

-----  
 COL All  
 SCH VIIIB-2  
 REDUCTIONS  
 POS AMOUNT PRIORITY CODES  
 -----

CITRUS, DEPT OF 57000000

PRIORITY SUMMARY NARRATIVE:

The appropriations request for 2010-2011 is \$66.8 million, the same as 2009-10 appropriations. This adequately supports an internal operating budget of approximately \$62 million that funds marketing of Florida citrus products and citrus research programs.

The Department is funded by a tax on growers, using no general revenue. Any reduction to our budget would not result in savings of general revenue funds. A transfer of citrus advertising trust funds to general revenue funds would amount to a general tax increase on a select group of taxpayers.

The Department regularly provides a reserve to the current budget of nearly 5% to allow for unforeseen revenue shortfalls, usually attributed to weather disasters. In addition, advertising programs, our largest expenditure, are committed with flexibility to reduce the spending levels in the last two quarters of our fiscal year.

In the event of a Florida citrus crop shortfall, orange juice television and on-line advertising would be reduced, commensurate with the lost funds. Program reductions would adversely affect the reach and frequency that consumers heard our health messages, which would reduce the consumer recall and intent to purchase citrus products on the next shopping trip. This results in a loss of sales to the Florida citrus grower, an increased inventory buildup and ultimately lower prices for citrus products at a time when all costs are rising.

The Department of Citrus does not recommend reductions to the 2010-2011 operating budget because of the financial consequences to the Florida citrus grower, the \$9 billion Florida citrus industry and the State of Florida.

SCHEDULE VIIIB REDUCTIONS -  
 OPERATING  
 POSSIBLE REDUCTION ISSUES

1 33B0000  
 33B0100

TRUST FUNDS..... 6,012,474- 2000  
 =====

\*\*\*\*\*

SCH VIIIB-2 NARR 10-11 NOTES:

The appropriations request for 2010-11 is \$66.8 million, the same as 2009-10 appropriations. This adequately supports an internal operating budget of approximately \$62 million that funds marketing of Florida citrus products and citrus research programs.

The Department is funded by a tax on growers, using no general revenue. Any reduction to our budget would not result in savings of general revenue funds. A transfer of citrus advertising trust funds to general revenue funds would amount to a general tax increase on a select group of taxpayers.

The Department regularly provides a reserve to the current budget of nearly 5% to allow for unforeseen revenue shortfalls, usually attributed to weather disasters. In addition, advertising programs, our largest expenditure, are committed with flexibility to reduce the spending levels in the last two quarters of our fiscal year.

In the event of a Florida citrus crop shortfall, orange juice television and on-line advertising would be reduced, commensurate with the lost funds. Program reductions would adversely affect the reach and frequency that consumers heard our health messages, which would reduce the consumer recall and intent to purchase citrus products on the next shopping trip. This results in a loss of sales to the Florida citrus grower, an increased inventory buildup and ultimately lower

-----  
COL All  
SCH VIIIB-2  
REDUCTIONS  
POS AMOUNT PRIORITY CODES  
-----

CITRUS, DEPT OF			57000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
POSSIBLE REDUCTION ISSUES		1	33B0100

prices for citrus products at a time when all costs are rising.

The Department does not recommend reduction to the 2010-11 operating budget because of the financial consequences to the Florida citrus grower, the \$9 billion Florida citrus industry, and the State of Florida.

\*\*\*\*\*