

# **COMPARISON OF CURRENT & PROPOSED CAC GROWER DISTRICTS**

## **Current**

### **4 - CAC Grower Districts – 9 Grower/Alternate Members**

**District 1** is composed of Hillsborough, Pinellas, Pasco, Hernando, Citrus, Sumter, Lake, Orange, Seminole, Marion and that part of the Counties of Brevard and Volusia not included in Regulation Area II (Indian River District). **1 Grower/Alternate Member**

**District 2** is composed of Polk and Osceola counties. **2 Grower/Alternate Members**

**District 3** is composed of St. Luice county and that part of the Counties of Brevard, Indian River, Martin, Palm Beach and Volusia as lying within Regulation Area II Indian River District). **3 Grower/Alternate Members**

**District 4** is composed of Manatee, Sarasota, Hardee, Highlands, Okeechobee, Glades, DeSoto, Charlotte, Lee, Hendry, Collier, Monroe, Dade, Broward and that part of the Counties of Palm Beach, Martin and Indian River not included in Regulation Area II (Indian River District) **3 Grower/Alternate Members**

## **Proposed**

### **3 - CAC Grower Districts – 9 Grower/Alternate Members**

#### **Combination of Old District 1 and District 2 with 2 Grower/Alternate Members**

**Proposed District 1** is composed of **Polk, Osceola**, Manatee, Sarasota, Hardee, Highlands, Okeechobee, Glades, DeSoto, Charlotte, Lee, Hendry, Collier, Monroe, Dade, Broward and that part of the Counties of Palm Beach, Martin and Indian River not included in Regulation Area II (Indian River District)

#### **Old District 4 with 3 Grower/Alternate Members**

**Proposed District 2** is composed of Manatee, Sarasota, Hardee, Highlands, Okeechobee, Glades, DeSoto, Charlotte, Lee, Hendry, Collier, Monroe, Dade, Broward and that part of the Counties of Palm Beach, Martin and Indian River not included in Regulation Area II (Indian River District)

#### **Remains District 3 with 4 Grower/Alternate Members**

**Proposed District 3** is composed of St. Luice county and that part of the Counties of Brevard, Indian River, Martin, Palm Beach and Volusia as lying within Regulation Area II Indian River District).

**FOR ADDITIONAL INFORMATION CONTACT DUKE CHADWELL AT 863-682-3103**

# Subcommittee Recommendation and Justification for Grower Membership Change

## Federal Marketing Order No. 905

1. Section 905.19 Establishment and membership. (a) There is hereby established a Citrus Administrative Committee consisting of at least eight but not more than nine grower members, and eight shipper members. **Grower members shall be persons who are not shippers or employees of shippers: Provided, that the committee, with the approval of the Secretary, may establish alternative qualifications for such grower members. Shipper members shall be shippers or employees of shippers.** The committee may be increased by one non-industry member nominated by the committee and selected by the Secretary. The committee, with approval of the Secretary, shall prescribe qualifications, term of office, and the procedure for nominating the non-industry member.

(b) Each member shall have an alternate who shall have the same qualifications as the member for whom this person is an alternate.

[54 FR 37293, Sept. 8, 1989]

2. Effective date – **March 1, 2012** The subcommittee recommends March 1, 2012 as the effective date. The nomination meetings for grower members of the CAC are held in April and May, it is important to have this recommendation in place prior to the grower member nomination meetings for the 2012-13 season. This would give ample time to inform the growers of fresh Florida citrus fruit as to the change in grower membership requirements.

3. There have been and continue to be major changes within the Florida fresh citrus industry such as loss of fresh fruit citrus acreage, loss of fresh citrus production and the decline in fresh citrus shippers and the amount of citrus they ship to fresh markets. Listed below are some discussion points considered by the subcommittee in their review of the grower membership requirements for serving on the CAC.

- The current language limits some Florida citrus growers producing fresh citrus fruit from serving on the committee as a grower member because they are also shippers or an employee of a shipper.
- Fresh fruit shipments & production have declined 60% over the past twenty seasons along with the number of fresh fruit shippers.
- The fresh segment of the Florida citrus industry has become more vertically integrated.
- Florida fresh fruit shippers data
  - Less than 10% of the Florida citrus crop is utilized for fresh shipments.
  - 25 fresh fruit shippers pack 89% of the fresh citrus shipments from Florida
  - 17 fresh fruit shippers or 1/3 of fresh shippers ship less than 100,000 cartons and the majority of them are also growers.
  - The 14 largest fresh fruit shippers own grove and ship 61% of the fresh citrus.
  - 44 or 85% of the fresh shippers own groves and ship 92% of the fresh citrus

- 8 shippers or 15% of the fresh shippers that **own no groves** ship 8% of the fresh citrus
- 10 cooperative shippers shipped 20% of the fresh shipments during the 1998-99 season.
- Currently the 5 cooperative shippers remaining have shipped 18% of fresh shipments last season.
- Cooperative shippers or CGA's are mostly made up of smaller growers and their membership has declined by approximately 50%, which mirrors the reduction in fresh shipments.
- Less than 10% of the Florida citrus crop is utilized for fresh shipments.

4. Due to the reduction in fresh fruit varieties coupled with declining fresh citrus shipments and the increasing number of growers owning or having interest in packinghouses, the CAC appointed a subcommittee to review and consider changing the requirements of grower membership on the committee. After reviewing and considering the above information and discussing the need to maintain growers not associated with shippers but acknowledged the current language limited some fresh citrus growers from serving on the committee as grower members.

#### **Subcommittee Recommendations for Grower Membership on the CAC**

1. The subcommittee determined a majority, at least 5 grower members, must be "simon pure" growers and are not shippers or employees of shippers, as currently defined in Section 905.19.
2. Add a subsection to allow up to 4 grower members be shippers or employees of shippers provided they are engaged in the production for market of fruit in the production area and who has a proprietary interest in the fruit so produced.

**Section 905.120 Up to 4 grower members may be shippers or employees of shippers.**