

COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES

CITRUS, DEPT OF			57000000
CITRUS RESEARCH			57010000
ECONOMIC OPPORTUNITIES			11
BUSINESS DEVELOPMENT			1101.00.00.00
PROGRAM REDUCTIONS			33V0000
REDUCTION OF CITRUS RESEARCH			
PROGRAMS			33V0300
SPECIAL CATEGORIES			100000
CONTRACTED SERVICES			100777
CITRUS ADVERTISING TF	-STATE	362,000-	2090 1
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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 19-20 NARRATIVE:

IT COMPONENT? NO

PRIORITY #01 Article III, section 19 of the Florida Constitution requires the agency/department to identify possible reductions in the event of revenue shortfall. The department has submitted a reduction of \$800,00 in its legislative budget request. It is important to note that a reduction in authorization under Citrus Research Special Categories Contracted Services would be a reduction in Citrus Advertising Trust Fund Authority, and therefore would not result in a direct savings to the state. This issue proposes to reduce Citrus Advertising Trust Fund authority for Citrus Disease Research by an additional ten percent. The department's revenues are at an all-time low, due to the impact of Citrus greening disease. Crops sizes are reduced and production costs to combat greening have skyrocketed. In response to this devastating disease, the department is proposing a decrease in Citrus excise tax for the third year in a row.

STATE FUNDING REDUCTIONS			3300000
REDUCTION OF NEW CITRUS VARIETY			
DEVELOPMENT PROGRAM			330S100
SPECIAL CATEGORIES			100000
CONTRACTED SERVICES			100777
GENERAL REVENUE FUND	-STATE	65,000-	1000 1
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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 19-20 NARRATIVE:

IT COMPONENT? NO

Priority #03 Article III, section 19 of the Florida Constitution requires the agency/department to identify possible reductions in the event of revenue shortfall. It is important to note that the results of this exercise do not represent recommended reductions from the department. The Florida Department of Citrus has long funded the New Varieties Development Management Corporation (NVDMC), which was established to support in-state breeding of new citrus varieties for consumer market expansions and disease resistance, conducting non-biased trials, secure the rights to varieties on behalf of citrus growers and a number of other activities which benefit the Florida citrus grower, the citrus industry and the economy of the State of Florida. Florida has experienced a well-documented, significant citrus crop reduction over the past several years (falling by 28% in the last five years), due to the spread of HLB (citrus greening) The Department's traditional, statutory funding source is entirely tied to citrus production. Thus, as

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REDUCTIONS		
POS	AMOUNT	CODES
CITRUS, DEPT OF		57000000
<u>CITRUS RESEARCH</u>		57010000
<u>ECONOMIC OPPORTUNITIES</u>		11
<u>BUSINESS DEVELOPMENT</u>		<u>1101.00.00.00</u>
STATE FUNDING REDUCTIONS		3300000
REDUCTION OF NEW CITRUS VARIETY		
DEVELOPMENT PROGRAM		330S100

production has decreased, so have the funds available in the Citrus Advertising Trust Fund. New varieties are primarily marketed as fresh fruit, the area of the industry most negatively impacted by citrus disease and pests. The fresh fruit portion of our fund balance has declined to the point where there is no longer sufficient funding in the Citrus Advertising Trust Fund to support the new varieties research provided by NVDMC. A 10% reduction could result in the discontinuation of research already underway, resulting in loss of invested dollars and reducing the development of new citrus varieties which may sustain the future of the Florida Citrus industry.

TOTAL: BUSINESS DEVELOPMENT		<u>1101.00.00.00</u>
BY FUND TYPE		
GENERAL REVENUE FUND	65,000-	1000
TRUST FUNDS	362,000-	2000

TOTAL PROG COMP.....	427,000-	
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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	1,694,402-	2090 1
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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 19-20 NARRATIVE:

IT COMPONENT? NO

PRIORITY #02 Article III, section 19 of the Florida Constitution requires the agency/department to identify possible reductions in the event of revenue shortfall. The department has requested a \$3,000,000 reduction in authority in its legislative budget request. It is important to note that a further reduction in authorization under Citrus Agricultural Products Marketing would be a reduction in Citrus Advertising Trust Fund Authority, and therefore would not result in a direct savings to the state. The recurring portion of the department's appropriations request is directly funded by an assessment on each box of Florida grown citrus, which is restricted by enabling legislation under Chapter 601 of the Florida statutes, and supplemented by USDA MAP funding for international programs. The department's expected 2019-20 operating budget of approximately \$17.6 million will not be impacted by a reduction of \$1,694,402 in this category. 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, increased assessment rates, or unexpected federal grant awards for scientific research activity, which could increase the Department's operating budget.

STATE FUNDING REDUCTIONS			3300000
REDUCTION OF "FLORIDA FORWARD"			
MARKETING PROGRAM			330S300
SPECIAL CATEGORIES			100000
PAID ADVERTISING/PROMOTION			102380

GENERAL REVENUE FUND	-STATE	93,555-	1000 1
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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 19-20 NARRATIVE:

IT COMPONENT? NO

PRIORITY #04 Article III, section 19 of the Florida Constitution requires the agency/department to identify possible reductions in the event of revenue shortfall. It is important to note that the results of this exercise do not represent recommended reductions from the department. Failure to fund this line will undermine the department's ability to promote consumer awareness of the health benefits and other attributes of 100% Florida orange juice and other Florida citrus products. Reduction in demand for and sales of 100% Florida orange juice products can lead to a proliferation of lower quality and lower priced imports and have a profoundly adverse long-term impact on the Florida Citrus industry and

 COL A93
 SCH VIII B-2
 REDUCTIONS
 POS AMOUNT CODES

CITRUS, DEPT OF 57000000
AGRIC PRODUCTS MARKETING 57030000
 ECONOMIC OPPORTUNITIES 11
BUSINESS DEVELOPMENT 1101.00.00.00
 STATE FUNDING REDUCTIONS 3300000
 REDUCTION OF "FLORIDA FORWARD"
 MARKETING PROGRAM 330S300

its 8,000 growers.

TOTAL: BUSINESS DEVELOPMENT 1101.00.00.00
 BY FUND TYPE
 GENERAL REVENUE FUND 93,555- 1000
 TRUST FUNDS 1,694,402- 2000

 TOTAL PROG COMP..... 1,787,957-
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TOTAL: CITRUS, DEPT OF 57000000
 BY FUND TYPE
 GENERAL REVENUE FUND 158,555- 1000
 TRUST FUNDS 2,056,402- 2000

 TOTAL DEPARTMENT..... 2,214,957-
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