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AGRICULTURE

Proposed taxes may help national citrus ad campaign

Higher per-box taxes for Florida's citrus have been proposed help fund an extensive national ad campaign touting the benefits of orange and grapefruit juice.

By Travis Reed

Associated Press

LAKELAND - The Florida Citrus Commission on Wednesday proposed raising taxes on orange and grapefruit growers, hoping the additional revenue will strengthen an advertising campaign that could save the troubled industry.

The per-box tax on processed orange juice would increase from 18.5 cents to 25 cents, with fresh grapefruit going from 25 cents to 40 cents and processed grapefruit jumping from 24 cents to 40 cents. The proposal is the highest in at least a decade, but isn't completely approved. The commission plans to spend the next month taking it on the road to gauge public input.

"The first reaction is sticker shock, because the investment called for is a lot more than where we've been," commission Chairman Andrew Taylor said.

Florida's \$9 billion citrus industry is at a crossroads, as officials continue crafting a plan to control diseases like canker and greening and try to stay viable against increasing foreign competition from Mexico, Israel, South Africa and Belize.

Orange production this year is estimated at 150 million boxes, down from an average of 225 million boxes before two years of devastating hurricanes struck the state.

Growers haven't been heavily affected because the low supply has driven prices up, but industry analysts worry the trend won't sustain when production returns to normal levels.

"We need to keep talking to the consumer so they continue knowing that orange juice is the best, healthy value," said Debbie Funkhouser, a top financial officer in the citrus department.

The money would fund a more aggressive marketing and public relations campaign supplementing television ads with a full year of online banner advertising and more print ads in national publications. As before, the marketing would focus heavily on the health and wellness benefits of consuming orange juice.

An orange farmer with 500 acres of fruit grown for processing would pay an additional \$13,000 in taxes if the proposed change went through.

"I think everybody was predicting some increase, but that's a pretty substantial total, and it's going to take a little while to digest I suppose," said Jay Clark, interim head of Florida Citrus Mutual, which represents growers.

The citrus department's current budget, slashed two years in a row after the hurricanes, is the lowest it's been since the 1984-85 season. The department's self-proposed budget is \$66 million, up slightly over the four-year average of \$64 million.

The Citrus Commission on Wednesday also named Ken Keck the department's new executive director. Keck, who has been general counsel and head of government relations there since 2002, takes over for Dan Gunter, who announced in March he would step down to return to the private sector.