

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HM 1427 Citrus Greening Disease

**SPONSOR(S):** Albritton

**TIED BILLS:** **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Local & Federal Affairs Committee	17 Y, 0 N	Flegiel	Rojas
2) State Affairs Committee		Kaiser	Camechis

### SUMMARY ANALYSIS

Citrus Huanglongbing (HLB), also known as citrus greening disease, is an endemic citrus disease that reduces citrus production by causing premature fruit drop, the production of small, bitter, economically useless fruit, and increased vulnerability to other diseases. In 2005, HLB was discovered in Miami-Dade County and has since spread to all citrus producing counties in Florida. The disease has no known cure. Over a five year period from 2005-2011, it is estimated that HLB has resulted in an economic loss of \$4.54 billion and the loss of 8,257 jobs. This year's state budget allocates \$13.7 million to combat HLB, \$8 million of which are state funds and \$5.7 million of which are federal funds.

HM 1427 urges the U.S. Congress to support the Florida citrus industry in its efforts to combat and defeat HLB through policy initiatives, regulatory support, and adequate funding.

Legislative memorials are not subject to the Governor's veto power and are not presented to the Governor for review. Memorials have no force of law—they are mechanisms for formally petitioning the U.S. Congress to act on a particular subject. This memorial does not have a fiscal impact.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Present Situation

According to the University of Florida Institute of Food and Agricultural Sciences (UF IFAS), “the state of Florida is the largest citrus producer in the United States, and the second largest producer of orange juice in the world, behind Brazil.” The Florida citrus industry represents an important part of the Florida agricultural economy—with estimated output (revenue) impacts of \$8.91 billion and value-added contributions of \$4.62 billion to the Gross Domestic Product. The Florida citrus industry generated at least 75,800 jobs, based on over 203 million boxes of citrus fruit produced in the 2007/08 season (Hodges and Rahmani 2009).

“Citrus Huanglongbing, more commonly known as citrus greening disease, has become endemic in the state of Florida and in São Paulo, Brazil, where it has caused major damage to citrus production. Believed to have originated in or near southern China more than a century ago, HLB’s presence was detected in the São Paulo state in Brazil in 2004. By September 2005, the disease was found in Miami-Dade County, and it soon spread throughout the commercial production area in Florida. The disease affects citrus production by causing premature fruit drop. Infected trees also produce small, misshapen fruit with bitter juice that has no economic value. As the disease progresses, the tree becomes more vulnerable to other diseases. Currently, there is no known cure for the disease. Some growers attempt to suppress the disease through an aggressive eradication program, while others are employing foliar nutritional techniques in an attempt to mask the symptoms of the disease and extend the economic life of infected groves.”<sup>1</sup>

In the five year period from 2006-2011, UF IFAS estimated that HLB is responsible for a total output loss to the Florida citrus industry of \$4.54 billion, a value added loss of \$2.72 billion, and a labor income loss of \$1.75 billion. For comparison, over the same five year period, the total output of the Florida citrus industry was \$24.28 billion, the value added was \$14.53 billion, and the labor income was \$9.38 billion. UF IFAS also estimated that over the same five year period, HLB reduced the number of permanent jobs in the Florida citrus industry from 52,394 to 44,137, a loss of 8,257 jobs.<sup>2</sup> From 1999-2010, 56 packing houses and 33 processing plants were shut down, partially as a result of decreased production due to HLB.

The annual utilization of 90 pound boxes of oranges is summarized below. The large change in utilization from 2003-2004 to 2004-2005 was the result of grove damage caused by the very active 2004 hurricane season.

Season	Utilized Volume - million 90-pound boxes of oranges			
	Fresh	Florida Concentrated Orange Juice (FCOJ)	Chilled Orange Juice (COJ)	Total
1999-00	6.9	129.5	90.1	233.0
2000-01	6.7	120.5	89.6	223.0
2001-02	6.9	132.2	85.9	230.0
2002-03	6.3	98.7	92.5	203.0
2003-04	6.2	137.0	93.4	242.0
2004-05	4.9	52.2	88.5	149.8
2005-06	4.5	49.1	90.2	147.4
2006-07	5.0	46.0	75.2	129.0
2007-08	4.4	78.0	85.1	170.2

<sup>1</sup> Economic Impacts of Citrus Greening in Florida, 2006/07-2010/11, FE903. UF IFAS Extension. January 2012.

<sup>2</sup> Id.

2008-09	5.5	71.2	82.8	162.5
2009-10	4.5	51.3	75.1	133.7
2010-11	4.5	50.3	82.6	140.5
2011-12	4.6	63.9	75.5	146.7
2012-13	4.6	47.0	79.2	133.6
2013-14 forecast	4.3	41.1	77.1	125.0
2013-2014 updated forecast	3.5	30.4	77.6	114.0 <sup>3</sup>
*Fresh, FCOJ and COJ constitute over 95% of orange production. Table does not list “other” uses of oranges, but this figure is included in the total production of Oranges.				

### Budget

This year’s state budget allocates \$13.7 to combat citrus greening of which:

- \$4 million is allocated to research;
- \$7.2 is allocated to citrus health response;
- \$.5 million is allocated to citrus psyllid biological control; and,
- \$2 million is dedicated to the citrus repository and budwood lab.

Of the \$13.7 million allocated in the state budget, \$8 million represents state dollars and \$5.7 million represents federal dollars.

### **Effect of Proposed Changes**

HM 1427 urges the U.S. Congress to support the Florida citrus industry in its efforts to combat and defeat HLB through policy initiatives, regulatory support, and adequate funding.

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#### **B. SECTION DIRECTORY:**

Not applicable.

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

#### **A. FISCAL IMPACT ON STATE GOVERNMENT:**

##### **1. Revenues:**

None.

##### **2. Expenditures:**

None.

#### **B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

##### **1. Revenues:**

None.

##### **2. Expenditures:**

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

**III. COMMENTS**

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

**IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**

N/A