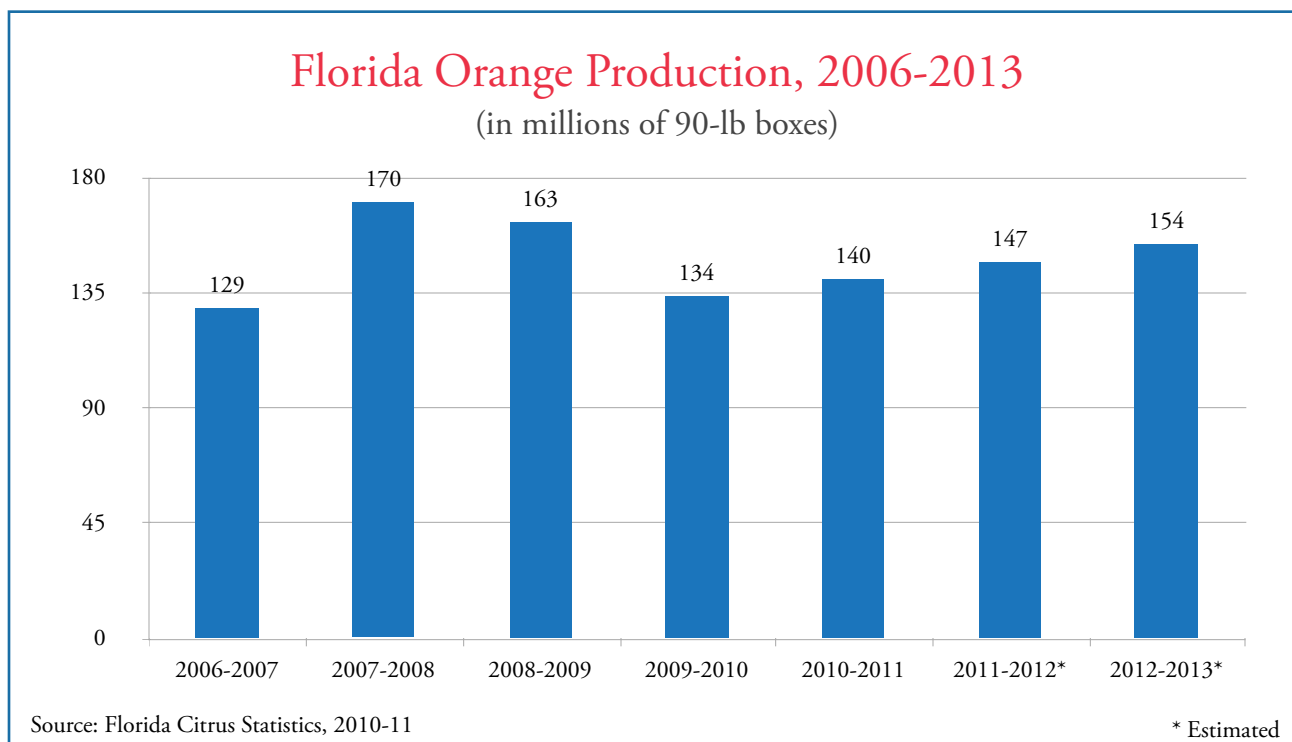


"Peeling Back" the Florida Orange Industry

Florida produces more oranges than any other U.S. state, totaling more than 71 percent of the U.S. supply during the 2010-11 season. Overall citrus production has an impact of \$9 billion per year on the Florida economy.

Recent U.S. Department of Agriculture estimates show that Florida's orange production is likely to be 154 million boxes for the 2012-13 season, an increase of approximately 5 percent over last year. This estimated increase will add to Florida's already positive trade balance. The chart below shows Florida's production of oranges, in terms of millions of 90-pound boxes. Although production is not as high as in recent peak years, Florida orange production has been increasing since the 2009-10 season.

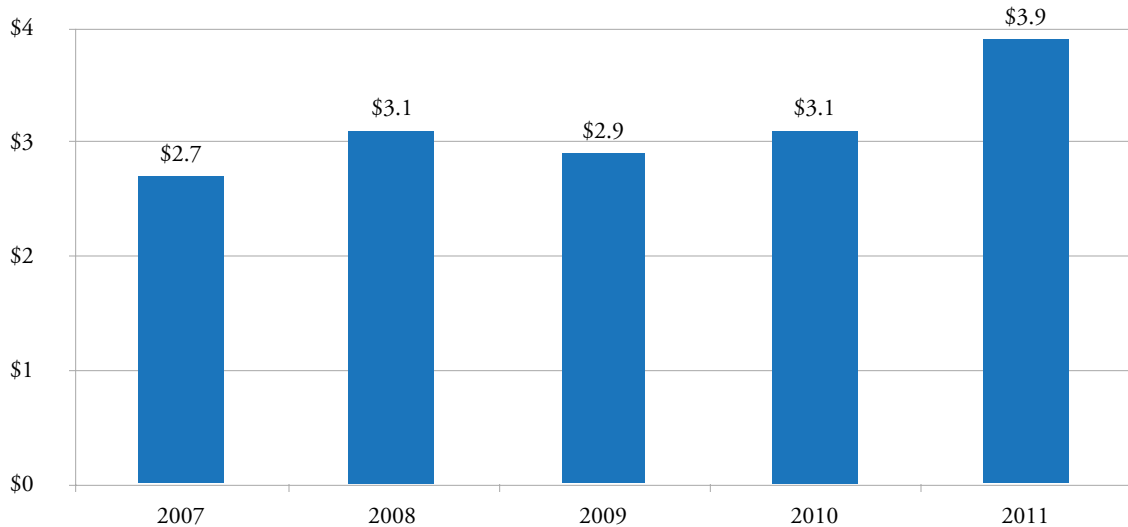


Oranges are Florida's number one agricultural crop, and provided 16 percent of total state farm receipts in 2010, according to the National Association of State Departments of Agriculture.

Oranges are also a key component of Florida's exports. The chart on the next page shows that there was a significant increase in agricultural exports from 2010 to 2011, reflecting a 25 percent increase in that two-year period.

Florida Agriculture Exports

(billions of dollars)



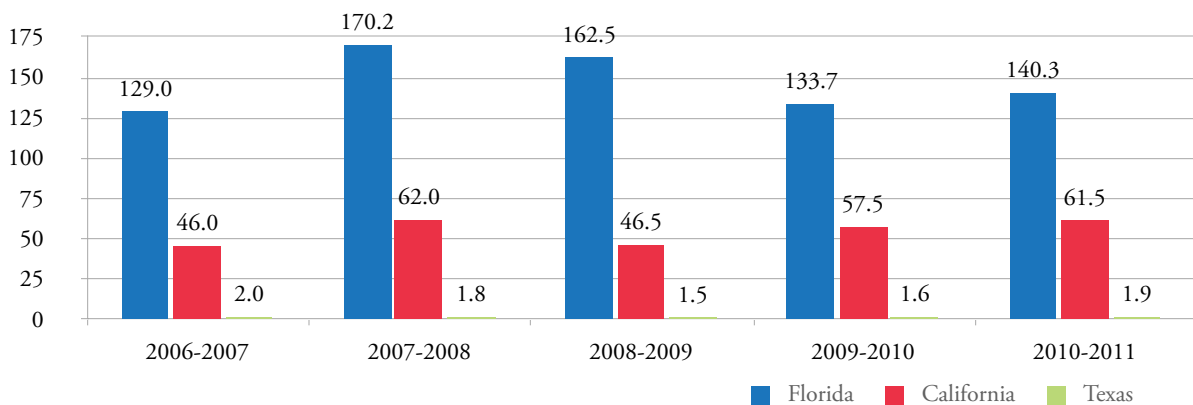
Source: Florida Department of Agriculture and Consumer Services

Although most Florida oranges used for exports are processed, Florida exported more than 38 million cartons of fresh oranges during the 2010-11 crop year to more than 20 countries, with the top importers: Canada, South Korea, Hong Kong, Japan, and China, respectively.¹

Competing U.S. States for Orange Production

The chart below clearly shows that Florida leads the U.S. in production of oranges, with California and Texas shown for comparison.

Orange Production by State



Source: Source: Florida Citrus Statistics, 2010-11

¹Source: Florida Citrus Statistics, 2010-11

Florida is the largest producer in the U.S of frozen concentrated orange juice, and 95 percent of Florida's oranges are used for this product. The chart to the right shows that overall, Florida produces around 90 percent of all processed orange products in the U.S.

Orange processing is significant for the Florida economy, because it includes jobs in the packing, processing, warehousing, and transportation industries. There are around 50 citrus packing houses and nearly 20 citrus processing plants in Florida. Besides the jobs that processing provides, some of the by-products of processing (oils, flavorings, and fragrances; as well as orange peels that are fed fresh, or dried and pelletized for cattle feed) are valuable. Some are used in flavorings, cleaners, and biological pesticides and many are exported, contributing to Florida's trade balance.

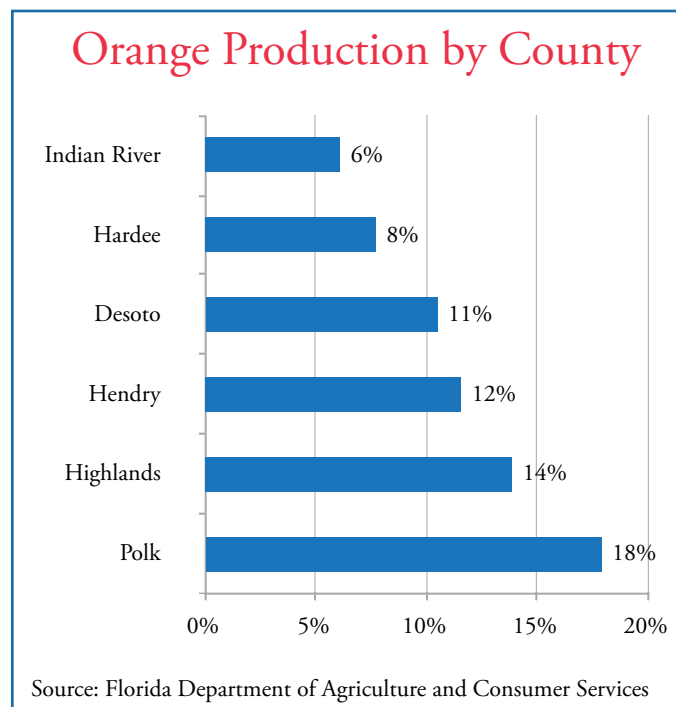
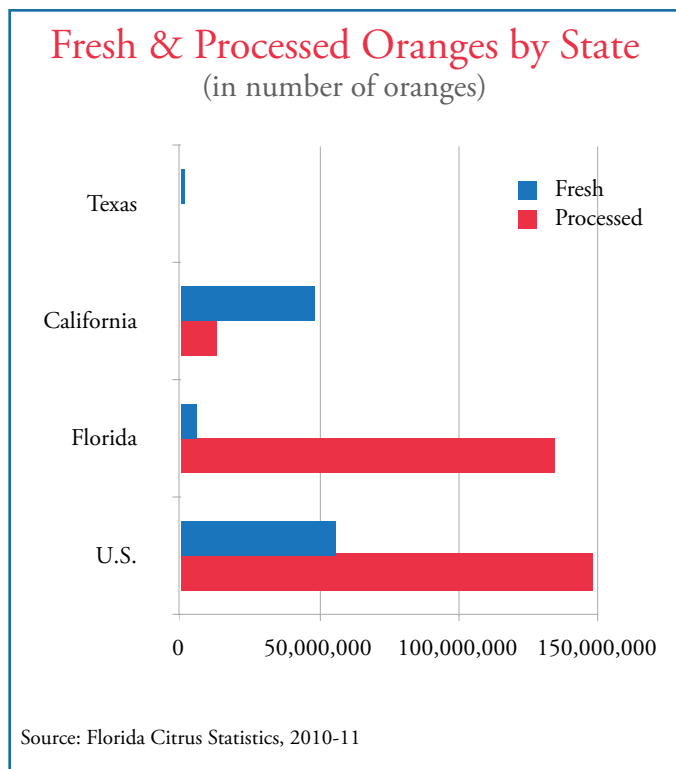
The most recent figures available indicate that Florida has 440,000 acres of orange trees that are of bearing age. Most of Florida's orange production is in counties south of Orlando, with more than half coming from Polk, Highlands, Hendry, and Desoto counties. The chart to the right shows the top 6 counties for overall citrus production in Florida.

Conclusion

Not only is orange production significant for the economies of several counties, it is significant for the state of Florida. The citrus industry provides jobs and healthy food for Floridians, and helps maintain Florida's positive balance of trade with the world.

The expected 5 percent increase in production will add to that positive trade balance, and increase both jobs and tax receipts. According to the Department of Agriculture and Consumer Services, on average, each \$1 million in additional sales (cash receipts) creates 34 Florida jobs, produces \$136,000 in additional indirect tax revenues, and generates \$2.3 million in overall economic impact.

Clearly, orange production, processing, and exporting are an important part of Florida's future.



Florida TaxWatch Center for Competitive Florida Advisory Board

Chairman:

Senator George LeMieux
Chairman of the Board
Gunster

Board Members:

| | | |
|--------------------------------|--|---------------------------------------|
| Mr. John B. Zumwalt III | President Florida TaxWatch Chair & Immediate Past Chair, CCF Advisory Board | The Zumwalt Company |
| Mr. Robert E. Coker | Senior VP, Public Affairs | United States Sugar Corp. |
| Mr. Marshall Criser III | President-Florida Immediate Past Chair, Florida TaxWatch | AT&T |
| Mr. Doug Davidson | Market Executive | Bank of America |
| Mr. J. Charles Gray | Chairman | GrayRobinson Law Firm |
| Mr. Clayton Hollis | VP, Public Affairs | Publix Super Markets, Inc. |
| Governor Bob Martinez | Senior Policy Advisor | Holland & Knight |
| Mr. Dave McIntosh | Trustee | Bluefield Ranch Mitigation Bank Trust |
| Tracy Piatkowski | Vice President | The Walt Disney Company |
| Mr. James M. Repp | Senior VP | AvMed Health Plans |
| Ms. Michelle A Robinson | Southeast Region President | Verizon |
| Mr. David A. Smith | Former Florida TaxWatch Chairman | |
| Mr. Michael Sole | VP, State Governmental Affairs | Florida Power & Light |

Economic Commentary written by **Jerry D. Parrish, Ph.D.**,
Chief Economist, and Director of the Center for Competitive Florida
With assistance from **Robert Anthony Camacho**, Research Intern.
Robert Weissert, VP for Research. **Chris Barry**, Communications Coordinator

John Zumwalt, III, Chair, Florida TaxWatch; **Sen. George LeMieux** Chair, Center for Competitive Florida;
Dominic M. Calabro, President, Publisher, and Editor.

Florida TaxWatch Research Institute, Inc. www.floridatxwatch.org
© Copyright Florida TaxWatch, October 2012