

# Citrus Administrative Committee

Meeting

University of Florida CREC, Lake Alfred

1:00 PM

A meeting of the Citrus Administrative Committee was held on Thursday, November 15, 2018.

Ms. Campos, USDA/AMS Southeast Marketing Field Office called the meeting to order and read the selection order for the 2016-17 Citrus Administrative Committee as approved by the Secretary of Agriculture.

Ms. Campos then read the following notice to the committee.

“In its relationship with agencies outside the Department of Agriculture, each committee must bear in mind the necessity for confining its activity to those functions authorized under its marketing order program. A committee does not have authority for undertakings with groups or agencies outside the Department, or cannot represent itself before such groups or agencies without authorization from the Department. Committees cannot become involved in lobbying and political activities. Furthermore, committee members and employees are not authorized to appear before other government agencies or Congress in their official capacity.”

“As a reminder, the Citrus Administrative Committee is appointed by the Secretary of Agriculture under the authority of the Agricultural Marketing Agreement Act of 1937 and the Florida citrus marketing order. Committee members and employees are exempt from antitrust laws when engaging in discussions or activities within the scope of the Federal marketing order. However, any protections from antitrust laws do not extend to discussions or activities not authorized under the marketing order nor to agreements or communications with outside entities, whether oral or written, formal or informal. Please be mindful of the antitrust laws during your deliberations here today. If you would like to have a copy of our antitrust guidance, please let me know.”

Ms. Campos then read the selection order for the 2016-17 and 2017-18 committee members and alternates.

Chairman George Hamner called the meeting to order and asked Mr. Chaires to call the roll of members and alternates. Mr. Chaires called the roll of members and alternates and reported 7 grower members and 8 shipper members and the public member alternate were present and seated. He also reported there was one alternate grower member attending. He reported there was a quorum.

The following members and alternates of the 2018-20 Citrus Administrative Committee were present and seated:

**Growers**

Ellis Hunt, Jr., *alternate*  
Lee Jones  
Julie Obney, *alternate -c*  
Rusty Banack, *alternate -c*  
Steve Cassens, *alternate -c*  
Lindsay Raley, *alternate*  
Cody Estes, *alternate -c*

*c - conferenced in*

**Shippers**

Gee Roe  
Alex Heller, *alternate -c*  
George F. Hamner, Jr.  
Paul Genke  
Tom Mitchell, *alternate -c*  
Daniel Hunt  
Frank M, Hunt, III, *alternate*  
Dan Richey

Others Present:

Arthur B. Chadwell  
Peter Chaires  
Dolores Lowenstine

Abigail Campos  
Jen Varela

Ms. Campos asked for nominations for Chairman, Vice Chairman, Secretary and Treasurer for the 2018-19 season.

Nominations Subcommittee Chairman Genke reported his subcommittee met and their recommendation for officers for the 2018-19 season are: Chairman Tom Mitchell, Vice-Chairman George F. Hamner Jr., Secretary Daniel Hunt and Treasurer Gee Roe.

Mr. Genke moved seconded by Mr. Ellis Hunt the officers for this season be Chairman Tom Mitchell, Vice-Chairman George F. Hamner Jr., Secretary Daniel Hunt and Treasurer Gee Roe. The motion carried unanimously on a voice vote.

Chairman Hamner assumed the Chair for Chairman Mitchell, as Mr. Mitchell was on the speaker phone and communications were difficult. Mr. Hamner conducted the remainder of the meeting.

Chairman Hamner asked if there were any additions or corrections to the CAC Minutes of the July 17, 2018 meeting, there were no changes or corrections.

Mr. Ellis Hunt moved seconded by Mr. Roe that the CAC Minutes of the July 17, 2018 meeting be approved as mailed and posted on the website. The motion carried unanimously on a voice vote of the committee.

Mr. Ellis Hunt moved seconded by Mr. Roe that the bylaw revisions be approved as mailed, posted and included in the meeting folders. The motion carried unanimously on a voice vote of the

committee. The Committee engaged in a discussion of altering term limits, but elected to leave term limits as they are presently defined.

Mr. Raley moved, seconded by Mr. Genke that Peter Chaires be employed as Manager for the 2018-19 season and be named Assistant Secretary with the authority to sign the minutes of meetings. The motion carried unanimously on a voice vote.

The Committee acknowledged the CAC 2018-19 Budget with an assessment rate of \$.015 per regulated carton as adopted on July 17, 2018.

The Committee acknowledged the MOA for the administration of the CAC and Arthur B Chadwell, as adopted on July 17, 2018 by the 2017/18 Committee.

Mr. Raley made a motion, seconded by Mr. Roe, to post-approve Mr. Chadwell's actions approving Grower Tree Run Certificates, Repacker Certificate, Organic Certificate of Privilege, the Division of Fruit & Vegetables Contract and the Florida Citrus Mutual Lease for the 2017-18 season. Motion carried unanimously by voice vote.

Mr. Richey moved, seconded by Mr. Ellis Hunt naming SunTrust National Banks, Inc. as the official depository for the funds of the Citrus Administrative Committee. The motion carried unanimously on a voice vote.

Mr. Ellis Hunt made a motion, second by Mr. Roe, to approve Alan Hair and Peter Chaires for check signing authority. Motion passed unanimously by voice vote.

Mr. Genke moved, seconded by Mr. Ellis Hunt the mileage rate for automobile travel be established at \$.50 per mile for travel by Citrus Administrative Committee employees and members and the reimbursement of expenses (\$10 per lunch for committee members and alternates) incurred in the performance of their duties be authorized, effective August 1, 2018. The motion carried unanimously on a voice vote.

The Audit report was not reviewed or accepted by the Committee due to the fact that the Audit Firm was not physically present. This will be noticed and accomplished soon after Thanksgiving.

Update by Chadwell on July 9 & 10 USDA compliance review.

Chairman Hamner called on Mr. Chaires to present the 2018-19 Advisable Marketing Policy.

Mr. Chaires presented the 2018-19 Advisable Marketing Policy as follows;

- Overall – we estimate 9.81 mm cartons of regulated Florida citrus will be utilized in interstate and export markets this year. 44% up from 17/18.
  - Total Orange was 96% processed last year
  - Fresh orange shipments could be 4.6mm cartons in 18/19
  - Florida Navel Orange Production – USDA Estimate (800k) – Packers survey Estimate is (710k)

- Expect quality to be normal to below average
  - Florida Non Valencia Oranges
    - Droppage estimated at 23% - above normal
  - Florida Valencia – like
    - Droppage estimated at 26%
    - Focus on late oranges is compressing processing season
    - Longer Southern Hemisphere supply and early small sizes and low prices from CA have stagnated Fresh orange market.
  - Florida Grapefruit was 55% processed last year
    - Crop is estimated at 6.7mm. This is an increase of 72.68% from 17/18, down 14% from 16/17
    - White grapefruit estimate is 1.2mm boxes
    - Red grapefruit estimate is 5.5mm boxes. There are 7% fewer bearing red GF trees than year prior
    - Quality is expected to be in the normal range, but many small sizes. Slow start to season
  - Florida Specialty
    - Primary plantings are in non-regulated varieties. Starting to enter channels of trade
    - 27% processed last season
    - Production is estimated at 1.2mm – a decline of 26% from 16/17
    - Regulated expected to be approx. 610k cartons
- Texas – 2018/19 forecast is for 7.81 mm boxes or GF and Oranges – 1.28 mm more than last year
- California/Arizona–
  - 62 mm boxes of Navels – up 3mm
  - Valencia 6.9mm – slightly down
  - Grapefruit 4.1 mm – slightly down
  - Mandarin – 7.18% up. 35mm boxes. Heavily saturating late season.
- Proposed Reg section includes those items in the Proposed Rule – which may need to be amended.

Co-Chairman Hamner asked if there were any questions by the committee concerning Mr. Chaires' report. There were no comments or questions.

Mr. Raley moved, seconded by Mr. Richey the committee accept the 2018-19 Advisable Marketing Policy as presented. The motion carried unanimously on a voice vote.

Mr. Chaires reviewed the CAC Compliance Plan and CAC Internal Controls for the 2018-19 season. He noted there were no changes to the CAC Internal Controls or the CAC Compliance Plan for the 2018-19 season.

Mr. Ellis Hunt moved, seconded by Mr. Roe the committee adopt CAC Compliance Plan, CAC Internal Controls, for the 2018-19 season, as presented. The motion carried unanimously on a voice vote.

Mr. Hamner reviewed Regulation Bulletin No. 1 for the 2018-19 season as sent to all handlers of record and posted on the CAC website.

Mr. Raley moved, seconded by Mr. Ellis Hunt the committee approve CAC Regulation Bulletin No. 1 for the 2018-19 season. The motion carried unanimously on a voice vote.

Mr. Hamner reviewed suggested changes to Marketing Order 905. During this discussion, Mr. Richey made a motion, second by Mr. Raley, to change all references within the Order from 4/5 bushel cartons to "Standard Carton" to align with recent changes to the Florida Citrus Rules. The motion recommended that this change be presented to the Division of Fruits and Vegetables for comment, in addition to the design to remove all references to production areas, as the reality of the current marketplace is that many packinghouses already report their entire volume as coming from the production area in which the packinghouse is located. Motion passed unanimously by voice vote.

Mr. Hamner provided a review of the USDA Compliance Audit. Chairman Hamner asked if there was any additional business. There was no additional business.

Mr. Hamner thanked everyone for participating in the meeting and the next meeting would be at the call of the Chair, he then adjourned the meeting.