

BNEADL01 LAS/PBS SYSTEM
BUDGET PERIOD: 2002-2013
STATE OF FLORIDA

SCHEDULE VIIIB-2
PRIORITY LISTING FOR POSSIBLE REDUCTION
FOR REQUEST YEAR

SP 09/13/2011 15:14 PAGE: 1
EXHIBIT D-3A ERROR REPORT

BUDGET ENTITY	D3A ISSUE CODE	COLUMN NUMBERS	CODE	ERROR MESSAGE	PAGE
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THERE WERE 0 ERRORS DETECTED

COL A93		
SCH VIIIB-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 6,088,992-	2090 1
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AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 12-13 NARRATIVE: IT COMPONENT? NO
 Priority Issue #1 - 6,088,992

Citrus' appropriations request for 2012-13 includes a recurring decrease of \$5 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.

The required 10% decrease of \$6,088,992 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 \$5 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 could then expand to levels seen before we supported disease research.

Reducing this authority will not have an impact on Citrus programs; if collected funds were diverted from the Citrus Advertising Trust Fund, television, on-line advertising and promotional activity 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, and inventory build-up 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 Fund.
