



## **Editorial: Tread carefully with OJ subsidy**

December 5, 2019

Nothing is as iconic to Florida as the humble orange - well, OK, aside from sun, sand and surf, a scary leathery-skinned reptile and a theme park created by a monstrous company built on a cartoon mouse,

And many who seek to profit from Florida's best known agricultural product - and its cousins, the grapefruit, tangerine and tangelo - are weighing whether it's worth staying in the game. Their livelihoods have been pummeled by an Asian plant disease, a vicious hurricane, foreign competition and alleged health nuts.

We've long encouraged state and federal officials to aid our state's citrus industry - with big injections of research and disaster relief dollars - for a couple of reasons.

For one thing, the challenges confronting the citrus industry are not of its own making. For another, Polk County is a vital part of citrus production. According to a U.S. Department of Agriculture report from August, Polk ranks second in terms of total acreage devoted to groves. For the 2018 growing season, Polk led the 25 citrus-growing counties in production, turning out 19% of Florida's entire crop.

We've also appreciated the independence of the citrus industry. Yes, growers have sought state and federal funding to eradicate citrus greening. But the industry over the years also has pumped more than \$100 million of its own money into this effort. Meanwhile, until a few years ago, when greening ravaged the groves to the point growers were forced to cry uncle, the state Citrus Department, which since 1935 has overseen and promoted this now \$9 billion a year industry, has been self-funded by a taxes growers impose on themselves.

But a recent push by the industry gave us pause.

As The Ledger recently reported, Florida Citrus Mutual, the industry's Bartow-based trade association, and most of Florida's congressional delegation are urging the USDA to significantly ramp up its purchase of orange juice products for 2020.

Almost all OJ in America comes from Florida oranges. The USDA buys some of that - about \$47 million worth this year - for school-lunch programs, nonprofit summer camps, low-income families, the military and charity.

Florida Citrus Mutual and our lawmakers want USDA Secretary Sonny Perdue to boost that to \$90 million for the current growing season.

The reason is that after Hurricane Irma devastated the groves in 2017, processors turned to foreign suppliers, opting for multiyear contracts in the belief that Florida's growers would not soon recover.

Yet they did, in just one year. Production jumped 59% in 2019, surpassing even 2017's pre-Irma output.

That, however, generated a glut, which drove down the price of oranges 38%.

Led by Reps. Ted Yoho, a Gainesville Republican, and Darren Soto, a Kissimmee Democrat who represents eastern Polk County, Florida's lawmakers encouraged Perdue to "fight to protect Florida's signature agriculture crop."

"After many years of setbacks in the orange juice industry due to citrus greening and hurricanes, it is uniquely important to protect growers this year," said the letter, which was also signed by Rep. Ross Spano, a Dover Republican who represents Lakeland and other parts of western Polk.

This move is not unprecedented. The Wall Street Journal reported in August 2015 that the USDA agreed, at Florida Citrus Mutual's behest, to buy \$20 million of surplus OJ. The Journal noted that the initiative came as consumers had bought the least amount of OJ in more than a decade, preferring instead sports and smoothie-style drinks.

Little noticed at the time was what Mike Sparks, chief executive of Florida Citrus Mutual, told the Journal: that he expected the \$20 million to be the "first in a series" of OJ purchases over the next few years.

Greening and Irma afflicted the citrus industry with extraordinary stress.

But we really encourage growers and processors to tread lightly here.

In April 2018, the Cato Institute, a libertarian think tank, issued a report identifying eight reasons to end federal agricultural subsidies. The bottom line: "American farmers should stand on their own two feet in the marketplace, as do businesses in nearly all other industries," the report said.

We understand such thinking. But we also understand that the farmers who feed us and much of the world sometimes face extenuating circumstances that require help from government. Greening and Irma are two of them.

That said, though, citrus producers should see, as we do, that too often for too many businesses taxpayer funding can be addictive. Mainlining tens of millions of extra dollars in the short run will make the industry feel better. But the feds' cash has a corruptive influence, making its recipients overly dependent on big government, and the taxpayers who pay for it poorer or deeper in debt.