

	COL A90	COL A91	COL A92	
	SCH VIII B-1	SCH VIII B-1	SCH VIII B-1	
	REDUCTIONS	NR FY10-11	ANZ FY10-11	
POS	AMOUNT	POS	AMOUNT	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>
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
POSSIBLE REDUCTIONS - PAID				
ADVERTISING/PROMOTIONS CATEGORY -				
102380				33B0130
SPECIAL CATEGORIES				100000
PAID ADVERTISING/PROMOTION				102380
CITRUS ADVERTISING TF -STATE	3,051,451-			2090 1

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AGENCY ISSUE NARRATIVE:

SCH VIII B-1 NARR 10-11 NARRATIVE:  
 Priority Issue #1

IT COMPONENT? NO

Citrus' appropriations request for 2011-12 includes a recurring decrease of \$4 million from the Agricultural Products Marketing budget entity, allocated to the category Paid advertising/promotion. 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. The required 5% decrease of \$3,051,451 is allocated entirely to one issue because it will 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 can be 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; 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 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.

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