



The Florida Legislature

OFFICE OF PROGRAM POLICY ANALYSIS AND GOVERNMENT ACCOUNTABILITY



SUNSET MEMORANDUM

Report No. 07-S14

Department of Citrus, Options for Legislative Consideration

November 16, 2007

Summary

To support the Sunset Review process, the Legislature directed OPPAGA to examine the Department of Citrus.¹ This memo reviews the department's operations, and focuses on its purpose, organization, responsibilities, resources, and performance. The memo also addresses key challenges facing the department, including lower in-state production due to hurricane damage, disease, and the development of agricultural land and the increasing imports of orange juice from foreign producers that do not pay Florida taxes. The memo also addresses similarities between the Department of Citrus' and the Department of Agriculture and Consumer Services' advertising, research, and licensing activities, and offers options for legislative consideration.

OPPAGA examined six organizational options for the Legislature to consider regarding the Department of Citrus. These options include (1) continuing the department with no modifications; (2) transferring the department's scientific research and licensing programs to the Department of Agriculture and Consumer Services while retaining its marketing functions; (3) eliminating the department and reconstituting its functions as a separate division within the Department of Agriculture and Consumer Services; (4) eliminating the department and integrating its functions within other divisions within the Department of Agriculture and Consumer Services; (5) eliminating the state's direct involvement in supporting citrus marketing by eliminating the department and the Florida Citrus Commission; under this option the Department of Agriculture and Consumer Services would perform citrus-related regulatory and scientific research functions but the industry would be responsible for citrus marketing; and (6) directing the department to pursue establishing a federal research and promotion program to administer citrus marketing and research activities, which could supplement or supersede both the Department of Citrus and the Citrus Commission. For each option, we describe considerations, costs, advantages, and disadvantages. The Legislature may wish to consider directing the Department of Citrus to canvass growers who currently pay box taxes to identify the industry's preference among the options.

¹ Sections [11.901](#)-11.920, *F.S.*

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Purpose, Organization, and Responsibilities

The Department of Citrus regulates, conducts research for, and promotes Florida's citrus industry to protect and enhance the quality and reputation of Florida citrus fruit and processed citrus products in both domestic and foreign markets. The department also is responsible for implementing the policies of the Florida Citrus Commission, which serves as the agency head. The commission consists of 12 members appointed by the Governor and confirmed by the Senate for staggered three-year terms. Commission members represent citrus growers, processors, and handlers.

The department conducts its activities through three programs.

- **Marketing** plans and conducts advertising, publicity, and sales promotion campaigns targeted to consumers, retailers, and restaurants to increase the demand for citrus fruits and processed citrus products. Marketing is conducted domestically and internationally.
- **Research** conducts economic, marketing and scientific research on citrus fruits and products.
- **Administration** plans and manages agency-wide operations and the department's regulatory activities, such as licensing growers.

In addition, the department prepares and disseminates information, such as economic reports and sales data, to citrus growers, processors, industry associations, and retailers.

Resources

The Legislature appropriates funding to the department from the Citrus Advertising Trust Fund. The trust fund's primary source of revenue is an excise tax ("box tax") placed on each box of citrus moved by Florida growers through commercial channels, and federal grants. The level of the excise tax varies by type of citrus and is set annually by the Citrus Commission. For Fiscal Year 2007-08, the Legislature appropriated \$67.3 million and 76 positions for the department from this trust fund (see Exhibit 1). Historically and currently, the majority of the department's budget has been dedicated to its marketing program.

Exhibit 1 The Legislature Appropriated \$67.3 Million to the Department of Citrus for Fiscal Year 2007-08¹

Program	Trust Funds	FTE
Marketing	\$52,990,153	19
Research	9,463,418	25
Administration	4,876,290	32
Total Funds	\$67,329,861	76

¹ As of July 2007, the department had 55 filled and 21 vacant positions.
Source: General Appropriations Act for Fiscal Year 2007-08.

Performance

The Department of Citrus did not meet established standards for 5 of its 10 performance measures in Fiscal Year 2006-07.

As shown in Exhibit 2, the department met or exceeded the established standards for three of its legislatively mandated performance measures for which data was available in Fiscal Year 2006-07. For example, the percentage of consumers expressing intent to purchase orange juice (79%) exceeded the standard of 70%. The department also met its standards for this measure over the past three fiscal years. In addition, the department met its standards for the number of acres of citrus mechanically harvested and for administrative positions as a percentage of its total positions in Fiscal Year 2006-07, but has not consistently done so over the past three years.

However, the department did not meet the established standards for other performance measures.

The department did not meet the performance standard for measures relating to grapefruit juice consumption in Fiscal Year 2006-07 and had not done so for the previous two fiscal years. The department explained that it did not meet this standard because of prices remaining high due to production downturns caused by hurricanes and consumer concern regarding drug interactions.

- The volume of fresh orange, grapefruit and specialty fruit shipped domestically did not meet the performance standard in Fiscal Year 2006-07. The department reports that this standard was not met because of factors such as competition from other products.
- The department's administrative costs as a percentage of its total budget were higher than the performance standard for Fiscal Year 2006-07 and in the previous two fiscal years. The department reports that this standard was not met because the majority of its administrative costs are fixed and the total budget has declined over the past three years. As a result, these costs constituted a larger proportion of the total department budget.

As shown in Exhibit 2, the department did not report on customer satisfaction in Fiscal Year 2006-07.² However, it reported that it did not meet

the standard of 70% for this measure in the prior fiscal year.³ Further, in Fiscal Year 2005-06, 57% of customers/ growers responding to a department survey were satisfied with the department's marketing,

**Exhibit 2
The Department Met Standards for Three of Its Performance Measures for Which Data Was Available in Fiscal Year 2006-07**

	Fiscal Year 2006-07	
	Actual Performance	Standard
Marketing		
Percentage of consumer recall after orange juice television advertising	58%	63%
Percentage of consumer intent to buy orange juice on their next shopping trip	79%	70
Presumed U.S. grapefruit juice consumption (measured in single strength equivalent (SSE) gallons)	52.1 million	60.5 million
Customer/Grower Satisfaction	Not reported because of department concerns regarding customer satisfaction survey methodology and low response rates	70%
Number of cartons of fresh orange, grapefruit and specialty fruit shipped domestically	21,800,000	28,100,000
Number of cartons of fresh Florida grapefruit shipped/exported	13,900,000	21,800,000
Research		
Number of health or nutrition research projects completed annually in support of potential marketing messages.	12	Not applicable –the department is developing a new standard ²
Number of acres mechanically harvested	25,720	25,000
Administration		
Administrative cost as a percentage of total agency costs ³	5.9%	5%
Administrative positions as a percentage of total agency positions	42%	42%

¹ Performance standards were met for shaded measures.

² New proposed standard for Fiscal Year 2008-09 is 10.

³ New proposed standard for Fiscal Year 2008-09 is 6.5%

Source: Department of Citrus.

² The department reported that it not report on customer/grower satisfaction because of concerns regarding its customer satisfaction survey methodology and a low response rate. The department is requesting that this measure be deleted from its long range-program plan.

³ Customer satisfaction was a new measure for Fiscal Year 2004-05.

which was lower than the customer satisfaction level in Fiscal Year 2004-05 (65%). The department asserted that it did not meet its standard because citrus growers were displeased with paying higher tax rates to support the department's marketing activities.

Finally, the department reported it conducted 12 health/nutrition projects in Fiscal Year 2006-07 to support its marketing messages. However, it did not compare its performance to a standard since a new one was being developed. The department's proposed standard for Fiscal Year 2008-09 is 10 projects.

The department and Florida's citrus industry are facing several challenges

The Department of Citrus and Florida's citrus industry are facing several long-term challenges. In recent years the industry has experienced a major reduction in production due to hurricane damage to trees and the spread of citrus diseases (including canker and citrus greening). The industry also is facing development pressure as agricultural lands are sold to developers for other uses. In addition, the department is continuing to struggle with how to address the issue of foreign juice producers who benefit from, but are not required to financially support the department's generic marketing program.

As shown in Exhibit 3, the percentage of U.S. orange juice consumption met by Florida's citrus industry has fallen substantially over the past four years. Production of oranges for juice in Florida declined from approximately 232.3 million boxes in Fiscal Year 2003-04 to approximately 122.6 million boxes in Fiscal Year 2006-07. The U.S. Department of Agriculture estimates that Florida will produce approximately 160 million boxes of oranges for processing in Fiscal Year 2007-2008.

Because of the sharp decline in in-state crop production, processors have greatly increased citrus imports to meet the demand. To illustrate, in Fiscal Year 2003-2004, the United States imported 158,155 metric tons of orange juice while it imported 270,000 metric tons in Fiscal Year 2006-2007.

The decline in Florida production also has affected the department's funding as only in-state growers are required to pay the box taxes that fund the department's marketing program. In response, over the past three fiscal years, the department has increased box taxes for processed oranges, the leading commodity produced by Florida citrus growers.

The department and industry are considering several options to address the issue of foreign producers that benefit, but are not required to financially support the department's generic marketing program. The department uses a generic advertising strategy to market Florida citrus products. Generic advertising promotes a commodity without reference to a specific brand, name, or producer, and is intended to increase commodity awareness and sales. Recent economic impact and modeling studies have concluded that the department's generic advertising have increased the demand for orange juice,

**Exhibit 3
Florida's Orange Juice Production as a Percentage of U.S. Consumption Has Decreased**

Crop Year	Florida Production of Oranges for Juice (in 1,000 boxes)	Florida Orange Juice Production as a Percentage of Domestic Consumption
2002-03	193,287	76%
2003-04	232,319	90%
2004-05	142,403	55%
2005-06	140,386	59%
2006-07	122,562	56%

Source: OPPAGA analysis of U.S. Department of Agriculture data

while the private sector's specific brand advertising have primarily affected brands' market share.⁴ However, the inability of Florida producers to meet current orange juice demand has resulted in an increased portion of this demand being met by foreign juice suppliers such as Brazil.

Concern has been raised within Florida's citrus industry that foreign producers have benefited from the department's generic advertising without contributing to supporting its funding. To address this problem, the department is considering a range of options, including petitioning the federal government to receive a proportion of the duties paid on imported juice for supplementing Florida grower-funded promotions. In addition, the department and Florida's citrus industry are evaluating the feasibility of establishing a federal research and promotion program for orange juice. This option could have major organizational implications for the department.

Federal research and promotion programs are designed to maintain and expand domestic and foreign markets for agricultural commodities. The programs can be used to obtain funding from domestic and foreign crop producers for both generic and geographically specific advertising and research costs, and are used for a variety of agricultural products such as blueberries, peanuts, and Hass avocados. This funding is raised from mandatory assessments on producers.

To establish a federal research and promotion program, Florida producers, producers in other states, and foreign citrus producers would need to negotiate

- the commodities to be covered,
- the amount of the assessment, and for Florida growers, how much in additional taxes they would continue to pay to the Department of Citrus,
- the percentage of the assessments to be used to fund generic research and promotion initiatives,⁵
- the activities that would be funded by assessments, and
- the size and composition of the program's administering board.⁶

In addition, the program would need to be approved by a substantial majority of the eligible producers voting in a referendum conducted by the U.S. Department of Agriculture.⁷ Further, the U.S. Congress would need to enact specific legislation if producers wanted to advertise Florida-specific products under this program.

The Department of Citrus is considering pursuing a federal research and promotion program model similar to the one adopted by Hass avocado growers, as summarized in Exhibit 4.

⁴ Williams, G.W., Capps, O, and Bessler, D.A. *Florida Orange Grower Returns From Orange Juice Advertising*, Texas Agribusiness Market Research Center Consumer and Product Research Report No. CP-01-04, February 2004; Panel of Economists appointed by the Florida Citrus Commission. *Generic Promotions of Florida Citrus: What Do We Know About the Effectiveness of the Florida Department of Citrus Processed Orange Juice Demand Enhancing Programs*, April 8, 2005.

⁵ The U.S. Department of Agriculture would retain a portion of the assessments to administer the program and manage generic advertising. The remainder of the assessments would be rebated to participants to expend on research and promotion activities as authorized by federal law.

⁶ This board would operate under the authority of the Secretary of the U.S. Department of Agriculture, not the Department of Citrus.

⁷ Such a referendum could take place every five to six years. The Secretary of the U.S. Department of Agriculture determines the nature of a "substantial majority".

A major potential advantage of a federal research and promotion program is that by creating a mechanism to tax foreign producers, it could either provide additional funds for citrus marketing and research activities or allow for a reduction in the taxes paid by Florida growers. However, a federal program would create challenges as well. Florida growers may be unwilling to pay both program assessments and Department of Citrus' box taxes. In addition, it may be difficult to obtain other states' and foreign producers' agreement to pay assessments on their products sold within the U.S. Further, the representative of a federal research and promotion program we contacted indicated that it often took three to five years to negotiate program terms; consequently, it could be several years before the program's potential benefits are realized.

Exhibit 4

The Department of Citrus is Considering Adopting the Hass Avocados Research and Promotion Program Model

Major Program Provisions	Hass Avocado Model
Commodities covered	Fresh domestic and imported Hass avocados
Major entities participating	California Avocado Commission Chilean Avocado Importers Association Mexican Hass Avocado Association
Board size and composition	7 domestic producer members, 5 importer members
Percentage of assessments funding generic research and promotion activities	15%
Percentage of assessments funding participating entities for geographically specific research and promotion activities	85%
Role of state government since program was implemented.	A state administered, grower-funded commission administers research and generic promotion activities for the federal program's board

Source: U.S. Department of Agriculture and the Florida Department of Citrus.

Other major challenges faced by the department and Florida's citrus industry include expanding market competition from other fruit and beverages, and high retail prices for citrus products, such as orange juice. The department has sought to address these challenges through its advertising and promotional campaigns that emphasize the health and wellness benefits of Florida citrus. These campaigns are intended to encourage consumers to buy Florida citrus fruit and products for reasons other than price.

While there is little direct duplication of activities, the Department of Citrus and the Department of Agriculture and Consumer Services perform similar functions

An issue regarding the Department of Citrus is whether it duplicates activities performed by the Department of Agriculture and Consumer Services. We determined that while there is little direct duplication of activities, the two departments perform similar functions.

As shown in Exhibit 5, both the Department of Citrus and the Department of Agriculture and Consumer Services perform marketing, research, and licensing functions.

- The Department of Citrus performs generic marketing for citrus products while the Department of Agriculture and Consumer Services provides similar marketing services for hundreds of Florida-grown agricultural commodities.
- Both agencies manage scientific research activities relating to citrus. The Department of Citrus' research activities primarily focus on developing mechanical harvesting technologies and assessing the health and wellness benefits of citrus products. The Department of Agriculture and Consumer

Services' citrus-related research primarily focuses on identifying and containing citrus diseases such as canker and greening.⁸

- Both agencies perform activities related to licensing citrus dealers. The Department of Citrus approves licenses for citrus dealers while the Department of Agriculture and Consumer Services issues citrus dealer licenses and approves and issues licenses for all other Florida agricultural commodities. The Department of Agriculture and Consumer Services also bonds citrus dealers as well as dealers of many other Florida commodities.

Exhibit 5

The Department of Citrus and the Department of Agriculture and Consumer Services Perform Similar Functions

Program Activities	Department of Citrus	Department of Agriculture and Consumer Services
Marketing		
	Provides domestic and international marketing services for citrus and citrus products	Provides domestic and international marketing services for hundreds of Florida commodities under the "Fresh from Florida" brand
	Conducts marketing and economic research on citrus	Conducts targeted marketing research on certain non-citrus Florida-grown commodities
Research		
	Conducts research focused on post-production activities such as harvesting	Conducts research focused on pre-production research such as citrus disease control
	Conducting study under a federal grant on using satellite imaging for developing crop estimates, including international crops,	Develops official citrus crop estimates Conducts research on citrus disease identification
	Performs juice adulteration testing	Performs food (including juice) adulteration testing
Licensing		
	Approves licenses for citrus dealers	Issues licenses to dealers of all agricultural commodities, including citrus and certain non-citrus agricultural dealers

Source: OPPAGA analysis.

We identified two areas in which there is overlap between the functions of the two agencies. Both departments test juice samples to determine if they have been adulterated, such as by adding water or other juices. The Department of Citrus tests juice samples from retailers across the nation for adulteration while the Department of Agriculture and Consumer Services tests citrus products sold within Florida.⁹ Also the Department of Citrus has obtained a multi-year grant from the National Aeronautics and Space Administration (NASA) to estimate citrus crop size, including international crops, using satellite imaging.¹⁰ This overlaps with the regular activities of the Department of Agriculture and Consumer Services which develops the state's official citrus crop estimates in coordination with the U.S. Department of Agriculture using other methods, such as counting trees and fruit.¹¹ The two agencies should avoid performing overlapping activities, which represent an inefficient use of limited resources.

⁸ Sections 601.10(10), (13), and (15), and 570.32, *F.S.*

⁹ Sections 500.03, 570.50, and 581.031, *F.S.*

¹⁰ In Fiscal Year 2006-07, NASA awarded \$500,000 to the department for this project and the department contributed \$504,871 in staff salaries.

¹¹ Sections 601.28 and 601.29, *F.S.*

Options for the Legislature's Consideration

We assessed six options the Legislature may wish to consider as part of its Sunset Review of the Department of Citrus.¹²

As presented in Exhibit 6, these options are:

1. continuing the Department of Citrus with no modifications;
2. transferring the department's scientific research and licensing functions to the Department of Agriculture and Consumer Services while retaining the Department of Citrus as a separate entity to conduct marketing activities (Type 2 transfer);¹³
3. eliminating the department and reconstituting its functions as a separate division within the Department of Agriculture and Consumer Services, with the Citrus Commission becoming an advisory committee (Type 1 transfer);
4. eliminating the department and integrating all of its functions into existing Department of Agriculture and Consumer Services' programs, with the Citrus Commission becoming an advisory committee (Type 2 transfer);
5. eliminating both Department of Citrus and the Florida Citrus Commission and transferring their regulatory and scientific research functions to the Department of Agriculture and Consumer Services and the marketing function to the citrus industry; and
6. directing the department to pursue establishing a federal research and promotion program(s) to administer marketing and research activities for citrus products, which could supplement or supersede both the Department of Citrus and the Citrus Commission.

Exhibit 6 summarizes these policy options and describes considerations, costs, and advantages and disadvantages associated with each option.

It should be noted that a federal research and promotion program could be established under any of these options. Consequently, it would be possible to create a federal research and promotion program for a specific commodity and retain the Department of Citrus' and the Citrus Commission's roles in managing marketing and research for citrus commodities not covered by the federal program. For example, a federal research and promotion program could be established only for orange juice, with the Department of Citrus and the Citrus Commission retaining their roles for other citrus commodities such as grapefruit.

A strategy the Legislature may wish to consider in addressing these options would be to direct the Department of Citrus to canvass growers who currently pay box taxes to identify the industry's preference among the options.

¹² Section 20.06, *F.S.*, specifies two types of state government reorganization. In Type 1 transfers, an agency transfers intact to another department (see Option 3 in Exhibit 6). In Type 2 transfers, an agency or any of its parts are merged into another department (see Options 2 and 4 in Exhibit 6). In both types, the funding source of the original agency is retained. Further, unless otherwise specified, decision-making powers are assumed by the head of the destination agency.

¹³ Section 20.06, *F.S.*

Exhibit 6

The Legislature Could Consider Several Options for the Department of Citrus

Option	Advantages	Disadvantages
Option 1 - Continue current agency structure		
<p>Continue the Department of Citrus and the Citrus Commission</p>	<ul style="list-style-type: none"> ▪ Maintains department’s existing citrus marketing, research, and administrative expertise ▪ Maintains department’s specific focus on citrus consumers ▪ Maintains industry control and flexibility in addressing issues ▪ Department activities would remain self-supporting from excise taxes paid by industry ▪ The state would continue to receive approximately \$2 million in general revenue from the service charge on the department’s Citrus Advertising Trust Fund 	<ul style="list-style-type: none"> ▪ Would not address overlap in some functions with the Department of Citrus and the Department of Agriculture and Consumer Services ▪ Would not reduce number of state agencies
Option 2 - Transfer the Department of Citrus’s scientific research and licensing functions to the Department of Agriculture and Consumer Services		
<p>Transfer the Department of Citrus’s scientific research and licensing functions to the Department of Agriculture and Consumer Services. Department of Citrus would retain responsibility for citrus marketing; Citrus Commission would retain its responsibilities for administration and marketing</p>	<ul style="list-style-type: none"> ▪ Would address overlap in research and licensing functions by consolidating scientific research on citrus in one agency and creating a centralized entity for coordinating research activities with federal agencies ▪ Maintains industry control and flexibility in marketing activities, which is the primary function of Department of Citrus ▪ Consolidates responsibility for citrus regulation and enforcement in a single agency ▪ Could produce annual administrative cost savings of at least \$85,000 by reclassifying the position of the Department of Citrus’ Director of Scientific Research and eliminating staff who perform product adulteration testing ▪ The state would continue to receive approximately \$2 million in general revenue from the service charge on the Citrus Advertising Trust Fund ▪ State retains regulatory and quality control functions 	<ul style="list-style-type: none"> ▪ Would reduce industry control over citrus research and licensing activities, which could be of concern to some industry stakeholders
Option 3 – Eliminate Department of Citrus and transfer its functions to a new Division of Citrus within the Department of Agriculture and Consumer Services ; Citrus Commission could become an advisory committee		
<p>Eliminate the Department of Citrus and reconstitute its functions as a separate division within the Department of Agriculture and Consumer Services.</p> <p>If retained, the Citrus Commission would become an advisory committee to the Department of Agriculture and Consumer Services unless otherwise specified</p>	<ul style="list-style-type: none"> ▪ Would maintain industry input into marketing decisions through citrus advisory committee ▪ Would consolidate all agricultural marketing, research, and licensing functions in one agency ▪ Would retain existing institutional knowledge if citrus marketing, research, and administrative staff transferred to new division ▪ Would address overlap in research and licensing functions by consolidating scientific research on citrus in one agency and creating a centralized entity for coordinating research activities with federal agencies ▪ Could produce annual salary cost savings of at least \$171,000 by eliminating some administrative positions (e.g., inspector general) and some product adulteration testing positions 	<ul style="list-style-type: none"> ▪ The Commissioner of Agriculture rather than Citrus Commission would have final decision authority, which could be of concern to some industry stakeholders ▪ Could result in loss of institutional knowledge if current Department of Citrus staff did not transfer to new division

Option	Advantages	Disadvantages
	<ul style="list-style-type: none"> ▪ Could annually save at least an estimated \$198,400 in salary costs by reclassifying some administrative and program positions (e.g., the executive director would become a division director) ▪ Could produce annual cost savings of approximately \$149,000 by relocating staff from Department of Citrus's leased office space at the University of Florida's Lake Alfred research facility (\$130,000) and relocating Department of Citrus Lakeland facility staff from current leased space to an existing Department of Agriculture and Consumer Services facility (\$19,000). Costs associated with utilities and facilities maintenance could also be reduced ▪ The state would continue to receive approximately \$2 million in general revenue from the service charge on the Citrus Advertising Trust Fund ▪ State would retain regulatory and quality control functions 	
<p>Option 4 – Eliminate Department of Citrus, integrate all functions into existing Department of Agriculture and Consumer Services' programs; Citrus Commission could become an advisory committee</p>		
<p>Transfer all Department of Citrus functions to Division of Fruit and Vegetables and Division of Marketing within the Department of Agriculture and Consumer Services.</p>	<ul style="list-style-type: none"> ▪ Transforming the commission into an advisory committee maintains industry input into citrus marketing decisions ▪ Consolidates all agricultural marketing, research, and licensing functions in one agency ▪ Would address overlap in research and licensing functions by consolidating scientific research on citrus in one agency and creating a centralized entity for coordinating research activities with federal agencies ▪ Could annually save at least \$639,350 in salary costs by eliminating some positions, including the Department of Citrus's executive director, inspector general, the deputy executive director of Operations and some budgeting and research staff positions ▪ Could annually save at least an estimated \$56,000 in salary costs by reclassifying some administrative and program positions, including the deputy executive director of Marketing ▪ Could produce annual cost savings of approximately \$149,000 by relocating staff from Department of Citrus's leased office space at the University of Florida's Lake Alfred research facility (\$130,000) and relocating Department of Citrus Lakeland facility staff from current leased space to an existing Department of Agriculture and Consumer Services facility (\$19,000). Costs associated with utilities and facility maintenance could also be reduced ▪ The state would continue to receive approximately \$2 million in general revenue from the service charge on the Citrus Advertising Trust Fund ▪ State would retain regulatory and quality control functions 	<ul style="list-style-type: none"> ▪ The Commissioner of Agriculture rather than Citrus Commission would have final decision authority, which could be of concern to some industry stakeholders ▪ Could result in loss of institutional knowledge if current Department of Citrus staff did not transfer to new division ▪ Would be some dilution of focus on citrus consumers
<p>If retained, the Citrus Commission becomes an advisory committee to the Department of Agriculture and Consumer Services unless otherwise specified</p>		

Option	Advantages	Disadvantages
Option 5 - Eliminate the Department of Citrus and the Citrus Commission		
<p>Eliminate the Department of Citrus and the Citrus Commission.</p> <p>The Department of Agriculture and Consumer Services would continue to administer regulatory provisions of current law (e.g., citrus grading) and could conduct citrus-related scientific research. Industry would be responsible for managing citrus marketing</p>	<ul style="list-style-type: none"> ▪ The state would retain regulatory control, but marketing responsibility would be shifted to private sector, reducing role of government and taxes paid by growers ▪ Would result in savings by eliminating department staff and facilities ▪ Industry associations and corporations could provide marketing services without state involvement or could contract with the Department of Agriculture and Consumer Services for marketing services ▪ Citrus research could continue under the Florida Citrus Research Production Advisory Council, University of Florida, and state and federal agencies 	<ul style="list-style-type: none"> ▪ State funds may be needed to pay for the cost of citrus regulatory functions in the absence of the Department of Citrus's box taxes ▪ The state would lose approximately \$2 million in general revenue from the service charge on the Citrus Advertising Trust Fund ▪ Growers may decide not to fund generic marketing activities
Option 6 -- Direct the department to pursue establishing a federal research and promotion program(s) to administer citrus marketing and research activities		
<p>The Legislature directs the department to pursue establishing a federal research and promotion program to administer citrus marketing and research activities. Depending on how it was implemented, the program could supplement or supersede the Department of Citrus and the Citrus Commission. If the federal program superseded the department and the commission's research and marketing activities, the Department of Agriculture and Consumer Services would continue to administer regulatory provisions of current law (e.g., citrus dealer licensing)</p>	<ul style="list-style-type: none"> ▪ Would allow program to collect assessments from foreign producers, providing more equitable funding system for marketing and research activities and could increase funding for citrus marketing and research activities ▪ Would retain citrus industry control over marketing and research functions and the assessments that would pay for these functions ▪ Industry would have the flexibility to discontinue the federal program if it was not meeting its needs if provisions for doing so were specified in the program's rules ▪ Could result in savings by eliminating Department of Citrus staff and facilities after the research and promotion program is established 	<ul style="list-style-type: none"> ▪ Would likely take several years to establish; comparable programs have required three to five years to negotiate program terms for a single commodity ▪ Could require growers of commodities covered under the program to pay both state box taxes and federal program assessments ▪ The state would lose control of quality standards for commodities covered under the program, as federal standards would apply ▪ The research and promotion program's board would operate under the authority of the Secretary of the U.S. Department of Agriculture, which could be of concern to some industry stakeholders

Note: All costs are based on estimates for Fiscal Year 2007-08.

Source: OPPAGA analysis.