

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

CITRUS, DEPT OF		57000000
<u>AGRIC PRODUCTS MARKETING</u>		57030000
<u>ECONOMIC OPPORTUNITIES</u>		11
<u>BUSINESS DEVELOPMENT</u>		<u>1101.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION OF PAID ADVERTISING /		
PROMOTIONS		33V0100
SPECIAL CATEGORIES		100000
PAID ADVERTISING/PROMOTION		102380
CITRUS ADVERTISING TF	-STATE 2,380,318-	2090 1
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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 15-16 NARRATIVE:

IT COMPONENT? NO

Department of Citrus
 Priority#1 Listing of Agency Budget Issues for Possible Reduction for Legislative Budget Request Year

The planned appropriations request for 2015-16 of \$48.9 million already includes a reduction of \$3.0 million as compared to 2014-15 appropriations. This will adequately support an expected 2015-16 operating budget of approximately \$36.0 million, which primarily funds marketing of Florida citrus products, with a smaller allocation to support citrus research programs. The gap between appropriations and the internal operating budget allows for fluctuations in crop forecasts during the season. Additional trust fund revenue may be generated by larger crops, or unexpected federal grant awards for scientific research activity, which could increase the Department's operating budget.

Prior to FY2014-15 the Department has not received general revenue to support its operating budget. In FY2014-15 the legislature approved a nonrecurring general revenue appropriation of \$500,000 to fund special economic research projects which will provide the department with tools to measure the effectiveness of our programs. Other than this nonrecurring appropriation, the Department's programs are directly funded by a tax on citrus growers, which is restricted by enabling legislation under Chapter 601 of the Florida Statutes. To mitigate the impact of acts of God which could reduce revenues, the Department plans public relations and marketing programs with enough flexibility to adjust during the final quarters of the fiscal year. Therefore, the Department does not recommend reductions to the legislative budget request.

As with most other consumer goods at retail, the price of orange juice has increased substantially over recent years. The Department's marketing and public relations messages intend to give consumers a reason other than price to purchase and drink orange juice. Florida orange provides amazing taste, Vitamin C, folic acid, and potassium with no added sugar.

Our programs for the FY 2014-15 and FY2015-16 are designed to be flexible in the event of a Florida citrus crop shortfall. Further revisions to the department's appropriation would not result in savings to the state, but could impede our effort to encourage the sale of orange juice, increase inventory buildup, causing even lower returns to Florida citrus growers at a time when all other costs are increasing.

The Department of Citrus does not recommend reductions to the 2015-16 operating budget because of the financial consequences to the Florida citrus grower, the \$9 billion Florida citrus industry and the State of Florida.
