

	COL A93 SCH VIIIIB-2 REDUCTIONS	COL A94 SCH VIIIIB-2 NR FY11-12	COL A95 SCH VIIIIB-2 ANZ FY11-12	CODES
	POS AMOUNT	POS AMOUNT	POS AMOUNT	
CITRUS, DEPT OF				57000000
CITRUS RESEARCH				57010000
ECONOMIC OPPORTUNITIES				11
BUSINESS DEVELOPMENT				1101.00.00.00
SCHEDULE VIIIIB REDUCTIONS - OPERATING				33B0000
POSSIBLE REDUCTIONS - CONTRACTED				
SERVICES CATEGORY - 100777				33B0120
SPECIAL CATEGORIES				100000
CONTRACTED SERVICES				100777
CITRUS ADVERTISING TF -STATE	4,154,352-			2090 1

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 11-12 NARRATIVE:

IT COMPONENT? NO

Priority Issue #1

Citrus' appropriations request for 2011-12 includes a recurring decrease of \$4 million from the Agricultural Products Marketing budget entity to close a gap between appropriations and internal operating funds available. Citrus research is the secondary program of the Department of Citrus, and is funded by a tax on each box of Florida citrus that moves through the channels of trade. Chapter 601.02(5) F.S. creates " a social contract between the state and the citrus growers of the state whereby the state must hold such funds in trust and inviolate and use them only for the purposes prescribed in this chapter." This chapter would require changes in order to direct the advertising funds to the state general revenue fund.

Citrus research is conducted through contractual services with outside research institutions, therefore the entire reduction from the Citrus Research budget entity is applied to Contracted Services. The Department expects to reduce support of citrus greening disease research in the next year or two, when federal funds become available to replace the \$18 million expended over the past three years. However, the Citrus Advertising Trust Funds will be redirected to Agricultural Products Marketing to increase our marketing support back to levels seen five years ago. Because of the financial benefit the Florida citrus industry has on the State's economy, the Department does not recommend redirecting Citrus Advertising Trust Funds to the General Revenue Fund.

	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
CITRUS, DEPT OF				57000000
AGRIC PRODUCTS MARKETING				57030000
ECONOMIC OPPORTUNITIES				11
BUSINESS DEVELOPMENT				1101.00.00.00
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
POSSIBLE REDUCTIONS - PAID				
ADVERTISING/PROMOTIONS CATEGORY -				
102380				33B0130
SPECIAL CATEGORIES				100000
PAID ADVERTISING/PROMOTION				102380
CITRUS ADVERTISING TF	-STATE	5,000,000-		2090 1

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 11-12 NARRATIVE:
 Priority Issue #2

IT COMPONENT? NO

Citrus' appropriations request for 2011-12 includes a recurring decrease of \$4 million from the Agricultural Products Marketing budget entity to close a gap between appropriations and internal operating funds available. Advertising citrus products is the primary program of the Department of Citrus and is funded by a tax on each box of Florida citrus that moves through the channels of trade. Chapter 601.02(5) F.S. creates " a social contract between the state and the citrus growers of the state whereby the state must hold such funds in trust and inviolate and use them only for the purposes prescribed in this chapter." This chapter would require changes in order to direct the advertising funds to the state general revenue fund.

A substantial portion of the 15% reduction is allocated entirely to this issue because of it's support the D3-A issue described above. A reduction in this category is possible because a gap of \$14 million exists between appropriations and our funded internal operating budget. Only \$4 million of the gap is being reduced because the balance will be needed next season; it is the expectation of the citrus industry that federal funds will be available to fund citrus greening disease research, relieving the Citrus Advertising Trust Fund of that burden. Our marketing programs would then expand to levels seen five years ago.

Reducing this authority will not have an impact on Citrus programs. However, if collected funds were diverted from the Citrus Advertising Trust Fund, television and on-line advertising would be reduced, commensurate with the lost funds. Program reductions would adversely affect the reach and frequency that consumers hear our health messages, which would reduce the consumer recall of our message and their intent to purchase citrus products on their next shopping trip. This results in a loss of sales to the Florida citrus grower, an inventory buildup and ultimately lower prices for citrus products at a time when all costs are rising. Because of the financial benefit the Florida citrus industry has on the State's economy, the Department does not recommend redirecting Citrus Advertising Trust Funds to the General Revenue Fund.
