

NAREEE (USDA) Specialty Crop Listening Session

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Good afternoon and thanks for having me here today.

My name is Mike Sparks and I am Executive Vice President and Chief Executive Officer of Florida Citrus Mutual. I've worked in the Florida citrus industry for more than 30 years. For those who aren't familiar with Mutual, we are the largest citrus trade organization in the world with more than 8,000 grower members. Founded in 1948, we were proud to celebrate our 60th anniversary this past year.

Let me give you a little more background on Mutual before I go into the challenges facing the Florida citrus industry. Mutual is primarily made up of four divisions. The Legislative Affairs division monitors state and federal legislative and regulatory agencies including the U.S. Department of Labor, Florida Department of Agriculture and Consumer Services, the USDA and the EPA to ensure grower interests are properly represented.

The Communications division provides industry information to our members through a biweekly newsletter – the Triangle, e-mail blasts and several yearly publications. In addition, we provide information for both our members and the general public on our website – www.flcitrusmutual.com, which I would encourage you to visit when you have time.

The Market Information division gathers accurate, up-to-date pricing and market data on a daily basis, giving our members reliable information to help market their fruit profitably.

And finally, we have our Grower Affairs division. These are the folks that are out and about in the groves talking to growers on a daily basis. The Grower Affairs division's primary function is to assist our members with issues regarding production, labor, regulation, pests and disease as well as any other challenges they may face related to their business.

Now that you know a little bit more about what Mutual is and what we do in general, let me tell you a little bit about the current state of our industry.

I'll be honest with you; the Florida Citrus Industry is in a challenging time. Call it what you want...a crossroads, a period of uncertainty, a moment of truth, whatever...We as an industry have some serious hurdles to negotiate to remain viable.

It is clear that the citrus industry's battle against HLB, or citrus greening, may be the most daunting challenge that has ever faced our industry. This disease is serious and has the potential to destroy everything citrus families have built over the past Century. The spread of HLB is putting the state's \$9.3 billion citrus industry, the ancillary businesses that rely on it and 76,000 jobs at risk.

As you may know a few years ago citrus canker got all the attention and believe me, we are still dealing with that disease. Just ask some of our growers in the Indian River region. You know Florida is an interesting place to grow crops. The same climate that makes it a great place to be a grower, or a tourist for that matter, is what also makes it a nice place for pests and diseases to make a home.

But if canker is like a common cold, then HLB is the plague. Its destructive power is unprecedented among the major citrus diseases. It is a bacterial disease that affects the vascular system of a tree and greatly reduces production, destroys the economic value of fruit. It can kill trees within two years. Citrus production in Asia, Africa, the Arabian Peninsula, and Brazil has already been significantly reduced because of this disease. California and Texas are worried about the disease. They should be, the psyllid is rampant in Mexico and has been confirmed in California. This is truly a global citrus crisis. There is a great need for a coordinated, multi-agency national effort to defeat HL

Greening is primarily spread by the Asian citrus psyllid, which we found in Florida in 1998. We confirmed greening in 2005. Scientists believe both the vector and the disease came through the Port of Miami.

Here's how serious the problem has become for us. All 32 Florida counties containing commercial citrus production now have HLB. The levels of infection are greatest in southern counties near Lake Okeechobee, with some groves in that area reaching 60 percent infection rate. Projections are for the continued spread of HLB throughout the state. Right now all we can do is to try and control the bug that spreads HLB and remove infected trees that have the disease. That's it.

Growers are worried. **Greening moves fast.** A grove with a 5 percent infection rate can go from 20 percent to 40 percent to 80 percent over a four year period. It also has a latency period which is problematic. The symptoms may not show up for a year or more so you could have greening and not know it.

And there is a direct bottom line effect; scouting, identifying and containing HLB increases a grower's production costs by as much as **50 percent. The added greening costs alone have increased grove operations on average about 50%, from \$1,000 per acre per year to nearly \$1,500 per year.** Imagine the effect on any business trying to absorb 50 percent in non-revenue producing costs? In a time when fruit prices are as low as they are this economic situation is really squeezing growers.

Some long-term estimates have the Florida orange crop dipping below 140 million boxes if HLB spreads unchecked in the next 10 years. This could have a pronounced impact on the ability of some growers to continue farming citrus. If we lose too much production we will lose the manufacturing (juice production) base and we will not get it back.

The good news is our industry has made a strong commitment to finding a cure for this disease through research. We have more than 100 research projects currently underway to find short-term and long-term solutions. It's really a "Manhattan Project" type effort involving the best and brightest minds from the University of Florida, the USDA and researchers across the globe.

In December, Florida Citrus Mutual hosted the 2008 International Research Conference on HLB in Orlando and we heard encouraging news from the more than 400 scientists across the globe attacking this puzzle. That's a lot of international brainpower and it is already helping us.

We are starting to understand the psyllid and the bacteria that causes HLB. Guava, pheromones and genetics are all showing promise. We now know of effective spray programs that are proven to knock down the psyllid. Eventually, a fungal compound could provide us with a strong bio-pesticide.

ARS scientists recently had a huge breakthrough when they sequenced the bacterium that causes greening. Eventually this could lead to trees that are resistant or tolerant to the disease

Of course, this process is expensive. As an industry, we expect to spend about \$15 million this year alone, and up to \$20 million each year thereafter on this effort. Most of this is being paid for by Florida citrus growers. One of Mutual's goals is finding some relief for the growers partnering with the state and federal governments to unearth every potential dollar to fund research. In the current economic climate it is going to be virtually impossible for the Florida citrus grower to continue to fund the research effort.

Florida Citrus Mutual has formed a strong partnership with citrus representatives from California Citrus Mutual and Texas Citrus Mutual in an effort to increase and re-direct funding for the national Citrus Health Response Program (CHRP). CHRP dollars are not being focused currently in areas that assist the Florida citrus grower. We believe re-focusing the program toward cost-share and grant opportunities in the form of grove management, psyllid control and selected research will provide strong support to our industry as we battle greening and canker.

We also believe the 2008 Farm Bill provide ample opportunity for research funding through the Specialty Crop Research Initiative (SCRI) and the Specialty Crop Block Grants.

Unfortunately – and somewhat inexplicably –Florida HLB research was basically shut out of the first round of funding. I'm not sure the project evaluators understood the crisis we are facing and how essential the funding is. There is a lot of important agricultural research out there but maybe the SCRI and Block Grant programs are evaluating proposals they should give precedent to crops that are facing a crisis situation - an emergency relief category.

Yes, there is a tangible concern about this HLB throughout the industry. But we remain optimistic we can control the disease if we are proactive about it. Citrus growers and the industry as a whole is a resilient bunch, we've overcome many challenges before - from freezes to hurricanes to other diseases - and I'm confident we'll overcome this one.

Thank you. Any questions?