



Economic Impacts of the Florida Citrus Industry in 2012-13

Final sponsored project report to the Florida Department of Citrus

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Photo credit: Florida Agricultural Coalition (www.flagcoalition.com)

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Executive Summary

The Florida citrus industry encompasses a range of economic activities, including fruit production in 30 counties of central and south Florida, fresh fruit grading, packing and shipping to domestic and international markets, fruit processing for juice extraction, and juice packaging for retail distribution.

Florida citrus bearing grove area declined from over 750,000 acres in year 2000 to around 476,000 acres presently, a reduction of 37 percent, while production volume declined by 58 percent, primarily due to losses from citrus greening disease (HLB), which entered the state in 2005.

The purpose of this study is to estimate the economic impacts of the citrus industry in the State of Florida in fiscal year 2012-13, updating a previous study for 2007-08, as well as updating a previous estimate for the economic impact of citrus greening disease.

The analysis was conducted using the *IMPLAN* regional economic modeling system and associated databases (IMPLAN Group, LLC), to estimate the broad regional impacts of the industry, including economic multipliers that capture the secondary economic activity generated in other sectors by re-spending of income from the sale of Florida citrus products.

During the 2012-13 production season, 156 million boxes of citrus fruit were produced in Florida, including 134 million boxes of oranges, 18 million boxes of grapefruit, and 4 million boxes of specialty citrus, of which 10 percent was sold in the fresh market and 90 percent was utilized for processing. The total grower value of citrus fruit was \$1.53 billion, with fruit for processing valued at \$1.29 billion and fresh fruit valued at \$243 million, based on delivered prices. Florida citrus juice processors produced 1.016 billion gallons of citrus juice in 2012-13, with a total producer value of \$2.964 billion (F.O.B. basis). Florida citrus processors also produced byproducts of citrus pulp, meal, molasses, and the essential oil D-Limonene, valued at \$176 million.

The economic impact analysis results show total industry output impacts of \$10.68 billion, including \$3.82 billion from citrus fruit production, \$6.44 billion from citrus juice manufacturing, and \$420 million for fresh citrus marketing. The citrus industry created or supported a total of 62,133 fulltime and part-time jobs in the State. Total value added impacts estimated at \$5.32 billion represented the industry's contribution to Gross Domestic Product of the State. Labor income impacts amounted to \$3.25 billion, representing earnings by employees and business owners. Total state and local tax impacts of the Florida citrus industry were \$326 million. The Central Florida region had the highest share of citrus industry employment impacts (40,149 jobs), followed by Southern Florida (13,458 jobs) and the Indian River region (8,527 jobs).

Comparing the overall economic impacts of the Florida citrus industry in 2012-13 with a five-year earlier period (2007-08) using an updated regional model, employment declined by 17.8 percent, labor income decreased by 4.9 percent, value added decreased by 4.1 percent, and industry output decreased by 0.7 percent, in constant dollar terms.

The economic impacts of citrus greening (HLB) over the period 2006-07 through 2013-14 were estimated at a loss of -\$7.80 billion in cumulative industry output, or an annual average of -\$975 million, while total value added impacts averaged -\$573 million, and employment impacts averaged 7,513 jobs (fulltime and part-time). These results do not include HLB impacts on the fresh citrus fruit market or grapefruit and specialty citrus for processing.

It is concluded that although citrus production volumes have declined since the mid-2000s, due to citrus canker and greening diseases, higher prices for citrus products have kept industry revenues stable, with the result that total economic output, value added and labor income impacts have declined only marginally, and the iconic citrus industry remains an important contributor to the Florida economy.