

Emery Smith

Testimony

Proposal #3 Redistricting

My name is Emery Smith; I reside at 2851 South Lake Letta Drive, Avon Park, Florida. I serve on the executive committee of the Florida Citrus Packers and the board of directors of the Highlands County Citrus Growers Association. I am not on the Citrus Administrative Committee but our company works closely with the Committee and utilizes their statistical information. I am the Vice-President of Citrus Marketing & Industry Relations for Ben Hill Griffin, Inc. a vertically integrated family owned citrus operation and my family also is engaged in citrus production. Ben Hill Griffin, Inc. is one of the larger growers of Florida citrus with groves located in multiple counties within the production area of Florida. We also operate a packinghouse and market our fruit mainly to the domestic market. Ben Hill Griffin, Inc. groves and packinghouse would meet the SBA's definition as a large grower and shipper. Ben Hill Griffin, Inc has been growing and shipping fresh citrus in Florida for more than sixty (60) years. Of the citrus produced by Ben Hill Griffin, Inc. the majority of our fruit is produced for the processed market but the fruit produced for the fresh market is a very important component of our overall citrus operation. As a fresh fruit grower, we think it is important Florida's fresh growers have the order's grower districts better defined so those Florida citrus growers producing citrus for the fresh market are fairly represented on the Committee.

Proposal number 3 would change <u>Section 905.14 Redistricting</u> to read as follows: <u>The committee</u> may with the approval of the <u>Secretary</u>, redefine the <u>districts</u> into which the production area is <u>divided</u> so reapportion or otherwise change the grower membership of the <u>districts</u>, or both; <u>Provided</u>, That the <u>membership shall consist of at least eight but not more than nine grower members</u>, and any such

change shall be based, so far as practicable, upon the respective averages for the immediately preceding three fiscal periods of (1) the number of bearing trees in each district; (2) the volume of fresh fruit produced in each district; and (3) the total number of acres of citrus in each district and (4) other relevant factors. Each redistricting or reapportionment shall be announced on or prior to March 1 proceeding the effective fiscal period.

The proposal to remove the time frame for redistricting and to base any changes on three fiscal periods of 1) number of bearing trees in each district; 2) volume of fresh fruit produced in each district; 3) total number of acres of citrus in each district and 4) other relevant factors would allow the Committee to redistrict grower districts as often as factors within the production area mandate. Due to the major declines in bearing tree numbers, production and fresh shipments the Florida citrus industry has experienced over the past decade, this proposal would allow the committee to determine grower districts on a timely basis based on these factors.

There is authority under the order to redistrict on an established time frame, every fifth year, with factors outlined in Section 905.14 Redistricting. The committee has in the past redistricted grower districts when warranted under the current provisions of Section 905.14. The committee has compared five (5) years data on acreage, shipments and production. However, given the increased loss of trees per acre due to disease pressure and natural disasters, the current guideline for calculating grower districts using acreage is no longer an applicable method to determine grower districts.

The new industry standard is to consider bearing trees not acreage when calculating production capacity within a county or grower district. Due to the heavy tree loss within producing groves, acreage is not a reliable indicator of production as too many groves may have anywhere from ten (10) percent to as much or more than fifty (50) percent of their grove acreage with non-bearing trees or no trees at all. It is the bearing trees that produce our crops and utilizing them for calculating production is much more

reliable indicator of production. It must be noted, the Florida citrus industry pays an assessment on each box of citrus to help fund the Florida Agricultural Statistical Service to not only provide crop estimates every season but an accurate tree census every other year. Therefore, the committee has an accurate and up to date census of bearing trees by variety and county to utilize in the redistricting of grower districts.

As previously noted, the Florida citrus industry utilizes ninety (90) percent or more of its annual production to produce processed products. During the last complete season (2011-12) approximately two (2) percent of the Early/Midseason and Valencia orange crop was utilized for fresh shipments, which means that approximately 98% of the round orange crop is utilized for the production of processed products. Therefore, when these varieties production are used by county it skews the volume to processed utilization and is not reflective of fresh volume. Therefore, calculating fresh volume can be best arrived at by taking the fresh fruit varieties, those varieties that return the grower an on-tree value that exceeds cost of production, and using their bearing trees per county to calculate a fresh volume is much more representative of fresh growers per county. It should be noted the varieties we will be utilizing are; Navel oranges, red & white grapefruit, specialty citrus varieties (Fallglo tangerines, Sunburst tangerines, Tangelos, Honey tangerines). Tables 1a, 2, 3, 4 & 5 illustrates these points.

The Committee determined in their deliberations that implementing the proposed changes would allow the Committee, in future seasons, the flexibility to adjust grower districts to reflect the shift in production of fresh varieties and fresh volume. In addition, we foresee the continued loss of trees and fresh volume and the shift in varieties that make up our industry's composition of fresh shipments. The Committee having the authority to constitute grower district according to where the fresh fruit production is will better serve the growers of fresh fruit. On a positive note, as our industry begins to

plant with new fresh fruit varieties/hybrids and fresh fruit volumes increase with new and improved production practices, currently being addressed by the USDA & IFAS researchers, that combats greening and canker the committee will be positioned to adjust grower district as they evolve in the future.

In closing, the fresh segment of our industry has been very supportive on this proposal. It has been stated, more than once today, this proposal will give the Florida citrus grower of fresh fruit a tool in the tool box to better administer the order to benefit the growers.