

# **Florida Citrus Industry Conference Educational Session**

## **Processor's Perspective**



**June 14, 2018  
Bonita Springs, Florida**

# Topics To Be Covered

- **Processor's perspective of where we are....**
- **How FNG is *adapting* to HLB environment....**

# Florida's Processed Citrus Industry, 60+ Years Ago

## 1956 "Florida Cannery Association"

Adams Packing Association, Inc.	Golden Gift, Inc.	Ridge Citrus Concentrate, Inc.
B&W Canning Company, Inc.	Griffin Cannery, Inc.	Sargeant Citrus Products, Inc.
David Bilgore & Company Inc.	Halco Products, Inc.	Sasson-King, Inc.
Birds Eye Division- General Foods Corp.	H.P. Hood & Sons	Scenic Citrus Corporation
Bordo Company	Holly Hill Fruit Products, Inc.	Shirriff-Horsey Corporation, Ltd.
California Packing Corp (FL Division)	Lakeland Highlands Canning Co., Inc.	B.T. Smith Concentrates, Inc.
Central Florida Processors Company	Libby, McNeill & Libby	Snively Groves, Inc.
Dairy Service Corporation	Lucerne Park Fruit Association, Inc.	Southern Fruit Distributors, Inc.
Desoto Canning Company	McDonald & Olliff, Inc.	Stokely-Bordo
Domino Canning Company	Minute Maid Corporation	Stokely-Van Camp, Inc.
Florence Foods	Garland C. Norris, Inc.	Sugar Rose Canning Company
Florida Citrus Cannery Cooperative	Orange State Processing Corp.	Sunshine Packers, Inc.
Florida Food Products, Inc.	Osceola Fruit Distributors	Treesweet Products Company
Florida Juice, Inc.	Parman-Kendall Corporation	Winter Garden Citrus Products Cooperative
Fosgate Citrus Concentrate Cooperative	Pasco Packing Company	
Fruit Industries, Inc.	Plymouth Citrus Products Cooperative	

- Almost 50 processing plants
- Mostly small operations
- Most produced FCOJ

# Florida Citrus Fruit Processing, 2018

**Tropicana**

**Florida's  
Natural**  
BRAND

  
**CUTRALE®**

**Citrosuco**

  
**PEACE RIVER**  
CITRUS PRODUCTS

  
Natalie's  
**ORCHID ISLAND**  
JUICE COMPANY  
FLORIDA SQUEEZED

  
**Lambeth Groves**

**SOUTHERN  
GARDENS**  
CITRUS

# Processed Industry Characteristics

- **Industry is highly concentrated: few processors**
- Most fruit is processed into NFC: FCOJ imported
- NFC is capital intensive: processing & storage
- Most facilities have NFC packaging operations
- Brands account for most of fruit purchased

# Processed Industry Characteristics

- Industry is highly concentrated: few processors
- **Most fruit is processed into NFC: FCOJ imported**
- NFC is capital intensive: processing & storage
- Most facilities have NFC packaging operations
- Brands account for most of fruit purchased

# Processed Industry Characteristics

- Industry is highly concentrated: few processors
- Most fruit is processed into NFC: FCOJ imported
- **NFC is capital intensive: processing & storage**
- Most facilities have NFC packaging operations
- Brands account for most of fruit purchased

# Processed Industry Characteristics

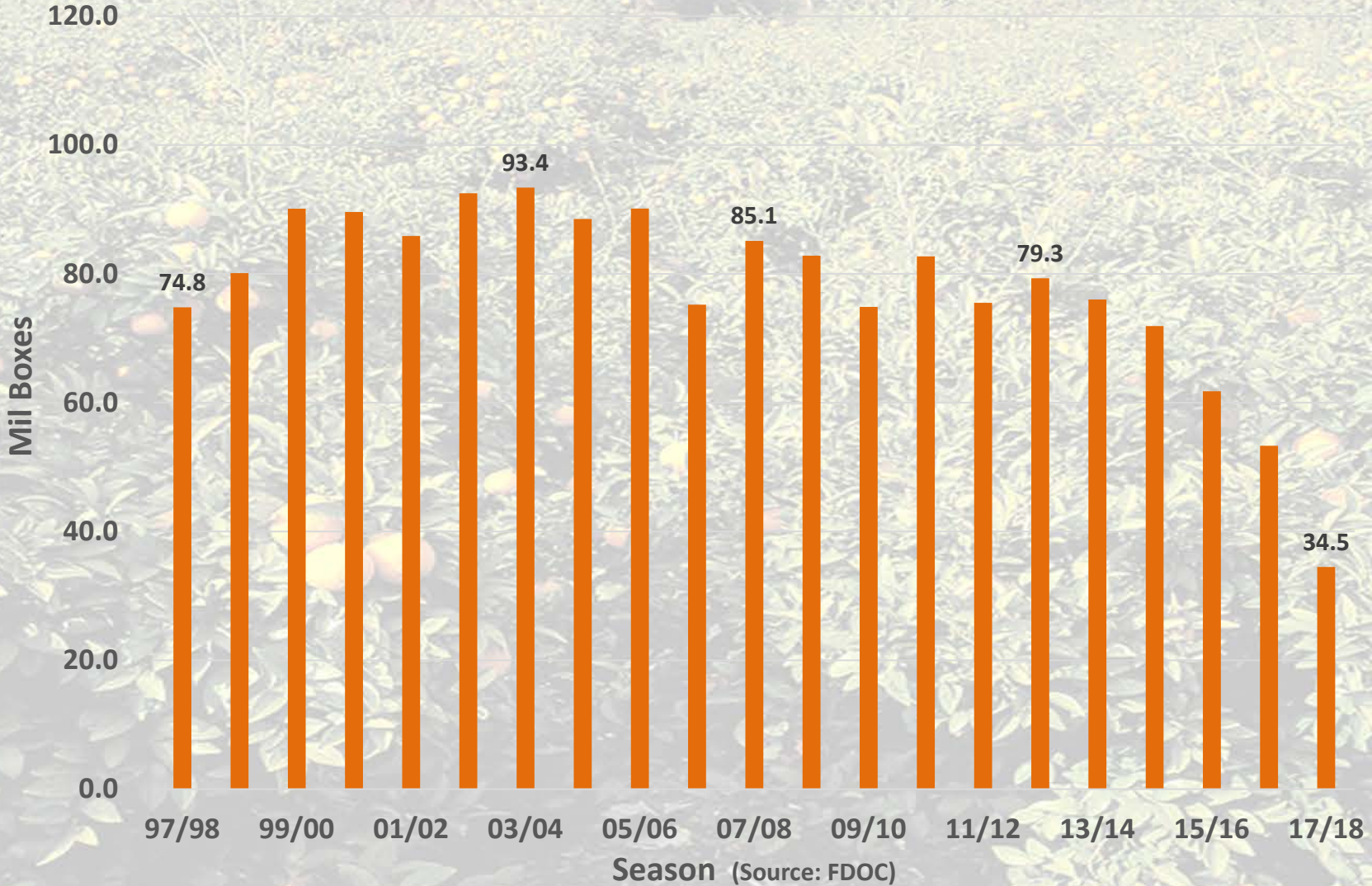
- Industry is highly concentrated: few processors
- Most fruit is processed into NFC: FCOJ imported
- NFC is capital intensive: processing & storage
- **Most facilities have NFC packaging operations**
- Brands account for most of fruit purchased



# Processed Industry Characteristics

- Industry is highly concentrated: few processors
- Most fruit is processed into NFC: FCOJ imported
- NFC is capital intensive: processing & storage
- Most facilities have NFC packaging operations
- **Brands account for most of fruit purchased**

# Industry Capacity – Florida Orange NFC Utilization



# How Can Processors Adapt To This Reality?

- **Processors need fruit volume to be efficient**
- Processors need to operate more efficiently
- Alternative income streams to fill capacity

# How Can Processors Adapt To This Reality?

- Processors need fruit volume to be efficient
- **Processors need to operate more efficiently**
- Alternative income streams to fill capacity

# How Can Processors Adapt To This Reality?

- Processors need fruit volume to be efficient
- Processors need to operate more efficiently
- **Alternative income streams to fill capacity**

# Adding Fruit Volume

- **Florida's Natural PIP-loan program**
  - Other processor program incentives
  - Federal & state planting incentive programs
  - Processors must encourage growers to plant

# Adding Fruit Volume

- Florida's Natural PIP-loan program
- **Other processor program incentives**
- Federal & state planting incentive programs
- Processors must encourage growers to plant

# Adding Fruit Volume

- Florida's Natural PIP-loan program
- Other processor program incentives
- **Federal & state planting incentive programs**
- Processors must encourage growers to plant



# Adding Fruit Volume

- Florida's Natural PIP-loan program
- Other processor program incentives
- Federal & state planting incentive programs
- **Processors must encourage growers to plant**

# Implementing Efficiency Improvements

- **Reducing the number of extractors**
- Improving fruit receiving/processing efficiencies
- Other measures

# Implementing Efficiency Improvements

- Reducing the number of extractors
- **Improving fruit receiving/processing efficiencies**
- Other measures

# Implementing Efficiency Improvements

- Reducing the number of extractors
- Improving fruit receiving/processing efficiencies
- **Other measures**

# Fill Capacity With Other Activity 'FNG's Strategy'

- **Packing & selling more FCOJ**
- Producing, pack & sell Teas and Lemonades
- Co-packaging for 3<sup>rd</sup> parties
- FNG growers benefit: overhead coverage ++

# Fill Capacity With Other Activity 'FNG's Strategy'

- Packing & selling more FCOJ
- **Producing, pack & sell Teas and Lemonades**
- Co-packaging for 3<sup>rd</sup> parties
- FNG growers benefit: overhead coverage ++

# Fill Capacity With Other Activity 'FNG's Strategy'

- Packing & selling more FCOJ
- Producing, pack & sell Teas and Lemonades
- **Co-packaging for 3<sup>rd</sup> parties**
- FNG growers benefit: overhead coverage ++

# Fill Capacity With Other Activity 'FNG's Strategy'

- Packing & selling more FCOJ
- Producing, pack & sell Teas and Lemonades
- Co-packaging for 3<sup>rd</sup> parties
- **FNG growers benefit: overhead coverage ++**



# Concluding Comments

- **Processors are adapting to HLB environment**
  - HLB will be beaten, and industry will survive
  - Our industry may look different...
  - But, success & sustainability are within reach

# Concluding Comments

- Processors are adapting to HLB environment
- **HLB will be beaten, and industry will survive**
- Our industry may look different...
- But, success & sustainability are within reach

# Concluding Comments

- Processors are adapting to HLB environment
- HLB will be beaten, and industry will survive
- **Our industry may look different...**
- But, success & sustainability are within reach

# Concluding Comments

- Processors are adapting to HLB environment
- HLB will be beaten, and industry will survive
- Our industry may look different...
- **But, success & sustainability are within reach**

# **Florida Citrus Industry Conference Educational Session**

## **Processor's Perspective**



**June 14, 2018  
Bonita Springs, Florida**