



Florida Department of Citrus

Annual Report
2017-2018

FLORIDA DEPARTMENT OF CITRUS

Annual Report

2017-2018

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FLORIDA DEPARTMENT OF CITRUS

ANNUAL REPORT

JUNE 30, 2018

EXECUTIVE SUMMARY

The mission of the Florida Department of Citrus (FDOC) is to maximize consumer demand for Florida Citrus products to ensure the sustainability and the economic well-being of the Florida Citrus grower, the citrus industry, and the state of Florida. The department conducts marketing and promotional campaigns for Florida Citrus products; establishes minimum maturity and quality standards for citrus fruits; regulates the practices used in harvesting, grading, packing, and processing citrus fruits; conducts scientific research supporting citrus products; and conducts economic and marketing research.

The Florida Citrus Commission (FCC) sets the annual assessment on each box of citrus going into the channels of trade. Historically, citrus advertising assessments have fully funded operations. However, the orange crop for Fiscal Year 2014-15 dropped below 100 million boxes for the first time in 49 years due to the continued challenge of citrus greening, or HLB.

Additionally, growers are faced with increasing production costs in order to sustain their groves in the battle against citrus greening. The FCC and FDOC have provided some relief to growers in the form of assessment rate reductions in the last five years. In 2017-18, the citrus industry faced a new challenge in Hurricane Irma, which made landfall in Florida just as the harvesting season was expected to begin. The storm caused widespread damage, impacting every citrus-producing region in the state with growers experiencing 30 to 70 percent crop loss. The last USDA production forecast of the season placed Florida Orange production at 44.95 million boxes in July, a decrease of nearly 35 percent over the previous season, and 3.88 million boxes of grapefruit.

MARKETING

The main activity of the Global Marketing Department at the FDOC continues to be marketing and promotion of Florida Citrus products, executing marketing initiatives in the United States, Canada, Europe, and Asia. The majority of domestic marketing programs focus on Florida Orange Juice with some programs aimed at fresh Florida Citrus. International programs focus primarily on fresh Florida Grapefruit with some programming focused on Florida Orange Juice in certain markets.

In 2017-18, the global marketing programs achieved great success. A video showcasing highlights of program activity for the 2017-18 season may be viewed at the following link:

[FDOC Global Marketing Video](#)

FDOC's domestic marketing programs focused heavily on highlighting the nutritional benefits of Florida Orange Juice while protecting and defending the Florida Citrus industry. As the sugar content of 100% orange juice and its role in the diets of children and families continues to be a hot topic among the media and consumers, the FDOC ramped up existing proactive consumer

programs and continued activities aimed at talking to influencers, such as registered dietitians and credentialed experts, one-on-one and in food/agriculture spaces.

Proactive programs focused on engaging and educating consumers, specifically millennial moms, on the nutritional benefits of Florida Orange Juice through a variety of digital channels. The marketing department took a harder stance on nutrition in the 2017-18 season with enhanced messaging on all platforms, backed by scientific research in collaboration with the FDOC's Scientific Research Department, to ensure the nutritional benefits of 100% orange juice were communicated effectively with millennial moms. A series of recipe videos were created that highlighted individual benefits of 100% orange juice and health messaging was activated during key moments in time like holiday and cold and flu seasons. Program activities also included partnering with bloggers and nutrition influencers as a third-party, trusted voice to assist in communicating the overall benefits of Florida Orange Juice. Reactive programs included continued efforts to monitor the media for potential issues, respond when necessary and build a coalition of influencers in the nutrition and policy world who can be called upon for assistance when needed.

At the international level, the FDOC conducted retail and public relations activities, in association with agency partners in Japan, South Korea, Canada and Europe. While the majority of these activities concentrated on fresh grapefruit, the FDOC promoted 100% orange juice in Canada and South Korea, as well. Hurricane Irma's impact on Florida Grapefruit resulted in lower production rates and a shorter season, causing some international programs to be adjusted accordingly.

The FDOC marketing strategy in Japan for 2017-18 focused on highlighting the premium quality of Florida Grapefruit and its continued availability in the market after Hurricane Irma. The FDOC focused on educating consumers on the great taste and versatility of Florida Grapefruit through a variety of tactics, including public relations and retail marketing. The FDOC continued its celebration of Florida Grapefruit Day with an event that featured grapefruit sampling, juice giveaways and a special performance by Feng-Shui expert Dr. Copa and comedians Kumamushi and Donguri Powers. The event attracted more than 12,000 visitors and was covered by 34 online media outlets.

In South Korea, Florida Grapefruit activities focused on public relations and retail marketing of the Florida origin, premium quality and nutritional/beauty benefits. Activations included retail promotions, food service, social media, media outreach, and more. Educational classes focused on health, cooking and maternity held at high-end retail stores featured Florida Grapefruit and its nutritional benefits. The classes were a success with nearly 700 attendees. For Florida Orange Juice, activations included print, outdoor, elevator screen digital placements and more highlighting the Florida origin.

In Europe, retail marketing and public relations programs focused on fresh Florida Grapefruit as a culinary ingredient with premium quality. In France, FDOC hosted a media event at the U.S. embassy that included a unique sensorial experience of Florida Grapefruit and guest chefs. The event attracted 22 attendees and garnered coverage in more than 10 publications. Pan-Europe

programs focused on sampling and digital retail activations at top retailers in Belgium, Sweden and the United Kingdom.

In Canada, activations included both fresh Florida Grapefruit and Florida Orange Juice. For Florida Grapefruit, FDOC focused on retail outreach following Hurricane Irma to secure produce space for Florida Grapefruit, including several flyer ads featuring the Florida Grapefruit logo. For Florida Orange Juice in Canada, programs focused on similar messages and targets as the U.S. audience and included matte releases, media outreach and digital activations. With Canada policymakers in the process of updating their dietary guidelines and potentially eliminating fruit juice from its recommendations, the FDOC also met with small groups of influencers in the nutrition world to communicate the health benefits of Florida Orange Juice.

ECONOMIC AND MARKET RESEARCH

During the 2017-18 fiscal year, the Economic and Market Research Department enhanced and streamlined several periodic publications to increase the content of the data reported to industry stakeholders. The department expanded the evaluation of retail sales trends by incorporating measures of distribution. The department also performed activities related to the requirements set forth in F.A.C. Rule Chapter 20-3, “Citrus Fruits Dealers,” including the publication of a weekly processor statistics report and the post estimate fruit price reports. The department maintained a confidential processor statistics database and network sources and began the process of data migration into SQL server to ensure the security of the data and to enable the team to respond to ad hoc industry data requests in a timely manner.

The department also continued to provide internal support with custom data for use in domestic and international programs, and to project citrus crop utilization and imports for use in budget projections. The department provided consumer trend studies in support of marketing programs to inform on changes in consumer tastes and preferences as well as studies focused on performance measurement and a benefit-cost analysis of investing in FDOC marketing activities.

In addition to periodic publications, the department also served as an industry point of contact for data and provided economic assessment of key industry trends in the wake of Hurricane Irma, such as providing data on the value of Florida Citrus production losses due to the hurricane and the impact of reduced supply in stimulating imports. The department worked closely with the UF/IFAS Economic Impact Analysis Program on research, headed by Drs. Christa Court and Alan Hodges, to provide key information for the update to the Economic Contributions study and to assess the impacts associated with Hurricane Irma. The department also performed a quantitative economic assessment to demonstrate the benefits associated with restoring Florida’s commercial orange tree inventory under three scenarios in which new plantings occur across various densities.

The department continued efforts to quantitatively assess world orange juice availability by updating the world OJ model for use in estimating imports for the Florida Citrus Outlook and for internal budget utilization estimates.

SCIENTIFIC RESEARCH

In 2017-18, the Scientific Research Department focused on the health benefits and quality of Florida Citrus, with an emphasis on Florida Orange Juice. The department funded clinical research on the effects of the hesperidin in orange juice on cardiovascular health in adults at risk for cardiovascular disease, the effects of orange juice on cognition in children, and the effects of orange juice on rehydration and recovery. Each of these studies concluded in this year. Final results have been reported and manuscripts for publication prepared.

A longitudinal study on orange juice consumption and its effect on weight and health measurements of children was contracted and begun. In addition, to further develop the scientific research department, a registered dietitian was addition to the staff. The FDOC also collaborated with outside entities, including the Citrus Research and Development Foundation and faculty at UF/IFAS Citrus Research and Education Center, on citrus greening disease-based projects. Staff also assisted the global marketing department with nutrition-focused messaging and supported public relations programs.



FDOC PROGRAM MEASUREMENT REPORT | July 2017 - June 2018

U.S. RESEARCH INSIGHTS

We utilize a variety of qualitative and quantitative research in order to assess attitudes and perceptions toward key issues, and track awareness of outreach efforts among key audiences, including general consumers and Millennial Moms.

CONSUMERS STILL DEMONSTRATE AFFINITY FOR OJ.

In Spring 2017, Fall 2017, and Spring 2018:¹

80% of consumers say they feel good serving 100% orange juice to their family.

▲ **81%** of consumers agree that "100% orange juice is healthy."

▲ **60%** of consumers associate 100% orange juice with a great source of vitamins and nutrients.

WE ARE MAINTAINING PERCEPTIONS AMONG OUR TARGET AUDIENCE, MILLENNIAL MOMS.

In Spring 2017, Fall 2017, and Spring 2018:¹

▲ **85%** of Millennial Moms say they feel good serving 100% orange juice to their family.

▲ **80%** of Millennial Moms agree that "100% orange juice is healthy."

60% of Millennial Moms associate 100% orange juice with a great source of vitamins and nutrients.

52% of Millennial Moms say that the nutrient content of 100% orange juice overrides sugar concerns.



WHAT WE LEARNED FROM OUR INFLUENCERS:

Based on surveys of participants in FDOC events:

84% of influencers (registered dietitians, consumer influencers) who participated in FDOC events say it's "definitely true" that 100% OJ is a healthy beverage in moderation.

1. ©2018 Porter Novelli. Results based on Porter Novelli's 2017 Spring, 2017 Fall, and 2018 Spring Styles surveys of American adults.

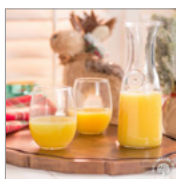
EFFORTS AND IMPACT

Over the last year, the team has focused on promoting, educating, and engaging audiences, specifically Millennial Moms, about the nutritional benefits of Florida Citrus using a number of different channels including Facebook, Instagram, Pinterest, the FDOC website, and through a variety of tactics like consumer education engagement and live events.

FLOJ SOCIAL

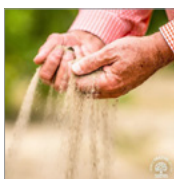
- FDOC has a strong following of consumer/Millennial Mom fans on Facebook (1,016,202), as well as on Instagram, Pinterest and Twitter, who are always looking for the latest content. Recipes are one of the most searched items by Millennial Moms and an excellent opportunity to connect FLOJ through recipes to our audience. Recipes are developed based on Millennial Mom trends as well as comments made on the FDOC social channels.
- In the midst of the team's activation, social channels, including Facebook, revised their algorithms to emphasize quality engagement over mass awareness. The result was a slight reduction in the total number of impressions, but the change allowed us to focus on more engaging conversations with our fans — engagement rates in Facebook far exceed industry standards – where most brands see under 1% engagement, average posts on FDOC **range from 2 – 3% and as high as +5%** engagement.
- Best performing content by impression/reach:

Impressions: **478**
Reach: **415**



Holiday FLOJ

Impressions: **351**
Reach: **272**



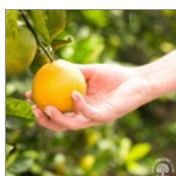
Grower Resilience

Impressions: **473**
Reach: **362**



Halloween FLOJ Bites

Impressions: **523**
Reach: **419**



Spring Nutrition

Impressions: **504**
Reach: **409**



FLOJ Nutrition Recipe

GF SOCIAL

- Looking to drive immediate awareness of Florida Grapefruit, the team implemented a social media amplification campaign featuring Florida Grapefruit recipe and origin content. The team amplified content on Facebook and Pinterest to reach audiences and drive mass awareness. The campaign was implemented during January through March and distributed original content through Facebook and Pinterest.

- Key results:

7.9M
impressions

6.6M
reached

2.6K
clicked

- Best performing content by impressions/reach/engagements:



1,063,888
impressions

f **Florida Grapefruit**

979,507
reached

1,752
engagements



942,736
impressions

p **Roasted Salmon with Grapefruit Shallot Sauce**

819,168
reached

6,472
engagements

EFFORTS AND IMPACT

CONSUMER EDUCATION AND ENGAGEMENT

- ▶ Building off of the content created for social, the team delivered nutrition content on websites, digital applications (YouTube, Hulu), and mobile devices touting FLOJ's nutritional benefits.

- Top performing social content included quick, easy-to-make recipes and timely holiday moments.
- Top performing content on display platforms included nutrition-focused content.
- Top performing content on native platforms included helpful tips and DIY content.
- Leveraging learnings from the past two years, content targeting was optimized in real-time, and adjustments led to more efficient investments and reduced costs.
- The use of video pre-roll across popular apps and video channels proved to be a valuable outlet to connect FLOJ to Millennial Moms.
- Once we have engaged Millennial Moms with content, we are able to identify their behaviors and retarget with nutritional and FLOJ messaging.

▶ Metrics

- In FY17/18 we focused on key groups within Millennial Moms to drive deeper engagement. The result was a slight drop in overall impressions (576 Million in FY17/ 18, down from 600M in FY16/17) but an **increase in engagement** rates (16.9% in FY17/18 across Facebook, Instagram, Pinterest and Twitter).

+ 172% in new users to the website

+ 148% in people searching for FLOJ

▶ Nutritional Content

- Nutritional content featuring lifestyle imagery was the top performing content. Promoted content focused on sharing health facts, as well as the nutritional benefits that **100%** orange juice provides.
- + As compared to last year, the amount of people who searched for nutrition-related content and clicked through to the FLOJ webpage increased by **366%**.



SEARCH OPTIMIZATION AND PERFORMANCE

- ▶ Millennial Moms use search first when looking for recipes, helpful tips and other topics. The team used search to promote FLOJ and related content to Millennial Moms.
- The use of search engine-optimized content dramatically **increased** the number of people who searched and found FLOJ content, specifically during the Cold and Flu and the holiday season.
- + Organic search traffic by **148%** YOY.
- + New visitors to the site by **172%** YOY.
- + Millennial Mom traffic to the website by **122%** YOY.

EFFORTS AND IMPACT

CAMPAIGN ENGAGEMENT

- ▶ Cold and Flu season and National OJ Day were two moments in time used to educate Millennial Moms regarding the nutritional benefits of 100% orange juice.

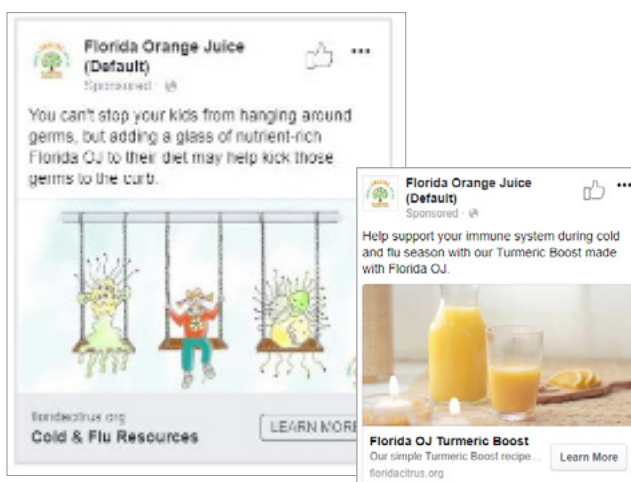
▶ COLD & FLU

- Cold and Flu season is a top searched Millennial Mom topic and a moment where consumers are seeking information and “feel good” remedies.
- The team created specific Cold and Flu content to engage the audience and promoted geographically based on Cold and Flu breakout data from the CDC.
- Cold and Flu content included a mix of helpful recipes and humorous, relatable content for Millennial Moms to directly engage with and share across their social networks.
- Activities drove a **135%** YOY increase in organic traffic to Cold and Flu pages on the FDOC website, with FLOJ Turmeric Boost as the highest performing content.
- FDOC Cold & Flu activities connected Millennial Moms with FLOJ content and drove moms to retail, resulting in an increase in sales of FLOJ in January.
- Additional results included:

20+
pieces of content
created

120+
million
impressions

350K+
clicks to
the website



▶ NATIONAL OJ DAY

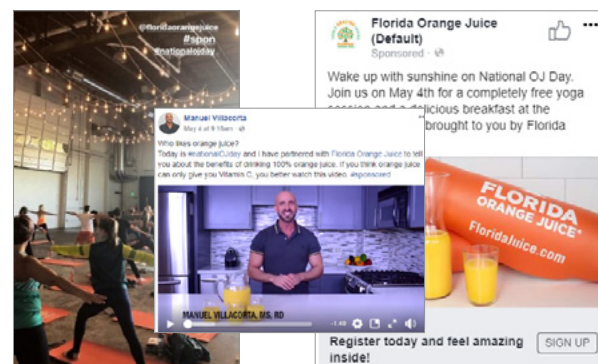
- ▶ To celebrate FLOJ on May 4, 2018, the team created a week long series of national and local market activities to create excitement for FLOJ.
- ▶ FDOC partnered with **5 registered dietitians** and **3 bloggers** to celebrate the nutritional benefits of FLOJ and hosted 3 yoga events.
- ▶ Key results included:
 - The team held yoga events in 3 markets where there is a high concentration of Millennial Moms who like yoga and who are fans of the FLOJ social channels. The events had 100+ participants across Austin, TX; Denver, CO; and Tampa, FL
 - 8 national nutrition focused blogger activations

1.5M+
impressions

60K
clicks to
website

6.7K
social engagements
(likes, shares)

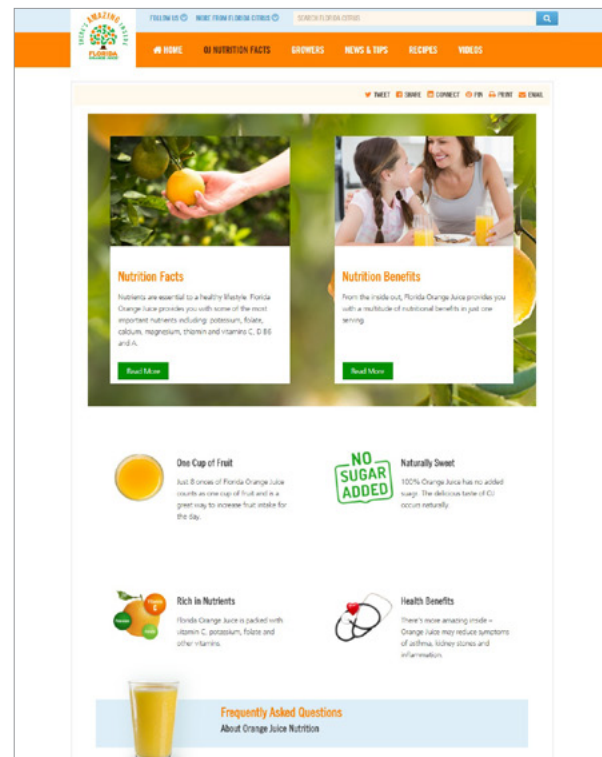
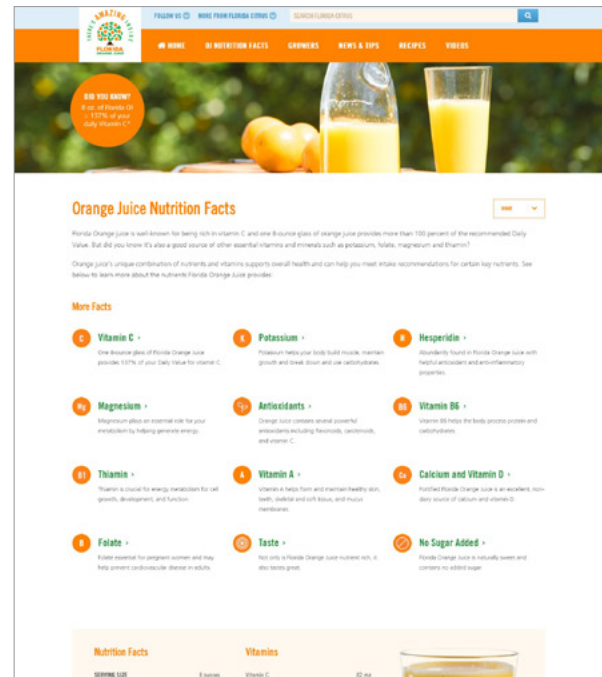
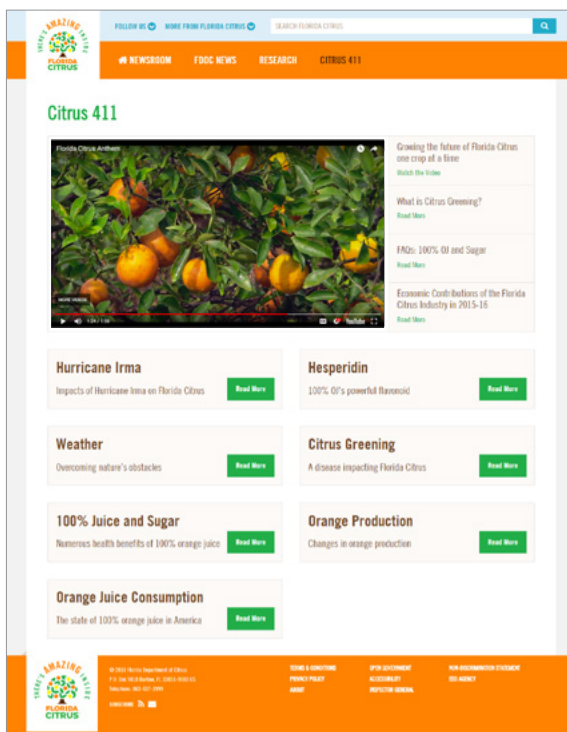
- 1 e-newsletter, distributed to over **200 RD** and nutrition influencers
- This e-newsletter inspired Amber Pankonin, RD, to mention FLOJ in a news segment on National OJ Day, reaching nearly **12,400 local television viewers** at **no cost** to FDOC.



EFFORTS AND IMPACT

WEB DEVELOPMENT

- ▶ The FDOC has numerous websites that are centralized content hubs to communicate with various audiences (i.e. consumers, industry, U.S. media): Florida Orange Juice, Florida Grapefruit, Florida Gift Fruit, Florida Citrus Newsroom, Florida Citrus Growers and Captain Citrus.
- ▶ Key web updates included:
 - Citrus 411 was created to provide media with information regarding OJ consumption, weather, production, sugar, hesperidin and Hurricane Irma.
 - A new nutrition section of the FLOJ website was created to offer consumers, industry professionals and registered dietitians easy to understand information supported by research. Additional updates emphasizing nutrition include:
 - Adding nutrition labels to all recipes
 - Organizing recipes by nutritional benefits
 - Linking recipes with nutrition content



EFFORTS AND IMPACT

BLOGGER AND INFLUENCER ENGAGEMENT

- ▶ The Scientific Research Department worked closely with Global Marketing in FY 17/18 to put a greater emphasis on nutrition topics and look ahead to future research needs and opportunities.
- ▶ FDOC directly engaged with **93 influencers** including Millennial Mom bloggers, RDs, and food and agriculture policy experts to educate them, and ultimately consumers, on the nutritional benefits of 100% orange juice and inform them of the state of the citrus industry.
- ▶ FDOC reached nearly **15,000** additional influencers with educational messaging:
 - Participated in Food 3000, a 3-day event at which Commissioner Ned Hancock and Amy Myrdal Miller, MS, RD, FAND, presented to and networked with **50** of the top U.S. food and nutrition communicators on behalf of FDOC.
 - Reached nearly **250** influencers by sending 2 e-newsletters highlighting updates from Hurricane Irma and National OJ Day.
 - Participated in the Academy of Nutrition and Dietetics' annual conference, Food and Nutrition Conference and Expo (FNCE), where more than **13,000** members, speakers, exhibitors, and guests were in attendance. At the conference, FDOC:

Held one-on-one briefings with
6
media-active registered dietitians including Jim White, Manuel Villacorta, Serena Ball, Amber Pankonin, Isabel Maples and Chris Mohr.

Educated more than
140
attendees, although only intended for 100, on hesperidin during an educational session presented by Dr. Navindra Seeram of the University of Rhode Island and Dr. Tami Turner of FDOC.

Reached more than
11,000
attendees through pre- and post-event email blasts.

- ▶ Throughout the year, FDOC also partnered with lifestyle bloggers to help feature FLOJ to Millennial Moms, including:



- ▶ These partnerships resulted in:

1,434,245
total impressions

4,350
total social engagements

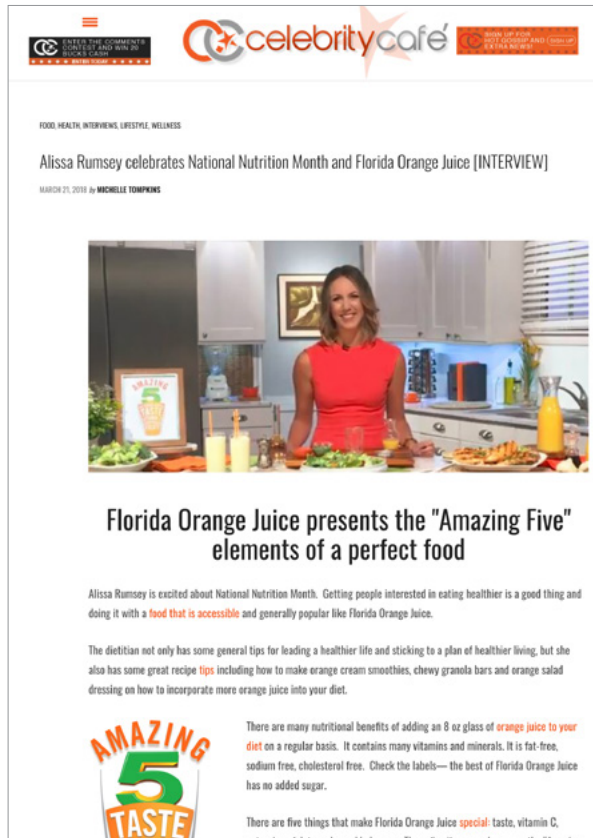
60
pieces of content created for the FDOC brand

- ▶ FDOC also hosted an education and recipe demo event in New York City to re-introduce 15 influential registered dietitians to the nutrient benefits of FLOJ, highlighting hesperidin.
 - RDs then published 24 social media posts, resulting in **461,636** social impressions.

EFFORTS AND IMPACT

MEDIA ACTIVITIES

- ▶ While much of the media activity in FY17/18 surrounded Hurricane Irma, FDOC achieved some notable, positive earned coverage:
 - FDOC hosted a satellite media tour with Registered Dietitian Alissa Rumsey to coincide with National Nutrition Month to educate audiences on the benefits of hesperidin and demonstrated nutritional FLOJ-inspired recipes. **25** interviews (including 4 national) were conducted, resulting in **11.4 million** impressions.
 - Dr. Tami Turner was quoted in an article by a high-authority health and wellness reporter in the 10/23 print edition of Women's Health magazine where she discussed the role of the phytonutrient naringenin in grapefruit for women 40+, reaching an estimated **1.5 million** readers.



AMPLIFYING ORGANIC COVERAGE

- ▶ FDOC also promoted positive, 100% orange juice messages that appeared in traditional media via Outbrain circulation, which boosts coverage by suggesting the article for reading in users' browsers.
 - For example, FDOC promoted an article by registered dietitian Serena Ball, which was written at no cost as a result of a one on one briefing. The article and recipe garnered **2.5K** clicks and additional **3.2M** impressions over 7 days.
- ▶ Additionally, FDOC partnered with local broadcast stations to generate awareness in a cost-effective way.
 - Promotions occurred in key markets, including Charlotte, Cincinnati, Indianapolis, Nashville and Phoenix, for messages surrounding Cold & Flu, generating more than **102 million** impressions.



WSMV-TV (NBC Nashville)



KNXV-TV (ABC Phoenix)

EFFORTS AND IMPACT

REACTIVE RESPONSE

- ▶ In FY17/18, FDOC monitored for daily news around FLOJ as it related to citrus greening news, nutrition news, industry news, grapefruit interaction news, and Hurricane Irma news updates:
 - **1,746** original articles were captured and **1,964** of additional coverage including republished articles in other newspapers besides the original publication the piece appeared in; often times appear in local publications across the country.
 - Negative nutrition stories decreased **22%** from FY16/17 to FY17/18.
 - **18** responses were sent in FY 17/18 to reporters who reported incorrectly on the nutrition of 100% orange juice, providing educational information on the health benefits of 100% orange juice.

NEGATIVE NUTRITION
STORIES DECREASED
22%



HURRICANE SUPPORT & RELIEF AID OUTREACH

- ▶ Hurricane Irma hit Florida in September, and devastated every single citrus grove in the state, and some saw up to 100% fruit loss. This natural disaster was even more devastating because it was set to be the first increased crop size Florida Citrus growers had seen in more than five years, as a result of citrus greening.
- ▶ FDOC partnered with Florida Citrus Mutual and other members of the citrus industry to assist in industry-wide relief efforts in the following ways:
 - Coordinated with more than **45** reporters to manage Hurricane Irma media coverage, resulting in national and local placements, which kept the needs of citrus growers top-of-mind for policy makers and their constituents:
 - CNBC's Squawk Box, Fox Business, POLITICO's Morning Agriculture, and the San Francisco Chronicle
 - Local op-eds were featured in the South Florida Sun-Sentinel, the Charlotte Sun, the Ocala Star-Banner, and the Naples Daily News
 - Built out media-facing web pages, providing imagery and details on the grower's recovery efforts
- ▶ Due to combined efforts of the citrus industry, Congress passed the long-awaited **\$90 billion** federal disaster-relief aid and Secretary Perdue announced that a program to distribute **\$2.36 billion** to farmers in Florida and other areas will begin in July 2018.

EFFORTS AND IMPACT

RETAIL ACTIVATIONS

COSTCO

- In January, the team worked with Costco to host a two-day sampling of Florida Grapefruit in key markets in the Northeast and Southeast.

NORTHEAST REGION: 93 LOCATIONS

- Sampling on January 6
 - 75% increase of units sold on 1/6 sampling day
 - 31% increase of units sold throughout week
- Sampling on January 13
 - 27% increase of units sold on 1/13 sampling day
 - 1% decrease of units sold throughout week due to northern winter storm

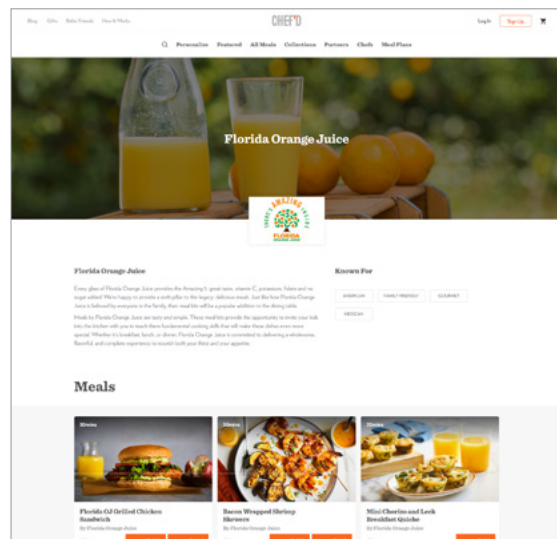
SOUTHEAST REGION: 60 LOCATIONS

- Sampling on January 6
 - 65% increase of units sold on 1/6 sampling day
 - 33% increase of units sold throughout week
- Sampling on January 13
 - 5% increase of units sold on 1/13 sampling day
 - 35% decrease of units sold throughout week due to Florida freeze



CHEF'D

- Through a partnership with Chef'd, a home delivery and retail meal kit provider, FDOC created three FLOJ-inspired meals that were shared with consumers in late May. The meal recipes featured FLOJ, and included a Grilled Chicken Sandwich, Bacon Wrapped Shrimp Skewers and Mini Chorizo and Leek Breakfast Quiche. Through the program, FDOC:
 - Connected with over **500K** consumers through a dedicated partner webpage, social posts and through email and digital marketing.
 - Saw average monthly traffic of **130K** website visits, **150K** organic social page visits, and over **200K** email subscribers.
 - Over the course of one month, the campaign experienced a total of **78** sales, **2,000+** webpage views and reached **5,000+** people through social posts.





EFFORTS AND IMPACT

CAMPAIGN ENGAGEMENT

- ▶ Through an online research program called MomTalk, FDOC engaged a community of 300 moms under 40, representing different geographical locations and demographics across the US, to determine their perceptions about topics relevant to the industry. FDOC conducted 18 engagements, including surveys, focus groups, and article discussion boards, throughout FY17/18. Below are select insights from these engagements:

▶ BIOTECHNOLOGY

- ▶ Pairing information on bioengineering related to oranges and orange juice with multiple real-life examples may make the subject relatable:
 - Moms want to learn more about biotech, and respond to real-life scenarios when considering biotechnology.
 - Many moms know there are more pressing concerns than GMOs, but still express worries about feeding children.

▶ HEALTHY EATING HABITS

- ▶ There is an opportunity to educate moms on the difference of natural vs added sugars in 100% OJ:
 - Many moms noted the acceptability of natural sugars in their diets, but couldn't explain the metabolic difference between natural and added sugars.
 - When prompted with a question about sugar, moderation was the most mentioned word in response.

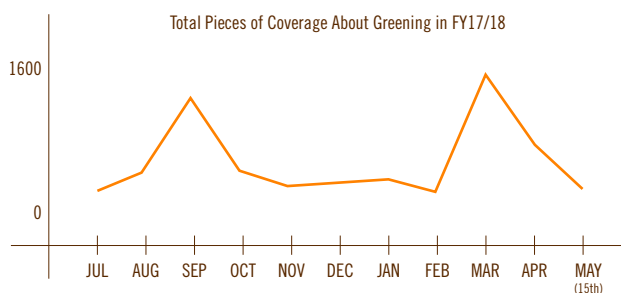
▶ NUTRITIONAL BENEFITS-HESPERIDIN

- ▶ There is an opportunity to educate moms on the beneficial nutrients in 100% OJ, especially hesperidin.
 - Most moms were unsure if compounds like hesperidin are beneficial, and some even thought they were harmful, so proper context is key for communication.
 - Moms understand 100% orange juice to be the best way to consume hesperidin, and, upon learning this, viewed the beverage as healthier than originally perceived.

MEDIA LANDSCAPE

The media landscape section below reviews sampled consumer national and local media articles* around orange juice and grapefruit drug interactions from July 1, 2017 – May 15, 2018, compared with the same time period last fiscal year. Media coverage on the issues facing the Florida Citrus industry has increased in recent years as we see more news regarding sugar, greening and production. The issues of greening and sugar were reviewed in depth as part of the larger orange juice conversation nationwide. Grapefruit drug interactions were also reviewed in detail.

GREENING



- ▶ Greening coverage in consumer outlets increased from FY16/17 to FY17/18 in overall volume (a 45% increase) and original stories (a 23% increase).
- ▶ The increase in the number of unique greening stories was largely driven by Hurricane Irma.
 - Hurricane Irma drove coverage about the state of Florida's citrus industry, as well as coverage around disaster relief packages. This coverage mentioned greening when setting up the context of the industry.
 - Mentions of Hurricane Irma were found in 62% of greening coverage in FY17/18.
 - 82% of negative coverage included a mention of Hurricane Irma. Though ultimately a relief package was secured, coverage focused on the dire need for the relief package, and so drove negative coverage about greening.
 - In FY16/17, hurricane events did not drive nearly as much coverage in FY16/17, as the hurricanes did not do as much damage to Florida.

- ▶ Other than Hurricane Irma, the increase in greening coverage volume year over year is largely attributable to one syndicated story.

- This story, called "Help Detector Dogs: Don't Pack a Pest," was syndicated by 1,271 consumer outlets and made up 25% of coverage in FY17/18 (syndication of a single article at this scale was not present in FY16/17).
- The piece was written as a consumer public service announcement, letting the public know about the role of detector dogs and the potential consequences of transporting "pests" across the country, with greening listed as an example.

- ▶ Despite this, **consumer recall of greening stories decreased over the course of FY17/18 (from 8% to 5%), and stayed consistent from Spring 2017 to Spring 2018 (at 5%).** Given that much of the coverage was driven by Irma as the feature, and briefly mentioned greening, it is likely readers were focusing more on the industry impact than greening specifically.

- ▶ More than 50% of coverage was neutral. Neutral coverage was driven by:
 - Descriptions of existing or new research, without comment on its likelihood to be effective.
 - Brief references to greening without describing its impact in detail (this came up in the context of Irma, descriptions of precautionary measures for consumer gardeners, references to events where greening will be discussed
 - September and March were the highest peaks in coverage, due to coverage around Hurricane Irma,

MEDIA LANDSCAPE

[Greening, Continued]

and the syndicated “Help Detector Dogs: Don’t Pack A Pest” article, respectively.

- In addition to coverage around Hurricane Irma, the beginning of the season drove overall coverage for FLOJ in September.
 - In March, coverage about the spending bill also drove a spike in volume.
- Consistent with FY16/17, positive coverage was limited.
- Positive coverage about greening was driven by research around greening, in which editors and companies expressed optimism about the research.
- Consistent with FY16/17, around 40% of coverage around greening was negative in FY17/18. Negative coverage other than Hurricane Irma was driven by:
- Coverage of Florida growers considering alternative crops (such as bamboo and hemp) in light of the struggle against greening.
 - Coverage about overall trends in the volume of U.S. imported fruit.
 - Research being done to combat greening.
- Similar to FY16/17, mentions of genetic modification in coverage about greening was limited. Original media coverage mentioning genetic modification/editing continues to note that consumers must be convinced on the issue.
- In FY17/18, coverage of GMOs in the context of greening was found in consumer outlets with a science or political focus, but not in major lifestyle publications.
- As in FY16/17, national and political news did drive greening mentions in consumer and business publications, however in FY17/18 this was dominated by Hurricane Irma and relief funding.

- In social media, just two of the 100 most shared articles containing “orange juice” mentioned citrus greening
- A Wall Street Journal article published a month after Hurricane Irma detailed the plight of greening and took a pessimistic tone towards the industry’s ability to solve the issue.
 - A Washington Post article, also published just a month after Irma, speculated the hurricane could be, “the knockout blow” that decimates the industry after years of struggling against greening.

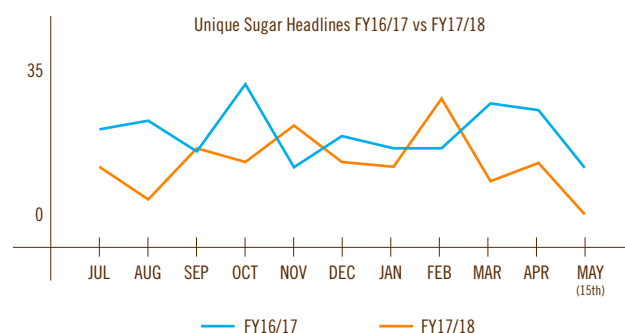
SUGAR

- **Articles about sugar in orange juice decreased from FY16/17 to FY17/18**, largely attributable to a relative lack of news-driving events in FY17/18 around sugar.
- Evergreen lifestyle stories around reducing sugar continued, but stories such as new studies and surveys and the beverage tax drove less coverage in FY17/18 than in FY16/17.
 - Approximately 38% of sugar coverage was negative in FY17/18, a slight decrease from FY16/17. Lifestyle outlets continued to cover the consumer trend of attempting to reduce sugar, and encouraged readers to consider reducing or managing their orange juice intake.
- Sugar content of orange juice in the context of the flu increased significantly from FY16/17 to FY17/18, growing from 6 articles to 23, respectively. Most articles in FY17/18 about flu were negative, questioning whether the vitamin C benefits of orange juice outweighed the negative impact of its sugar content.

MEDIA LANDSCAPE

[Sugar, Continued]

- Volume of unique headlines around sugar content in orange juice stayed relatively consistent month to month throughout FY17/18 with the exception of flu coverage driving a spike in volume in February. In FY16/17, the spike was found in October resulting from a controversy over sugar in Naked brand juice.



- Negative coverage was driven by:
 - Lifestyle articles about weight management, overall health and general dieting tips. This is a continued trend from FY16/17.
 - Coverage about the increase in orange juice sales as a result of the flu season (and context explaining OJ's health benefit is questioned), which is new to FY17/18.
 - News about an exploratory technology in development by Apple and Fitbit, which includes a "glucose tracker." Coverage notes that orange juice contains a similar amount of sugar as soda, and that the tracker might make users aware of this. This coverage is new to FY17/18.
- Positive coverage was driven by:
 - As found in FY16/17, there was very limited positive coverage about the sugar found in orange juice.

- Limited positive stories described the energy provided by orange juice, comparisons of the sugar in orange juice positively to processed sugar, describing it as "natural" or "naturally-occurring."
- Additionally, content from FDOC, such as the satellite media tour with Alissa Rumsey, drove positive coverage about FLOJ's nutritional benefits, and included messages countering misconceptions around sugar.

- Neutral coverage was driven by:
 - Messages about moderation.
 - Balanced (mixed sentiment) articles discussed both the benefits of 100% orange juice as well as the sugar content.
- In social media, just four of the top 100 most shared articles about orange juice mentioned its sugar content (though for one New York Times article, sugar was the feature of the piece).

ORANGE JUICE

- There were **931** pieces of notable orange juice consumer coverage flagged in daily media monitoring reports. Other than sugar and greening, common themes found in coverage around orange juice included the following:
 - Hurricane Irma dominated media coverage for orange juice in FY17/18, appearing in local Florida publications, popular national news outlets, as well as major national lifestyle outlets. Coverage began before the Hurricane hit, noting some growers were nervous about the storm, continued after the storm, and was drawn out by coverage of bills related to offering relief to Florida and the citrus industry. While much of the coverage was negative, bringing attention to the threat the hurricane brought to the industry, some coverage also served as a platform for spokespersons (e.g. politicians) to underscore the importance of the industry.

MEDIA LANDSCAPE

[Orange Juice, Continued]

- ▶ Outside of sugar content, themes in nutrition coverage around orange juice included outlets calling out its vitamin C content, as well as general reference to hydration and immune support. A few articles also referenced orange juice's hesperidin content, including one titled, "6 Best Everyday Foods That Can Help Lower Your Blood Pressure Naturally."
- Glyphosate drove limited negative coverage in FY17/18, a new issue this fiscal year. Coverage remained relatively contained when compared with other issues such as sugar and greening, with only twelve articles flagged. Though the news was one of the 100 most shared articles on social media around orange juice, no coverage has been identified in major lifestyle publications to date.
- ▶ International trade and tariff coverage appeared in FY17/18, in major outlets such as USA Today and Reuters. This coverage was isolated and did not drive further buzz of international trade concerns.
- ▶ As expected, USDA crop forecasts also drove coverage each month during the season.

GFDI

- ▶ Mentions of grapefruit drug interactions in traditional media increased from FY16/17 to FY17/18. Due to the nature of GFDI, virtually all coverage is negative.
 - Total coverage, total unique headlines, and total headlines featuring grapefruit in drug interaction content increased from FY16/17 to FY17/18, however, total unique headlines remains under 100 each year, and total articles featuring grapefruit (where grapefruit is mentioned in the headline or first paragraph) in drug interaction content remains under 30.
 - Organizations such as The Food and Drug Administration, the Masonic Village at Elizabethtown (a continuing care retirement community) and Kowa Pharmaceuticals drove volume of grapefruit drug interactions when they issued syndicated news releases about grapefruit drug interactions and heart disease. These syndications were not present in FY16/17.
 - The increase in grapefruit featuring in drug interaction stories is attributable to The Food and Drug Administration's warning, as it drove additional unique coverage by consumer outlets.
- ▶ The context of coverage remains consistent, with grapefruit drug interactions mentioned in consumer lifestyle and health stories.

MEDIA LANDSCAPE

SOCIAL

- ▶ A review of the most shared articles containing “orange juice” showed that stories about the industry’s concerns are widely circulated. However, only four of the top 100 most shared articles featured citrus industry concerns. Orange juice is frequently mentioned in popular articles in general, across all types of media content (e.g. national and international news, society, lifestyle and diet, politics, and technology). This shows the beverage is a key fixture of American pop culture and society.
- ▶ Among the 100 most shared articles containing “orange juice” on social media, a few predominantly featured negative concerns impacting the industry:
 - A [New York Times](#)  article on how to reduce sugar consumption noted consumers should limit their juice intake to no more than six ounces per day, and that drinking juice is not the same nutritionally as eating the raw fruit because of the lack of fiber. This article was the seventh most shared*, but mentioned orange juice briefly in a much longer article.
 - An article on [MomsAcrossAmerica](#)  detailing concerns about glyphosate used in orange juice production was the 11th most widely shared article* mentioning “orange juice” in FY17/18. The article reported that glyphosate residue had been found in many major brands of orange juice and also includes reports that the use of glyphosate in production increases water usage.
 - A [Wall Street Journal](#)  article detailed the challenges the industry is facing and painted a pessimistic picture about the industry’s future, as it faces greening and concerns about sugar. This was the 55th most shared*.
- ▶ Outside of these features, OJ was included as brief mentions in articles about national and international news, society, culture, politics, and technology, which were widely shared on social media.
 - The beverage continues to appear in mentions of recipes for cocktails and desserts - whether in lifestyle publications, references to movies/pop culture (where a character drinks a screwdriver or celebrates with a mimosa), or of profiles of influential members of society reflecting on a specific memory.

*Articles ordered by the number of total estimated shares on Facebook, LinkedIn, Pinterest, and Twitter, according to data from TalkWalker. The article with the most estimated shares is #1 while the article with the second highest number of total shares is #2, and so on.

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DEPARTMENT OF CITRUS

ANNUAL FINANCIAL REPORT

Fiscal Year Ended
June 30, 2018



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STATE OF FLORIDA DEPARTMENT OF CITRUS

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G. ELLIS HUNT, JR.
CHAIRMAN
FLORIDA CITRUS COMMISSION

September 13, 2018

Florida Citrus Commission
Bartow, Florida

Submitted herewith is the Annual Financial Report of the Florida Department of Citrus for the year ending June 30, 2018. This report has been prepared in conformance with generally accepted accounting principles as prescribed in pronouncements of the Governmental Accounting Standards Board except as outlined in Note A.4. Every effort has been made to ensure that all financial transactions were conducted and records maintained in a complete and accurate manner.

Revenue and expenditures for the current fiscal year as compared to last fiscal year are presented below. Details of these figures can be found in the attached financial report and accompanying statements.

		2016-17	2017-18
Revenue	-Assessments	\$ 6,794,499	\$ 4,639,730
	-FAS Program	4,029,170	3,759,380
	-General Revenue	7,298,258	4,614,191
	-Interest & Other	341,774	242,775
		<u>\$ 18,463,701</u>	<u>\$ 13,256,076</u>
Expenditures	-Marketing	\$ 15,921,528	\$ 11,809,814
	-Research	2,719,427	2,256,103
	-Disease Research	-	-
	-Other	2,115,952	2,386,296
		<u>\$ 20,756,907</u>	<u>\$ 16,452,213</u>

The direction provided by the Florida Citrus Commission and the cooperation of the Florida citrus industry to implement current marketing and research programs is sincerely appreciated.

Christine C Marion

Christine C. Marion, CMA, PMP
Deputy Executive Director of Administration and Finance

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FLORIDA DEPARTMENT OF CITRUS

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FLORIDA DEPARTMENT OF CITRUS

COMBINED BALANCE SHEET

JUNE 30, 2018

	SPECIAL REVENUE FUNDS	COMBINED GENERAL ACCOUNT GROUPS	TOTAL (MEMORANDUM ONLY)
ASSETS			
Cash and Cash Equivalents	\$143,842		\$143,842
Pooled Investments with State Treasury	12,528,060		12,528,060
Grants Receivable	2,823,774		2,823,774
Interest Receivable	20,588		20,588
Prepaid Assets	406		406
Inventories	516,742		516,742
Due from Other State Agencies	2,739		2,739
Fixed Assets at Cost			
Land		60,000	60,000
Buildings		3,904,415	3,904,415
Equipment and Autos		1,660,480	1,660,480
Less: Accumulated Depreciation		(2,743,625)	(2,743,625)
Total Assets	\$16,036,151	\$2,881,270	\$18,917,421
LIABILITIES			
Accounts Payable	\$1,891,493		\$1,891,493
Due to Other State Agencies	141,095		141,095
Compensated Absences - Current	0	85,786	85,786
Compensated Absences - Non-Current		215,811	215,811
Other Liabilities	6,600		6,600
Total Liabilities	2,039,188	301,597	2,340,785
FUND EQUITY			
Invested in General Account Groups		2,579,673	2,579,673
Committed Fund Balance			
Designated	11,261,963		11,261,963
Undesignated	2,735,000		2,735,000
Total Fund Equity	13,996,963	2,579,673	16,576,636
Total Liabilities & Fund Equity	\$16,036,151	\$2,881,270	\$18,917,421

The accompanying notes to financial statements are an integral part of this statement.

FLORIDA DEPARTMENT OF CITRUS

STATEMENT OF CHANGES IN FUND BALANCE

FISCAL YEAR ENDED JUNE 30, 2018

DESCRIPTION	FLORIDA CITRUS ADVERTISING TRUST FUND
Fund Balance, July 1	\$17,001,667
Adjustments to Fund Balance	<u>191,433</u>
Fund Balance, July 1, as restated	17,193,100
Revenue	13,256,076
Expenditures	<u>(16,452,213)</u>
Fund Balance, June 30	
Designated	11,261,963
Undesignated	<u>2,735,000</u>
TOTAL	<u><u>\$13,996,963</u></u>

The accompanying notes to financial statements are an integral part of this statement.

FLORIDA DEPARTMENT OF CITRUS

COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES

FISCAL YEARS ENDING JUNE 30, 2017 AND 2018

DESCRIPTION	JUNE 30, 2017	INCREASE/ (DECREASE)	JUNE 30, 2018
REVENUE			
Assessment on Domestic Fruit			
Orange	\$4,734,112	(\$1,641,229)	\$3,092,883
Grapefruit	532,288	(266,770)	265,518
Specialty	118,813	(66,535)	52,278
	<u>5,385,213</u>	<u>(1,974,534)</u>	<u>3,410,679</u>
Assessment on Imported Product			
Orange	1,390,550	(209,661)	1,180,889
Grapefruit	18,736	29,426	48,162
	<u>1,409,286</u>	<u>(180,235)</u>	<u>1,229,051</u>
Total Assessment	6,794,499	(2,154,769)	4,639,730
Investment Earnings	260,572	(21,024)	239,548
Other Income	81,202	(77,975)	3,227
Gen-Rev - Marketing & NVMD C	7,298,258	(2,684,067)	4,614,191
Foreign Agricultural Service (FAS) Program	4,029,170	(269,790)	3,759,380
TOTAL REVENUE	<u>\$18,463,701</u>	<u>(\$5,207,625)</u>	<u>\$13,256,076</u>
EXPENDITURES			
Administrative and Support Services	\$1,834,244	\$357,098	\$2,191,342
State General Revenue Charge	281,708	(86,754)	194,954
Research & Development - General Operations	553,334	(22,916)	530,418
Scientific Product Research	620,538	(422,633)	197,905
New Varieties Development - Gen Rev	650,000	0	650,000
Economic and Market Research	895,555	(17,775)	877,780
Subtotal Non-Marketing	<u>4,835,379</u>	<u>(192,980)</u>	<u>4,642,399</u>
Marketing			
Marketing/Public Relations - General Operations	593,715	(102,943)	490,772
Public Relations Programs	4,130,482	(1,001,643)	3,128,839
Public Relations Programs-Gen Rev	4,205,415	(241,224)	3,964,191
Retail Marketing-Gen Rev	1,498,606	(1,498,606)	0
Fresh Fruit Marketing-Gen Rev	944,238	(944,238)	0
Fresh Fruit/Grft Juice Marketing	45,166	6,058	51,224
International Marketing	4,503,906	(329,118)	4,174,788
Subtotal Marketing	<u>15,921,528</u>	<u>(4,111,714)</u>	<u>11,809,814</u>
TOTAL EXPENDITURES	<u>\$20,756,907</u>	<u>(\$4,304,694)</u>	<u>\$16,452,213</u>
EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES	<u>(\$2,293,206)</u>	<u>(\$902,931)</u>	<u>(\$3,196,137)</u>

FLORIDA DEPARTMENT OF CITRUS

CASH FLOW STATEMENT

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Increase (Decrease) in Cash and Cash Equivalents:

Cash Flows from Operating Activities:

Receipts from 2017-18 Tax Assessments	\$ 4,639,730
Receipts for Department of Agriculture-Inspection Fees	16,833
Other Miscellaneous Receipts	16,864
Payments to Vendors	(8,620,873)
Employment Related Payments	(2,659,457)
Payments for General Revenue Service Charge	(221,112)
Payments to Department of Agriculture-Inspection Fees	(18,227)

Net Cash Provided by (Used in) Operating Activities (6,846,242)

Noncapital Financing Activities - Proceeds from Grants 2,524,308

Capital and Related Financing Activities

Additions of Capital Assets	(409,302)
Proceeds from Sale of Assets	

Net Cash Flowed Provided by Capital and Related Financing Activities (409,302)

Investing Activities - Net Investment Income 245,582

Net Change in Cash and Cash Equivalents (4,485,654)

Cash and Cash Equivalents at Beginning of Year 17,157,556

Cash and Cash Equivalents at End of Year \$ 12,671,902

Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:

Net Income (Loss) per Financial Statements	\$ (3,196,137)
Deduct Proceeds from Grants	(2,524,308)
Deduct Proceeds from Capital Activities	409,302
Deduct Net Proceeds from Investments	(245,582)
Net Income (Loss) from Operating Activities	<u>(5,556,725)</u>

Adjustments Not Affecting Cash:

Prior Period Adjustments	191,433
--------------------------	---------

(Increase) Decrease in Assets and

Increase (Decrease) in Liabilities:

Accounts Receivable	(1,217,300)
Prepaid Items	362
Inventory	55,115
Accounts Payable	(199,110)
Due to Other State Agencies	(117,071)
Compensated Absences	(2,946)
Other Liabilities	-

Total Adjustments (1,289,517)

Net Cash Provided (Used in) Operating Activities \$ (6,846,242)

FLORIDA DEPARTMENT OF CITRUS

SOURCE AND USE OF FUNDS

FISCAL YEAR ENDED JUNE 30, 2018

DESCRIPTION	DOM. ASSESMTS & OTHER REV	IMPORTS	GRANTS	TOTAL
SOURCES				
Assessments	\$3,410,679	\$1,229,051		\$4,639,730
Other	242,775			242,775
General Revenue	4,614,191			4,614,191
Marketing Grants			3,759,380	3,759,380
TOTAL SOURCES	\$8,267,645	\$1,229,051	\$3,759,380	\$13,256,076
USES				
Admin & Support Svcs	\$1,467,033	724,309		\$2,191,342
State Gen Rev Charge	145,792	49,162		194,954
Research	1,800,523	455,580		2,256,103
Marketing	8,050,434		3,759,380	11,809,814
TOTAL USES	\$11,463,782	1,229,051	\$3,759,380	\$16,452,213
EXCESS/(DEFICIT)	(\$3,196,137)	\$0	\$0	(\$3,196,137)

Pursuant to Chapter 601.155(10) F.S. equalization assessment collected on imported product (1/3 of applicable rates) were expended only for Research, Administrative and Regulatory activities. Import taxes paid for 36% of the Department's Research, Administrative and Regulatory activities.

FLORIDA DEPARTMENT OF CITRUS

STATEMENT OF REVENUE, EXPENDITURES AND FUND BALANCE BY FRUIT VARIETY

FISCAL YEAR ENDED JUNE 30, 2018

	TOTAL	PROCESSED ORANGE	PROCESSED GRAPEFRUIT	FRESH ORANGE	FRESH GRAPEFRUIT	FRESH SPECIALTY
Fund Balance, July 1	\$17,001,667	\$12,924,127	\$2,666,315	\$813,372	\$408,551	\$189,302
Adjustments to Fund Balance	191,433	182,778	3,530	2,016	2,243	866
Revenue	13,256,076	9,522,117	919,517	348,412	2,202,884	263,146
Total Available	\$30,449,176	\$22,629,022	\$3,589,362	\$1,163,800	\$2,613,678	\$453,314
Expenditures						
Administration						
Admin & Supp Svc	\$2,191,342	\$2,006,174	\$90,064	\$49,305	\$35,500	\$10,299
State Gen Rev Charge	194,954	175,459	8,325	4,830	4,916	1,424
Subtotal Administration	2,386,296	2,181,633	98,389	54,135	40,416	11,723
Scientific Research & Development						
General Operations	530,418	485,598	21,800	11,934	8,593	2,493
Scientific Product Research	197,905	197,905	0	0	0	0
New Varieties Dev - Gen Rev	650,000	65,000	65,000	227,500	65,000	227,500
Subtotal Scientific Research	1,378,323	748,503	86,800	239,434	73,593	229,993
Economic & Market Research						
General Operations	361,991	331,403	14,878	8,145	5,864	1,701
Research Studies & Data	515,789	483,618	21,693	5,432	3,911	1,135
Subtotal Sci & Econ Research	2,256,103	1,563,524	123,371	253,011	83,368	232,829
Marketing & Public Relations						
General Operations	490,772	459,017	14,074	11,099	4,120	2,462
Public Relations Programs	3,128,839	2,977,724	72,139	28,513	44,141	6,322
Marketing & PR - Gen Rev	3,964,191	3,862,159	6,807	0	95,225	0
Fresh Fruit Marketing - Gen Rev	0	0	0	0	0	0
Fresh Fruit Marketing	51,224	0	0	32,061	12,002	7,161
	7,635,026	7,298,900	93,020	71,673	155,488	15,945
International Promotions-DOC	415,408	95,040	77,271	0	243,097	0
International Promotions-FAS	3,759,380	1,200,607	639,226	0	1,919,547	0
Subtotal Int'l Marketing	4,174,788	1,295,647	716,497	0	2,162,644	0
Total Expenditures	\$16,452,213	\$12,339,704	\$1,031,277	378,819	\$2,441,916	\$260,497
Fund Balance, June 30						
Designated	\$11,261,963	\$7,919,318	\$2,389,847	\$759,981	\$0	\$192,817
Undesignated	2,735,000	2,370,000	168,238	25,000	171,762	0
Total Fund Balance	\$13,996,963	\$10,289,318	\$2,558,085	\$784,981	\$171,762	\$192,817

FLORIDA DEPARTMENT OF CITRUS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following summary of significant accounting policies of the Department of Citrus is presented to assist the reader in interpreting the financial statements. These policies should be viewed as an integral part of the accompanying financial statements.

1. Reporting Entity

The Department of Citrus is an agency of the State of Florida.

The powers and duties of the Department of Citrus are defined in Chapter 601, Florida Statutes (the Florida Citrus Code of 1949). The Department of Citrus is a corporate body with power to contract, and be contracted with, in order to carry out the provisions and requirements of this Chapter. Bartow, Florida, is designated as its official headquarters.

The Florida Citrus Commission is designated as the head of the Department and is composed of nine practical citrus persons appointed by the Governor, subject to confirmation by the Senate, for a three-year term. Six members shall be designated as grower members and three shall be designated as grower-handler members. The Commission administers the various laws which provide broad regulatory powers with respect to packing, processing, labeling, and handling of citrus fruits and products. The Commission also oversees domestic and international marketing activities, scientific research, and economic and market research.

2. Fund Accounting

The accounts of the Department of Citrus are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Special revenue funds (a governmental fund type) are used to account for revenues which are legally restricted to expenditures for specific purposes. The Department currently has one special revenue fund, the Florida Citrus Advertising Trust Fund. The trust fund was created by Section 601.15(7), Florida Statutes, for the payment of expenditures for general overhead, administration, research and development, advertising, merchandising, public relations, and other associated marketing activities. An assessment per standard (1-3/5 bu.) box on grapefruit, oranges, and on other citrus varieties is levied by the Florida Citrus Commission in accordance with a sliding tax table. The assessment is effective August 1 for the ensuing year.

The general fixed assets account group is used to establish accounting control for general fixed assets.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

3. Basis of Accounting

Basis of accounting refers to when revenues, expenditures, transfers and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the nature of the measurement.

The governmental funds are accounted for using the modified accrual basis of accounting. Revenue is recognized when it becomes measurable and available to finance expenditures of the current period. Under the modified accrual basis of accounting, expenditures are recognized when the related fund liability is incurred.

4. Basis of Presentation

The financial statements of the Department of Citrus have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). Although GASB No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*, eliminated the requirement to present account groups, the Department has elected to combine and present the fixed asset and long-term debt account groups.

The total column on the accompanying combined financial statement is captioned "memorandum only" to indicate that it is presented only to facilitate financial analysis. Inasmuch as the total column includes fund types and account groups that use different bases of accounting, data in this column does not present financial position in conformity with generally accepted accounting principles. Such data is not comparable to a consolidation.

5. Deposits and Investments

Cash deposits include demand deposit accounts and time deposit accounts. In addition, investments in the State Board of Administration investment pool are considered to be a cash equivalent. Cash equivalents are defined as short-term, highly liquid investments.

Unless specifically exempted by statute, all cash of the state must be deposited in the State Treasury. The State Treasury, in turn, keeps the funds fully invested to maximize interest earnings. Authorized investments include certificates of deposit in Florida banks and savings and loan associations, direct obligations of the United States Treasury, obligations of federal agencies, asset-backed or mortgage-backed securities, commercial paper, bankers' acceptances, medium term corporate obligations, repurchase agreements and commingled and mutual funds.

6. Inventories

Inventories of \$516,742 are expensed using the consumption method and are valued at cost determined on a first-in, first-out basis. Inventories consist mainly of promotional, educational, and display materials that support marketing and public relations activities.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

7. Fixed Assets

Buildings, furniture and equipment are recorded at historical cost. Land, which was donated, is recorded at the appraised value at the time it was donated. GASB No. 34 requires that the State have a policy on capitalization, depreciation, and useful lives of fixed assets. Fixed assets are recorded at cost and depreciated over the following useful lives:

Buildings	30 years
Equipment	3-5 years
Automobiles	5 years

8. Compensated Absences

Employees earn the right to be compensated during absences for vacation and illness. Within the limits established by law or rule, the value of unused leave benefits will be paid to employees upon separation from state service. The cost of leave benefits is normally recognized when payments are made to employees; however, the department has accrued a liability of \$301,597 as required by GASB. The current portion of the liability is \$85,786. The remaining \$215,811 is recorded as a noncurrent liability.

The compensated absences amounts are based on June 30, 2018 salary rates and include employer social security and pension contributions at current rates.

B. CASH AND CASH EQUIVALENTS

Cash and cash equivalents totaling \$12,671,902 consist of pooled investments of \$12,528,060 (See Note C), and cash held in the State Treasury \$143,842. A local demand deposit account used for incidental expenses was closed during the year.

C. POOLED INVESTMENTS WITH STATE TREASURY

Available monies are invested through the State Board of Administration pursuant to Section 215.44, Florida Statutes. Investments totaled \$12,528,060 and are stated at cost plus interest earned and reinvested. Interest earned on these investments during the fiscal year ended June 30, 2018, totaled \$239,548, an average rate of 1.65%.

D. DUE FROM FEDERAL GOVERNMENT

At June 30, 2018, \$2,823,774 is due from the United States Department of Agriculture/Foreign Agricultural Service. This balance represents marketing expenditures incurred by the Department of Citrus as of June 30, 2018, not yet reimbursed by the Foreign Agricultural Service program.

E. CHANGES IN GENERAL FIXED ASSETS

Changes during the year in general fixed assets are summarized below:

	<u>Balances</u> <u>07/1/17</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>06/30/18</u>
Fixed Assets at Cost				
Land	\$ 60,000	\$ 0	\$ 0	\$ 60,000
Buildings	3,567,746	336,669	0	3,904,415
Equipment & Autos	1,590,586	69,894	0	1,660,480
Other	0	0	0	0
Less: Accumulated Depreciation				
Buildings	(1,047,513)	(144,732)	0	(1,192,245)
Equipment & Autos	(1,485,722)	(65,658)	0	(1,551,380)
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>\$ 2,685,097</u>	<u>\$ 196,173</u>	<u>\$ 0</u>	<u>\$ 2,881,270</u>

Additions under Equipment & Autos is reduced by proceeds from sale of state pool car of \$2,739.

F. ACCOUNTS PAYABLE

Accounts payable of \$1,891,493, consist primarily of marketing, public relations and research expenditures incurred in the normal course of operation of the Department.

G. DUE TO OTHER STATE AGENCIES

Amounts payable to other state agencies, totaling \$141,095, consist of general revenue service charges due to the State of Florida, Chief Financial Officer, and amounts due to other State agencies for services provided.

H. CHANGES IN GENERAL LONG-TERM DEBT

Changes during the year in general long-term debt are summarized below:

	<u>Balance</u> <u>07/01/17</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/18</u>
Compensated absences	<u>\$326,419</u>	<u>\$133,263</u>	<u>(\$158,085)</u>	<u>\$301,597</u>

The liability for compensated absences at June 30, 2018, was determined in accordance with the provisions of the Governmental Accounting Standards Board *Codification*, Section C60.

I. COMMITTED FUND BALANCE

For fiscal years beginning after June 15, 2010, GASB No. 54, *Fund Balance Reporting and Governmental Fund Types*, requires government entities to present fund balance based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Department's fund balance of \$13,996,963 is classified as Restricted by Enabling Legislation because all funds in the Florida Citrus Advertising Trust Fund are constrained by Section 601.15(7), Florida Statutes (see Note A. 2.). The Department chooses to designate a portion of the restricted fund balance, currently \$11,261,963, to provide adequate funds to continue normal operations during periods of minimal tax collections, and to provide for rate stabilization in future years. The remainder of the committed fund balance is available in the subsequent year to fund program activities.

J. PRIOR PERIOD ADJUSTMENT

Adjustments were made to fund balance at July 1, 2017, totaling \$191,433. Accounts payable at June 30, 2017 were overstated by approximately \$191,433 due to recorded payables which did not materialize.

K. RETIREMENT PLANS

The Department does not administer a separate retirement plan for its employees. However, pursuant to Florida Statutes, all officers and salaried employees are, with minor exceptions, members of defined retirement plans administered by the Florida Department of Management Services, Division of Retirement. The retirement plans of the State of Florida consist of contributory and noncontributory benefit plans. The plans provide for retirement, death, and disability benefits and require contributions by employees and/or participating agencies at stated percentages of compensation set by law as determined from time to time by the State Legislature. The Department's contributions to the plans for the fiscal year ended June 30, 2018, totaled \$168,985; employee contributions total \$57,163. The plans' accounting and funding policies, actuarial present value of accumulated plan benefits, net assets available for benefits, and other plan-related matters are the responsibility of the Florida Department of Management Services, Division of Retirement, and are not computed on an individual agency basis.

L. EXTRAORDINARY ITEM

There were no extraordinary items in fiscal year 2016-17 or fiscal year 2017-18.

M. SUPPLEMENTAL SCHEDULES

To assist the reader in analysis of these statements, the following supplemental schedules are included:

	<u>Pages</u>
Cash Flow Statement	30
Source and Use of Funds	31
Comparative Expenditures - General Operations	39
Comparison of Periodic Budgets	40
Ten-Year History of Operations	41

FLORIDA DEPARTMENT OF CITRUS

COMPARATIVE EXPENDITURES - GENERAL OPERATIONS

FISCAL YEARS ENDING JUNE 30, 2017 AND 2018

	Year to Date 6/30/2017	Year to Date 6/30/2018	Variance	Percent
Salaries and Benefits	\$2,641,316	\$2,543,567	(\$97,749)	(3.7)
Other Personal Services	33,119	35,035	1,916	5.8
Travel	103,667	80,855	(22,812)	(22.0)
Transition Costs/Unemployment Comp	13,451	630	(12,821)	(95.3)
People First Initiative	16,676	13,840	(2,836)	(17.0)
Telephone	65,086	47,969	(17,117)	(26.3)
Postage/Freight	11,770	8,812	(2,958)	(25.1)
Data Processing	144,329	183,168	38,839	26.9
Supplies	4,209	4,013	(196)	(4.7)
Insurance and Bond Premiums	18,833	19,213	380	2.0
Reproduction	8,255	6,560	(1,695)	(20.5)
Subscriptions and Memberships	24,421	23,704	(717)	(2.9)
Trade Meals/Meetings	0	0	0	0.0
Repairs and Maintenance	109,010	79,487	(29,523)	(27.1)
Utilities	73,931	81,965	8,034	10.9
Leases/Rent Expense	31,173	27,616	(3,557)	(11.4)
Promotional Items	913	523	(390)	(42.8)
Coupon Redemption	1,413	0	(1,413)	(100.0)
Capital Equipment (OCO)	20,635	44,583	23,948	100.+
Vehicle (OCO)	0	27,111	27,111	100.+
Chiller Replacement (FCO)	12,756	336,668	323,912	100.+
Office/Research Equipment	0	468	468	100.+
Miscellaneous	36,140	6,752	(29,388)	(81.3)
CREC Expenses	113,939	113,939	0	0.0
Research Materials	22,012	12,022	(9,990)	(45.4)
Fruit Inspection Data	100	100	0	0.0
Consultants Fee/Travel	204,160	37,085	(167,075)	(81.8)
Total	\$3,711,314	\$3,735,685	\$24,371	0.7

FLORIDA DEPARTMENT OF CITRUS

COMPARISON OF PRELIMINARY, OCTOBER BUDGET REVISION AND CURRENT BUDGETS FISCAL YEAR ENDED JUNE 30, 2018

	July 1, 2017 Operating Budget	Adjustment	October 25, 2017 Budget Revision	June 30, 2018 Budget	Variance	Percent
REVENUE						
Carryover	\$3,205,000	\$0	\$3,205,000	\$3,205,000	\$0	0.0
Unspent Certified	0	205,448	205,448	205,448	0	0.0
Tax Assessments-Domestic	4,645,950	(522,740)	4,123,210	3,397,860	(725,350)	(17.6)
Tax Assessments-Imports	871,667	645,140	1,516,807	1,509,971	(6,836)	(0.5)
Interest/Other	254,000	(4,400)	249,600	249,600	0	0.0
Gen Rev - NVMD	650,000	0	650,000	650,000	0	0.0
Gen Rev - Marketing	4,000,000	0	4,000,000	4,000,000	0	0.0
FAS Program	3,880,190	0	3,880,190	3,880,190	0	0.0
TOTAL REVENUE	\$17,506,807	\$323,448	\$17,830,255	\$17,098,069	(\$732,186)	(4.1)
EXPENDITURES						
Administration						
Admin and Support Services	\$2,340,200	(\$36,300)	\$2,303,900	\$2,291,400	(\$12,500)	(0.5)
State General Revenue Charge	230,000	4,600	234,600	205,312	(29,288)	(12.5)
Scientific Research & Development						
General Operations	697,600	(10,800)	686,800	660,800	(26,000)	(3.8)
Scientific Product Research	325,000	0	325,000	265,000	(60,000)	(18.5)
New Varieties Development	650,000	0	650,000	650,000	0	0.0
Economic and Market Research						
General Operations	380,000	8,000	388,000	387,500	(500)	(0.1)
Research Data & Studies	542,400	0	542,400	542,400	0	0.0
Marketing & Public Relations						
General Operations	552,300	(600)	551,700	540,700	(11,000)	(2.0)
Public Relations Programs	3,194,700	0	3,194,700	3,144,418	(50,282)	(1.6)
Marketing & PR - Gen Rev	4,000,000	0	4,000,000	4,000,000	0	0.0
Gift Fruit Marketing	47,500	0	47,500	51,600	4,100	8.6
International Promotions-DOC	470,000	0	470,000	475,000	5,000	1.1
International Promotions-FAS	3,880,190	0	3,880,190	3,880,190	0	0.0
Subtotal	17,309,890	(35,100)	17,274,790	17,094,320	(180,470)	(1.0)
Reserves	196,917	358,548	555,465	3,749	(551,716)	(99.3)
TOTAL BUDGET	\$17,506,807	\$323,448	\$17,830,255	\$17,098,069	(\$732,186)	(4.1)

FLORIDA DEPARTMENT OF CITRUS
TEN-YEAR HISTORY OF OPERATIONS (000's)
FISCAL YEARS AS INDICATED

	2008-09		2009-10		2010-11		2011-12		2012-13		2013-14		2014-15		2015-16		2016-17		2017-18	
		%		%		%		%		%		%		%		%		%		%
Revenue Boxes																				
Domestic	191,389		159,121		160,940		172,575		154,210		122,520		110,249		95,113		77,380		49,382	
Imports	19,618		25,245		14,117		21,380		29,744		29,950		43,192		37,914		43,498		52,674	
Begin Fund Balance	\$23,155		\$26,775		\$22,234		\$22,136		\$19,022		\$17,140		\$16,260		\$16,014		\$18,978		\$17,002	
Adjustment	1,010		499		2,573		722		1,071		813		924		773		317		191	
Revenue																				
Assessments	49,048	88	41,425	87	42,392	88	42,329	86	38,640	88	31,149	87	25,053	83	23,234	83	6,795	37	4,640	35
Other	6,632	12	6,293	13	5,982	12	6,915	14	5,250	12	4,563	13	5,187	17	4,719	17	11,668	63	8,616	65
Total Revenue	<u>55,680</u>	100	<u>47,718</u>	100	<u>48,374</u>	100	<u>49,244</u>	100	<u>43,890</u>	100	<u>35,712</u>	100	<u>30,240</u>	100	<u>27,953</u>	100	<u>18,463</u>	100	<u>13,256</u>	100
Expenditures																				
Marketing																				
Domestic-PO	21,804	41	21,358	41	22,056	43	23,825	45	23,818	51	19,648	53	11,954	38	12,604	49	10,109	49	7,299	44
Domestic-PG	2,495	5	1,823	4	2,085	4	2,061	4	1,514	3	1,023	3	645	2	167	1	150	1	93	1
Domestic-Fresh	1,413	3	1,389	3	819	2	871	2	734	2	604	2	383	1	346	1	1,159	6	243	1
International	8,912	17	7,996	15	8,486	17	8,300	16	8,234	18	6,881	18	7,288	23	6,214	24	4,504	22	4,175	25
Research																				
Econ & Mkt Res	1,779	3	1,685	3	1,730	3	1,496	3	1,534	3	1,428	4	2,336	7	1,334	5	895	4	878	5
Scientific Res/NVD	2,354	4	2,934	6	2,998	6	2,509	5	2,244	5	2,047	5	1,374	4	1,949	8	1,824	9	1,378	8
Disease Res	7,243	14	9,117	17	8,184	16	9,148	17	4,667	10	1,905	5	3,148	10	0	0	0	0	0	0
Harvesting	2,574	5	1,482	3	266	1	810	2	272	1	0	0	32	0	0	0	0	0	0	0
Administrative	2,724	**	3,304	**	2,716	**	2,298	4	2,265	5	2,615	7	3,239	**	2,209	9	1,834	9	2,191	13
Gen Rev Svc Chrg	<u>1,772</u>	3	<u>1,670</u>	3	<u>1,705</u>	3	<u>1,762</u>	3	<u>1,561</u>	3	<u>1,254</u>	3	<u>1,011</u>	3	<u>939</u>	4	<u>282</u>	1	<u>195</u>	1
Total Expenditures	<u>53,070</u>	100	<u>52,758</u>	100	<u>51,045</u>	100	<u>53,080</u>	100	<u>46,843</u>	100	<u>37,405</u>	100	<u>31,410</u>	100	<u>25,762</u>	100	<u>20,757</u>	100	<u>16,452</u>	100
Surplus/(Deficit)	<u>2,610</u>		<u>(5,040)</u>		<u>(2,671)</u>		<u>(3,836)</u>		<u>(2,953)</u>		<u>(1,693)</u>		<u>(1,170)</u>		<u>2,191</u>		<u>(2,294)</u>		<u>(3,196)</u>	
End Fund Balance	<u><u>\$26,775</u></u>		<u><u>\$22,234</u></u>		<u><u>\$22,136</u></u>		<u><u>\$19,022</u></u>		<u><u>\$17,140</u></u>		<u><u>\$16,260</u></u>		<u><u>\$16,014</u></u>		<u><u>\$18,978</u></u>		<u><u>\$17,001</u></u>		<u><u>\$13,997</u></u>	
Cash on Hand	\$35,152		\$27,350		\$26,366		\$24,359		\$21,971		\$18,089		\$21,625		\$22,153		\$17,158		\$12,672	
Salaries & Benefits	\$4,569		\$4,570		\$4,517		\$4,105		\$3,899		\$4,184		\$4,145		\$3,661		\$2,641		\$2,544	
# Employees	59		56		52		48		47		45		45		40		28		28	

** Includes extraordinary items of \$956,600 (2007-08) and \$95,000. (2008-09), \$750,000 (2009-10), \$86,221 (2010-11), \$375,769 (2014-15)

FLORIDA DEPARTMENT OF CITRUS

SCHEDULE OF TAX RATES*

FISCAL YEARS ENDING JUNE 30, 2017 AND 2018

	2016-2017		2017-2018		STATUTE
	FRESH	PROCESSED	FRESH	PROCESSED	
DOMESTIC					
Orange	\$ 0.050	\$ 0.070	\$ 0.050	\$ 0.070	601.15(3a)
Grapefruit	\$ 0.070	\$ 0.070	\$ 0.070	\$ 0.070	601.15(3a)
All Other Varieties	\$ 0.070	\$ 0.070	\$ 0.070	\$ 0.070	601.15(3a)
IMPORTS					
Orange		\$ 0.070		\$ 0.070	601.155(2)
Grapefruit		\$ 0.070		\$ 0.070	601.155(2)

*Rates are per 1-3/5 bushel equivalent, and are effective August 1 each fiscal year.

FLORIDA DEPARTMENT OF CITRUS

COMPARATIVE SCHEDULE OF REVENUE BOXES

FISCAL YEARS ENDING JUNE 30, 2017 AND 2018

	ACTUAL REVENUE BOXES 2016-2017	ESTIMATED REVENUE BOXES 2017-2018	ACTUAL REVENUE BOXES 2017-2018		
			2016-2017 PAID IN 2017-2018	2017-2018 PAID IN 2017-2018	TOTAL
DOMESTIC					
ORANGE:					
Fresh	2,295,702	1,957,000	137,028	2,166,630	2,303,658
Processed	65,826,248	42,683,000	295,764	42,243,046	42,538,810
GRAPEFRUIT:					
Fresh	3,329,591	1,639,000	12,002	1,646,903	1,658,905
Processed	4,231,081	2,126,000	0	2,133,791	2,133,791
SPECIALTY:					
Fresh	926,150	432,000	13,623	469,984	483,607
Processed	771,163	263,000	0	263,206	263,206
TOTAL DOMESTIC					
Fresh	6,551,443	4,028,000	162,653	4,283,517	4,446,170
Processed	70,828,492	45,072,000	295,764	44,640,043	44,935,807
	77,379,935	49,100,000	458,417	48,923,560	49,381,977
IMPORTS					
Orange	42,717,431	63,391,000	9,368,836	41,241,080	50,609,916
Grapefruit	780,587	1,322,000	267,960	1,796,133	2,064,093
TOTAL IMPORTS	43,498,018	64,713,000	9,636,796	43,037,213	52,674,009
TOTAL	120,877,953	113,813,000	10,095,213	91,960,773	102,055,986

FLORIDA DEPARTMENT OF CITRUS

BUDGETED REVENUE

FISCAL YEAR ENDED JUNE 30, 2018

DESCRIPTION	BUDGETED 2017-18	REVENUE TO DATE	% TO BUDGETED
Assessment on Domestic Fruit			
Orange			
Fresh	\$97,850	\$115,166	100.+
Processed	2,987,810	2,977,717	99.7
	<u>3,085,660</u>	<u>3,092,883</u>	100.+
Grapefruit			
Fresh	114,730	116,153	100.+
Processed	148,820	149,365	100.+
	<u>263,550</u>	<u>265,518</u>	100.+
Specialty			
Fresh	30,240	33,853.28	100.+
Processed	18,410	18,424.50	100.+
	<u>48,650</u>	<u>52,278</u>	100.+
Assessment on Import Fruit			
Orange	1,479,124	1,180,889	79.8
Grapefruit	30,847	48,162	100.+
	<u>1,509,971</u>	<u>1,229,051</u>	81.4
Total Assessments	4,907,831	4,639,730	94.5
Investment Earnings	172,600	239,548	100.+
Other Income	77,000	3,227	4.2
Gen-Rev - Marketing & NVMDC	4,650,000	4,614,191	99.2
Foreign Agricultural Svc Funds	<u>3,880,190</u>	<u>3,759,380</u>	96.9
TOTAL	<u>\$13,687,621</u>	<u>\$13,256,076</u>	96.8

FLORIDA DEPARTMENT OF CITRUS

BUDGETED EXPENDITURES BY CATEGORY

FISCAL YEAR ENDED JUNE 30, 2018

DESCRIPTION	APPROVED BUDGET	YEAR TO DATE	% TO DATE	UNEXPENDED BALANCE
GENERAL OPERATIONS				
Salaries and Benefits	\$2,603,000	\$2,543,567	97.7	\$59,433
Other Personal Services	51,000	35,035	68.7	15,965
Travel	159,140	80,855	50.8	78,285
Unemployment Compensation	700	630	90.0	70
People First Initiative	14,100	13,840	98.2	260
Telephone	52,100	47,969	92.1	4,131
Postage/Freight	14,250	8,812	61.8	5,438
Data Processing	186,600	183,168	98.2	3,432
Supplies	9,855	4,013	40.7	5,842
Insurance and Bond Premiums	19,250	19,213	99.8	37
Reproduction	7,200	6,560	91.1	640
Subscriptions and Memberships	25,845	23,704	91.7	2,141
Trade Meals/Meetings	600	0	0.0	600
Repairs and Maintenance	130,000	79,487	61.1	50,513
Utilities	85,200	81,965	96.2	3,235
Leases/Rent Expense	28,900	27,616	95.6	1,284
Promotional Items	1,500	523	34.8	977
Capital Equipment (OCO)	48,600	44,583	91.7	4,017
Vehicle (OCO)	27,200	27,111	99.7	89
Chiller Replacement (FCO)	350,000	336,668	96.2	13,332
Office/Research Equipment	500	468	93.6	32
Miscellaneous	10,300	6,752	65.6	3,548
CREC Expenses	115,000	113,939	99.1	1,061
Research Materials	35,200	12,022	34.2	23,178
Fruit Inspection Data	100	100	100.0	0
Consultants Fee/Travel	76,300	37,085	48.6	39,215
Subtotal General Operations	4,052,440	3,735,685	92.2	316,755
PROGRAMS*				
Legal Services	117,550	73,929	62.9	43,621
State General Revenue Charge	205,312	194,954	95.0	10,358
Scientific Research	265,000	197,905	74.7	67,095
New Varieties Development	650,000	650,000	100.0	0
Economic & Market Research	542,400	515,789	95.1	26,611
Public Relations Programs	7,144,418	7,093,031	99.3	51,387
Fresh Fruit Marketing	51,600	51,224	99.3	376
International Marketing	4,065,600	3,939,696	96.9	125,904
Reserves	3,749	0	0.0	3,749
Subtotal Programs	13,045,629	12,716,528	97.5	329,101
TOTAL EXPENDITURES	\$17,098,069	\$16,452,213	96.2	\$645,856

*Program costs exclude general operating expenses

FLORIDA DEPARTMENT OF CITRUS

BUDGETED EXPENDITURES BY DEPARTMENT

FISCAL YEAR ENDED JUNE 30, 2018

DESCRIPTION	APPROVED BUDGET	YEAR TO DATE	% TO DATE	UNEXPENDED BALANCE
Administration				
Admin and Support Services	\$2,291,400	\$2,191,342	95.6	\$100,058
State General Revenue Charge	205,312	194,954	95.0	10,358
Scientific Research & Development				
General Operations	660,800	530,418	80.3	130,382
Scientific Product Research	265,000	197,905	74.7	67,095
New Varieties Development-Gen Rev	650,000	650,000	100.0	0
Economic and Market Research				
General Operations	387,500	361,991	93.4	25,509
Research Studies & Data	542,400	515,789	95.1	26,611
Marketing & Public Relations				
General Operations	540,700	490,772	90.8	49,928
Public Relations Programs	3,144,418	3,128,839	99.5	15,579
Public Relations Programs-Gen Rev	4,000,000	3,964,191	99.1	35,809
Fresh Fruit Marketing	51,600	51,224	99.3	376
International Marketing				
International Promotions-DOC	475,000	415,408	87.5	59,592
International Promotions-FAS	3,880,190	3,759,380	96.9	120,810
Total Expenditures	17,094,320	16,452,213	96.2	642,107
Reserves	3,749	0	0.0	3,749
TOTAL	\$17,098,069	\$16,452,213	96.2	\$645,856

FLORIDA DEPARTMENT OF CITRUS

DEPARTMENTAL EXPENDITURES

JULY 1, 2017 - JUNE 30, 2018

DESCRIPTION	OCA CODE	APPROVED BUDGET	YEAR TO DATE EXPENDITURES	% TO DATE	UNEXPENDED BALANCE
STATE GENERAL REVENUE CHARGE					
57 10 00 00 000					
Florida Citrus Advertising Trust Fund	88040	<u>\$205,312</u>	<u>\$194,954</u>	95.0	<u>\$10,358</u>

ADMINISTRATIVE AND SUPPORT SERVICES

GENERAL OPERATIONS

57 10 10 08 001					
Commissioners Comp (OPS)	12101	6,000	1,040	17.3	4,960
Commissioners Travel	26001	7,000	6,621	94.6	379
57 10 10 09 001					
Salaries and Benefits	11000	1,284,000	1,275,370	99.3	8,630
Temporary Employee (OPS)	12100	5,000	1,100	22.0	3,900
Employee Travel - All Variety	26000	13,000	10,318	79.4	2,682
Employee Travel - Orange Juice	26002	1,700	0	0.0	1,700
Subtotal		1,316,700	1,294,449	98.3	22,251
57 10 10 09 002					
Fruit Inspection Data	13260	100	100	100.0	0
People First	15800	6,200	6,179	99.7	21
Unemployment Compensation	16500	700	630	90.0	70
Telephone	22100	37,700	37,691	100.0	9
Office Supplies	34101	1,800	651	36.2	1,149
Office Equipment	34102	500	468	93.6	32
Casualty Insurance	4100C	15,700	15,685	99.9	15
Property Insurance	4100P	3,550	3,527	99.4	23
Subscriptions	49200	8,000	7,738	96.7	262
Memberships	49300	800	550	68.8	250
Miscellaneous	49900	1,700	1,656	97.4	44
Subtotal General Operations		<u>1,393,450</u>	<u>1,369,325</u>	98.3	<u>24,125</u>

LEGAL AND REGULATORY

LEGAL SERVICES

57 10 10 10 002					
Court Reporting Fees	13140	1,000	0	0.0	1,000
Legal Srv-Adv Claims	1316A	10,000	3,070	30.7	6,930
Legal Srv-G Counsel	1316G	90,550	65,639	72.5	24,912
Legal Srv-Trademark	1316T	12,000	1,850	15.4	10,150
Legal Advertising	13310	4,000	3,370	84.3	630
Miscellaneous	29000	3,500	3,382	96.6	118
Total Legal Services		<u>\$121,050</u>	<u>\$77,311</u>	63.9	<u>\$43,739</u>

FLORIDA DEPARTMENT OF CITRUS

DEPARTMENTAL EXPENDITURES

JULY 1, 2017 - JUNE 30, 2018

DESCRIPTION	OCA CODE	APPROVED BUDGET	YEAR TO DATE EXPENDITURES	% TO DATE	UNEXPENDED BALANCE
SUPPORT SERVICES					
57 10 10 12 002					
Grounds Maintenance	13290	\$9,200	\$8,768	95.3	\$432
Mailing & Delivery Services	13420	2,300	2,290	99.5	10
Shredding Service	13421	400	118	29.4	282
Warehouse Services	13991	7,700	7,166	93.1	534
Postage	21000	3,600	3,504	97.3	96
Reproduction	23000	6,200	6,168	99.5	32
Maintenance - Auto	2410A	2,000	26	1.3	1,974
Maintenance - Building - Bartow	2410B	27,000	23,237	86.1	3,763
Maintenance - Equipment	2410E	800	484	60.5	316
Bartow Bldg Utilities	27100	85,200	81,965	96.2	3,235
Building Supplies	3410B	3,000	2,113	70.4	887
Distribution Supplies	3410D	300	141	47.0	159
Office Supplies	34101	500	486	97.3	14
Fuel	36410	1,000	275	27.5	725
Copy Equipment Rental	44200	8,700	8,683	99.8	17
Rental-Office Equipment	44400	8,000	7,752	96.9	248
Equipment - General (OCO)	51200	4,000	0	0.0	4,000
Vehicle (OCO)	51700	27,200	27,111	99.7	90
Chiller Replacement (FCO)	56100	350,000	336,668	96.2	13,332
Subtotal Support Services		547,100	516,955	94.5	30,145
IT SERVICES					
57 10 10 14 002					
DP Services - AST (EO=55)	1327A	43,800	43,697	99.8	103
DP Services - Other	22300	40,500	40,497	100.0	3
Data Processing Maint	2410D	2,500	2,469	98.7	31
DP Equipment	3410E	26,500	25,025	94.4	1,475
Data Processing Supplies	3410S	3,000	2,677	89.2	323
DP Equipment (OCO)	51600	12,600	12,600	100.0	0
Network/Server Repl. Project	5160A	51,600	51,512	99.8	88
Data Processing Software	53100	49,300	49,274	99.9	26
Subtotal IT Services		229,800	227,751	99.1	2,049
Total Support & IT Services		776,900	744,706	95.9	32,194
TOTAL ADMIN, SUPPORT & IT SERVICES		\$2,291,400	\$2,191,342	95.6	\$100,058

FLORIDA DEPARTMENT OF CITRUS

DEPARTMENTAL EXPENDITURES

JULY 1, 2017 - JUNE 30, 2018

DESCRIPTION	OCA CODE	APPROVED BUDGET	YEAR TO DATE EXPENDITURES	% TO DATE	UNEXPENDED BALANCE
SCIENTIFIC RESEARCH					
GENERAL OPERATIONS					
57 10 12 10 001					
Salaries and Benefits	11000	\$383,000	\$338,541	88.4	\$44,459
Temporary Employees (OPS)	12100	5,000	1,065	21.3	3,935
Employee Travel - AV	26000	22,000	9,289	42.2	12,711
57 10 12 10 002					
Product Monitor-Comp Analysis-AV	13261	22,000	12,022	54.6	9,978
Research Materials	13262	12,000	0	0.0	12,000
Mailing & Delivery Services	13420	200	14	6.9	186
People First	15800	4,100	4,044	98.6	56
Postage	21000	100	12	11.8	88
Telephone	22100	2,000	1,955	97.7	45
Reproduction	23000	500	133	26.7	367
Repairs & Maintenance	24101	90,000	46,697	51.9	43,303
Office Supplies	34101	1,000	440	44.0	560
CREC Operations	43300	115,000	113,939	99.1	1,061
Copy Equipment Rental	44200	2,200	2,007	91.2	193
Subscriptions	49200	200	60	30.0	140
Memberships	49300	100	100	100.0	0
Miscellaneous	49900	1,400	100	7.1	1,300
TOTAL GENERAL OPERATIONS		660,800	530,418	80.3	130,382
MEDICAL RESEARCH					
57 10 12 11 005					
Cardiovascular Study - OJ	SR030	175,000	169,088	96.6	5,912
Hydration and Exercise Recovery - OJ	SR060	20,000	19,643	98.2	357
Longitudinal Study - Weight and OJ	SR090	70,000	9,174	13.1	60,826
Subtotal Medical Research		265,000	197,905	74.7	67,095
TOTAL SCIENTIFIC RESEARCH		\$925,800	\$728,323	78.7	\$197,477

FLORIDA DEPARTMENT OF CITRUS

DEPARTMENTAL EXPENDITURES

JULY 1, 2017 - JUNE 30, 2018

DESCRIPTION	OCA CODE	APPROVED BUDGET	YEAR TO DATE EXPENDITURES	% TO DATE	UNEXPENDED BALANCE
SCIENTIFIC SPONSORED RESEARCH					
GENERAL REVENUE PROGRAMS					
57 10 12 11 003					
New Varieties Development - All Variety	GR090	\$650,000	\$650,000	100.0	\$0
TOTAL NVDMC - GENERAL REVENUE		650,000	650,000	100.0	0
TOTAL SCIENTIFIC & SPONSORED RESEARCH		\$1,575,800	\$1,378,323	87.5	\$197,477
* SUBTOTALS BY FUNDING SOURCE					
Scientific Research - CATF		\$925,800	\$728,323	78.7	\$197,477
Scientific Research - GR		650,000	650,000	100.0	0
Total		\$1,575,800	\$1,378,323	87.5	\$197,477

FLORIDA DEPARTMENT OF CITRUS

DEPARTMENTAL EXPENDITURES

JULY 1, 2017 - JUNE 30, 2018

DESCRIPTION	OCA CODE	APPROVED BUDGET	YEAR TO DATE EXPENDITURES	% TO DATE	UNEXPENDED BALANCE
ECONOMIC AND MARKET RESEARCH					
GENERAL OPERATIONS					
57 10 13 10 001					
Salaries and Benefits	11000	\$315,500	\$309,463	98.1	\$6,037
Temporary Employees (OPS)	12100	35,000	31,830	90.9	3,170
Employee Travel - AV	26000	23,600	13,722	58.1	9,878
57 10 13 10 002					
Research Publications	13263	1,200	0	0.0	1,200
Website	13270	4,800	1,350	28.1	3,450
Postage	21000	250	34	13.5	216
Telephone	22100	2,400	2,379	99.1	21
Reproduction	23000	500	259	51.8	241
Office Supplies	34101	1,000	61	6.1	939
Copy Equipment Rental	44200	2,300	2,007	87.3	293
Subscriptions	49200	50	40	80.0	10
Miscellaneous	49900	900	846	94.0	54
Subtotal General Operations		387,500	361,991	93.4	25,509
RESEARCH DATA & STUDIES					
57 10 13 12 003					
Processed Retail Sales-A.C.Nielsen	ER010	274,400	274,374	100.0	26
FL Agri Market Research Center - AV	ER020	200,600	200,538	100.0	62
Economic Impact Analysis - AV	ER025	31,750	9,350	29.4	22,400
Other Data Purchases - AV	ER035	10,650	9,888	92.8	762
Survey's - Toluna - AV	ER060	25,000	21,639	86.6	3,361
Subtotal Research Data & Studies		542,400	515,789	95.1	26,611
TOTAL ECON & MKT RESEARCH		\$929,900	\$877,780	94.4	\$52,120

FLORIDA DEPARTMENT OF CITRUS

DEPARTMENTAL EXPENDITURES

JULY 1, 2017 - JUNE 30, 2018

DESCRIPTION	OCA CODE	APPROVED BUDGET	YEAR TO DATE EXPENDITURES	% TO DATE	UNEXPENDED BALANCE
MARKETING AND PUBLIC RELATIONS					
GENERAL OPERATIONS					
57 10 15 10 001					
Salaries and Benefits	11000	\$445,500	\$445,413	100.0	\$87
Employee Travel - All Variety	26000	25,000	2,510	10.0	22,490
Employee Travel - Orange Juice	26002	28,500	18,959	66.5	9,541
Employee Travel - Fresh	26004	7,000	1,112	15.9	5,888
57 10 15 10 002					
Mailing & Delivery Services	13420	6,900	2,237	32.4	4,663
People First	15800	3,800	3,618	95.2	182
Postage	21000	100	61	61.0	39
Telephone	22100	8,000	4,781	59.8	3,219
Consultant Travel	26002	500	0	0.0	500
DP Equipment	3410E	1,400	0	0.0	1,400
Office Supplies	34101	1,755	102	5.8	1,653
Trade Meals	35000	100	0	0.0	100
Subscriptions	49200	2,000	1,883	94.1	117
Memberships	49300	9,545	9,543	100.0	2
Miscellaneous	49900	600	552	92.1	48
TOTAL GENERAL OPERATIONS		540,700	490,772	90.8	49,928
GENERAL REVENUE PROGRAMS					
57 10 15 11 003					
Consumer Awareness - PR	GR010	3,650,000	3,649,390	100.0	610
Fresh Fruit Promotions- FG	GR045	100,000	95,225	95.2	4,775
FL Welcome Stations-Juice	GR080	250,000	219,576	87.8	30,424
TOTAL GENERAL REVENUE PROGRAMS		\$4,000,000	\$3,964,191	99.1	\$35,809

FLORIDA DEPARTMENT OF CITRUS

DEPARTMENTAL EXPENDITURES

JULY 1, 2017 - JUNE 30, 2018

DESCRIPTION	OCA CODE	APPROVED BUDGET	YEAR TO DATE EXPENDITURES	% TO DATE	UNEXPENDED BALANCE
PUBLIC RELATIONS					
CORPORATE - ALL VARIETIES					
57 10 15 12 003					
Website Platforms	PR012	\$150,000	\$149,985	100.0	\$15
Reactive Issues Management	PR016	1,087,000	1,083,532	99.7	3,468
Subtotal Corporate - All Varieties		1,237,000	1,233,517	99.7	3,483
PROCESSED ORANGE					
57 10 15 12 004					
Social Media/Community Management	PR044	250,000	250,000	100.0	0
Proactive Issues Management	PR046	1,490,200	1,485,981	99.7	4,219
Promotional Materials	PR100	35,529	35,529	100.0	0
Subtotal Processed Orange		1,775,729	1,771,510	99.8	4,219
GRAPEFRUIT					
57 10 15 12 005					
Proactive/Reactive Issues Mgmt	PR036	75,000	67,123	89.5	7,877
Subtotal Grapefruit		75,000	67,123	89.5	7,877
IN-STATE PROGRAMS					
57 10 15 12 008					
Industry Grower Relations - AV	PR081	56,689	56,689	100.0	0
Subtotal In-State Programs		56,689	56,689	100.0	0
FRESH FRUIT					
57 10 16 11 007					
Gift Fruit Programs	RM070	44,300	44,300	100.0	0
Gift Fruit Printing	23006	7,300	6,924	94.8	376
Subtotal Gift Fruit		51,600	51,224	99.3	376
TOTAL PR PROGRAMS - CATF		\$3,196,018	\$3,180,063	99.5	\$15,955
* SUBTOTALS BY FUNDING SOURCE					
PR & Domestic Marketing - CATF		\$3,736,718	\$3,670,835		\$65,883
PR & Domestic Marketing - GR		4,000,000	3,964,191		35,809
Total		\$7,736,718	\$7,635,026		\$101,692

FLORIDA DEPARTMENT OF CITRUS

DEPARTMENTAL EXPENDITURES

JULY 1, 2017 - JUNE 30, 2018

DESCRIPTION	OCA CODE	APPROVED BUDGET	YEAR TO DATE EXPENDITURES	% TO DATE	UNEXPENDED BALANCE
INTERNATIONAL MARKETING					
GENERAL OPERATIONS					
57 10 18 10 001					
Salaries and Benefits	11000	\$175,000	\$174,780	99.9	\$220
Employee Travel - Orange Juice	26002	8,500	5,896	69.4	2,604
Employee Travel - Grapefruit	26003	18,340	8,186	44.6	10,154
Employee Travel - PO/PG/FG	26006	4,500	4,242	94.3	258
57 10 18 10 002					
Promotional Items	IM100	1,500	523	34.8	977
Mailing & Delivery Services	13420	700	660	94.2	40
Banking Services (Foreign Currency)	13450	1,500	0	0.0	1,500
Postage	21000	100	2	1.9	98
Telephone	22100	2,000	1,162	58.1	838
Promotional Materials Printing	23006	1,000	0	0.0	1,000
Office Supplies	34101	500	18	3.6	482
Trade Meals	35000	500	0	0.0	500
Subscriptions	49200	150	40	26.7	110
Memberships	49300	5,000	3,750	75.0	1,250
Miscellaneous	49900	300	99	32.9	201
Subtotal General Operations		219,590	199,356	90.8	20,234
FAS ADMINISTRATION					
57 10 18 10 003					
Evaluations-DOC	IM01D	5,000	2,999	60.0	2,001
Evaluations-FAS	IM01F	55,000	37,377	68.0	17,624
Consultant Fee-DOC	1313D	68,500	35,735	52.2	32,765
FAS Annual Workshop-DOC	26005	2,500	1,675	67.0	825
Consultant Travel-DOC	26300	2,500	0	0.0	2,500
Subtotal FAS Administration		\$133,500	\$77,785	58.3	\$55,715

FLORIDA DEPARTMENT OF CITRUS

DEPARTMENTAL EXPENDITURES

JULY 1, 2017 - JUNE 30, 2018

DESCRIPTION	OCA CODE	APPROVED BUDGET	YEAR TO DATE EXPENDITURES	% TO DATE	UNEXPENDED BALANCE
CANADIAN PROMOTIONS					
Fresh & Processed Grapefruit					
57 10 18 10 103					
Promotions-DOC	1335D	\$18,000	\$17,962	99.8	\$38
Promotions-FAS	1335F	235,000	235,000	100.0	0
Subtotal Canada-Fresh & Proc. Gft.		253,000	252,962	100.0	38
Processed Orange					
57 10 18 10 104					
Promotions-DOC	1335D	30,200	30,092	99.6	108
Promotions-FAS	1335F	597,500	597,500	100.0	0
Subtotal Canada-Proc Orange		627,700	627,592	100.0	108
TOTAL CANADIAN MARKETING		880,700	880,553	100.0	147
EUROPEAN PROMOTIONS					
FRANCE - PROMOTIONS - GRAPEFRUIT					
Fresh & Processed Grapefruit					
57 10 18 11 203					
Promotions-DOC	1335D	4,350	4,284	98.5	66
Promotions-FAS	1335F	421,320	318,133	75.5	103,187
Total France Retail - Fresh & Proc. GFT		425,670	322,417	75.7	103,253
EUROPE - RETAIL - GRAPEFRUIT					
Fresh & Processed Grapefruit					
57 10 18 11 300					
Promotions-DOC	1335D	10,800	9,959	92.2	841
Promotions-FAS	1335F	367,780	367,780	100.0	0
Total Europe Retail - Fresh & Proc. GFT		378,580	377,739	99.8	841
TOTAL EUROPEAN PROMOTIONS		\$804,250	\$700,156	87.1	\$104,094

FLORIDA DEPARTMENT OF CITRUS

DEPARTMENTAL EXPENDITURES

JULY 1, 2017 - JUNE 30, 2018

DESCRIPTION	OCA CODE	APPROVED BUDGET	YEAR TO DATE EXPENDITURES	% TO DATE	UNEXPENDED BALANCE
ASIAN PROMOTIONS					
JAPAN					
Fresh & Processed Grapefruit					
57 10 18 12 103					
Promotions-DOC	1335D	\$79,600	\$79,547	99.9	\$53
Promotions-FAS	1335F	1,207,750	1,207,750	100.0	0
Total Japan-Fresh & Proc. Gft.		1,287,350	1,287,297	100.0	53
KOREA					
Fresh & Processed Grapefruit					
57 10 18 13 103					
Promotions-DOC	1335D	8,760	8,600	98.2	160
Promotions-FAS	1335F	398,340	398,340	100.0	0
Total Korea-Fresh & Proc. Gft.		407,100	406,940	100.0	160
Fresh & Processed Orange					
57 10 18 13 104					
Promotions-DOC	1335D	25,200	25,200	100.0	0
Promotions-FAS	1335F	597,500	597,500	100.0	0
Total Korea-Fresh & Proc. Orange		622,700	622,700	100.0	0
TOTAL ASIAN PROMOTIONS		2,317,150	2,316,937	100.0	213
TOTAL INTERNATIONAL MARKETING		\$4,355,190	\$4,174,788	95.9	\$180,402
* SUBTOTALS BY FUNDING SOURCE					
Int'l Mktg-DOC		\$475,000	\$415,408	87.5	\$59,592
Int'l Mktg-FAS		3,880,190	3,759,380	96.9	120,810
		\$4,355,190	\$4,174,788	95.9	\$180,402

FLORIDA DEPARTMENT OF CITRUS
INTERNATIONAL MARKETING
2016-2017 EXPENDITURES BY VARIETY/FUNDING SOURCE

	TOTAL	PROCESSED ORANGE	PROCESSED GRAPEFRUIT	FRESH GRAPEFRUIT
DEPARTMENT OF CITRUS				
General Operations	\$199,356	\$33,687	\$39,101	\$126,568
FAS Administration	40,408	6,061	8,082	26,265
Canadian Marketing	48,054	30,092	4,490	13,472
European Promotions	14,243	0	3,561	10,682
Asian Promotions	<u>113,347</u>	<u>25,200</u>	<u>22,037</u>	<u>66,110</u>
Subtotal DOC	<u>415,408</u>	<u>95,040</u>	<u>77,271</u>	<u>243,097</u>
FOREIGN AGRICULTURAL SERVICE PROGRAM				
FAS Administration	37,377	5,607	7,475	24,295
Canadian Marketing	832,500	597,500	58,750	176,250
European Promotions	685,913	0	171,478	514,435
Asian Promotions	<u>2,203,590</u>	<u>597,500</u>	<u>401,523</u>	<u>1,204,567</u>
Subtotal FAS	<u>3,759,380</u>	<u>1,200,607</u>	<u>639,226</u>	<u>1,919,547</u>
TOTAL INTERNATIONAL MARKETING	<u>\$4,174,788</u>	<u>\$1,295,647</u>	<u>\$716,497</u>	<u>\$2,162,644</u>
 Percent DOC Contribution	 <u>11%</u>	 <u>8%</u>	 <u>12%</u>	 <u>13%</u>