
FLORIDA CITRUS COMMISSION MEETING

Summary of Committee Reports

December 16, 2009

This FCC Meeting Report provides a summary of each committee report with Web links to corresponding presentations referenced during the session.

Chairman's Remarks

Chairman Benny W. Albritton, Jr. welcomed everyone to the new Florida Department of Citrus (FDOC) headquarters in Bartow. The commission recognized Dianne Screws, chief of general services, as the project manager for the department's move and commended her for her exceptional efforts in handling the moving process.

Counsel Ed Scales introduced special guest Dean Cannon, Speaker-Designate, Florida House of Representatives. Representative Cannon pledged his support to protect current funding for citrus disease research and to look for future funding to help ensure the sustainability of the Florida citrus industry.

Executive Director's Remarks

Ken Keck, executive director, reported the goal to move FDOC staff to the Bartow headquarters in early February on time and under budget. The FDOC property on Memorial Boulevard in Lakeland is currently out for bid with a closing date on January 15 at 11 a.m. The FCC has the option to accept or reject any bid. Finally, Keck introduced Brad Ruhmann who has been hired as Marketing Specialist to fill a vacant position.

Domestic Marketing Committee

Leigh Killeen, deputy executive director, domestic marketing, presented an update on the Advertising Agency Evaluation Committee (EC). The EC conducted 'chemistry and credential' site visits to three semi-finalists on December 1 – 3, 2009: BBDO Atlanta, GA; Campbell-Ewald, Warren, MI; and The Richards Group, Dallas, TX. The EC met on December 15 to discuss the semi-finalists. Inspector General Billy Weathers presented a report verifying the financial stability of each agency. After discussion, the EC voted to select all three agencies as finalists. In a public meeting in Bartow on January 19, 2010, each finalist will make a one-hour presentation to the EC followed by 30 minutes of questions and answers. The FCC conducted a drawing to randomly select the order of presentations. BBDO will present first, Campbell-Ewald second and The Richards Group third. The EC will rank each agency numerically and offer a recommendation to the FCC. The FCC will select an agency of record at the January 20 FCC meeting. Chairman Albritton proposed to make the January commission meeting two days so that all commissioners could attend the advertising agency presentations. The commission agreed to schedule the meeting for both January 19 and 20, 2010.

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Killeen introduced a marketing team update on orange juice and fresh citrus activities to date. The fiscal 2009-10 advertising program continues to deliver the health and wellness message to adults with a moderate approach to health through television and online advertising highlighted by the signature pour and voice of Tom Selleck. Approximately 4.5 billion consumers will be exposed to the benefits of drinking Florida orange juice. Offline, the media buy includes such networks as TNT, USA, History Channel, CNN, A&E, The Weather Channel, CBS, ABC, NBC, Food Network and AMC. Online, consumers are exposed to the health and wellness message in innovative ways on GSN.com, AllRecipes.com, AmericanGreetings.com and ABC.com. Click-through rates are as much as three times higher than the industry average. Using both television and Internet, consumers are exposed to the Florida orange juice message 12 months of the year.

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Karen Mathis, public relations director, reviewed the orange juice Nutrient News national media outreach program. FDOC is utilizing two spokespeople to communicate positive nutrition messages about Florida citrus. In October, FDOC held a media event in New York City to update key influential media on breakfast trends released in the NPD Group's 24th *Annual Report on Eating Patterns in America*, as well as the health and wellness benefits of Florida citrus. The public relations team is working directly with media to generate stories in magazines and newspapers and on targeted Web sites. The team is pursuing broadcast coverage on national television and radio outlets; a customized FDOC video about orange juice will be distributed for broadcast and online placements in 2010. Media outreach to date has yielded more than 97 million impressions, which is 65 percent of the 145 million goal. A word of mouth campaign is generating grassroots awareness through a newly launched orange juice Facebook page and blogger outreach. All public relations efforts drive consumers to FloridaJuice.com where they can access detailed information about Florida citrus. Mathis will report on grapefruit and grapefruit juice public relations activities in January.

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Amy Carpenter, manager, in-state marketing, updated the Commission about fresh fruit marketing efforts. Outdoor retail signs for fresh orange and specialty will be placed in 247 stores in target markets in January through March, 2010. New point-of-sale pieces are available to promote fresh orange and specialty at retail along with a new produce buyer's guide. Peter Chaires, executive director, New Varieties Development and Management Corporation, provided an overview of the new fresh variety, Sugar Belle. Carpenter showed the custom signage developed by FDOC to support retail sampling programs in December.

New promotional materials for fresh grapefruit are in development. Videos on 42-inch plasma screen televisions in major Northeast supermarkets will deliver fresh grapefruit and grapefruit juice health messages to consumers at the point of purchase from January through March, 2010. A grapefruit spoon offer will be promoted from January through June in national magazine ads; fresh grapefruit bag inserts; tear-off pads at Florida Welcome Centers, state fairs and trade shows; on 1.25 million state maps distributed by VISITFLA; and on GoFloridaGrapefruit.com.

Gift fruit is being promoted this month on nationally syndicated television spots reaching over 100 U.S. markets, and through Florida media including newspapers, magazines, radio stations and Web sites. Gift fruit messages have generated more than 6 million impressions to date.

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Vanessa Hodak, manager, away from home marketing, illustrated how foodservice operators are learning about the versatility of Florida citrus daily via online advertising, newly dedicated foodservice space on FloridaJuice.com, and direct mail pieces. The foodservice team is conducting one-on-one meetings with leading restaurant chains such as IHOP and Mimi's Café to incorporate Florida citrus into expanded custom menu offerings. The team capitalized on emerging food trends to create the *"Take Florida Juice to New Places!"* recipe book and CD featuring 18 internationally inspired food and beverage recipes. The Away from Home programs will deliver more than 3 million impressions this year.

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Director of Retail Communications Pete Palmer provided an overview of current in-store merchandising efforts for orange juice in key U.S. retailers. After positive test results this summer, FDOC will utilize in-store television and radio to deliver orange juice health messages during the 10-week 2009 holiday season as well as a second 10-week flight during the 2010 spring holidays. New programs using outdoor retail signage and custom shelf tags will be implemented in nearly 3,500 stores. A secondary cooler test conducted with Sweetbay supermarkets returned a 6 percent lift in sales. The retail communications team will call on the top 75 retailers who account for roughly 83 percent of the U.S. grocery business this year.

Palmer presented three contracts for retail point-of-sale merchandising materials which were approved by the FCC.

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International Marketing Committee

Mike Yetter, Director of International Marketing, reported on November events that took place in Sweden, France, and Japan to create media excitement about the start of Florida citrus season and generate maximum editorial coverage for Florida grapefruit. Activities included press events, a consumer show, a bloggers event, trade seminars, and trade receptions. Trade events were designed to inform key importers and retailers about the crop and program plans, and foster relationships with key players. Consumer outreach educated consumers about the positive attributes of Florida citrus and generated trial to build demand for Florida citrus.

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Economic/Market Research Committee

Bob Norberg, deputy executive director, research and operations, presented the Nielsen orange juice and grapefruit juice and Freshlook fresh citrus retail sales trends. Season year-to-date numbers at retail (all outlets + Walmart) follow:

<u>Orange Juice</u>		<u>Grapefruit Juice</u>	
Gallons	+5.3%	Gallons	-3.8%
Dollars	-2.6%	Dollars	-5.3%
Price	-7.5%	Price	-1.6%

For the 4-week period ending 11/28/09, orange juice gallon sales are up 4.2%, exceeding 2007-08 and 2008-09 gallon sales for the eighth consecutive time.

For the 4-week period ending 10/25/09, in the 10 markets where Florida ships most of its fresh fruit:

<u>Oranges</u>	<u>Grapefruit</u>	<u>Tangerines</u>
Pounds +12.3%	Pounds -17.3%	Pounds +6.5%
Dollars +15.1%	Dollars -16.9%	Dollars +10.0%
Price +2.5%	Price +0.5%	Price +3.3%

Planning & Evaluation Committee

Bob Norberg reported about FDOC performance measurements for the period ending November 30. Of the 33 measurements, 13 are on track to meet goal by end of the fiscal year; 10 are not meeting expectations at this time; and results are not sufficiently available for the remaining 10. Four programs are scheduled to begin in December or January; results will be reported in 2010.

Items worth noting:

- Measure 1: 100% orange juice gallons exceeded goal by 2.2% and was 4.4% above 2008-09 results.
- Measure 6: Domestic fresh grapefruit shipment was 10.3% vs. 9% goal. (2008-09 results were -21.1%)
- Measure 16: Accurate/neutral domestic GFDI reports was 96% vs. 80% goal. (2008-09 results were 69%)

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Norberg presented the MillwardBrown contract 07-24 for renewal for one year to provide continuous tracking of consumer awareness and attitudes toward citrus products, consumer awareness and recall of FDOC advertising, and the patterns of consumer purchase and usage of citrus products. The FCC approved the contract renewal.

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Administrative & Budget Committee

Debra Funkhouser, Comptroller, reported on financial activity for the five months ending November 30, 2009, which included a budget adjustment for the USDA crop forecast.

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Finally, Inspector General Billy Weathers presented the auditor's monthly report.

Legal/Government/Regulatory Committee

Federal Update:

Ken Keck reported that momentum with California has been reignited regarding the National Research Program. Chairman Albritton and Mike Sparks, Florida Citrus Mutual, will meet with Joel Nelsen in January. Keck reminded the commission that a National Research Program is the only vehicle to create mandatory contributions from importers of all citrus into all U.S. ports toward research dollars.

State Update:

Keck reported that the state referendum to increase the Florida Citrus Production Research Order assessment cap from one cent to three cents (roughly \$5.5 million) and channel the money to the newly formed Citrus Research and Development Foundation (CRDF) passed with strong industry support. The money collected through the referendum will not be available to CRDF until 2011, so there will still be a need for FCC to support citrus disease research through the FDOC budget at least until the fiscal year 2011-12.



Economic Indicators Summary – December 2009

INDICATOR		UNIT	2008-09 STD	2009-10 STD	% CHANGE
FL OJ (11/28/09):	Movement	<i>Mil. SSE Gal.</i>	172.2	165.5	-3.9
	Ending Inventory	"	498.0	564.5	+13.4
Total US OJ (Oct):	Imports	"	22.6	26.5	+17.3
	Exports	"	9.37	8.78	-6.3
Total US Retail OJ Sales (11/28/09):	Volume	"	95.15	100.17	+5.3
	Price	<i>\$/SSE Gal.</i>	5.83	5.39	-7.5
FCOJ Monthly Average Price (Nov):	Futures	<i>\$/PS</i>	.80	1.13	+41.3
	Bulk FOB	<i>\$/PS</i>	1.00	1.20	+20.0
	Rotterdam	<i>\$/US/MT</i>	1,625	1,475	-9.2
Delivered-In Prices (11/28/09):	Early/Mids	<i>\$/PS</i>	1.071	1.016	-5.1
FL Fresh Shipments (12/06/09):	Orange/Specialty	<i>1,000 4/5-bu. Ctn.</i>	5,913	4,795	-18.9
	Grapefruit	"	4,635	4,146	-10.6
FL GJ (11/28/09):	Movement	<i>Mil. SSE Gal.</i>	13.2	8.8	-33.9
	Ending Inventory	"	49.8	40.0	-19.7
Total US GJ Exports (Oct)		"	2.16	.52	-75.9
Total US Retail GJ Sales (11/28/09):	Volume	"	2.75	2.58	-6.1
	Price	<i>\$/SSE Gal.</i>	6.48	6.47	-.2

ALL PRESENTATIONS ARE AVAILABLE at www.FDOCGrower.com

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A video of the meeting will be available online after **December 21** at www.polk-county.net by PGTV. If you have questions about the video, please send an e-mail to dscrows@citrus.state.fl.us.

