity, water

Stakeholders and other industry linkages

Our members

We have two categories of membership: grower members and affiliate members.

Close to 200 citrus growers 'own' and direct Citrus Australia. Grower members pay a voluntary annual membership based on their hectares and have votes for every dollar of membership paid.

Businesses along the citrus value chain have the opportunity to support Citrus Australia as affiliate members through a set annual membership fee.

Our committees

Citrus Australia has formed three national and four regional committees to consult with industry and to act in an advisory capacity to the Board of Citrus Australia on priority issues.

Our national committees are:

- Domestic Market Committee
- Export Market Committee
- Variety Committee

Our regional committees are:

- Riverina Regional Advisory Committee
- Citrus Australia South Australian Region
- Queensland Regional Advisory Committee
- Murray Valley Regional Advisory Committee

01 Citrus Australia CEO Judith Damiani and Director Greg Dhnaram (far right), join staff from AgriFresh to listen to Market Development Manager Andrew Harty (second from left) in a West Australian orchard.

Membership of these committees is skills-based and is revised every two years.

In Western Australia, Citrus Australia has a memorandum of understanding with Fruit West and works closely with the Citrus Leadership Group.

Partners

Citrus Australia works with a range of industry partners to further the interests of citrus growers. Our partners include:

- Horticulture Australia Limited
- Plant Health Australia
- National Irrigators Council
- Produce Marketing Association Australia — New Zealand
- AustSafe Super

Our production regions

The major production regions are in the Riverland, South Australia; Murray Valley, Victoria and New South Wales; Riverina, New South Wales and the Central Burnett region in Queensland. There are also additional plantings throughout Western Australia, inland and coastal New South Wales, northern regions of Queensland, as well as smaller plantings in the Northern Territory. ●

Report from the Chair

Embracing change



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02



03

THE OUTLOOK FOR citrus is the best it's been for many seasons, with good volumes of fruit, great pack-outs and a lower Australian dollar all helping to make 2012–13 our most successful export season since 2001. Returns to growers have mostly lifted, especially for those putting in the extra yards for markets such as China.

Consumer focus

As growers, we often feel like we lack control of market conditions. There are many things we can do, however, to improve our chances — and our returns.

Following good cultural practices is one such thing. With a couple of tough seasons it can become easy to cut corners to try and save a few dollars. Unfortunately, the flow on effect of that shows up in the fruit with high levels of breakdown and poor pack-outs.

We also need to take note of the trends. Seedless, easy peelers are increasingly popular with consumers and last season mandarins outsold oranges in one of our major supermarkets for the first time. There are a number of new and emerging varieties that will suit our export markets. Look at your returns and your varietal mix and make sure you are well placed to go forward.

We can use the Australian Citrus Quality Standards to ensure we give consumers the best tasting fruit at all times. It's important we see these standards as the minimum and not the maximum as they can help us ensure citrus is not the last fruit left in the fruit bowl — and that consumers come back and buy more.

Board and staff

Another way we are helping improve the chances of Aussie citrus is through motivated and talented Citrus Australia staff and an enthusiastic skills-based Board. I'm pleased to say we have both.

We have experienced some trying times as an industry and as an organisation, but it is because of the dedication and passion shown by the entire team that we are forging ahead.

I'd like to thank the Board and the staff for their ongoing support of me as Chair and, more importantly, their support of the industry. I am passionate about leading our industry to benefit all growers and am extremely proud of the Citrus Australia team.

Many of the programs our staff are working on are bold and new. They involve structural changes our industry has to go through if we are going to be competitive in and retain our existing markets and open new ones.

This change is challenging at times, but it's also helping us as growers feel more positive about our future. We are investing in new varieties, new pack houses and new technology. New growing regions are emerging, which are a true sign we are on the right path.

The Citrus Australia team has changed over the past year. David Daniels has come on board in the role of Market Access Manager. Given we are an export-focussed industry having this role filled by someone with David's knowledge and experience has the potential to make huge inroads in terms of market access and protocols.

Kym Thiel, our South Australia (SA) Value Chain Coordinator, stepped down to focus on expanding his family business. Kym was a long-term server of the industry in the SA region and we thank him for his input and valued contribution over the years. We will be working with our SA region committee to fill this position.

We now have four regional advisory committees up and running: Queensland, Riverina, South Australia and Murray Valley. I would like to thank all of the people who sit on these committees for their commitment to, and passion for, advancing our industry. I'm especially grateful to the chairs who put in the extra effort in what can often be a thankless role.



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I would also like to make mention of all of those on our national issues committees. The people who sit on our Variety, Export and Domestic committees all take time out from their businesses in an effort to help drive change and understanding of what our industry needs.

With the retirement of long serving industry stalwart Kevin Parr, whose contribution to the industry over many years has been invaluable, we welcomed new grower Director Ben Cant to our Board. Ben's youthful enthusiasm and vision for expansion for his own business and for industry is refreshing.

This year another long serving devotee of the industry will step down. Kevin Cock, Citrus Australia's inaugural Chair, is stepping down as a Director. I want to say a huge thank you to Kevin for his efforts, his passion and his commitment to the evolution of Citrus Australia.

Greg McMahon will also retire at this year's annual general meeting. A large business expansion means he must change his focus in the immediate future. Greg's business knowledge and skills will be sorely missed in our board room. We thank him for his input and ardent support in ensuring Citrus Australia is a strong national body representing all growers.

Preparing for the future

Change is inevitable — it is the evolution of life. If we don't move with the times we become dinosaurs. The rapid adoption of technology, social media and the growing Asian middle class means we need to move ahead of the pack. Now is the time for the entire industry to band together and be a part of 'Brand Australia'. I hope you will join us. ●

Tania Chapman

- 01 Citrus Australia Chair Tania Chapman welcomes new Citrus Australia Board Member Ben Cant.
- 02 Growers gather at the 2012 Citrus Australia conference in Leeton.
- 03 Citrus Australia Chair Tania Chapman addresses the 2012 Citrus Australia conference.
- 04 Growers discuss new varieties at a workshop in Waikerie.
- 05 Citrus Australia CEO Judith Damiani addresses the fifth Asia Pacific Wholesale Markets Conference in Urumqi, in north-west China.
- 06 Chinese auditors and Citrus Australia Market Access Manager David Daniels check a Riverland packing shed.



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Report from the CEO

Forging ahead

CITRUS AUSTRALIA CONTINUED to focus on the big ticket items for the Australian citrus industry in 2012–13 — exports, quality standards, biosecurity and representation. I'm pleased to say we've made progress in each of these areas, although we've certainly faced challenges along the way.

We've also worked hard to do all we can to support our growers as they face challenges relating to industry organisational change and natural disasters.

After years of drought, wet summers and a record high Australian dollar, our orange sector has struggled. It was refreshing to see this turn around in 2012–13, with a lift in export demand for Australian oranges and a firming of prices. We are now operating in a much more positive trading environment and it's great to see those results going back to growers.

Unfortunately, this was not the case for our Queensland growers in the Central Burnett and Bundaberg regions who experienced one of the worst floods on record in January 2013. Their recovery efforts continue and we all look forward to a more positive season in 2014.

Exports

Australian citrus is the largest fresh fruit export, exporting approximately \$190 million worth of fruit last year. Exports, then, form a seriously large part of our business.

Our export markets are now at the point where we can shift our focus from gaining access to maintaining and growing our existing markets. We are helped in this task by David Daniels, who joined our team during the year as our first full time Market Access Manager. David has already been busy liaising with officials in the Philippines and Indonesia in order to ensure we are able to make the most of these emerging and important markets.

Our China export program is finally delivering results. This is due to a concerted effort over the last few years by some growers, packers and exporters and Citrus Australia in building relationships and trade direct into mainland China, despite the difficult protocol. The industry must continue to focus on meeting the stringent quarantine requirements to secure the future of this important market.

Horticultural export deregulation in 2012–13 required a big consultation effort by Citrus Australia with growers, packers, exporters and the Australian Government. Our advice to phase out regulations over two years was accepted and implemented by the Australian Agriculture Minister.

Surveys and standards

The National Residue Survey (NRS) citrus residue monitoring program expanded in 2012–13, taking on many more exporters and more fruit residue tests. The program brochure has now been translated into six Asian languages. It's impossible to overestimate the importance of this program. Proving we can deliver safe food, backed by the Australian Government, has been critical in developing export markets.

The Australian Citrus Quality Standards program goes from strength to strength. This year we continued to challenge old industry methods, visiting California to learn more about the different quality standard system employed there which they believe more closely reflects consumer taste perceptions. We also carried out extensive taste testing panels in Perth and Melbourne to ensure we are catering for Australian tastebuds. The results are very exciting and will be presented to industry in October 2013.





Relationships

We've worked hard to build our relationship with the big retailers this year. Part of this engagement has been through Horticulture Australia Limited (HAL) facilitated day-long workshops with Woolworths, Coles and ALDI, which have helped to identify priorities to grow the citrus category.

A final list of priorities and plans are now under development. This was our first engagement with ALDI and we were pleased with their response.

It is no coincidence that retailers have proved more responsive to the needs of our industry this year. When Queensland experienced flooding in January, we made a concerted media push asking retailers not to import citrus and to instead support Australian growers. I'm pleased to say they all did a very good job, working hard to support local lemon growers and in some instances resisting the temptation to stock imported lemons while Queensland growers resumed packing.

We have established regional committees to ensure grower voices continue to be heard following the wind up of the state citrus boards. They are now in place in Queensland, the Riverina, Murray Valley and South Australia.

From September 2012, we increased our focus on government and industry reputation. This has meant a more frequent presence in Canberra in 2012–13, meeting with key government representatives, including senators, Members of Parliament, and their advisers. In a Federal election year, we saw the importance of forming a federal election policy to better position Citrus Australia.

We have welcomed the senate inquiry into the citrus industry as we see its potential to communicate the issues that matter most to growers back to government.

The increasing cost of power is one of the issues that we've been highlighting to government. The carbon tax has been a big impediment to our industry.

From irrigation pumps right through to refrigeration, indirect costs have been passed down the line. From a study of grower power bills, we have found that energy costs have risen approximately 25 per cent since the carbon tax was introduced. With transport due to join the emissions trading scheme next year, we have serious challenges on our hands.

Much of this comes back to having more support from the Australian Government for agriculture and food production. Fortunately, the National Food Plan and the *Australia in the Asian Century* whitepaper both point to more efforts to support exports and the food boom. More can still be done, however, and I look forward to further commitments from government.

Sharing the word

As well as working closely with stakeholders, Citrus Australia has worked to encourage — and share news about — new varieties and new technologies, which are critical to the future of our industry.

Throughout the year we held a number of regional variety forums, encouraging industry to focus on the best varietal mix for their businesses and presenting the new varieties available. Feedback from growers was very positive.

Some of the stand-out new varieties this year were the Sumo easy peelers, driven by a group of Leeton growers and doing well on the domestic market, and pink Cara Cara oranges, also gaining export orders.

- 01** Promoting Australian citrus at the China World Fruit and Vegetable Trade Fair in November 2012.
- 02** Citrus Australia's David Daniels (centre) at Yokohama port in Japan investigating how the cold treatment certification process can be streamlined.
- 03** Citrus Australia CEO Judith Damiani.
- 04** Growers at Leeton observing a variety topworking demonstration in March 2013.



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04



Report from the CEO (continued)

Forging ahead (continued)



05

05 The Citrus Australia market development team out in the orchard. From left: Andrew Harty, Kym Thiel, Nathan Hancock and David Daniels.



06

06 Queensland grower Michael McMahon in his severely affected orchard following the Queensland floods in January. Assisting these growers in finding market support for their product was a major focus for Citrus Australia in the weeks that followed.

As I write, HAL is under review. Citrus Australia has welcomed the review, which has the potential to improve the research and development (R&D) funding model. This model has been largely unchanged for 10 years and fails to recognise we are now operating in a very different environment, with market access and competition issues at play.

Looking forward

Turning to the future, I can't stress enough just how much potential there is for a bright and prosperous Australian citrus industry. To take advantage of the opportunities ahead of us, however, growers do need to look at increasing the national R&D levy to pick up some of the loss that occurred with the scaling down of state levies. This needs to be invested in clear priorities identified in the five-year-plan which will drive investment over the next few years.

Citrus Australia will continue to ensure that the big issues in each of our regions are addressed. We will have a renewed focus on the importance of our regions and will demonstrate, nationally and internationally, just how reliant we are on our regions for our success.

Conditions are still very challenging for our Queensland growers. We have sought to assist them wherever possible, offering membership discounts for the worst flood-affected districts to help those growers get back on their feet.

In the coming financial year, we will focus on our regions and working with our supply chain, including our grower members, to address the challenges facing our industry. This applies to every level of our communications, including how we run events. In 2013–14, we have chosen not to run a big national conference.

Instead we've designed a National Issues Forum that will better meet our growers' needs. This is a more low-key, low-cost event that brings industry members and parties together to engage on critical issues. Our members can really help take us forward so there will be plenty of opportunities for industry input. We'll continue this throughout the year, with more events in the regions, more targeted forums and more discussion.

The new Coalition Australian Government has promised to scrap the carbon tax and focus on agriculture and trade particularly in the important Asian region. This gives us renewed confidence for a more profitable future. ●

Judith Damiani

Judith Damiani





Our performance

Market development

\$186 million

The value of Australian exports in 2012

16%

The increase in export volumes in 2012, compared to 2011

1,278%

The increase in orange export volumes to China in 2012, compared to 2011

32

The number of countries Australian citrus was exported to in 2012

Highlights

- Volume of trade into Japan
- First significant trade into China since access was granted in 2005
- Achieving direct access to the Philippines under in-transit cold treatment

Challenges

- High value of the Australian dollar placed pressure on grower returns
- New Indonesian quota system disrupted trade
- Deregulation of fruit fly pest free areas
- Fuller's rose weevil detections in Thai exports
- Adjusting to Australian Government export certification reforms
- Outbreaks of fruit fly in Riverina and Sunraysia regions, which threatened to restrict export trade and increase the cost of quarantine treatment

Outlook

- Marked improvement in grower returns expected as a result of new markets and weakening Australian dollar
- Anticipated continued growth in the China market
- Other markets expected to remain stable

CITRUS AUSTRALIA'S MARKET development team works with growers, packers, exporters and government agencies to improve the competitiveness of the Australian citrus sector by enhancing the industry's ability to access domestic and international markets.

By working closely with government agencies, we look to gain, maintain and improve market access conditions and achieve quality, food safety, and quarantine requirements in all markets. In particular, we encourage the Australian Government to negotiate Free Trade Agreements in markets where tariff barriers exist.

In 2012, citrus continued to hold the title of Australia's largest fresh fruit exporter, with 168,000 tonnes of Australian citrus sent to 32 countries at a value of \$186 million. In fact, our exports grew 16 per cent, up from 145,000 tonnes exported in 2011.

Japan and Hong Kong continued to strengthen as our main export destinations. Japan has become the dominant market for Australian navels, with trade valued at around \$32 million. While this is encouraging it is also a sign we have become heavily reliant on this market. The main export markets for mandarins are Hong Kong and Indonesia.

China is set to become a major market, displacing the United States (US). Hong Kong, Malaysia and Singapore remain critically important markets for absorbing class two and small fruit sizes.

With the exception of Malaysia, India and the Middle East, there was moderate to strong growth in all key markets for oranges in 2012. Indonesia, Thailand and China experienced the strongest growth in mandarin exports, while exports to the US declined sharply.

We cannot afford to overlook the value and importance of South Korea and Thailand despite the recent decline in interest from these markets.

The Export Market Committee met twice in 2013 to review current market access priorities and to discuss strategies to improve market share. The market access priorities will inform the future direction of the market access project; the role of the Citrus Market Access Manager; and the advice provided to the Australian Government. While not overlooking traditional markets, the committee concluded that a strong focus be placed on South Korea, China and Thailand.

"Having good people that understand the industry on the Export and Domestic Marketing committees makes for a better collection of information for all growers."

Frank Mercuri
NSW grower and packer



Markets at a glance

China

The 2012 season saw the first significant trade in Australian citrus to China since access was granted in 2006, with excellent returns for growers. Growth was an impressive 1,278% up on 2011, with plenty of room for expansion.

Philippines

While not an entirely new market, the Philippines amended its import regulations for Australian citrus in early 2013 to allow entry under in-transit cold disinfestation procedures. The Philippines' previous import conditions were not conducive to trade and very little, if any, trade took place. There have been some teething problems in capitalising on the new conditions, but we remain optimistic that the trade will progressively build over the next few seasons. It is possible that in future, the Philippines may absorb significant volumes of class two navels.

Japan

Japan remains the most valuable market for Australian citrus but the costs of meeting Japan's phytosanitary requirements (cold disinfestation) threaten the industry's competitiveness.

Indonesia

Trade into Indonesia, a key market for Australian mandarins, suffered significant disruption after Indonesia enacted new regulations and quota-based restrictions in September 2012. While trade volumes to Indonesia are expected to be only slightly lower than in 2012, growth in this market is unlikely given many established Indonesian importers have not been granted sufficient quotas.

South Korea

The trade of oranges into South Korea rose 162 per cent in 2012, but there has been an overall decline in volumes exported to this market in 2013.

New Market Access Manager

Our new Market Access Manager, David Daniels was appointed in December 2012 to boost trade volumes by assisting the industry in to overcome trade barriers in overseas markets. His focus is to gain, maintain and improve market access conditions for the Australian citrus industry.

Since his appointment, David has worked closely with governments to communicate the Australian industry's phytosanitary, tariff and food safety priorities with a view to future improvements.

Government advocacy

Citrus Australia has communicated a strong message to government on the value and importance of the export trade.

We have had several in-depth meetings with the Department of Agriculture, Fisheries and Forestry (DAFF) and the Department of Foreign Affairs and Trade (DFAT) in response to challenges in China, Thailand, South Korea, Indonesia, the United States and Japan. Key topics included:

- Resolving seasonal issues with China and Thailand
- Fruit fly deregulation and export implications
- Market access conditions
- Free trade agreements with key export markets
- Export certification reform

Improving access

Citrus Australia has worked closely with growers, the supply chain and government agencies to maintain and improve access into South Korea, China, Thailand, the US, and Indonesia.

01 Citrus Australia visited California where we saw the latest in maturity testing and juice pressing technology. Pictured are bins placed out for harvest in Tulare County.



Our performance (continued)

Market development (continued)



- 02** Maturity testing is carried out in the back of the ute in a Californian orchard to provide real time results.
- 03** Growers learn more about Sumo easy peelers at the 2012 Citrus Australia national conference in Leeton.
- 04** Citrus Australia CEO Judith Damiani with then Australian Minister for Agriculture Joe Ludwig.

Exports to South Korea, China and Thailand require a strong commitment from growers to manage pests and diseases in orchards and we have worked closely with growers and packers to assist them in understanding and achieving those requirements.

The value of trade with China (more than \$5 million) has provided strong incentive for a large number of growers, packers and exporters to enter the China program despite the high associated costs.

Activities Citrus Australia has carried out to assist entry to the South Korea, China and Thailand export programs, include:

- Assisting exporters in understanding and fulfilling the new requirements
- Working with the NSW Department of Primary Industries, to conduct training sessions across the three southern citrus producing regions.
- Participating in and contributing to DAFF grower audits to assist with the successful entry to the South Korea, China and Thailand export programs.
- Working with growers, packers and government agencies to reduce the likelihood of future detections of Fuller's rose weevil in trade with Thailand, which has a zero-tolerance policy. Detections in 2012 were costly for exporters who had to re-export consignments to other markets.
- Citrus Australia gained DAFF's agreement not to change the crop monitoring and orchard registration regime for China, South Korea and Thailand in 2012, but agreed to a thorough revision in 2013 in time for the 2014 season.

Challenges

European Union (EU) thresholds: The EU's threshold on citrus black spot infections threatened South African citrus exports to Europe. Without access to Europe, South Africa would have flooded the Asian market with an additional 25 million cartons of its citrus. Citrus Australia assisted South Africa with their scientific case to the EU to have the restrictions over-turned.

Queensland Fruit Fly: Victoria and NSW governments reduced their involvement in managing fruit fly pest free areas. The transition towards the sole reliance on cold disinfestation has been costly and has continued to present a large degree of commercial risk. Citrus Australia has worked closely with the NSW Government, the Riverina Biosecurity Committee, growers, packers and exporters to assist in the transition to the new arrangements. We have contributed to regular meetings and workshops with the Riverina Biosecurity Committee to develop strategies to manage fruit flies at the grower level. We continue to sit on the executive of the Biosecurity Committee and present grower training workshops in the region.

Export reforms: Exporters have faced some difficulties in adjusting to the Australian Government export reforms. The return to full cost recovery for delivering inspection and certification services was intended to be underpinned by efficiencies and the use of non-government inspectors. To date, those efficiencies have not been delivered and there has been little progress in the approval of non-government inspectors by the overseas importing authorities. We continue to work with DAFF to deliver export efficiencies and a cost recovery model that is equitable across the entire horticulture sector.

Trade delegations

Citrus Australia met with international buyers from south east Asia, China, Japan and South Korea as part of the Victorian Government-hosted program for the 2013 International Food and Beverage Trade Week in March.



Citrus Australia also hosted a delegation from China on a formal audit of packing houses and orchards. While the Chinese auditors noted some minor issues, the visit was largely successful thanks to the efforts of several packing houses and growers.

Citrus Australia travelled to the Philippines as part of the Victorian Government's ASEAN Super Trade Mission. The mission provided an opportunity to meet with the Philippines' importing authorities and fruit importers, including the Fruit Importers' Association of the Philippines. Visits to supermarkets, wet markets and other retail markets were also conducted.

Citrus Australia attended bilateral trade negotiations in December 2012 and visited Jakarta in April 2013 to speak directly with Indonesia's trade regulators to express dissatisfaction with Indonesia's new regulations but also to understand how the regulations are being applied. We continue to work closely with the Australian Government to maintain pressure on the Indonesian authorities to align Indonesia's import regulations with international rules of trade.

Surveys and trials in 2012–13 included:

- The National Residue Survey citrus residue monitoring program expanded from six to 13 exporter participants, and samples submitted for testing increased from 150 to 238.
- Evaluation of new fungicides for controlling key mandarin diseases progressed well, and new chemistry was identified for the next stage of testing. Trials to gain registration of the fungicide iprodione (Rovral) have also progressed. Queensland DAFF, Bugs for Bugs and Crop Protection Research have carried out this work.
- Citrus Australia has also continued to work on postharvest disinfestation research for key quarantine pests, including Fuller's rose weevil and red scale. Disinfestation trials were conducted jointly with Murdoch University, BOC, NSW Department of Primary Industries, Queensland DAFF, and the South Australian Research and Development Institute.
- Ethyl formate, low-dose methyl bromide and ethane dinitrile were evaluated as postharvest fumigants, but unfortunately all three products resulted in unacceptable phytotoxic damage to oranges at the treatment levels required to achieve 100 per cent control. ●

"It is essential the citrus industry has one credible peak body to represent industry."

*Robert Hoddle
NSW grower*

05 From left, Citrus Australia Marketing Manager Simon West, Senator John Madigan, Citrus Australia CEO Judith Damiani, Senator Nigel Scullion, MP Bronwyn Bishop, Senator Nick Xenophon and Federal Member Bob Katter.

06 Taste testing of Australian citrus in Sams Club in Shanghai.



Our performance (continued)

Market development (continued)



07 Taste trials led by Citrus Australia's Nathan Hancock revealed a new base for growers to work from in meeting consumer expectations on taste.

08 Fumigation trials for Fuller's rose weevil were continued in 2012.



New varieties

Citrus Australia's Variety Committee analysed our current citrus production base versus market demand and concluded that a change from mid-season navel oranges towards seedless easy-peeler varieties should be promoted. A series of well-attended variety change workshops was the outcome of this analysis and the first such industry exercise in 10 years.

The committee has also reviewed breeding and rootstock research, and planned a variety study trip to Japan which will take place in October 2013.

Citrus Australia supports the Horticulture Australia Limited (HAL) citrus germplasm improvement projects: variety breeding; variety evaluation; and rootstock evaluation. All these projects cover objectives listed in the industry five-year strategic plan coordinated by Citrus Australia and approved by HAL in 2012.

Varieties of the future

Citrus Australia has continued to observe a world-wide consumer swing in citrus towards the easy-to-eat, seedless mandarin types, and less towards oranges which are perceived as inconvenient to eat.

Lemon consumption has shown some growth but is a smaller volume product and should not be over-planted. Late navels continue to show good export potential, and red oranges such as Cara Cara and blood oranges are gaining in popularity domestically and overseas.

Rootstocks which induce excellent fruit quality and storage life will be essential to maintain our reputation as a high quality supplier. Rootstocks which reduce tree size while still producing good fruit size and quality and high yield efficiency should be favoured above vigorous rootstocks which may produce higher yields but at the cost of fruit quality.

Semi-commercial rootstock trials have now been planted in the Riverina (with juicing varieties as the scions) and in Western Australia (on a site with salinity problems).

The Variety Committee is working with researchers to make promising new rootstocks available to industry more rapidly, and Auscitrus has begun propagating seed supply trees.

09 Growers in the Riverland discuss changing varieties.





Information

1867

Citrus growers at the time of the last National Plantings Database in 2011

20

Number of InfoCitrus reports distributed

Up to 80

Number of packing facilities that contributed to InfoCitrus across the season

Highlights

- Communication of weekly InfoCitrus reports of shipments to major export markets with minimal lag time
- Ability to report shipments by container load to major export markets (US and Japan)

Challenges

- Loss of information and historical data following the wind up of state citrus boards

Outlook

- InfoCitrus reports have created further interest in market specific reports on out turn volumes in key export destination
- Review of National Planting Database planned for 2014

"The InfoCitrus navel export volumes and market destination data is proving to be an invaluable tool in making informed marketing decisions."

Robert Pandolfo

New South Wales grower and packer

CITRUS AUSTRALIA CONTINUED to provide the latest high quality, timely market intelligence to help exporters, packers and growers in their decision making in 2012–13.

This financial year was the first that Citrus Australia organised crop forecasting across southern regions without state boards, bringing them together into a national forecast.

In early 2013, crop forecasts in the Riverland and Riverina regions were developed using fruit size and density measurements. Estimates were collated from other regions and a national forecast developed in March and then revised in May.

The national forecast was for an overall larger crop in 2013 than the 2012 season due to increases in mandarin production in the Sunraysia and Riverland regions and an increase in production of late navel varieties in the Riverland region.

Importance of data

The industry lost valuable information and historical data, including production volumes and grower contacts, when the Riverina Citrus Board and the South Australian Citrus Industry Development Board were wound down. This hampers the industry's ability to communicate to the grower base and make predictions based on solid historical data.

Historically, the timely reporting of export data has been a challenge for the citrus industry. The financial impacts of oversupplying an export market are severe and could be avoided with timely accurate reporting of shipped product. This season, InfoCitrus supplied weekly reports of the shipments to major export markets with minimal lag time. This created further interest in the market specific reports on out turn volumes in key export destinations such as the US and Japan. Up to eighty packing facilities contributed to InfoCitrus throughout the season.

Plans for National Planting Database

Citrus Australia has begun preparations for a 2014 survey to update the National Plantings Database (NPD), which was last updated in 2011. To make this possible, industry will need to be involved in the development of a national database of grower contacts.

The NPD provides a record of the number of hectares planted across Australia, and includes details of variety, tree age and tree spacing. This provides a platform from which to project future volumes overall and for each variety. It also helps the value chain understand where the industry is headed and explain the oversupply situations for some varieties and market windows over the last few years.

Season update

Citrus Australia continued to produce a monthly season update in 2012–13. The update covers production issues in the Murray Valley, Riverina, South Australia, Western Australia and Queensland. There is also a regular juice section. Distributed to more than 400 growers, it covers items such as pest and disease control, phenology, fruit size management. It also includes regional climate data. ●

Our performance (continued)

Communications

2,054

Readers of *Australian Citrus News*

119

Industry news stories posted on the Citrus Australia website

166,691

Visits to Citrus Australia website

Highlights

- More than 2000 readers of *Australian Citrus News*
- Fortnightly eNewsletters kept growers up to date
- Great line up of speakers at annual conference

Challenges

- Growers found it difficult to make time for annual conference

Outlook

- *Australian Citrus News* is moving to a quarterly publication
- Greater focus to be on communicating with regions
- Moving to forums and workshops in favour of a big national conference in future years, for greater interaction at a lower cost

"I especially appreciate the regular communication (via email or otherwise) that [Citrus Australia] has with the growers, furnishing us with latest developments internationally, market research findings and issues facing the industry."

Joseph Ling

West Australian grower and packer



CITRUS AUSTRALIA INCREASED its communications with growers, packers and exporters in 2012–13 and continues to look for new and more effective ways to inform, but also to engage with, industry. We are committed to the timely delivery and adoption of research and development outcomes that will help take our industry forward and seek to lead the way in information management and exchange.

Spreading the word

Australian Citrus News is the key communication tool for growers, outside of eNews, and is the voice of Citrus Australia. Its mission is to provide focussed, up-to-date information on trends, market developments and research and development that affects the industry. Editorial content is delivered in an easy-to-read style and includes technical information, market trends for domestic and export, production developments, overseas updates and on farm case studies.

In 2012–13, this bimonthly publication attracted around 2,054 readers, featuring articles on a range of topics including:

- Variety field days, at which growers agreed with industry that there needs to be a move into alternate varieties such as easy peelers in order to remain viable in the future
- Market access, considering both export and domestic market issues
- The need to focus on crop regulation in order to manage production
- Biosecurity and its role in protecting the industry's future
- Emphasising the vital link between research and development, and profitability



- 01 Growers gather for a new variety workshop in Waikerie.
- 02 Growers gather in Leeton NSW for last year's Citrus Australia conference.
- 03 *Australian Citrus News* is the key communication tool for growers, outside of our eNews.
- 04 Victorian Department of Primary Industries representatives joined Citrus Australia's Judith Damiani (centre) and Andrew Harty (second from right), promoting Australian citrus in China earlier this year.

Getting together

Leeton, NSW, was the venue for the 2012 National Citrus Conference. We were pleased to be able to bring together a great line up of speakers, including Florida huanglongbing expert Mike Irey. Biosecurity, quality, new varieties and the issues facing juice were all covered over an informative three days.

Citrus Australia has decided to move to forums and workshops in favour of a big national conference in future years. With lower budgets, we feel growers' money is best spent on targeted events. We are also moving to a more interactive format, so we can draw on the wealth of expertise our industry contains. ●

Our eNewsletter picked up pace in 2012–13, with fortnightly editions appearing in growers, exporters and packers' inboxes throughout the year. Stories on China, in particular, proved popular with readers eager to find out more about this important emerging market. Citrus eNews has proved an effective and immediate tool for keeping industry updated. Almost 120 stories that appeared in our eNewsletter were also uploaded as 'industry news' to our website, providing a regular feed of new content. In 2013–14 we look forward to finding new ways to share this information with our regions.



China can't get enough of Aussie navels

Chinese demand for Australian navels has outstripped supply this season, Citrus Australia's General Manager of Market Development Andrew Harty reports.

"The demand from China has been phenomenal," says Andrew, estimating China is looking for volumes up to three times that shipped last year.

He expects Australia will have a shortage of oranges suitable for China, as only growers who have carried out the required management techniques and who have registered with the Department of Agriculture, Fisheries and Forestry are eligible to export to this market.

[Read more](#)



Our performance (continued)

Biosecurity

200

Number of growers who attended Riverina fruit fly workshops

1

Mike Irely from Florida talking about huanglongbing (HLB) was rated the most popular speaker at the 2012 Citrus Australia National Conference

2

Number of researchers awarded Citrus Australia's Pat Barkley Foundation travel grants to further knowledge on fruit fly and citrus pathology

Highlights

- Securing more resources, training and expertise through a Horticulture Australia Limited (HAL) funded research and development (R&D) project led by Plant Health Australia and Citrus Australia, commencing mid-2013
- Key biosecurity session at the 2012 national conference, featuring national and international experts from Florida discussing the threat of HLB
- Fruit fly control programs developed for Riverina; national support for Sunraysia Pest Free Area

Challenges

- Border Security continue to find serious pests such as Asian citrus psyllid (the insect vector of huanglongbing) on produce intercepted at our international airports
- Continued fruit fly detections and outbreaks in NSW and Victoria

Outlook

- Development of a new biosecurity project
- A citrus biosecurity manager will be appointed in 2013 to be the face of citrus biosecurity
- Alternate on-farm and post-harvest fruit fly control technologies required
- The entire citrus supply chain will be engaged in biosecurity workshops in all regions

IN ITS WORK in biosecurity, Citrus Australia seeks to ensure there is a comprehensive preparedness program in place which protects the Australian citrus industry from devastating organisms such as huanglongbing (HLB) and citrus canker.

New national program

The true highlight of our biosecurity activities in 2012–13 was the development of the national 'Protecting Australian Citrus from Biosecurity Threats' project. A joint initiative with Plant Health Australia, the project aims to strengthen the industry's biosecurity planning and preparedness, and facilitate ongoing awareness of invasive pests and diseases. The project has a very comprehensive work plan, covering surveillance, industry awareness training, contingency plan updating, national network establishment and a simulation exercise to test our preparedness.

The full details of the plan are due to be unveiled at the 2013 Citrus Australia National Issues Forum in late October.

Pest interceptions

It is good to be able to report that there were no biosecurity incursions from overseas, although the need to remain vigilant continues. It is disappointing that serious pests such as the Asian citrus psyllid (the insect vector of HLB) have been intercepted on produce at our international airports.

As we have seen in Florida and Brazil, HLB has the potential to seriously disrupt the Australian citrus industry.

Fruit fly

Queensland fruit fly continues its southward march, with NSW Riverina growers facing enormous pest pressure during the year. Unfortunately the NSW Government announced its withdrawal of continued fruit fly funding and support for the Pest Free Area program. Citrus Australia worked with the growers in the region, NSW DPI and the newly formed Riverina Biosecurity Incorporated to implement an effective control program which was rolled out in spring 2012.

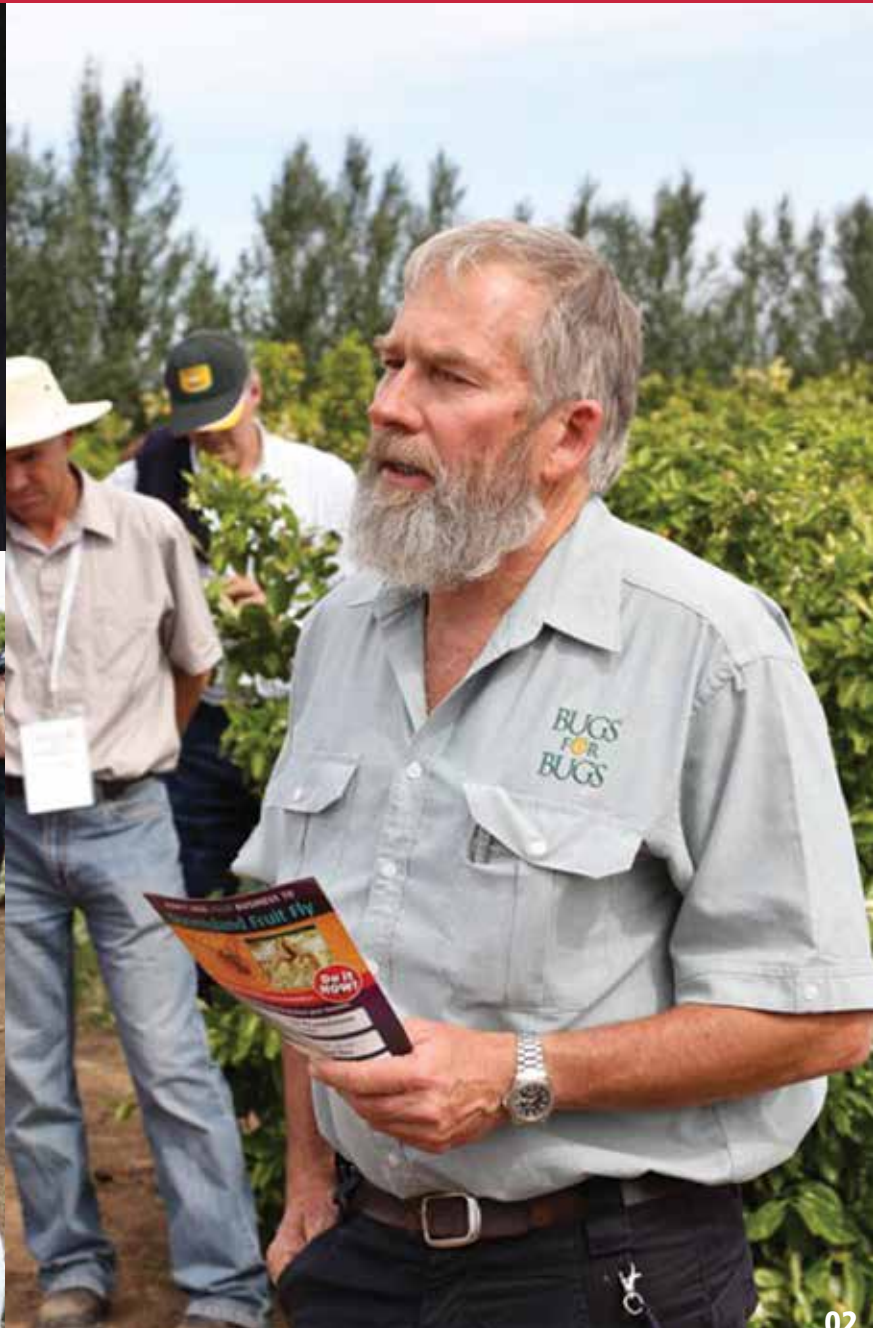
Practical workshops, factsheets and technical expertise assisted the region with its pest management practices for fruit fly.

Sunraysia continues its Pest Free Area management program with significant contribution from the citrus, tablegrape and stonefruit industries whilst the rest of Victoria was deregulated.

Citrus Australia continues to support and lobby for the implementation of the National Fruit Fly Strategy and increased R&D into alternate fruit fly control technologies. ●



01



02

- 01 Assisting growers control fruit fly remains a focus of Citrus Australia with further support programs developed in 2013.
- 02 Bugs for Bugs Dan Papacek speaks with growers at last year's Citrus Australia conference in Leeton, NSW.

National biosecurity is a strategic priority for our citrus industry. The recent approval of funding to address citrus biosecurity issues, demonstrates Citrus Australia and HAL's commitment to work with all stakeholders to reduce the risk of any devastating pest and disease incursions in future and put contingency plans in place should an outbreak occur.

*Steve Burdette
South Australian grower, packer and exporter*

Our performance (continued)

Corporate and public affairs

4

Regional advisory committees in place

6%

Increase in membership income

\$50,000

Austrade funding received for China project

Highlights

- Increased government lobbying armed with 2013 Federal Election Policy Statement
- Finalising the Horticulture Australia Limited (HAL) citrus research and development plan
- Contributed to, and attended launch of, Australia's first 'National Food Plan'
- Maintaining export efficiency powers for two years focussed on pricing committees for United States (US) and China; facilitated voluntary Japan and export mandarin committees
- Attracting Austrade funding for China strategy
- Formation of additional regional advisory committees
- Welcoming on board AustSafe Super as a partner

Challenges

- Continuously changing political landscape
- Impact of Queensland floods on Queensland grower members
- Research and development (R&D) outcomes constrained by 20-year-old levy

Outlook

- Meeting with new government and seeking opportunities to start government relationship
- Following up outcomes of citrus senate inquiry
- Focus on key programs, in particular those that are export and biosecurity related
- Consult levy payers on increasing the R&D levy

"After 12 months of working closely with Citrus Australia it is clear that at the core of the organisation exists a passion and determination to improve the Australian Citrus Industry."

Con Poulos

South Australian grower and Citrus Australia South Australia Region Chair



CITRUS AUSTRALIA CONTINUED to focus on maintaining good government lobbying efforts, drawing on its voluntary membership fees to bring citrus issues to the attention of government and key stakeholders. We also completed the structural changes begun in 2011-12 with the wind up of the state boards.

Significant regional changes

The year saw all three southern citrus boards in various stages of winding up. The liquidation of Riverina Citrus was completed; South Australia (SA) Citrus Board went into administration in September 2012; and the Murray Valley Citrus Board voluntarily commenced winding up due to the results of a Supreme Court challenge.

Citrus Australia now has four regional committees, each with its own chair who reports back to Citrus Australia on the needs of their region. In SA, the regional advisory committee has worked closely with the SA government with good results. It also contributes a fortnightly newspaper column to a local paper.

In the Riverina, meanwhile, Citrus Australia supported this region's Regional Advisory Committee's highest priority — fruit fly. These efforts included workshops and the development of brochures on simple steps to manage fruit fly. Citrus Australia also partnered with Riverina Biosecurity Inc. to help fund a part-time fruit fly co-ordinator in the region. The Queensland Regional Advisory Committee recently published its first newsletter and is making great progress, in spite of the ongoing impact of January's floods.

The four regional Chairs met each other and the Citrus Australia board for the first time in 2012-13 as part of enhancing national and regional communication.



01



02



Working with government retailers and global markets

From September 2012, we increased our focus on government and industry reputation and increased our presence in Canberra. We felt with the approaching election, influencing federal policy was a priority for our industry.

A senate inquiry into the citrus industry was announced. We have welcomed the inquiry as it provides an opportunity to communicate our most pressing issues to our politicians.

When talking to government, we continued to highlight the rising cost of power, with the carbon tax slugging our growers with an additional 25 per cent on their bills.

It's essential that the Australian Government understands the importance of agriculture and food. We have seen progress with the developments of the National Food Plan and the *Australian in the Asian Century* whitepaper, but more can be done.

Working with retailers is also important. This year we participated in a number of HAL-co-ordinated workshops with the big supermarket chains, Woolworths, Coles and ALDI. The workshops focussed on ways we can grow citrus on supermarket shelves.

On the international front, Citrus Australia is committed to professionally representing the Australian citrus industry in order to gain access and improve trade. During the year we made representations in the Philippines, Indonesia, Japan and China; and in order to keep our industry ahead we also visited South Africa, Spain and California to learn about the latest research, citrus innovations and quality standards.

01 Citrus Australia's Tania Chapman and Judith Damiani in Canberra for discussions with Government representatives and advisors.

02 The Queensland Regional Advisory Committed is making great progress, in spite of the ongoing impact of January's floods.

Changing the citrus levy

Replacing state citrus boards with mostly unfunded and voluntary regional advisory committees will not provide growers in those regions with the same information, research and promotion services previously experienced. Growers in SA, Victoria and NSW are saving between \$2.20 and \$5.50 per tonne and meanwhile the national R&D levy has remained the same for twenty years.

Citrus Australia has committed to consult growers about raising the national R&D levy to cover the important regional programs lost with the state boards such as fruit fly management and plantings and crop forecasting. It is also obvious that other industry priorities – outlined in the five year R&D plan – remain unfunded without an increase in the national R&D levy. Important work is still required in finding new post-harvest products and technology; new or alternate agrichemicals; fruit fly and other quarantine pest controls; varietal evaluation; market access technical research; export development and biosecurity. ●



Our organisation

Organisation chart at 30 June 2013





Members of the board

Citrus Australia is governed by an enthusiastic skills-based board comprising four grower member directors and three independent directors.



Tania Chapman
Chair (Grower member)

Tania manages a citrus growing business, and provides specialised bookkeeping services to horticulturists in the Sunraysia region. In addition, she has been Secretary to the Sunraysia Table Grape Growers Association and the Murray Valley Table Grape Growers Council. Tania holds a Diploma of Accounting and Advanced Diploma in Business Management and is a Member of the Australian Institute of Company Directors and the Australian Institute of Management. Tania received the 2012 Victorian RIRDC Rural Woman Award and a 2013 Nuffield Scholarship.



Greg Dhnaram
Deputy Chair (Independent)

Greg is an independent director and brings expertise in retailing and fresh produce. Greg has 30 years' experience in retail through a variety of senior roles with Woolworths Australia. He is presently Chief Executive Officer of the Favco Group, a fruit and vegetable marketing company. He has a Graduate Certificate in Management, a Diploma in Finance and a Diploma in Business Knowledge. Greg is also a Director with two private and one publically listed company, being Patties Foods Limited.



Kevin Cock
Director (Grower member)

Kevin has a citrus growing business in the Sunraysia region and was previously a director and vice president of Australian Citrus Growers and was the inaugural Chair of Citrus Australia. He 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.

Our organisation (continued)

Members of the board (continued)



Greg McMahon
Director (Grower member)

Greg McMahon is Managing Director of Seven Fields which owns more than 450 hectares of citrus across the Sunraysia region and the Northern Territory, as well as mango, wine grape and almond interests. Greg 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.

Greg has tertiary qualifications in law, commerce, applied finance and investment and holds a Master of Business Administration (MBA).



Michele Phillips
Director (Independent)

Michele brings strong marketing and board expertise. She has 20 years' experience working in Australia and Asia in both strategic and operational marketing roles for major firms including Electrolux Asia Pacific, Nestle Australia/NZ, Kellogg Australia and Kimberly-Clark Asia Pacific.

Michele is the President and Chair of a company that manufactures and markets a range of branded consumer food products and is executive director of a private equity firm. 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
Director (Independent)

Neil Offner is director of Freshlink Services Pty Ltd which provides sales and marketing services to the fresh fruit industries. He is a former director of the International Pink Lady Alliance.

Neil brings extensive industry, commercial and government experience due to his previous management position with Golden Circle/Excello and Export Development Manager role with Australian Horticultural Corporation (now HAL) with a strong focus on citrus market access issues, as well as a number of government operational and policy roles with AQIS and ABARE.

Neil has tertiary qualifications in Applied Science.



Ben Cant
Director (Grower member)

Ben Cant is a third generation citrus grower, packer, marketer and exporter. He has spent the last 10 years running a modern pack house in his family business, a supplier to both major supermarket chains and export markets.

During this time Ben has implemented changes to increase efficiency, out-turns and retail packaging options. He has a broad experience in orchard and pack house operations, biosecurity and logistics. Ben currently sits on the Board of Riversun Export and has a Bachelor of Performing Arts.

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Financial statements

Directors' report

for the Year Ended 30 June 2013

Citrus Australia Limited ABN 75 130 238 792

Your directors present their report, on the company for the financial year ended 30 June 2013.

1. GENERAL INFORMATION

Directors

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

Tania Chapman	
Kevin Cock	
Greg Dhnaram	
Kevin Parr	Resigned 22 October 2012
Michele Phillips	
Neil Offner	
Greg McMahon	
Ben Cant	Appointed 22 October 2012

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

Company Secretary

Raylene Kemp held the position of company secretary throughout the financial year.

Operating Results

The deficit of the company for the year amounted to \$70,451 (2012: surplus of \$180,027).

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 to 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 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.

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 year. No recommendation for payment of dividends has been made.



for the Year Ended 30 June 2013

Citrus Australia Limited ABN 75 130 238 792

Meetings of Directors

During the financial year, six meetings of directors were held.

Attendances by each director during the year were as follows:

	Number eligible to attend	Number attended
Tania Chapman	6	6
Kevin Cock	6	6
Greg Dhnaram	6	5
Kevin Parr	2	2
Michele Phillips	6	5
Neil Offner	6	5
Greg McMahon	6	6
Ben Cant	4	3

Indemnifying Officers or Auditors

During or since the end of the year the company has paid insurance 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 contained within these financial statements.

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

Tania Chapman — Chair

Dated the 2nd September 2013.

Greg Dhnaram — Deputy Chair

Financial statements (continued)

Statement of operations and other comprehensive income

for the Year Ended 30 June 2013

Citrus Australia Limited ABN 75 130 238 792

	Note	2013 \$	2012 \$
Revenue			
Funding for Projects	2	1,771,846	1,565,332
Member Subscriptions	2	175,645	166,220
Other Income	2	747,898	1,059,117
		2,695,389	2,790,669
Expenses			
Project Expenses	3	(2,181,101)	(2,002,236)
Affiliation Expenses	3	(11,027)	(11,000)
Computer Expenses	3	(4,462)	(2,142)
Employee & Director Benefit Expenses	3	(443,386)	(465,323)
Travel & Meeting Expenses	3	(88,386)	(83,649)
Rent & Operating Lease Expenses	3	(14,416)	(14,651)
Other Expenses	3	(23,062)	(31,641)
		(70,451)	180,027
Surplus/(Deficit) for the year			
		(70,451)	180,027
Other Comprehensive Income			
		-	-
Total Comprehensive Income/(Loss) for the Year			
		(70,451)	180,027



Statement of financial position

for the Year Ended 30 June 2013

Citrus Australia Limited ABN 75 130 238 792

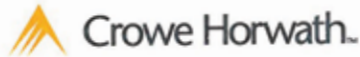
	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash & Cash Equivalents	4	858,558	1,068,226
Trade & Other Receivables	5	253,913	136,245
TOTAL CURRENT ASSETS		1,112,471	1,204,471
NON-CURRENT ASSETS			
Plant & Equipment	6	7,078	7,617
TOTAL NON-CURRENT ASSETS		7,078	7,617
TOTAL ASSETS		1,119,549	1,212,088
CURRENT LIABILITIES			
Trade & Other Payables	7	234,300	133,464
Provisions	8	92,492	70,724
Other Liabilities	9	316,402	444,886
TOTAL CURRENT LIABILITIES		643,194	649,074
NON CURRENT LIABILITIES			
Provisions	8	2,443	18,651
TOTAL NON CURRENT LIABILITIES		2,443	18,651
TOTAL LIABILITIES		645,637	667,725
NET ASSETS		473,912	544,363
EQUITY			
Retained Earnings		473,912	544,363
TOTAL EQUITY		473,912	544,363

Financial statements (continued)

Independent auditor's declaration

for the Year Ended 30 June 2013

Citrus Australia Limited ABN 75 130 238 792

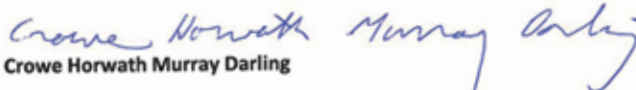


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Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

In respect of Citrus Australia Limited I declare that, to the best of my knowledge and belief, during the year ended 30 June 2013 there have been:

- i. no contraventions of the auditor's 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.


Crowe Horwath Murray Darling



Nick Walker
Partner

17 September 2013
Mildura



Statement of changes in equity

for the Year Ended 30 June 2013

Citrus Australia Limited ABN 75 130 238 792

	Retained Earnings \$	TOTAL \$
Balance at 1st July 2011	364,336	364,336
Surplus for the Year	180,027	180,027
Balance at 30th June 2012	544,363	544,363
(Deficit) for the Year	(70,451)	(70,451)
Balance at 30th June 2013	473,912	473,912

Statement of cash flows

for the Year Ended 30 June 2013

Citrus Australia Limited ABN 75 130 238 792

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from funding & members		2,416,666	2,698,335
Payments to suppliers and employees		(2,657,692)	(2,610,029)
Interest received		32,571	46,433
Net cash (used in) provided by operating activities	12	(208,455)	134,739
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant & equipment		(1,213)	(1,543)
Net cash (used in) provided by investing activities		(1,213)	(1,543)
Net increase/(decrease) in cash held		(209,668)	133,196
Cash at beginning of financial year		1,068,226	935,030
Cash at end of financial year	4	858,558	1,068,226

Financial statements (continued)

Notes to and forming part of the financial statements

for the Year Ended 30 June 2013

Citrus Australia Limited ABN 75 130 238 792

Citrus Australia Limited is a company limited by guarantee, incorporated and domiciled in Australia. The financial statements were authorised for issue on 2nd September 2013 by the directors of the company.

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The directors have prepared the financial statements on the basis that the company is not a reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Corporations Act 2001*. The company is a not for profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have 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 the members. Such accounting policies are consistent with the previous period unless otherwise stated.

The financial statements, except for the cashflow statement, have been prepared on an accruals basis and are based on historic costs unless otherwise stated in the notes. The amounts presented in the financial statements have been rounded to the nearest dollar.

ACCOUNTING POLICIES

a. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

b. Plant and Equipment

Plant and equipment is carried at cost or fair value less, where applicable, any accumulated 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 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 plant & equipment is depreciated using the diminishing value method over the asset's useful life to the company commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Plant & Equipment	20%

The asset's 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 or losses are recognised immediately in profit or loss.



c. 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 not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

d. 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 lease term.

e. Revenue & Other Income

Non-reciprocal grant revenue is recognised in the statement of operations & other comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are met.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

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

f. 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 Australian Tax Office. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

g. Comparatives

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.

h. Income Tax

The directors have determined that the company is exempt from income tax under the provisions of the *Income Tax Act, 1997*.

Financial statements (continued)

Notes to and forming part of the financial statements (continued)

for the Year Ended 30 June 2013

Citrus Australia Limited ABN 75 130 238 792

i. Impairment of Assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the assets carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

j. Trade & Other Payables

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

k. Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be readily measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

l. Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Estimates

(i) Impairment

The company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers.

m. New Accounting Standards for Application in future Periods

The AASB has issued a number of new and amended Accounting Standards and interpretations that have mandatory application dates for future accounting periods. The directors have decided not to early adopt any of the new and amended pronouncements. These Standards are not expected to significantly impact the company's financial statements.



	2013 \$	2012 \$
NOTE 2 REVENUE		
Operating Activities		
Funding for Projects	1,771,846	1,565,332
Member Subscriptions	175,645	166,220
Other Income	747,898	1,059,117
Total Revenue	2,695,389	2,790,669
NOTE 3 EXPENSES		
Project Expenses	2,181,101	2,002,236
Affiliation Expenses	11,027	11,000
Computer Expenses	4,462	2,142
Employee & Director Benefit Expenses	443,386	465,323
Travel & Meeting Expenses	88,386	83,649
Rent & Operating Lease Expenses	14,416	14,651
Depreciation	1,752	1,568
Other Expenses	15,310	26,173
Remuneration for the auditor for:		
— audit of financial statements	6,000	3,900
	2,765,840	2,610,642
Project Expenses include:		
Project Employment Costs	393,278	475,810
Project Travel, Meeting & Operating Lease Expenses	388,583	372,549
Project Consultants	526,721	276,024
Project Printing, Design & Production	266,004	216,417
Other Project Expenses	606,515	661,436
	2,181,101	2,002,236
NOTE 4 CASH & CASH EQUIVALENTS		
Cash on Hand	200	200
Cash at Bank	858,358	1,068,026
	858,558	1,068,226
NOTE 5 TRADE & OTHER RECEIVABLES		
Trade Receivables	44,684	125,294
Other Receivables	209,229	10,951
	253,913	136,245

Financial statements (continued)

Notes to and forming part of the financial statements (continued)

for the Year Ended 30 June 2013

Citrus Australia Limited ABN 75 130 238 792

NOTE 6 PLANT & EQUIPMENT

Plant & Equipment — at cost	12,281	11,068
Less Accumulated Depreciation	(5,203)	(3,451)
	7,078	7,617

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant & equipment between the beginning and the end of the current financial year.

	Plant & Equipment \$	Total \$
Opening Balance	7,617	7,617
Additions	1,213	1,213
Disposals	-	-
Depreciation Expense	(1,752)	(1,752)
Closing Balance	7,078	7,078

Note	2013 \$	2012 \$
------	------------	------------

NOTE 7 TRADE & OTHER PAYABLES

Trade Payables	204,869	133,464
GST & PAYG Payable	15,362	-
Other Payables	14,069	-
	234,300	133,464

NOTE 8 PROVISIONS

CURRENT

Provision for Annual Leave	49,755	47,708
Provision for Long Service Leave	42,737	23,016
	92,492	70,724

NON CURRENT

Provision for Long Service Leave	2,443	18,651
	2,443	18,651
	94,935	89,375

NOTE 9 OTHER LIABILITIES

Deferred Income	1(e)	316,402	444,886
		316,402	444,886



NOTE 10 CONTINGENT LIABILITIES

At 30 June 2013 the directors' are unaware of any liability, contingent or otherwise, which has not already been recorded elsewhere in these financial statements.

NOTE 11 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. These transactions included grower memberships and expense reimbursements.

NOTE 12 CASH FLOW INFORMATION

	2013 \$	2012 \$
Reconciliation of Cash Flow from Operations with Surplus/(Deficit)		
Surplus (Deficit) for the Year	(70,451)	180,027
Non-cash flows in surplus/(deficit):		
Depreciation	1,752	1,764
Changes in assets and liabilities:		
(increase)/decrease in trade & other receivables	(117,668)	(45,901)
increase/(decrease) in trade payables & other liabilities	(27,648)	(19,026)
increase/(decrease) in provisions	5,560	17,875
	(208,455)	134,739

NOTE 13 CAPITAL & LEASING COMMITMENTS

There were no material capital and leasing commitments as at 30 June 2013.

NOTE 14 EVENTS OCCURRING AFTER REPORTING DATE

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

NOTE 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 2013, the number of members was 170 grower members (2012: 187) and 81 affiliate members (2012: 72).

NOTE 16 COMPANY DETAILS

The registered office of the company & principal place of business is:
 115 Lime Avenue
 MILDURA VIC 3500

Financial statements (continued)

Directors' declaration

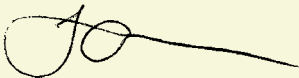
for the Year Ended 30 June 2013

Citrus Australia Limited ABN 75 130 238 792

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 32 to 37, are in accordance with *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 2013 and of the performance for the year ended on that date.
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



Tania Chapman — Chair

Dated the 2nd September 2013.



Greg Dhnaram — Deputy Chair



Independent auditor's report

for the Year Ended 30 June 2013

Citrus Australia Limited ABN 75 130 238 792



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Independent Auditor's Report to the Members of Citrus Australia Ltd

Report on the Financial Report

We have audited the accompanying financial report of Citrus Australia Ltd ("the Company"), which comprises the statement of financial position as at 30 June 2013 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards (IFRS).

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 about 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 judgment, 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.

Financial statements (continued)

Independent auditor's report (continued)

for the Year Ended 30 June 2013

Citrus Australia Limited ABN 75 130 238 792



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

Independence


In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

- a. the financial report of Citrus Australia Ltd is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b. the financial statements and accompanying notes also comply with International Financial Reporting Standards as disclosed in Note 1.


Crowe Horwath Murray Darling


Nick Walker
Partner

17 September 2013
Mildura



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