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ACCESS: The Riverina Citrus Committee's office is situated at Shop 1/490 Banna Avenue, Griffith. The postal address is PO Box 1432 Griffith NSW 2680. Telephone (02) 6962 4333, Facsimile (02) 6964 2285, Email: admin@riverinacitrus.com.au. The office is open from 9.00am to 5.00pm - Monday to Friday.

Serving the Riverina Citrus Industry

P.O. Box 1432, Griffith NSW 2680
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The Hon Ian Macdonald MLC
Minister for Primary Industries
Minister for Energy
Minister for Mineral Resources
Minister for State Development
Level 33 Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

28th July, 2009

Dear Minister,

The Riverina Citrus Committee, on behalf of all citrus growers in the City of Griffith and the Shires of Leeton, Carrathool, and Murrumbidgee, has pleasure in presenting the report of the Committee's operations for the financial year ended April 30th, 2008. This report on the Committee's activities and financials has been prepared in accordance with the provisions of the Annual Reports (Statutory Bodies) Act 1984.
Yours sincerely

Frank Battistel
Chairman

Domenic Mancini
Deputy Chairman

CHARTER – RIVERINA CITRUS

The Murrumbidgee Irrigation Area (MIA) Citrus Fruit Promotion Marketing Committee was formed under Part V of the New South Wales (NSW) Marketing of Primary Products Act 1983. It was officially constituted on July 14, 1989.

The Order was renewed by Poll in March 1993, for a further four (4) year term, and extended to expire on March 28, 1998.

In March 1998, the MIA Citrus Fruit Promotion Marketing Order Poll was carried out and achieved a positive result. The MIA Citrus Fruit Promotion Marketing Order 1998 was published in the NSW Government Gazette on March 20, 1998 and was to remain in force for a period of four (4) years.

At the Annual Budget meeting of the Committee held on March 20, 2001, it was unanimously decided by those growers in attendance that the Committee transform from the Marketing of Primary Products Act to the Agricultural Industry Services Act. This change took place on March 18, 2002 and the Committee is now constituted under the Agricultural Industry Services (Riverina Citrus) Regulation 2002.

Under the new regulation a committee of nine (9) was appointed; three (3) elected grower-members from the Griffith and Hillston district, three (3) elected grower-members from Leeton, Narrandera and Murrumbidgee and three (3) members to be appointed by the elected grower members. The appointed members were to have expertise in one or more of the following fields; marketing, management, finance, law or fruit processing.

The MIA Citrus Fruit Promotion Marketing Committee officially changed its name to Riverina Citrus on May 30, 2001.

VISION

That the Riverina Citrus Industry becomes internationally competitive in the production, packing and marketing of citrus products.

MISSION

To maximise industry profitability through continual improvement in horticultural management practices, harvest and packing technology, and marketing systems which satisfy the expectations of customers.

FUNCTIONS OF THE RIVERINA CITRUS COMMITTEE

1. Contribute to the funding of Fruit Fly Eradication Programs in the MIA.
2. Facilitate, through research and technology transfer, the adoption of orchard management practices aimed at improving citrus fruit production within the MIA.
3. Obtain, analyse and disseminate information relevant to the Citrus Industry, including the development of a forecasting service for citrus fruit production within the MIA.
4. Initiate, co-ordinate and contribute to promotional activities aimed at increasing the sale of citrus fruit grown in the MIA.
5. Facilitate the development of new and existing export markets for citrus grown in the MIA.
6. Act as a point of access for communication between growers of citrus in the MIA and Commonwealth and State Government Departments, Public Authorities as well as the general public.

RIVERINA CITRUS COMMITTEE'S STAFF


Executive Officer
Peter Morrish


Promotions
Manager
Melanie Garbett


Citrus Liaison
Officer
Darren Gibbs


Senior
Administration
Officer
Belinda Clancy


Authorised Officer
Lou Revelant


Administration
Assistant
Wendy Snaidero

EQUAL EMPLOYMENT OPPORTUNITY

The Riverina Citrus Committee follows Equal Employment Opportunity principles when advertising, interviewing and selecting staff. Relevant training is offered to all staff irrespective of gender and race.

CONSUMER RESPONSE

No formal written complaints were received from citrus growers or members of the general public in relation to the Riverina Citrus Committee's activities.

GUARANTEE OF SERVICE

Growers are guaranteed of service under the provisions of the Riverina Citrus Regulation 2001 within the Agricultural Services Act 1998 and are informed of services performed each year at the Committee's Annual General Meeting.

RISK MANAGEMENT and INSURANCE ACTIVITIES

The Riverina Citrus Committee is currently insured for Directors and Officers Liability Insurance. All assets are insured to their replacement value. The Committee also makes provision and undertakes related activities to cover uncertainty in income.

ETHNIC AFFAIRS PRIORITIES STATEMENT

Situated within a culturally diverse area within the Riverina, the Riverina Citrus Committee represents justly and fairly the interests of all of it's citrus producers regardless of their country of origin. Committee members and staff are sensitive to the cultural, social and religious differences of people of varying backgrounds.

All levy payers have the opportunity to contribute to the business of the Committee and are free to attend Annual General Meetings and contribute to discussion, as well as vote on any business that may arise. All views are assessed for their productiveness, without bias to cultural background.

Riverina Citrus provides the use of an interpreter for verbal and written communication when necessary. Several members of the Committee and staff are bi-lingual, and the office offers information in four other languages; Italian, Punjabi, Turkish and Vietnamese. Access is available to interpreter services through Griffith Multicultural and Migrant Settlement Services, which is a division of Griffith City Council.

The EAPS process within Riverina Citrus strategy is to ensure that irrespective of a person's cultural, linguistic, or religious background and beliefs, their rights to access services to which they contribute financially through their rates are respected and supported. A full copy of Riverina Citrus's EAPS can be obtained from the office.

NSW GOVERNMENT ACTION PLAN FOR WOMEN

Every time a vacancy arises on the Riverina Citrus Committee or staff, every effort is made to encourage women within the industry or desired profession to apply.

OCCUPATIONAL HEALTH AND SAFETY

There were no work related injuries or illnesses reported during the year, nor was the Committee advised of any proceedings under the Occupational Health and Safety Act 1983.

The Riverina Citrus Committee and Staff are fully aware of the Occupation Health and Safety regulations pertaining to Statutory Bodies.

PRIVACY MANAGEMENT PLAN

Enabling legislation allows for Riverina Citrus to hold a register of all citrus growers, which can be made available to citrus growers at any time. This register however, is not available for viewing by the public or professional organisations.

ELECTRONIC SERVICE DELIVERY

Riverina Citrus aims to update and modify the internet site www.riverinacitrus.com.au. The site holds information on Riverina Citrus, citrus issues and activities and is available to view by growers, industry and the public. This was re-designed and re-launched 30th April 2009.

CREDIT CARD CERTIFICATION

The Committee provides a corporate Mastercard for use by the Executive Officer and Industry Development Officer.

PAYMENT OF ACCOUNTS

The details of financial performance for each quarter are shown in the following table. The Committee aims to make 100% of payments to creditors within 30 days of account receipt.

No. of days	1st quarter	2nd quarter	3rd quarter	4th quarter
0-30 days	143,408	197,617	120,638	506,142
31-60 days	0	0	54	0
61-90 days	0	15,400	0	0
Total	**143,408**	**213,017**	**120,692**	**506,142**
% Target	100%	94%	100%	100%
% Actual	100%	100%	99.9%	100%

TIME OF PAYMENT OF ACCOUNTS

No interest charges were incurred for late payment of accounts during the financial year (2008/2009).

FREEDOM OF INFORMATION

General inquiries concerning access to Riverina Citrus Committee documents or other matters relating to freedom of information should be directed to the Executive Officer, Riverina Citrus, PO Box 1432, Griffith NSW 2680 or telephone (02) 6962 4333, facsimile (02) 6964 2285 or Email: admin@riverinacitrus.com.au during normal business hours.

FREEDOM OF INFORMATION INQUIRIES IN 2008-2009

The Riverina Citrus Committee did not receive any inquiries for information under the provision of the Freedom of Information legislation.

ANNUAL REPORTS

Seven hundred (700) copies of the 2008/2009 Annual Report were printed, to enable it to be sent to all constituents and to comply with Statutory requirements, costing an average of $3.14 per copy.

AUDIT

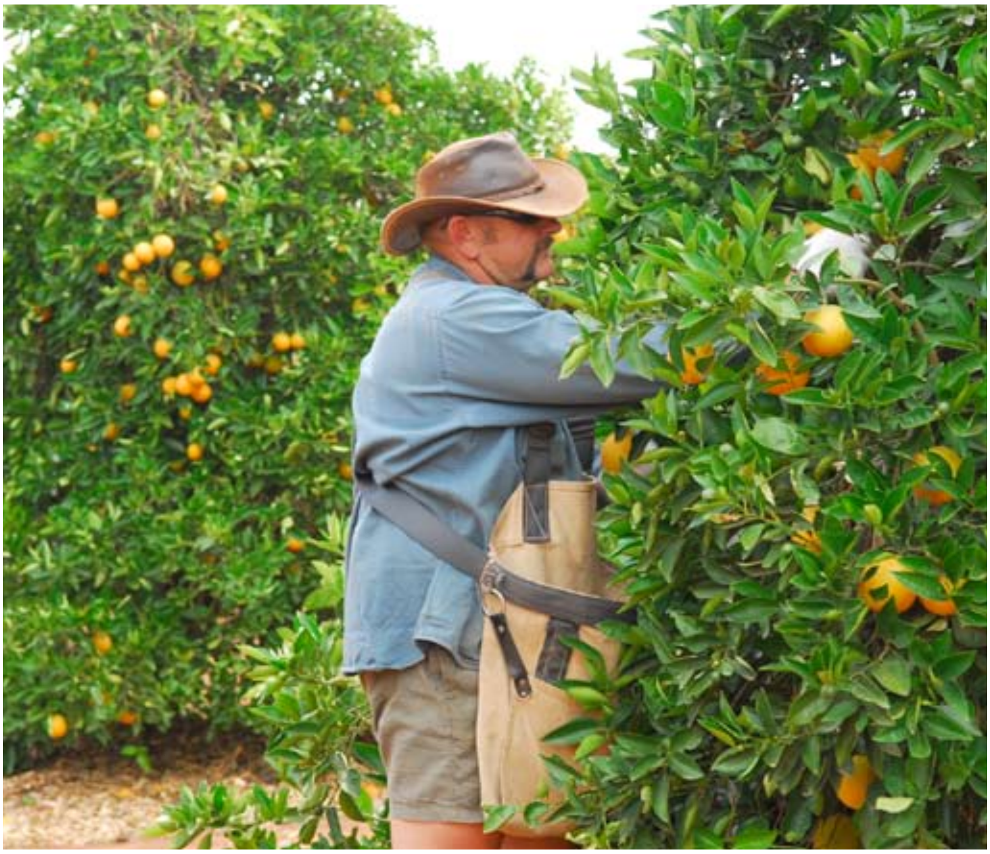
The NSW Audit Office appointed Johnsons MME from Albury as its agent for 2008/2009 Audit, who do not have any representatives on the Committee or on Committee related business. Nor is there any relationship between company officers and current or former auditors, other than the normal business relationship between auditor and client.

CODE OF CONDUCT

Riverina Citrus has committed significant energies and resources to growth in its internal culture, which will reflect its accountability to shareholders and the wider stakeholder community. This recognises that to support ethical codes, it is necessary to demonstrate and continually practice behaviour that reinforces company values.

CONCLUSION

On behalf of the Committee and staff that work for the growers of the region, we would like to thank all of the growers that have taken the time to call into the office and provide your views into the management and operation of Riverina Citrus.



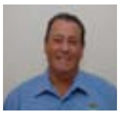
RIVERINA CITRUS MANAGEMENT AND STRUCTURE

Under the Agricultural Industry Services (Riverina Citrus) Regulation 2002, the Riverina Citrus Committee is to consist of nine (9) members; three (3) elected growers from the Southern citrus growing districts of Leeton, Murrumbidgee and Narrandera, three (3) elected growers from the Northern citrus growing districts of Griffith and Carrathool, and three (3) appointed members, specialising in such areas as marketing, management, finance, law or fruit processing.

During the 2005/2006 financial year, a Committee was elected and selected consisting of the following members.

Frank Battistel: Representing producers in the North electorate i.e. City of Griffith and the Shire of Carrathool. Commenced duties: 7th June , 2002.

Portfolios: Government Liaison, Griffith & District Citrus Growers Inc.



Domenic Mancini: Representing producers in the North electorate i.e. City of Griffith and the Shire of Carrathool. Commenced duties: 4th August, 1998.

Portfolios: Fruit Fly, ACIC/NCPA, Market Access Workplans.

Jim Minato: Representing producers in the North electorate i.e. City of Griffith and the Shire of Carrathool. Commenced duties: 7th June, 2002.

Portfolios: Murrumbidgee Horticulture Council, Database.

Glenn Morris: Representing producers in the South electorate i.e. Shires of Leeton, Murrumbidgee and Narrandera. Commenced duties: 7th June, 2002.

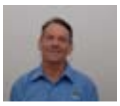
Portfolios: Fruit Fly, Promotions.

Wayne Robinson: Representing producers in the South electorate i.e. Shires of Leeton, Murrumbidgee and Narrandera. Commenced duties: 7th June , 2002.

Portfolios: Market Access Workplans, Administration & Financial, Leeton Citrus Growers Inc.

Joe Valenzisi: Representing producers in the South electorate i.e. Shires of Leeton, Murrumbidgee and Narrandera. Commenced duties: June 7th, 2005.

Portfolios: Murrumbidgee Horticulture Council, Nursery & Budwood, Leeton Citrus Growers Inc.



Neil Offner: An independently appointed member. Operating his own export co-ordination business. Commenced duties: 24th October, 2005.

Portfolios: Market Access Workplans, Citrus Australia Limited, Occupational Health & Safety, Sexual Harassment Officer.

Liane Sayer-Roberts: An independently appointed member and owner of a public relations business. Commenced duties: 29th September, 2005.

Portfolios: Promotions, Occupational Health & Safety, Sexual Harassment Officer.

Elizabeth McNamara: An independently appointed member and local accountant with 14½ years of financial experience. Commenced duties: 29th September, 2005.

Portfolio: Citrus Australia Limited.

This Committee's term finished 6th June 2008.

Sue Brighenti: Representing producers in the North electorate i.e. City of Griffith and the Shire of Carrathool. Commenced duties: 8th June, 2008

Portfolios: Fruit Fly, Market Access Workplans

COMMITTEE MEETINGS

During the past financial year there were 16 meetings held. In attendance were the following committee members:

Outgoing Committee to 7th June 2008

Frank Battistel	2/2	Chair
Domenic Mancini	2/2	Deputy Chair
Glenn Morris	2/2	
Wayne Robinson	2/2	
Joe Valenzisi	2/2	
Jim Minato	2/2	
Liane Sayer-Roberts	2/2	
Sue Brighenti	0/2	

Incoming Committee from 7th June 2008

Mr Frank Battistel	13/14
Mr Domenic Mancini	14/14
Mr Wayne Robinson	10/14
Mr Joe Valensizi	14/14
Ms Liane Sayer Roberts	8/14
Ms Elizabeth McNamara	11/14
Mr Neil Offner	11/14
Mrs Sue Brighenti	12/14

RIVERINA CITRUS STRATEGIC PLAN 2009-2014

Preface

The following Strategic Plan is written in accordance with the requirements of Section 15 of the Agricultural Industry Services Act 1998.

The Riverina Citrus Committee is constituted to provide services for citrus producers in the Local Government areas of Carrathool, Griffith, Leeton, Murrumbidgee and Narrandera. It funds the provision of the services by collecting a levy on all types of citrus fruit produced.

The levy contributes towards the six (6) legislative functions of the Committee, with the Strategies developed under the following headings:

1. Objectives:

I.I Strategies.

I.I.I Tactics/Implementation.

1. Improved Grower Orchard Management

1.1 Improve Riverina citrus growers' best growing practice knowledge for consumer requirements to increase consumption:

1.1.1. Demonstrate the benefits and encourage the use of windbreaks in orchards.

1.1.2. Demonstrate the benefits and encourage growers to implement best practice Integrated Pest Management (IPM).

1.1.3. Monitor the improvement of mechanical harvester technology and communicate information to growers.

1.1.4. Promote frost control methods for uptake by growers.

1.1.5. Communicate to grower/packer market the Riverina region's requirements for fruit quality in order to increase production of all types of fruit.

1.2 Encourage skilled harvest labour to the Region:

1.2.1. Develop links and programs with harvest trail and local councils to encourage more labour to the region.

1.3 Set orchard best management practice benchmarks for all growers:

1.3.1. Review and ensure good practical documentation on best management orchard practices for grower benchmarking.

1.3.2. Develop best practice orchard benchmark and inform regional citrus growers of what their targets should be.

1.4 Identify Riverina financial benchmarks for quality requirements and also financial and cost of production:

1.4.1. Undertake quality benchmarking of grower packout returns through packingsheds and provide recommendations to the Industry on how to achieve the required quality standards from the orchard to the market.

1.4.2. Facilitate and research appropriate citrus economic analysis and report to growers.

1.5 Determine changes within the Industry:

1.5.1. Undertake a Bi-Annual Survey to measure outcomes of the above tactics.

2. Increase Consumption of Citrus from the Riverina

2.1 Position the Riverina Citrus region as a leading growing area in Australia that produces quality fruit equivalent to, or superior than, other citrus grown around the world:

2.1.1. Undertake targeted education with key stakeholder groups to improve the perception of the quality of Riverina fresh juice and citrus fruit.

2.1.2. Participate in the promotion of the Riverina Citrus Region at appropriate promotional events and host international delegations to the Riverina.

2.1.3. Encourage the uptake of Riverina fresh juice and citrus fruits in restaurants and cafés throughout Australia and internationally.

2.1.4. Research available industry data that highlights the quality of fruit grown in the Riverina is equal to or greater than other citrus growing region in Australia or the world.

2.1.5. Utilise appropriate tools that promote the excellent quality of all citrus grown in the Riverina to international markets.

2.1.6. Encourage the national peak citrus industry body, Australian Citrus Growers (ACG), to take a greater role in the management of citrus promotions, including hands-on discussions with wholesalers, public relations companies and regional citrus bodies.

2.2 Build a stronger loyalty for Australian grown citrus products to both local and export consumers:

2.2.1. Support the use and loyalty of Australian Grown promotional products and logos.

2.2.2. Utilise survey results to promote Australian product loyalty.

2.2.3. Advocate for a commitment from both regional citrus bodies and ACG to commit all promotional funding towards an 18-month advertising campaign.

2.2.4. Advocate for all national citrus promotions to be managed by a central body.

2.3 Increase the consumption of Australian citrus in both the domestic and export markets:

2.3.1. Participate in applicable National Citrus Promotional Campaigns.

2.3.2. Assist regional Riverina grower groups to promote the Citrus Industry.

2.4 Minimise imports of citrus into Australia utilising appropriate scientific methodology:

2.4.1. Participate in peak citrus industry led campaigns against imported products and provide support/case studies/statistics to the peak body that assist with their representations to government on imported citrus juice and fresh citrus products.

2.5 Promote Riverina's pest free, or minimal pest status, and champion the Region's environmental practices:

2.5.1. Encourage all Riverina growers, packers and marketers use 'Aussie Grown' citrus industry logo when running promotional campaigns.

2.5.2. Facilitate growers to become environmentally accredited with their quality assurance program.

2.5.3. Promote to internationally consumers through appropriate marketing campaigns about the Riverina Citrus Industry's uptake of environmental management in orchards.

2.5.4. Facilitate IPM training for both Riverina growers and orchard staff that informs them of market access and consumer requirements.

2.5.5. Keep up-to-date with all citrus industry pests of concern and work with industry and agribusiness bodies to reduce the risk of the pests.

3. Increase Market Access for Riverina Citrus

3.1 Increase exports and returns those markets that have achievable protocols:

3.1.1. Assist ACG, the Australian Quarantine and Inspection Service (AQIS), Biosecurity Australia and other associated parties in encouraging the change of export protocols to an achievable standard for the majority of citrus growers.

3.2 Facilitate the growth of quality fruit required for premium export markets:

3.2.1. Communicate export market requirements to Riverina packers and growers.

3.2.2. Investigate and action opportunities that assist growers achieve the criteria needed to access export markets.

3.3 Develop new markets and maintain, or expand, current citrus markets:

3.3.1. Assist industry to develop new markets for Australian citrus through attendance at appropriate international conferences.

3.4 Advocate a workable grower instigated anti-dumping policy to reduce the risk of cheap imports affecting the returns of domestic citrus:

3.4.1. Continue to have input to proposed changes for the Australian anti-dumping legislation that relates to citrus imports.

4. Improve knowledge of citrus throughout the Supply Chain

4.1.Advocate market transparency in both the domestic and export Australian citrus markets:

4.1.1. Provide domestic and export market reports for dissemination of information to growers.

4.2.Improve awareness of collective bargaining so growers receive an appropriate share of the final retail price:

4.2.1. Work through appropriate agencies and channels to encourage collective bargaining between growers and packers.

4.3.Improve feedback reporting from packingsheds to growers:

4.3.1. Facilitate with packhouses a report for individual quality information based on region determined sampling and reporting standards.

4.3.2. Encourage packhouses to provide growers with individual quality information within two (2) days of fruit delivered to a packingshed.

4.3.3. Encourage packhouses to provide timely feedback through packout returns so growers can make decisions on orchard management.

4.3.4. Encourage the change of terminology for tonnes/hectare to cartons/hectare 1st class fruit.

5. Increase citrus knowledge within the Riverina

5.1.Advocate that primary citrus research covers all growing regions:

5.1.1. Provide information to research bodies that ensures any primary research undertaken on citrus will benefit all regions.

5.2. Pursue increased resources within the Riverina for citrus research and development:

5.2.1. Prepare and/or assist research proposals for citrus projects within the Riverina.

5.2.2. Investigate alternative uses for citrus.

5.3. To provide a positive environment for succession planning and development of youth in the local Industry:

5.3.1. Facilitate the ongoing development of the Young Citrus Growers Group.

5.3.2. Facilitate appropriate training through workshops and study tours.

5.4. Expand Riverina Citrus to increase the resource base:

5.4.1. Investigate options to expand the role of Riverina Citrus so it can create greater impact and effectiveness.

5.4.2. Investigate roles Riverina Citrus can undertake at a minimum cost recovery basis for other industry groups for greater office efficiency. For example, Project Management.

5.5. Pursue an identifiable and significant adoption/planting of new citrus varieties in the Riverina:

5.5.1. Provide planting statistics for Riverina and Australian citrus planting trends.

5.5.2. Assist growers to make decisions on the suitability of new varieties through the provision of information, including management practices associated with the new varieties.

5.5.3. Determine and assist in researching selected growing areas that can fill a niche market and create premium returns for Riverina citrus growers.

6. Reduce Duplication throughout the Industry

6.1. Where appropriate, work with ACG and other state bodies to investigate ways that streamline the management of citrus related issues at a regional and national level.

6.2. Advocate a Memorandum of Understanding to be established between Riverina Citrus and local regional grower groups that reduces duplication and ensures effective use of resources.

6.3. Investigate financial and reporting efficiencies through partnerships with other horticultural groups for regional and national reporting.

CHAIRMAN'S REPORT

A great result for the Riverina was achieved last Navel season with no repacks of any fruit sent to the US from this region. This is the first time a region has achieved this feat and is a credit to regional citrus growers and packers. This result reflects the excellent work being undertaken in orchards by growers through best practice management and also the quality control procedures put in place by the packers and supply chain. This along with a reduced national crop helped growers receive reasonable returns given the high Aussie dollar during the Navel season.

With the lighter Navel crop last season, an early end to summer Navel and a reducing Australian dollar value, there was a significant increase in demand for packed Valencias for export. With most sheds in the region starting Valencia packing a month earlier than the previous year. Up until the end of November it is estimated that the region had packed and processed ten to fifteen percent more fruit than at the same time the previous year. This had an effect on the eventual final production figure with this fruit not being held on the trees through the additional fruit sizing period. Thus creating a shortage at the end of the season, which lifted prices to a level which had not been seen in many years. We had many processors claiming that the Riverina Citrus crop forecast was inaccurate but it turns out that our forecast was as predicted given the early picked fruit.

Our forecast is adjusted throughout the season to reflect changes in conditions. We are happy to share this information with processors if required.

Last year our region staged an excellent Australian Citrus Growers Conference (ACG) with many comments on how well it was run with many relevant topics discussed. One of the most important was the vote to establish Citrus Australia (CA) as our new peak body replacing ACG.

Since then and over the past months, a number of meetings have been held with CA, representatives of Griffith & Leeton Citrus grower groups, the Riverina Citrus Committee and CA grower shareholders. We met to determine the region's priorities for CA and a reduction of any duplication within the industry. There are many tasks which are better carried out by a peak body on behalf of the whole industry. The regional committee has been working through this to determine which can be transferred to CA. It is important that Riverina growers join CA so we have a strong peak body and a say in the direction of our industry's future.

The cost of production became a "hot topic", when presented in both Griffith and Leeton especially when prices for citrus are being discussed. Costs have risen some twenty five percent since the 2006 to the 2008 year. With Valencia contracts only meeting the variable cost which leaves no money for capital cost and improvements to property. The capital cost is often left out by growers when calculating their production costs and the presentation was to highlight this fact. Riverina Citrus constantly keeps processors aware of the rising cost of production on the behalf of our growers. Support from growers in this area will help get the message across to processors.

Fruit fly free status has been Riverina Citrus major priority, as it continues to cost this area dearly with cold treatment of fruit and lost market potential. Extra funding was applied to this area at our last budget meeting to try to achieve a winter window for Japan in the future. I like to thank Sue Brighenti, Chair of the MIA Fruit Fly Committee, for her hard work and dedication to improving the fruit fly free status for our industry.

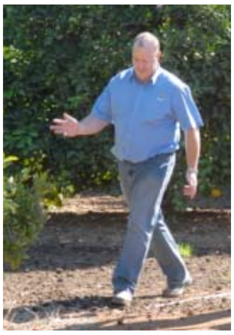
I would like to take this opportunity to thank the dedicated committee members and staff Mel, Belinda, Wendy and Darren for their effort throughout the year and especially during period of the Executive Officer change over. Also I would like to thank all of the citrus growers that are involved in supporting our industry through attending meetings, thank you!

Frank Battistel
Chairman

Post Script to end of 2008/2009 Financial Year

Peter Morrish decided to move back to Mildura after four years of service to Riverina Citrus, we have appreciated his dedication to the industry in his time with us and we wish him well in his future.

I'm happy to announce that we have employed a new EO Scot MacDonald who has come to us with some excellent qualifications that I think will take Riverina Citrus to a new level, I look forward in working with him in the future.



RIVERINA CITRUS ACTIVITIES

Citrus growers and packers that grew fruit and packed for export to the US should be commended on their excellent quality throughout the season. The region achieved for the first time ever a zero repack for the entire season. An excellent job all round. This highlights the effort the regions growers and packers have gone to lift their production and quality standards to meet customer requirements.

The 2008/09 Riverina Citrus (RC) financial year started in similar vain to the 2007/2008 with water rostered water events to close the season and uncertainty on water allocations for the coming irrigation season. Fortunately by the end of October 2008 High Security irrigators had full allocation, a lot different to conditions on the Murray River where there were significant restrictions.

A very conservative budget was set again by the RC Committee due to the water uncertainty. After experiencing similar conditions the previous year, there was not the complete crop loss as had previously occurred. The RC committee requested a change to the budget at the Annual General Meeting of growers in September 2008 for increased spend on projects that had been identified. This was agreed to by growers. Unfortunately some of these projects were unable to get underway during the financial year and have been carried into the 2009/2010 budget.

The National Citrus conference was held in Griffith in October 2008 with the RC staff heavily involved in planning and operations assisting hosting bodies Australian Citrus Growers and Griffith & District Citrus Growers. A great event timed to coincide with the Griffith Festival of the Gardens and Citrus Sculpture displays. With the water concerns and change of timing there was some doubt on the amount of people that may attend. By maximising sponsorship and keeping attendee costs to a minimum there were over 300 people in attendance.

2008
Australian Citrus
Industry Conference
Production • Profit • Power

The high Australian Dollar throughout the Navel season affected returns from export markets pushing more fruit onto the domestic market which had a negative impact. This in turn effected the processing industry with plenty of fruit available.

A number of growers took the opportunity and made a business decision to temporarily trade water which provided greater income than trying to grow citrus. The continuation of the drought may further impact on the region's citrus production if returns do not increase above cost of production.

Processing

Due to the reduced water allocations in other southern citrus growing regions there was demand by their growers to get the processing fruit off the trees as soon as they could which caused a delay in the 2007/2008 Valencia harvest in the Riverina pushing a lot of fruit into mid 2008 harvest. A forecast crop around the 110,000 tonnes was reviewed up due to the late harvest and additional fruit growth to 12,000 tonnes and actually reached 124,000 by the end of the season in August 2008. With a similar crop load on the trees, but smaller fruit size the 2008/2009 forecast would normally be reduced, but with the production of common oranges increasing the forecast is expected to be only slightly down to 110,000 tonnes for 2008/2009.

The 2008/2009 season got underway very early due to the reduced Navel crop and demand because of the reducing Australian dollar at the time. Early season Valencia's were harvested in September with excellent fruit size. The demand continued into 2009 with prices increasing as availability reduced, with reports that some growers were receiving over $400 per tonne in May 2009. This fruit was in demand from small juicing business and juice bar's in an attempt to keep the product on the shelf. This has focussed a lot of other commodity growers on growing oranges for processing. Any business decisions should entail significant research.

Due to the low Australian dollar there was a significant amount of Navels available for processing with prices starting as low as $40 per tonne. This rose slowly throughout the season with Lane Navels getting around the $150 per tonne later in the Navel season.

Fresh Market

A year of two extremes for the fresh market in terms of grower returns. As mentioned earlier the Australian dollar had an impact on the Navel harvest. The other southern regions also wanted to get their fruit off as quick as possible so they could conserve water and make business decisions on what to do with their trees.

With the majority of the Riverina Navels placed on the domestic market returns were affected. 56,000 tonnes of Navels were forecast for the region of which nearly 57,000 tonnes were harvested. The climatic conditions throughout the season were very favourable with minimal downgrading of fruit because of wind or pest scaring.

Fruit Fly

Fruit fly outbreaks in the region continue to cause market access problems and limit the markets that fresh fruit is able to be sent to. This in turn puts greater pressure on the domestic and processing sectors of the industry.

Since 2004 all outbreaks have occurred in towns, so Riverina Citrus, NSW Department of Primary Industries and the MIA Fruit Fly Committee have begun working with regional councils to determine a way to overcome these incursions.

NSW DPI have provided free backyard tree removal for those people unable to care for their trees, or who just want them removed. This was assisted by local councils who provide free tip access for the waste material.

Riverina Citrus has continued to fund community awareness programs locally and through the Tri-State Fruit Fly Committee to increase the awareness of the problem. Locals are not taking up the messages as over half the people caught at random road blocks are locals that should know better. It is unfortunate that due to privacy laws we are unable to name and shame these people.

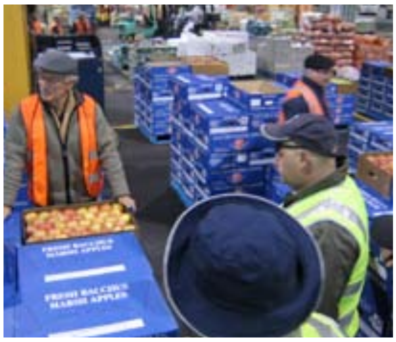
With increased adoption of international standards wine grapes were listed as a host in late 2008 which caused their industry significant headache for movement of fruit within and between regions. Hopefully they will join the citrus industries fight to keep the region area free.

Research and Technology transfer – Industry Development Officer (IDO) & CITTgroup Coordinator

Regional projects continue within these operations under the management of Riverina Citrus. Darren Gibbs was appointed in September 2008 as the Riverina Citrus Field person to undertake these roles skillfully assisted by Melanie Garbett whom acted in the role while it was being filled.

The CITTgroup program focussed on the National Conference and assisted in planning and undertaking the field sessions.

The IDO role facilitates the co-ordination of regional projects including the netting and future leaders along with orchard management issues. It was great to see 6 of the regions young industry representatives graduate from the impact on citrus course as part of the future leaders project.



Fruit maturity testing and fungicide testing continue to be services provided by RC with the regional crop forecasts.

A Paddock to Plate study tour in May 2008 from Griffith to Melbourne and return provided participants with the opportunity to get outside their backyard and see operations that are involved in the industry from drip line and carton production to cool stores and marketing along with the port of Melbourne that provided and overview of their operations.

The financial benchmarking figures from the previous year was updated with a small sample of growers to highlight the changes in input costs due to the rise in fuel and fertiliser in line with the value of the Australian dollar. Figures up over $400 per tonne for cost of production were calculated based on the average production for the region of twenty six tonnes per hectare.

Two representatives of the regions citrus industry also attended the International Citrus congress held in China in October and November 2008. Riverina Citrus offered to support a number of growers to attend. Unfortunately the only other person to express interest had to pull out at the last minute for personal reasons. The International Citrus Congress is held every four years and is the peak Research & Development congress for the world's citrus industry. The next congress is in Spain in 2012. Citrus growers should try and attend one of these events in their lifetime to gain a greater understanding of the different research and results being achieved around the world for citrus.

2008 International Citrus Congress in China

Wuhan Fruit & Vegetable Market

Promotions

With limited funds at the national level the RC committee enhanced the national program to include additional promotions to childcare facilities, starting to educate the next generation and working on their parents.

The support of the Sydney markets 'Fresh for Kids' & 'Schools Canteens' programs continued. Oscar orange from Sydney market was available at the region citrus sculptures and National Conference in October 08. He also visited a couple of primary schools while in the region.

In conjunction with Horticulture Australia Limited's – Australia Fresh Stand the three southern citrus statutory bodies funded a promotional booth at the Asiafruit Logistica and attended the Asiafruit Congress in Hong Kong in September 2008. A very well attended major promotional activity. Contacts established throughout the event were sent to all packers in the Riverina and other southern regions.

Market Access

Riverina Citrus continues to keep regional growers and packers informed of requirements to meet market access conditions, including training and accrediting independent orchard inspectors. The season outlook forum was not conducted as per previous years because of the National Citrus Conference, but a market results forum was held in January 09 in conjunction with the annual DNE report on the US Navel export season from Australia.

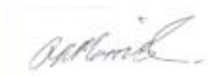
No significant changes in market access conditions occurred throughout the year. Riverina Citrus continues to monitor and push for improved access or the regional citrus products.

Industry Representation, reviews and Submissions

During 2008/2009, Riverina Citrus Staff and Committee members made presentations to and prepared submissions to a range of groups, regulatory bodies and reviews. These included;

- Australian Citrus Growers structural review
- Australian Citrus Growers structural review cost benefit analysis
- Seasonal Labour reviews and meetings
- Market Access meeting with NSW DPI, Biosecurity Australia and AQIS
- National Fruit Fly Strategy Committee
- Austrade representatives from throughout Asian
- Citrus Australia & Woolworths Forum.

Riverina Citrus has hosted the regional committee established to oversee the pilot seasonal labour program in the region. Two representatives of Griffith & District citrus growers, Louis Sartor & Johanna Brighenti-Barnard have represented the regional citrus industry on that committee.



Peter Morrish
Executive Officer

REPORT - 2008/2009

The 2008/2009 season saw a number of informative and up-to-date CITTgroup activities conducted within the Riverina, covering a range of topics from crop forecasting to netting and water issues.

Grower attendance at CITTgroups has been a down a little, but over all remains encouraging with an average of twenty participants per information and technology transfer day.

The following topics were covered:

- **Paddock to Plate Melbourne Tour** – Various Presenters
The tour included visits to cool stores at Shepparton, The Original Juice Company processing plant, the Melbourne Markets, Irrigation Australia Conference, Amcor Fibre Packaging factory, Naan Dan dripper tube factory, and a very interesting talk by the Port of Melbourne. The tour provided those in attendance with a greater understanding of the processes of handling citrus post the packing shed, and provided attendees with detailed presentations and observations of what is required to get their citrus through the differing sections of the supply chain to the consumer.

- **Sudden Death and Citrus Dieback Information Session and Farm Walk** – Sandra Hardy, NSW DPI; Pat Barkley, Citrus Pathologist.
A timely issue in this region, growers were given an enlightening talk regarding sudden death, followed by farm walks to view affected trees.

- **Citrus Gall Wasp** – Andrew Creek, NSW DPI; Shane Singh, Acadian Agritech.
Growers were presented with information on Citrus Gall Wasp, and the importance of GA spraying. There were also updates on pruning and netting trials being held in the region.

- **AQIS and DNE Update** – Ray Elson, AQIS; Bob Clegg, AQIS; Greg Nelson, DNE World Fruit Sales and Stu Monahan, DNE World Fruit Sales.
AQIS updated growers with export work plan procedures and DNE gave a presentation of the 2008 US Export season review.

- **Fullers Rose Weevil & Citrus Thrips** – Greg Baker and Peter Crisp, SARDI
Attendees were given an update on current research being conducted on Fullers Rose Weevil and Citrus Thrips, as well as a report on the Citrus Congress in China.

- **Riverina Citrus Crop Forecast and Season Outlook Presentation** – Peter Morrish and Darren Gibbs, Riverina Citrus.
Growers and packers were presented with the 2009 Riverina Citrus crop forecast and season outlook.

CITTgroups are constantly evaluated to ensure that all information provided is relevant to citrus growers in the Riverina.

I would like to thank all growers and presenters that attended CITTgroup meetings this year, and hope that the information that was supplied will be of benefit to them now and in the future.

Darren Gibbs

Darren Gibbs
CITTgroup Coordinator

MIA FRUIT FLY CAMPAIGN COMMITTEE REPORT 2008-2009

Leeton, Hillston, Darlington Point and Narrandera were able to maintain fruit fly free quarantine status for most of the season however the Griffith town area let us down again with a larvae find in a backyard garden late in spring 2008. This meant that all pack houses servicing Griffith growers and all farms within the fifteen kilometre radius of the north Griffith residential area had to cold treat fruit into the USA market.

NSW DPI advised that they would be cutting the fruit fly budget for the foreseeable future and would no longer have any permanent staff to manage the control of fruit fly. This was a great blow to the industry and MIA Fruit Fly Committee coordinated a combined effort with Riverina Citrus, and Leeton and Griffith Grower Groups to take action. By funding chemicals for growers to take action on their own properties with a baiting programme. "Hot spots" that NSW DPI advised could be a problem were baited by the growers. Residential town areas were offered a free tree pull scheme where householders were able to have unwanted fruit trees removed or lopped to a manageable size free of charge. The MIA Fruit Fly Committee undertook a public awareness program in local media asking residents to practice garden hygiene to control fruit fly.

MIA Fruit Fly Committee, Riverina Citrus and NSW DPI ran a poster and bookmark competition in local schools aiming to help educate youth of the importance of fruit fly control to our industry. This led on to a brochure being produced on how residents can manage fruit fly in their gardens and this was sent to 25,000 house holders.

Riverina Citrus funded roadblocks during the Easter weekend .We were disappointed to find that over fifty percent of those caught carrying fruit into our zone were locals that should have known better. Our committee has lobbied local councils for funding and in-kind help and was pleased with a cooperative response from Griffith, Leeton, Carrathool and Narandera.

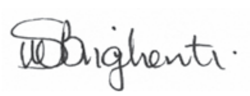
Wine grapes have now become a recognized host of fruit fly and after the devastation fruit fly caused to the grape crop in the Hunter Valley. Winegrapes Marketing Board have joined the committee and have indicated they wish to work with us.

The committee continues to lobby the state government for more funding and impress on them the importance of fighting fruit fly to the success of the industry and the returns to citrus growers. The ability for South Australia and Victoria citrus to access markets under area freedom places our local growers at a distinct disadvantage. It has been estimated that the cost to our local industry is in the vicinity of forty to sixty million dollars.

The committee initiated a meeting in Canberra with BioSecurity, NSW DPI, AQIS, and Riverina Citrus to develop a new strategy for our area to gain further market access in line with the other two states. From that meeting we realised that all future market access depends on our trapping history and it is imperative we reduce our trapping incursions immediately.

I would like to acknowledge the work done by many people within the industry; Frank Battistel, Chair of Riverina Citrus, Bart Brighenti, president of GDCGI, Joe Valenzisi, President of LCGA, Peter Dal Broi, Maryanne Nolan from NSW DPI, and Peter Morrish from Riverina Citrus. Without the support of people who give generously of their time no progress could have been made.

We have a way to go and some catch up ahead of us but this issue is of great importance to our industry's future.



Sue Brighenti
Chair

2008/2009 RURAL COUNSELLOR'S REPORT

The Rural Financial Counselling Service (RFCS) NSW, Southern Region has now been assisting farmers in our region as a free service since its Incorporation in September 2006. This has worked well, with Suzanne Davidson operating from offices in Griffith and Leeton and Graham Christie operating in the Coleambally district and assisting Suzanne at the Griffith office periodically as the workload increases.

Another year of ongoing drought throughout our rural communities has affected many families and small businesses personally with the social and financial effects becoming increasingly strained. Last August saw Griffith host a Government forum on the social impacts of our farming families. The feedback was supplied to the productivity commissioner and the Minister for Agriculture (Tony Burke) who acknowledged the drought had indeed intensified and ongoing support would need to be reviewed.

The 2008 tranche of interest rate subsidy grants continued right through until March 2009 and we were pleased to be of assistance to numerous farming and small business enterprises during this period of time. A new round of interest rate grants have since been announced; for one final year with the funding due to end 31st March 2010. For those businesses that have not yet been in to see us, then please do so. Remember the service is for free and it is best not to self assess. Simply make an appointment with our administration manager Rachel on 6964 2420 and call in for a discussion.

2008-09 saw a large number of Rural Assistance Authority (RAA) special conservation loans approved, primarily for the installation of drip irrigation systems, (including sub-surface systems) lasering land and other water saving options. The current interest rate for these loans is fixed at 4.5% over a 15 year period for those farmers who may be interested in applying.

You may recall on 18th December 2008 a fierce hail storm hit Leeton, Griffith and Carathool local government areas, resulting in many hectares of damaged produce. We (RFCS) assisted many of these effected farming businesses with natural disaster relief funding through the NSW Rural Assistance Authority (RAA) at a fixed interest rate of 2.85%.

Mother Nature appeared unsatisfied though and on 20th January 2009 Yenda and Bilbul were also hit with severe hail and wind, damaging many grape crops right at harvest time. Needless to say, this disastrous storm dampened the spirits of many farmers left wondering 'why'. Assistance was again made available through RAA via natural disaster relief funding.

Many young farmers took advantage of the AgStart Funding program made available in two tranches in 2008 and again in January 2009 via receiving financial help and training. This state government grant/scheme is aimed at encouraging young people (between 18 – 35 years of age) to start, continue or return to a career in agriculture or agribusiness. RFCS staff successfully mentored a number of these young leaders in our community with their business and strategic planning resulting in positive financial outcomes for them.

More recently, the Department of Agriculture, Fisheries and Forestry (DAFF) announced the Farm Ready training grant of $1,500 as part of 'Australia's Farming Future' program. This grant extends over a four year period and is to be utilised on approved training courses to assist with the impacts of climate change through business and risk management training activities. More information is available through us or on the website: www.farmready.gov.au

The $20,000 Irrigation Management Grant offered from the Federal Government proved to be a great success in our region. This grant provided a wide range of choices to our farmers including improving our current irrigation systems and payment of fixed water charges.

The demand for the services of the Rural Financial Counsellor (RFC) remains very high with the majority of work relating to the EC Interest Rate Subsidy program. The inclusion of the irrigation districts in the Exceptional Circumstances (EC) drought declared area increased the workload significantly. The ability to get another 80% off the total interest payments took a lot of pressure off the financial situation of the farmer. This opportunity is also extended to small rural farming businesses (ie contractors) and other small rural businesses operating in a town with a population of less than 10,000.

Not all interest rate applications to the RAA are successful with some clients taking advantage of an appeals process to ensure that their application has been correctly considered. The role of the RFC in this situation is to assist the client in understanding the reason for the initial rejection and in the preparation and possibly delivery of the appeal.

The Professional Advice and Planning Grant managed by Centrelink has been a useful tool for quite a number of citrus growers (and was extended until 30th June 2010 in the May budget). The grant has two distinct outcomes:

1. A financial viability assessment and
2. A drought management plan

For many, financial viability is achieved by receipt of the RAA interest Rate Subsidy and only needed a drought management plan which would highlight the professional advice required by the applicant. The professional advice may be needed to create the drought management plan including specific advice or alternatively the applicant can create their own drought management plan. The RFC's have been assisting quite a number of people in this process with the specific advice being indentified and then sought. This enables the applicant to use all of the funds available on the specific advice required and not on the preparation of the plan. Examples of the advice identified include: irrigation design, financial planning, soil fertility assessment and fertiliser options.

Support for the Centrelink Exceptional circumstances drought relief payment (income support) was provided as part of the overall servicing of many clients experiencing difficulty in the current drought conditions. The Centrelink staff at Griffith and Leeton have been very supportive to all clients' needs and particular mention must be made of the Rural Support Officers, Rody O'Grady and Luisa Scuderi who have travelled the district to make themselves available to you.

Fortunately farm debt mediation is minimal to date, however with the drought showing little sign of abating debt mediation is needed by some. Both RFC's have received training in debt mediation and also have the support of ten other 'free service' RFC's in the region with considerable experience in farm debt mediation on both sides of the process.

With the current drought exceeding the normal definition of a drought because of its longevity, changes in support programs will occur under the new Federal Government policy. The RFC's are here to offer free support to all farmers in guiding them into adapting to the new rules and to adjust to change accordingly.

In conclusion, we remind you the Rural Financial Counselling Service, NSW Southern Region is Government funded with no cost at all being borne by you. We invite you to call into one of our offices to speak with our professionally trained staff, Suzanne at Griffith and Leeton, Graham at Coleamabally and our supporting administration team for updated discussions.

Suzanne Davidson
Rural Financial Counsellor

GRIFFITH AND DISTRICT CITRUS GROWERS INC.
THE YEAR IN REVIEW

This year has been a busy year for Griffith and District Citrus Growers Inc (GDCGI). We have seen many changes and turns within in the industry during this time.

The year started bleakly again, with continuing low Valencia returns, Navel returns battered by a high Australian Dollar, fruit fly outbreak, continuing drought (rain and cash), large MIS farms like Timbercorp set to dominate the industry, skyrocketing oil and fertiliser prices and remarks that the processors would "never pay over $300 per ton for Valencias ". Its amazing how much can change during a year.

Valencias finished the 2007/2008 crop with prices as low as $150 per tonne. This is well below the cost of production at $379 that was calculated by Rendall McGuckian (RMCG). This figure is based on farmer's actual tax returns. RMCG is an independent company, commissioned by Riverina Citrus to undertake a cost of production study. During this season the retail price of fresh juice increased approximately fifty cents per litre or $250 per tonne of which growers received only four and a half cents per litre or $22.50 per tonne. At the time that RMCG's report was presented, both GDCGI and Riverina Citrus pushed the need to aim for this price to enable our industry to be sustainable.

The current Valencia crop was forecast the same as the previous season, the low dollar led to substantial Valencia exports which in turn increased local market returns as well as off contract juice prices. Growers are currently being offered $400 per tonne plus for juice. It must be note that this is the same price processors offered Riverland growers for Valencias last season. This shows that processors do have the ability to pay the cost of production and that growers have been underselling the value of their own fruit.

Riverina Citrus and GDCGI have been striving to lift the juice contract prices but we need all growers to stand their ground and demand a price which gives themselves and their families a future in this industry. Riverina Citrus is in the process of setting up a collective bargaining arrangement to negotiate contracts on behalf of growers. Growers will need to support a vote to change the regulations to enable Riverina Citrus to undertake this; you will be notified when this vote will take place.

At long time highs against the US currency, predictions that the Australian Dollar would reach parity and large and late US Navel crop, we knew it was going to be a tough season for Navels. This was certainly true for the beginning of the Washington crop, the US program raised carton prices to try to buffer this. As the credit crunch hit, world economies tumbled, so did the Australian Dollar, this invigorated the markets and gave good returns throughout the rest of the Navel season.

The US Riversun program proved that not only is the Riverina the largest citrus growing region but also the best as we were the only region to have zero repack for the entire program. This has never been achieved before by any region and is a credit to both our growers and packers.

Fruit fly was again a major issue and it was decided to set up a pest committee to run a bait spray program and supply organic bait to all citrus growers free of charge as well as fund the spraying of hot spots. This program was successful with eighty growers taking up the offer. I thank them for helping to protect our industry, However we were again let down by backyard fruit trees which caused an outbreak and will now cost Riverina growers over sixty million dollars. The MIA Fruit Fly Committee, NSW Department of Primary Industries (NSW DPI), Riverina Citrus and Griffith City Council are all now involved in trying to eradicate the problem with back yard trees. I would like to thank Mayor Mike Neville from Griffith City Council and Maryann Nolan (NSW DPI) for their support as well as all those involved for their effort.

Fruit fly is a problem I believe we can control, it affects all growers, not only Navel growers, but every Valencia we can export as shown this year, lifts your juice returns, all growers need to be involved in future bait programs to achieve this.

Citrus Gall wasp was found inside town limits and has been spreading. Action will need to be taken to prevent this from becoming an economic pest in citrus orchards. Andrew Creek (NSW DPI) has taken the lead in this issue and we will endeavour to give him our support and assistance to achieve eradication.

Falling wine grape returns has seen renewed interest in the planting of citrus. While we welcome their optimism for our industry I hope that they carefully scrutinise their figures. There are spreadsheets available from NSW DPI that forecast costs as well as Riverina Citrus' cost of production and yield data that they can use to check the viability of their venture.

The highlight of the year was Griffith hosting the 2008 Australian Citrus Growers National Conference. Production, Profit, Power was the theme with great presentations from Jerry Stoller on nutrition and presentations on the Florida citrus industry, seasonal workers schemes in New Zealand, the rice industry, water workshops and informative field trips to local farms.

Ella James did a great job as Master of Ceremonies as did Chris Russell from the television program the New Inventors as the celebrity guest speaker. It has been called the best ever conference held. It is an absolute credit to all involved and set the record for most delegates attending and largest sponsorship attained.

Special thanks go to Elders our Gold sponsor and our conference committee of Johanna Brighenti (Chair), Bob Sjollema , Vito Mancini, Frank Battistel , David Dissegna, Andrew Creek and Margret Andreazza (Co-ordinator). Thank you to all speakers, tour guides, the field trips to Vince Costa, Allan and Greg Harrison's and Mario Marin's farms and of course Peter Morrish, Mel Garbett, Belinda Clancy, Wendy Snaidero and Darren Gibbs from Riverina Citrus and Judith Damiani and Raylene Kemp from Australian Citrus Growers as well as all other sponsors.

Australian Citrus Growers has now been replaced by Citrus Australia LTD (CAL) following a vote at the annual conference. CAL is a skills based board. GDCGI, Riverina Citrus and CAL are now meeting to discuss the way forward to better service the industry, expanding co-ordinated marketing and market access are high on the agenda.

As they say "all good things do come to an end" (we hope it may only be temporary). After serving our association for an astounding senteen years as secretary Louis Sartor will be taking a break from the committee. Louis has been a stalwart and tireless worker for the Griffith growers for many years. His commitment to the industry has seen him elected to the following positions:

Louis has been on numerous sub committees for GDCGI including the Pacific Island seasonal labour scheme and has represented growers on committees involving Golden Circle and Berri ltd, always fighting to increase the returns we receive for our citrus. Never one to step back, Louis has made sure our growers were represented and at the forefront of any developments.

It seems fertiliser, oil and chemical prices have eased. The dollar has increased slightly from the lows. Timbercorp is in voluntary administration, other MIS farms in trouble and the Snowy catchments have recorded record low inflows for January to March.

While we cannot control all variables, we must work on what we can change. Fruit fly and juice contract prices are not just to be accepted. These both directly effect your returns, yout farm and your family.

I would like to thank the committee and members who attend the Griffith and District Citrus Growers Inc. monthly meetings. Your passion and dedication make this one of the most proactive associations and it has been a privilege to serve as your president.

Bart Brighenti
President

LEETON CITRUS GROWERS INC.

During 2009, Leeton Citrus Growers have seen the changing face of the Australian Citrus Industry with its continuing challenges and issues. Growers have been faced with the continuing issues of water notably this year increased water costs and changes in the Irrigation industry.

The establishment of the Citrus Australia CAL has seen the introduction of a major change to the format of the industry. This was discussed at length at the National Citrus Conference held in Griffith and the formation of the new structure has been ongoing since being approved at the Conference.

Another challenge facing the industry is the continual issue of pricing for fruit with both juice varieties and this year the drop in the market with Navels. It is definitely time that there is some real commitment and unity in the citrus industry to tackle issues such as pricing.

The economic climate in which we all operate is not improving with prices of essential farming equipment and supplies continuing to increase yet the price of our commodity stays the same. How long will we continue to stay dormant and not unite to take this issue on?

The Navel season has had a difficult start with the month of July seeing an over supply of fruit and a dramatic drop in market price coupled with the extremely low prices being paid for juice. I again have to acknowledge the support and commitment to the industry by the former Executive Officer for Riverina Citrus, Peter Morrish as he was committed to the industry and continued to liaise with industry representatives and stakeholders throughout the year in both Leeton and Griffith. Peter's support and commitment was very evident throughout the year especially in the area of progress the awareness of need for fruit fly in all Local Government areas, not just Leeton and Griffith.

The need for succession planning is still an issue with Leeton Citrus for the longevity of the industry and to gain new and different input into the monthly meetings. Leeton Citrus has tried to encourage young growers to participate in the Young Leaders Group .But it has been difficult to engage younger growers to stand up and be committed and take on leadership positions within the Citrus Industry.

Over the past 12 months, Riverina Citrus organised a number of events for the regional growers and these have been well attend by Leeton Growers and feedback from the events indicated that they were very valuable and informative.

I would like to sincerely thank the committee members of Leeton Citrus Growers for their regular attendance and commitment to the meetings. I would also like to thank Carol Davidson and Graham Minchin for their continuing work and dedication to the Executive of Leeton Citrus Growers, as this can be a time consuming and thankless role.

Finally, congratulations to the Leeton Citrus Growers for their commitment to the future of the Australian Citrus Industry.

Joe Valenzisi
President

RIVERINA CITRUS
STATEMENT BY MEMBERS OF THE COMMITTEE

Pursuant to the requirements of the Public Finance and Audit Act, 1983, and in accordance with a resolution of the members of Riverina Citrus, we declare on behalf of the Committee that, in our opinion:

The accompanying financial statements exhibit a true and fair view of the financial position of Riverina Citrus as at 30th April 2009, and the transactions for the year then ended.

The statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, and the Public Finance and Audit Regulation 2005, and the Treasurer's Directions.

Further, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

F. Battistel
Chairperson

D. Mancini
Deputy Chairperson

Dated at Griffith this 28th day of July 2009

RIVERINA CITRUS

The audit of Riverina Citrus' financial report for the year ended 30 April 2009 again resulted in a qualified Independent Auditor's Report. The qualification, with respect to the comparatives included therein, was necessary given the financial report for the year ended 30 April 2008 was qualified in relation to the completeness of grower levies raised.

Amendments to the Agricultural Industry Services Act 1998 in December 2007 eliminated this risk as they allow Riverina Citrus to collect levies from wholesalers rather than growers. This has enabled the removal of the qualification in relation to the completeness of grower levies raised for the year ended 30 April 2009 and for future years.

FINANCIAL INFORMATION

Year ended 30 April	2009	2008
	$'000	$'000
Revenue	1,238	1,204
Expenses	983	865
Surplus	255	339
Net assets (at 30 April)	1,532	1,278

The levy remained at $4.50 per tonne.

COMMITTEE ACTIVITIES

The Riverina Citrus Committee was established under the Agricultural Industry Services Act 1983. Its purpose is to promote the best interests of the citrus industry in the Murrumbidgee Irrigation Area (MIA) through pest and disease control; improved orchard management; product promotion and market development; and improved relationships among citrus fruit industry participants.

The Committee is funded by levies on producers of all citrus fruit in the MIA.

For further information on the Committee, refer to www.riverinacitrus.com.au.

AUDITOR-GENERAL NEW SOUTH WALES

GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Riverina Citrus

To Members of the New South Wales Parliament

I have audited the accompanying financial report of Riverina Citrus, which comprises the balance sheet as at 30 April 2009, and the income statement, statement of recognised income and expense and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

Qualified Auditor's Opinion

In my opinion, except for the effect on the comparatives for 2008 of the adjustments, if any, as might have been determined to be necessary had I been able to satisfy myself as to the completeness of income from grower levies, the financial report:

- presents fairly, in all material respects, the financial position of Riverina Citrus as of 30 April 2009, and of its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

My opinion should be read in conjunction with the rest of this report.

Basis for Qualified Auditor's Opinion

As disclosed in note 1(c)(i) to the financial statements, Riverina Citrus previously relied on industry data to raise levies as it did not collect individual farm production data. This created a risk that Riverina Citrus did not raise levies for all rateable production. My auditor's report on the financial report for the year ended 30 April 2008 was qualified accordingly because I was unable to obtain evidence that this risk could not have a material effect on the determination of 'Grower Levies'.

Amendments to the *Agricultural Industry Services Act 1998* in December 2007 eliminated this risk as they allow Riverina Citrus to collect levies from wholesalers rather than growers.

The Committee's Responsibility for the Financial Report

The Committee of Riverina Citrus is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing 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

My responsibility is to express an opinion on the financial report based on my audit. Except as discussed in the qualification paragraph, I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I 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 entity'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 members of the Board, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of Riverina Citrus,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Independence

In conducting this audit, the Audit Office has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.

Peter Achterstraat
Auditor-General

26 August 2009
SYDNEY

BALANCE SHEET
AS AT 30th APRIL 2009

	Note	2009 $	2008 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	1,533,612	1,317,455
Trade and other Receivables	3	73,059	49,507
Prepayments		2,475	2,727
Inventory		2,884	2,185
Total Current Assets		1,612,030	1,371,874
NON CURRENT ASSETS			
Plant and Equipment	4	91,312	85,125
Total Non Current Assets		**91,312**	**85,125**
TOTAL ASSETS		**1,703,342**	**1,456,999**
CURRENT LIABILITIES			
Trade and other Payables		145,387	119,716
Funds Held in Trust	5	-	34,894
Employee Provision	6	25,755	24,747
Total Current Liabilities		**171,142**	**179,357**
NON CURRENT LIABILITIES			
Total Non Current Liabilities		**-**	**-**
TOTAL LIABILITIES		**171,142**	**179,357**
NET ASSETS		**1,532,200**	**1,277,642**
EQUITY			
Retained earnings	**12**	**1,532,200**	**1,277,642**

The above balance sheet is to be read in conjunction with the attached notes to the financial statements.

INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 30th APRIL 2009

	Note	2009 $	2008 $
INCOME			
Grower Levies	1 (c)	972,764	859,062
Gain on sale of assets		648	10,211
Advertising		3,551	4,585
Interest Income		86,236	81,228
Sale of Materials		2,906	909
Project Income		165,390	237,995
Insurance Recoveries		-	4,602
Other Income		6,322	5,290
TOTAL INCOME		**1,237,817**	**1,203,882**
EXPENDITURE			
Advertising		13,038	4,849
Audit Fee	8	17,350	19,563
Bank Fees and Charges		1,130	1,551
Committee Expenses		14,123	8,007
Data base project		10,957	33,137
Debt Recovery		1,511	-
Doubtful Debts		(454)	2,270
Depreciation		24,975	26,922
Financial Services		8,673	9,404
Grower Services		302,282	218,073
Insurance Paid		12,739	9,440
Legal Fees		5,101	1,540
Market Access and Promotions		97,795	143,549
Motor Vehicle Costs		15,257	6,899
Office & Administration Costs		87,499	76,458
Printing, Postage & Stationery		45,402	20,985
Salaries & Wages		247,778	231,858
Superannuation		20,224	18,235
Telephone		10,391	10,271
Travelling		47,488	22,266
TOTAL EXPENDITURE		**983,259**	**865,277**
Surplus for the year		**254,558**	**338,605**

The above income statement is to be read in conjunction with the attached notes to the financial statements.

	2008 $	2007 $
Recognised directly in equity	-	-
Surplus for the year	254,558	338,605
Total recognised income and expense for the year	**254,558**	**338,605**

The above income statement is to be read in conjunction with the attached notes to the financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th APRIL 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Riverina Citrus Committee is domiciled in Australia.

The financial report was authorised for issue by the Riverina Citrus Committee on 27th July 2008.

(a) General

The Riverina Citrus Committee was constituted on 14 July 1989 by the MIA Citrus Fruit Promotion Marketing Order 1989 made under Part 5 of the Marketing of Primary Products Act 1983. This order was renewed by poll in March 1993, for a further four-year term, to expire March 1997. In April 1997 the Committee was reappointed under the Act with the order for the term of office expiring on 28 March 1998.

In 1998, the MIA Citrus Fruit Promotional Marketing Order 1998, replaced the previous order and extended the term of the Committee for a further four years. During the 2002 financial year the Marketing Order was replaced with the Agricultural Industry Services Act 1998. In May 2001, Mr Richard Amery MP, Minister for Agriculture and Minister for Land and Water Conservation advised that the Governor proclaimed that the corporate name of the MIA Citrus Fruit Promotion Marketing Committee had been changed to Riverina Citrus.

Riverina Citrus controls the operations of Riverina Quality Management. Consequently the assets, liabilities, income and expenditure of Riverina Quality Management are include in the financial report. All transactions between Riverina Citrus and Riverina Quality Management have been eliminated in full.

Riverina Citrus is a not for profit entity.

(b) Basis of preparation

The financial report is a general purpose financial report and has been prepared in accordance with applicable Australian Accounting Standards which include Australian equivalent to International Financial Reporting Standards (AIFRS), Interpretations adopted by the Australian Accounting Standards Board ("AASB") and in compliance with Section 41B of the Public Finance and Audit Act 1983.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of consideration given in exchange for assets.

All amounts are rounded to the nearest dollar and are expressed in Australian currency.

The accounting policies set out below have been applied consistently to all years presented in the financial report.

(c) Revenue recognition

(i) Grower Levies

Deemed Collectors are required to pay monthly levies on citrus fruit to the Committee within 30 days of the close of the month to which they relate. Levies are generally brought to account in the month they are received. Grower levies are accrued if notification is received before month end.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the Financial Year ended 30th April 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Levies are paid to the Committee on behalf of producers via packhouses and processors. The Committee relies upon industry data that suggests the Murrumbidgee Irrigation Area (MIA) region produces, on a ten year average, 182,000 tonnes of citrus per year. The Committee believes that the costs involved in obtaining and collating individual farm production data on all rateable production is prohibitive and outweighs the benefits obtainable from its generation.

(ii) Interest

Interest revenue is recognised on an accrual basis taking into account the interest rates applicable to the financial assets.

(iii) Project Income and Other revenue

Revenue is recognised by the Committee when it is probable that the economic benefits associated with the transaction will flow to the committee. Revenue is measured at the fair value of consideration or contributions received or receivable. All of the revenue recorded by the Committee is sourced from its operating (core) activities.

(d) Taxation

The entity is exempt from income tax.

(e) Cash and cash equivalents

For the purposes of the cash flow statement, cash includes cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts and investments in money market instruments with less than 14 days to maturity.

(f) Trade and other receivables

Trade and other receivables are stated at fair value less any impairment losses.

(g) Fixed assets and depreciation

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

The depreciable amount of all fixed assets, is depreciated on a straight line basis over their useful lives to the Committee commencing from the time the asset is held ready for use. Generally, physical assets with a cost of less than $500 are expensed in the year of acquisition. However, the Committee has determined that all items of research, computer and office equipment which are easily transportable, be capitalised regardless of the cost of acquisition. The depreciation rates used for each class of depreciable assets, consistent with the prior year, are:

Class of Fixed Asset	Depreciation Rate
Motor Vehicles	25%
Plant and Equipment	25%
Furniture and Fittings	25%

(h) Impairment of assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the Financial Year ended 30th April 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

recoverable. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. As the Committee is a not-for-profit entity for AIFRS purposes, the value in use is the depreciated replacement cost of the asset. Any write down is expensed in the reporting period in which it occurs.

(i) Trade and other payables

Liabilities are recognised for amounts to be paid in future for good and services received and are stated at cost.

(j) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

(k) Employee entitlements

(i) Annual leave

A liability for annual leave is recognised, and measured as the amount unpaid at the reporting date at current wage rates expected to be paid in respect of employees' service up to that date. All annual leave balances are classified as a current liability.

(ii) Long Service Leave

Long service leave entitlements payable are assessed at balance date having regard to expected employee remuneration rates on settlement, employment related on-costs and other factors including accumulated years of employment, on settlement, and experience of employee departure per year of service. All long service leave which the Committee does not have an unconditional right to defer settlement of the liability for at least twelve months after reporting date is disclosed as a current liability and is measured at nominal value based on the amount expected to be paid when settled. Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash outflows.

(iii) Superannuation

Superannuation expenditure relates to payments of the basic benefit for eligible employees to a privately administered superannuation plan. No other liabilities attach to Riverina Citrus.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the Financial Year ended 30th April 2009 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Accounting policies

The following Australian Accounting Standards have been issued or amended and are applicable to the entity but are not yet effective. They have not been adopted in preparation of the financial report at balance date.

AASB amendment	Standards affected	Outline of amendment	Application date of the standard	Application date for entity
AASB 1004	AASB 1004 contributions	As this standard broadly reproduces the requirements relating to contributions contained in AAS27: Financial reporting by local governments, there will be no direct impact on the financial report.	1 July 2008	1 May 2009
AASB2007-6 Amendments to Australian Accounting Standards	AASB 1 First time adoption of AIFRS AASB 101 Presentation of Financial Statements AASB 107 Cash Flow Statements AASB 111 Construction Contracts AASB 116 Property, Plant and Equipment AASB 138 Intangible Assets	The revised AASB 123: Borrowing Costs issued in June 2007 has removed the option to expense all borrowing costs. This amendment will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. It is not expected that this change in the accounting standard will have any direct impact on the entity.	1 January 2009	1 May 2009
AASB 123 Borrowing Costs	AASB 123 Borrowing Costs	As above.	1 January 2009	1 May 2009
AASB 2007-8 Amendments to Australian Accounting Standards	AASB 101 Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income and makes changes to the statement of recognised income and expenditure.	1 January 2009	1 May 2009
AASB 101	AASB 101 Presentation of Financial Statements	As above.	1 January 2009	1 May 2009

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the Financial Year ended 30th April 2009 (Continued)

2. CASH AND CASH EQUIVALENTS

	2009 $	2008 $
Cash on Hand	200	200
Cash at Bank	1,533,412	1,317,255
	1,533,612	**1,317,455**

3. TRADE AND OTHER RECEIVABLES

	2009	2008
Trade Debtors	42,528	10,164
Provision for Doubtful Debts	-	(2,270)
GST Receivable	30,531	19,615
Interest Accrued	-	21,998
	73,059	**49,507**

(a) Ageing

The ageing of receivables for the entity at balance date was:

	Gross 2009 $	Impairment 2009 $	Gross 2008 $	Impairment 2008 $
Not past due	48,636	-	42,369	-
Past due 0 – 30 days	24,196	-	1,806	-
Past due 31- 60 days	-	-	826	-
Over 60 days	227	-	6,776	(2,270)
	73,059	-	51,777	(2,270)

(b) Impairment losses

The movement in the allowance for impairment of trade receivables during the year is as follows:

	2009 $	2008 $
Balance as at 1 May	2,270	2,270
Debts written off/Recovered	(2,270)	-
Closing balance as at 30 April	-	2,270

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the Financial Year ended 30th April 2009 (Continued)

4. PLANT AND EQUIPMENT

	2009 $	2008 $
Motor Vehicles		
At Fair Value	79,680	82,632
Less: Accumulated Depreciation	(10,373)	(24,302)
Carrying Value	69,307	58,330
Office Equipment		
At Fair Value	87,189	87,349
Less: Accumulated Depreciation	(65,582)	(61,944)
Carrying Value	21,607	25,405
Furniture & Fittings		
At Fair Value	18,791	18,791
Less: Accumulated Depreciation	(18,393)	(17,401)
Carrying Value	398	1,390
Carrying Value of Plant and Equipment	**91,312**	**85,125**

MOVEMENT IN CARRYING AMOUNTS

Reconciliations of the carrying amounts for each class of plant and equipment are set out below:

2009	Motor Vehicles $	Office Equipment $	Furniture & fittings $	Total $
Balance at beginning of year	58,330	25,405	1,390	85,125
Additions	46,613	4,623	-	51,236
Disposals	(20,455)	(182)	-	(20,637)
Depreciation expense for year	(15,647)	(8,327)	(992)	(24,966)
Depreciation on disposals	466	88	-	554
Carrying amount at the end of financial year	**69,307**	**21,607**	**398**	**91,312**

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the Financial Year ended 30 April 2008 (Continued)

4. PLANT AND EQUIPMENT (continued)

MOVEMENT IN CARRYING AMOUNTS
Reconciliations of the carrying amounts for each class of plant and equipment are set out below:

2008	Motor Vehicles $	Office Equipment $	Furniture & fittings $	Total $
Balance at beginning of year	48,636	19,982	3,971	72,589
Additions	30,460	13,332	-	43,792
Disposals	(26,766)	(21,647)	(718)	(49,131)
Depreciation expense for year	(16,658)	(7,909)	(2,355)	(26,922)
Depreciation on disposals	22,658	21,647	492	44,797
Carrying amount at the end of financial year	58,330	25,405	1,390	85,125

5. FUNDS HELD IN TRUST

	2009 $	2008 $
BBalance as at 1 May	34,894	9,091
Income received on behalf of Committee	-	34,499
Expenses paid on half of Committee	-	(8,696)
Transfer to Committee Account	(34,894)	_
Closing balance as at 30 April	_	34,894

Riverina Citrus provided accounting and secretarial services to the MIA fruit Fly Committee, which included maintaining funds in trust on their behalf.

6. EMPLOYEE PROVISION

CURRENT		
Employee benefits and related on-costs	25,755	24,747

7. RELATED PARTY TRANSACTIONS

Total remuneration paid to key management personnel	147,129	153,493

Key Management Personnel
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the committee either directly or indirectly. The key management personnel of the committee comprise the directors and executives who are responsible for the financial and operational management of the entity.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the Financial Year ended 30th April 2009 (Continued)

Key Management Personnel

Director growers pay levies in the normal course of business on the same arms length basis as other growers.

At the 2008 Riverina Citrus budget meeting it was carried that:

a) The Chairman of the Riverina Citrus Committee would be remunerated $16,000 for services rendered;

b) Grower elected Committee members would be remunerated $200 per Committee meeting held; and

c) Externally elected Committee members would be remunerated $300 per Committee meeting held.

d) Out of committee, meetings, members receive $100 half day and $200 full day attendance.

	2009 $	2008 $
Members fees for the year	48,722	49,130

8. AUDIT FEES

Audit fees are paid to the Audit Office of New South Wales which receives no other benefit.

9. CONTINGENT LIABILITIES

There were no contingent liabilities at balance date.

10. SUBSEQUENT EVENTS

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of Riverina Citrus, the results of those operations, or the status of affairs of Riverina Citrus in future financial years.

11. SEGMENT INFORMATION

The Committee operates predominately in the citrus fruit industry. The Committee's operations are based in Griffith NSW, with its members/suppliers all living within the MIA area of NSW.

12. RETAINED PROFITS

	2009 $	2008 $
Retained profits at beginning of year	1,277,642	939,037
Surplus for the period	254,558	338,605
Retained profits at end of year	**1,532,200**	**1,277,642**

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the Financial Year ended 30th April 2009 (Continued)

13. RECONCILIATION OF OPERATING RESULT WITH CASH FLOWS FROM OPERATIONS

	2009 $	2008 $
Surplus for the year	254,558	338,605
Non-cash flows in operating result		
Depreciation	24,975	26,922
(Gain)/loss on sale of plant & equipment	(648)	(10,211)
Changes in assets and liabilities		
(Increase)/Decrease in inventory	(699)	2,763
(Increase)/Decrease in trade debtors	(32,364)	1,876
(Increase)/Decrease in other debtors	(10,916)	(2,695)
(Increase)/Decrease in accrued income	21,998	(20,245)
(Increase)/Decrease in prepayments	252	(2,727)
Increase/(Decrease) in trade and other payable	23,487	26,323
Increase/(Decrease) in employee benefits	1,008	810
Increase/(Decrease) in other current liabilities	(34,894)	25,803
Cash flows provided/(used in) operations	**246,757**	**387,224**

14. ECONOMIC DEPENDENCY

100% of grower levies are sourced from citrus producers who maintain at least 2 hectares of citrus fruit trees in the Murrumbidgee Irrigation Area, meaning the area comprising the City of Griffith and the Local Government areas of Leeton, Carrathool, Narrandera and Murrumbidgee.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the Financial Year ended 30 April 2008 (Continued)

15. FINANCIAL INSTRUMENTS

a) Significant Accounting Policies
Financial assets and liabilities are recorded at amount due and payable.

b) Interest Rate Risk
The following table details the Committee's exposure to interest rate risk:

2009			Fixed Interest Rate				
	Effective Interest Rate	Variable Interest $	Less than 1 year $	1 to 5 years $	More than 5 years $	Non-Interest Bearing $	Total $
Financial Assets							
Cash & cash equivalents	4.25%	236,064	1,297,348	-	-	200	1,533,612
Receivables	N/A		-	-		42,528	42,528
		236,064	1,297,348	-	-	42,728	1,576,140
Financial Liabilities							
Payables	N/A	-	-	-	-	145,387	145,387
		-	-	-	-	145,387	145,387
Net financial Assets/ (Liabilities)		236,064	1,297,348	-	-	(102,659)	1,430,753

2008			Fixed Interest Rate				
	Effective Interest Rate	Variable Interest $	Less than 1 year $	1 to 5 years $	More than 5 years $	Non-Interest Bearing $	Total $
Financial Assets							
Cash & cash equivalents	7.5%	350,685	966,570	-	-	200	1,317,455
Receivables	N/A		-	-	-	29,892	29,892
		350.685	966,570	-	-	30,092	1,347,347
Financial Liabilities							
Payables	N/A	-	-	-	-	119,716	119,716
Funds held in trust	N/A	-	-	-	-	34,894	34,894
		-	-	-	-	154,610	154,610
Net financial Assets/ (Liabilities)		236,064	1,297,348	-	-	(102,659)	1,430,753

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the Financial Year ended 30 April 2008 (Continued)

c) Credit Risk
The values at which Financial Assets are carried at in the Balance Sheet at reporting date represent the Committee's maximum credit risk exposure at that date, without taking account of the value of any collateral or other security obtained.

d) Net Fair Value
All Financial Assets and Liabilities are not really traded on organised markets in standardised form. Net fair value is determined with reference to, and as a result is not materiality different from the carrying amounts of the assets and liabilities in the balance sheet determined in accordance with the accounting policies disclosed above.

16. COMMITMENT

	2009 $	2008 $
Total of future minimum lease payments under non-cancellable operating leases:		
- not later than 1 year	28,428	27,880
- later than 1 year but not later than 5 years	118,450	139,380
- later than 5 years	-	4,646
	146,878	171,906
Project commitments payable		
- not later than 1 year	186,311	185,214
- later than 1 year but not later than 5 years	108,883	95,254
	295,194	280,468

Project commitments payable recognised only for those projects for which a signed contract agreement exists at balance date.

17. FINANCIAL RISK MANAGEMENT

The Committee's activities expose it to credit and liquidity risks. The Board's overall risk management program focuses on the key risk of unpredictability in financial markets and seeks to minimise potential adverse affects on the financial performance of the Board.

a) Credit risk
Credit risk arises from cash and cash equivalents and deposits with banks as well as credit exposures including outstanding receivables. The maximum exposure to credit risk at balance date is the carrying amount of financial assets as summarised in note 15(b). To manage its credit risk the Committee invests in term deposits to maximise its return on surplus funds while reducing the potential effect of the short term unpredictability of financial markets and the effect this may have on its return on surplus funds. Due to the size and fixed nature of the term deposits at balance date Riverina Citrus's exposure to credit risk is considered immaterial to the overall profitability of the entity.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the Financial Year ended 30 April 2008 (Continued)

b) Liquidity risk

Liquidity risk is the risk that the Committee will encounter difficulty in meeting obligations associated with financial liabilities. The maximum exposure to liquidity risk at balance date is the carrying amount of financial liabilities as summarised in note 15(b). To manage its liquidity risk the Committee monitors its cash flow requirements on a monthly basis to maintain sufficient cash to pay its debts as and when they fall due.

c) Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect the Committee's income of value of its obligations. The Committee is exposed to interest rates risk through its deposits with banks. Interest rates and maturities are detailed in note 15.

d) Sensitivity analysis

The Committee has performed a sensitivity analysis relating to the exposure to interest rate risk at balance date. The sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in interest rates:

30/4/08 $		30/4/09 $
	Change in Profit	
13,175	Increase in interest rate by 1%	15,336
(13,175)	Decrease in interest rate by 1%	(15,336)

30/4/08 $		30/4/09 $
	Change in Equity	
13,175	Increase in interest rate by 1%	15,336
(13,175)	Decrease in interest rate by 1%	(15,336)

END OF AUDITED FINANCIAL STATEMENTS

INCOME AND EXPENDITURE BUDGET

In accordance with Government regulations the Committee is required to establish a cash budget for its operations for the forthcoming financial year. The following budget for 2009 was endorsed by the Committee and citrus growers at a general meeting held on 23rd April 2008, and are compared with the 2008 budget figures.
The levy rate for the 2009/2010 budget is $4.50 per tonne delivered.

NOTE: These figures do not include the operation of Riverina Quality Management.

INCOME AND EXPENDITURE BUDGET

	BUDGET 2009 $	BUDGET 2010 $
INCOME		
Levies	700,000	787,500
Other Income	60,200	55,700
TOTAL INCOME	**760,200**	**843,200**
EXPENDITURE		
Fruit Fly Campaign		
Control Fund		
- Fruit Fly Project	5,000	25,000
- MIA Fruit Fly Co-ordinator	10,000	10,000
- Roadblocks	25,000	40,000
Community Awareness Program	17,850	15,672
Administration	30,995	62,938
	88,845	**153,610**
Research & Technology Transfer		
Regional Temperature Monitors		
Facilitate Grower Meetings	12,500	12,500
Attend Relevant Meetings	12,400	5,000
Project Funding/Riverina Quality Management	142,480	192,479
Administration	89,872	118,738
	257,252	**328,627**
Industry Information Dissemination		
Data Collection/Collation	6,475	5,135
Newsletter	21,000	21,230
HAL Data base	17,500	3,700
Internet Publication	10,880	4,000
Australian Citrus Growers Inc	25,000	18,000
Administration	43,321	72,538
	124,176	**124,603**

INCOME AND EXPENDITURE BUDGET (Continued)

	BUDGET 2009 $	BUDGET 2010 $
Industry Promotion		
Local Co-ordinated Promotions	19,000	
Promotional Sponsorships	1,500	1,500
National Promotion	54,400	107,760
Regional Based Promotions	4,000	26,000
Administration	42,273	45,060
	121,173	180,320
Market Access		
Broad Competitor Information		
- Overseas Business	30,000	10,000
Australian Citrus Growers Inc. Service Agreement		
- Domestic Market Initiatives	21,000	21,000
- Export Market Access and Development	18,000	18,000
Local Supply Information	1,800	1,800
Plant Material Sourcing		
Administration	37,933	66,570
	108,773	117,370
Point of Access		
Capital Costs		
Compliance Costs	115,700	75,500
Motor Vehicle	7,700	0
Insurances	12,800	12,300
Memberships	2,550	2,055
Administration	74,340	82,938
	213,090	**172,793**
TOTAL EXPENDITURE	**913,360**	**1,077,323**
TOTAL BUDGETED PROFIT / (LOSS)	**(153,430)**	**(239,323)**