



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 added 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.



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:



f Florida Grapefruit

1,063,888
impressions

979,507
reached

1,752
engagements



p Roasted Salmon with Grapefruit Shallot Sauce

942,736
impressions

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.

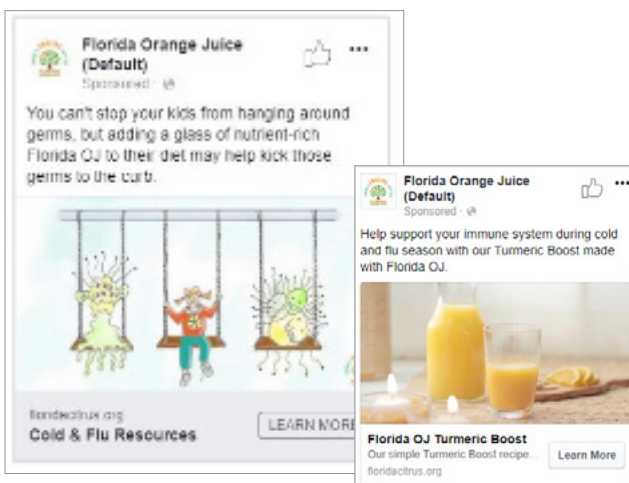
► COLD & FLU

- 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:

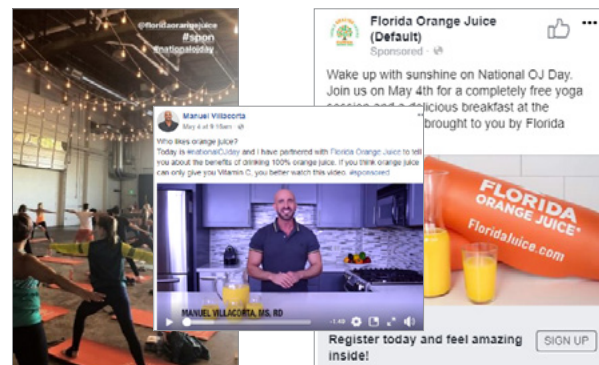
- The team held yoga events in 3 markets where there is a high concentration of Millennial Moms who like yoga and who are fans of the FLOJ social channels. The events had 100+ participants across Austin, TX; Denver, CO; and Tampa, FL
- 8 national nutrition focused blogger activations

1.5M+
impressions

60K
clicks to
website

6.7K
social engagements
(likes, shares)

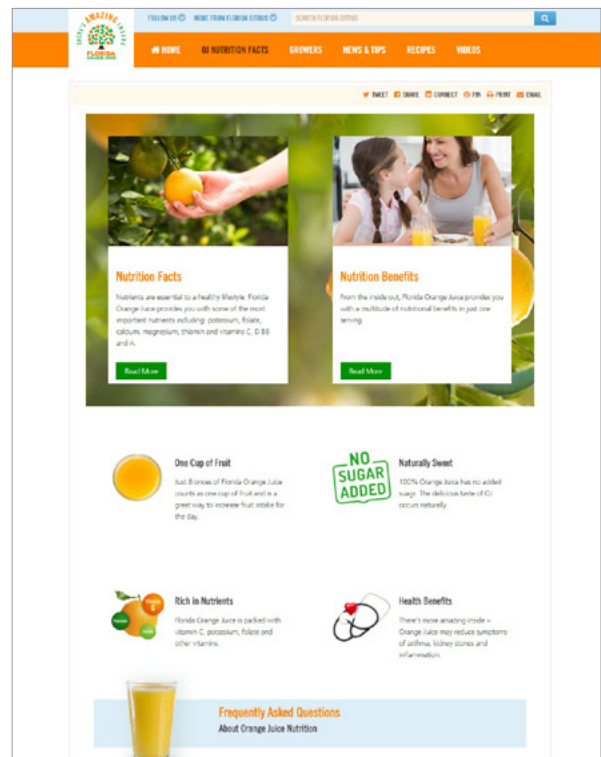
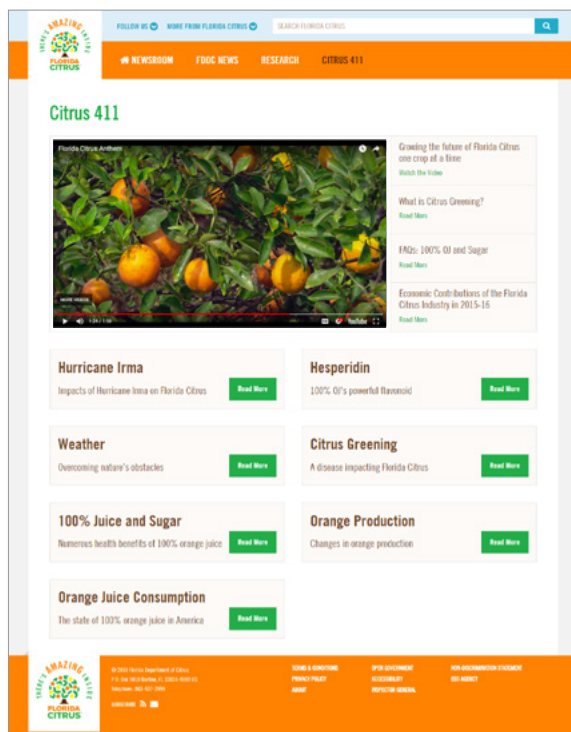
- 1 e-newsletter, distributed to over **200 RD** and nutrition influencers
- This e-newsletter inspired Amber Pankonin, RD, to mention FLOJ in a news segment on National OJ Day, reaching nearly **12,400 local television viewers** at **no cost** to FDOC.



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.



FDOC PROGRAM MEASUREMENT REPORT | July 2017 - June 2018

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.

celebritycafe

FOOD, HEALTH, INTERVIEWS, LIFESTYLE, WELLNESS

Alissa Rumsey celebrates National Nutrition Month and Florida Orange Juice [INTERVIEW]

MARCH 29, 2018 by MICHELLE TOMPKINS

Florida Orange Juice presents the "Amazing Five" elements of a perfect food

Alissa Rumsey is excited about National Nutrition Month. Getting people interested in eating healthier is a good thing and doing it with a **food that is accessible** and generally popular like Florida Orange Juice.

The dietitian not only has some general tips for leading a healthier life and sticking to a plan of healthier living, but she also has some great recipe **tips** including how to make orange cream smoothies, chewy granola bars and orange salad dressing on how to incorporate more orange juice into your diet.

There are many nutritional benefits of adding an 8 oz glass of **orange juice to your diet** on a regular basis. It contains many vitamins and minerals. It is fat-free, sodium free, cholesterol free. Check the labels—the best of Florida Orange Juice has no added sugar.

There are five things that make Florida Orange Juice **special**: taste, vitamin C, potassium, folate and no added sugar. These five items are known as the "Amazing Five."

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

SOUTHEAST REGION: 60 LOCATIONS

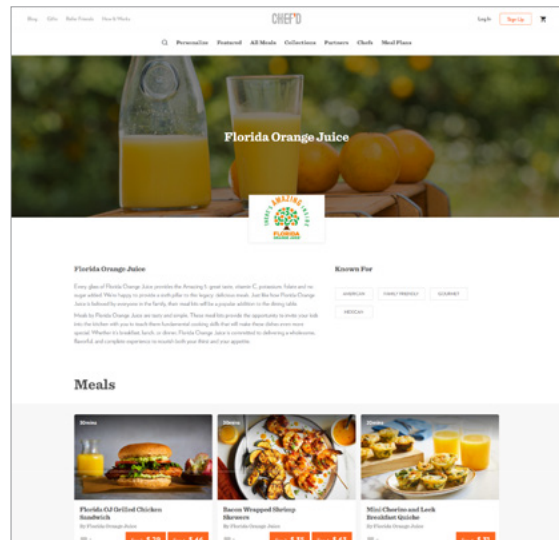
- *Sampling on January 6*
 - o 65% increase of units sold on 1/6 sampling day
 - o 33% increase of units sold throughout week
- *Sampling on January 13*
 - o 5% increase of units sold on 1/13 sampling day
 - o 35% decrease of units sold throughout week due to Florida freeze



▶ 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

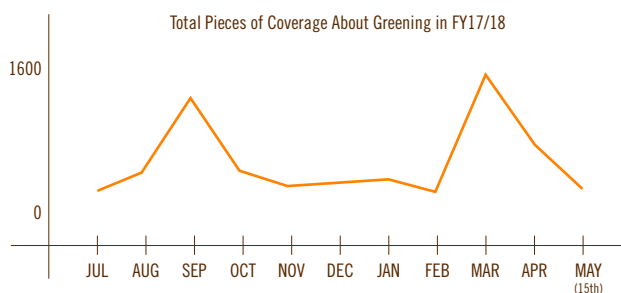
▶ There is an opportunity to educate moms on the beneficial nutrients in 100% OJ, especially hesperidin.

- 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

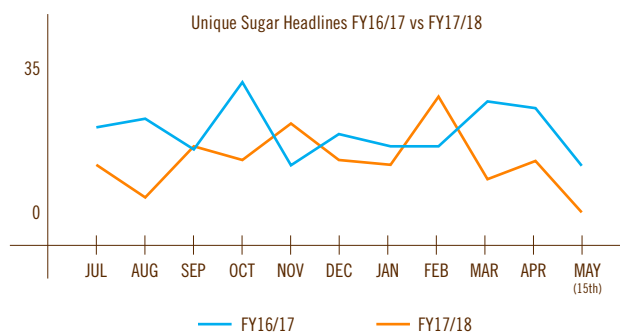
- ▶ **Articles about sugar in orange juice decreased from FY16/17 to FY17/18**, largely attributable to a relative lack of news-driving events in FY17/18 around sugar.
- Evergreen lifestyle stories around reducing sugar continued, but stories such as new studies and surveys and the beverage tax drove 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 |
| | | \$ 18,463,701 | \$ 13,256,076 |
| Expenditures | -Marketing | \$ 15,921,528 | \$ 11,809,814 |
| | -Research | 2,719,427 | 2,256,103 |
| | -Disease Research | - | - |
| | -Other | 2,115,952 | 2,386,296 |
| | | \$ 20,756,907 | \$ 16,452,213 |

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

| <u>DESCRIPTION</u> | <u>FLORIDA CITRUS ADVERTISING TRUST FUND</u> |
|-----------------------------------|--|
| 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 & NVMDC | 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 Srvc | \$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 | \$326,419 | \$133,263 | (\$158,085) | \$301,597 |

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> |
|---|--------------|
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| 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

| | <u>Year to Date</u> <u>6/30/2017</u> | <u>Year to Date</u> <u>6/30/2018</u> | <u>Variance</u> | <u>Percent</u> |
|------------------------------------|---|---|-------------------------------|--------------------------|
| 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 | <u><u>\$3,711,314</u></u> | <u><u>\$3,735,685</u></u> | <u><u>\$24,371</u></u> | <u><u>0.7</u></u> |

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 - NVMDC | 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 | 1,772 | 3 | 1,670 | 3 | 1,705 | 3 | 1,762 | 3 | 1,561 | 3 | 1,254 | 3 | 1,011 | 3 | 939 | 4 | 282 | 1 | 195 | 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>\$26,775</u> | | <u>\$22,234</u> | | <u>\$22,136</u> | | <u>\$19,022</u> | | <u>\$17,140</u> | | <u>\$16,260</u> | | <u>\$16,014</u> | | <u>\$18,978</u> | | <u>\$17,001</u> | | <u>\$13,997</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 | |
| <u>DOMESTIC</u> | | | | | |
| 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) |
| <u>IMPORTS</u> | | | | | |
| 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 |
| | <u>77,379,935</u> | <u>49,100,000</u> | <u>458,417</u> | <u>48,923,560</u> | <u>49,381,977</u> |
| 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 | <u>43,498,018</u> | <u>64,713,000</u> | <u>9,636,796</u> | <u>43,037,213</u> | <u>52,674,009</u> |
| TOTAL | <u><u>120,877,953</u></u> | <u><u>113,813,000</u></u> | <u><u>10,095,213</u></u> | <u><u>91,960,773</u></u> | <u><u>102,055,986</u></u> |

FLORIDA DEPARTMENT OF CITRUS

BUDGETED REVENUE

FISCAL YEAR ENDED JUNE 30, 2018

| <u>DESCRIPTION</u> | <u>BUDGETED 2017-18</u> | <u>REVENUE TO DATE</u> | <u>% TO BUDGETED</u> |
|--------------------------------|-----------------------------------|-----------------------------------|--------------------------|
| 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><u>\$13,687,621</u></u> | <u><u>\$13,256,076</u></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 | <u>4,052,440</u> | <u>3,735,685</u> | 92.2 | <u>316,755</u> |
| 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 | <u>13,045,629</u> | <u>12,716,528</u> | 97.5 | <u>329,101</u> |
| TOTAL EXPENDITURES | <u>\$17,098,069</u> | <u>\$16,452,213</u> | 96.2 | <u>\$645,856</u> |

*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 | | <u>650,000</u> | <u>650,000</u> | 100.0 | <u>0</u> |
| TOTAL SCIENTIFIC & SPONSORED RESEARCH | | <u>\$1,575,800</u> | <u>\$1,378,323</u> | 87.5 | <u>\$197,477</u> |
| * 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 | | <u>\$1,575,800</u> | <u>\$1,378,323</u> | 87.5 | <u>\$197,477</u> |

FLORIDA DEPARTMENT OF CITRUS

DEPARTMENTAL EXPENDITURES

JULY 1, 2017 - JUNE 30, 2018

| <u>DESCRIPTION</u> | <u>OCA CODE</u> | <u>APPROVED BUDGET</u> | <u>YEAR TO DATE EXPENDITURES</u> | <u>% TO DATE</u> | <u>UNEXPENDED BALANCE</u> |
|--------------------------------------|---------------------|----------------------------|--------------------------------------|----------------------|-------------------------------|
| 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 | | <u>387,500</u> | <u>361,991</u> | 93.4 | <u>25,509</u> |
| 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 | | <u>542,400</u> | <u>515,789</u> | 95.1 | <u>26,611</u> |
| TOTAL ECON & MKT RESEARCH | | <u>\$929,900</u> | <u>\$877,780</u> | 94.4 | <u>\$52,120</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 |
|---------------------------------------|----------|--------------------|---------------------------|-------------|--------------------|
| 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

| <u>DESCRIPTION</u> | <u>OCA CODE</u> | <u>APPROVED BUDGET</u> | <u>YEAR TO DATE EXPENDITURES</u> | <u>% TO DATE</u> | <u>UNEXPENDED BALANCE</u> |
|-------------------------------------|---------------------|----------------------------|--------------------------------------|----------------------|-------------------------------|
| 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 | | <u>219,590</u> | <u>199,356</u> | 90.8 | <u>20,234</u> |
| 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 | | <u>\$133,500</u> | <u>\$77,785</u> | 58.3 | <u>\$55,715</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 |
|---|----------|------------------|---------------------------|--------------|--------------------|
| 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. | | <u>1,287,350</u> | <u>1,287,297</u> | 100.0 | <u>53</u> |
| 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. | | <u>407,100</u> | <u>406,940</u> | 100.0 | <u>160</u> |
| 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 | | <u>622,700</u> | <u>622,700</u> | 100.0 | <u>0</u> |
| TOTAL ASIAN PROMOTIONS | | <u>2,317,150</u> | <u>2,316,937</u> | 100.0 | <u>213</u> |
| TOTAL INTERNATIONAL MARKETING | | <u>\$4,355,190</u> | <u>\$4,174,788</u> | 95.9 | <u>\$180,402</u> |
| * 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 |
| | | <u>\$4,355,190</u> | <u>\$4,174,788</u> | 95.9 | <u>\$180,402</u> |

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

| | <u>TOTAL</u> | <u>PROCESSED ORANGE</u> | <u>PROCESSED GRAPEFRUIT</u> | <u>FRESH GRAPEFRUIT</u> |
|---|----------------------------------|----------------------------------|---------------------------------|----------------------------------|
| 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><u>\$4,174,788</u></u> | <u><u>\$1,295,647</u></u> | <u><u>\$716,497</u></u> | <u><u>\$2,162,644</u></u> |
| Percent DOC Contribution | <u>11%</u> | <u>8%</u> | <u>12%</u> | <u>13%</u> |