

FEDERAL RESEARCH AND PROMOTION PROGRAM FOR CITRUS

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Presentation to

FLORIDA CITRUS INDUSTRY ANNUAL CONFERENCE

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NATIONAL RESEARCH & PROMOTION PROGRAMS

Adapted from report given to Florida industry
April 2007 by Bob Keeney, USDA/AMS Deputy
Administrator, Fruit & Vegetable Programs

PURPOSE

All national research and promotion programs are designed to maintain and expand domestic and foreign markets for agricultural commodities.

(Citrus disease research, by definition, would maintain existing domestic and foreign markets.)

PRODUCER-IMPORTER PROGRAMS (8)

- BLUEBERRIES (2000) \$ 1.8 million
- BEEF (1986) \$ 80.4 million
- COTTON (1966) \$ 83.6 million
- HASS AVOCADOS
(2002) \$ 20.6 million

PRODUCER-IMPORTER PROGRAMS CONT.

- HONEY (1987) \$ 3.6 million
- MUSHROOMS (1993) \$ 1.7 million
- PORK (1986) \$ 60.8 million
- POTATOES (1972) \$ 8.7 million

CREATING A NATIONAL PROGRAM

AUTHORITY

- **FEDERAL LEGISLATION**
 - Commodity Promotion, Research, and Information Act of 1996 (generic statute)
 - Individual Statute Specific to the Commodity

INDUSTRY STEPS

- CLARIFY GOALS, DEVELOP CONCEPT
- GAIN INDUSTRY CONSENSUS
- DEVELOP JUSTIFICATION
- SUBMIT PROPOSAL

USDA STEPS

- Meet with industry proponents to discuss Proposal/Analyze completeness of proposal
- PUBLISH PROPOSAL for comments
- Analyze Comments, PUBLISH FINAL PROPOSAL and Referendum Procedures
- CONDUCT REFERENDUM

USDA STEPS

- NOMINATIONS
- ORGANIZATIONAL MEETING

OPTIONS

- WHO PAYS ASSESSMENT and HOW MUCH?
- EXEMPTIONS to payment
Eight U.S. programs have exemptions:
blueberries, eggs, fluid milk, honey, mushrooms,
popcorn, potatoes, and watermelons

OPTIONS

- TYPES OF ACTIVITIES
- NAME, SIZE OF BOARD
- WHO SERVES ON BOARD
- ASSESSING IMPORTS

OPTIONS

- STATE CREDITS
- UP-FRONT OR DELAYED REFERENDUM
(do you ask permission now or get it later?)
- VOTING BY NUMBER, VOLUME, OR BOTH
- PERIODIC REFERENDA

The Generic Statute (Blueberry Example)

- An assessment rate of \$12 per ton is assessed on all blueberry producers – collected by handler
- Importers of fresh and processed blueberries pay the same or an equivalent assessment – collected by Customs
- Producers and importers of less than 2,000 pounds are exempt

HOW LONG & HOW MUCH?

- About 12 to 18 months
- Between \$75,000 to \$200,000 for implementation costs depending upon circumstances (uncharacteristically, Joel has offered to pay more than his share)

USER FEES

Agricultural Marketing Service

Office of the General Counsel

U.S. Customs Service (if imports are assessed)

ROLE OF THE BOARD

- Develop and evaluate programs
- Develop a budget
- Hire staff to implement programs and collect assessments
- Compliance

ROLE OF AMS

- Review and Approve Budgets and Programs
- Rulemaking and Referendum activities
- Nominations to Boards
- Compliance Activities

PROHIBITED ACTIVITIES

- Any action that would be a conflict of interest.
- Using funds for the purpose of influencing governmental action or policy.

Draft Citrus Research Order

United States Department of Agriculture
Secretary Tom Vilsack
7 U.S.C. 7411-7425



Citrus Research Board
11 members: FL (6), CA/AZ (2), TX (1),
All Importers (2)



Funds dispersed to (examples):
- Citrus Research & Development Foundation, Inc.
- CA Research Board
- Texas A&M
- Fundecitrus



Authorization: Request USDA Grower Referendum
- One grower – one vote: FL, CA, TX, Importers
- Majority stakeholders needed to pass (not volume weighted)
- 18 months to implement
- Possibility of assessments being implemented prior to referendum

ADDED REVENUE FOR CITRUS RESEARCH PROGRAM UNDER A FEDERAL ORDER

Citrus Research Program: All US Citrus Production and Imports

US Citrus Production: USDA/FASS, Feb 2009 forecast.

Citrus Fruit and Juice Imports: US Department of Commerce, Sept-May 2008 projected to 12 months.

Equivalent Boxes

All US Production, plus fresh and juice imports

Boxes

338,712,084

Staff Proposed Initial Rates

Research
Administrative Expenses (5%)
Total

Rate
\$ 0.05
\$ 0.00
\$ 0.05

Funds Generated

Research
Administrative Expenses (5%)
Total

\$
\$ 16,088,824
\$ 846,780
\$ 16,935,604

Contributor

Florida
California
Texas
Arizona
Fresh Importers
Juice Importers
Total

%
55%
19%
2%
1%
2%
22%
100%

This example shows the total pie available for disease research in the U.S. could increase approximately \$4MM by capturing imports.

CITRUS RESEARCH ORDER REFERENDUM BALLOT

THIS BALLOT IS FOR:

- U.S. producers of citrus.
- Importers of citrus.

Please complete Sections A, B and C

Section A: Vote			
Do you favor establishment of the Citrus Research Board as provided in the Citrus Research Order?			
Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

Section B: Name and Address		
Name of person or other entity represented: (Print)		
Address: (Street, P.O. Box, or Route No.)		
City:	State:	Zip Code:
Telephone:		

Section C: Certification Statement and Signature	
I HEREBY CERTIFY that I am a person (any individual, group of individuals, partnership, corporation, association, cooperative or any other legal entity) or authorized representative and have engaged in the production of citrus, or have engaged in the importation of citrus into the U.S. or its territories sometime from January 1, 2008, through December 31, 2008. I am voting only once in the same capacity registered. Failure to complete the ballot in its entirety, or provide a signature, will invalidate this ballot.	

Signature	
_____	_____
Title	Date

THANK YOU