

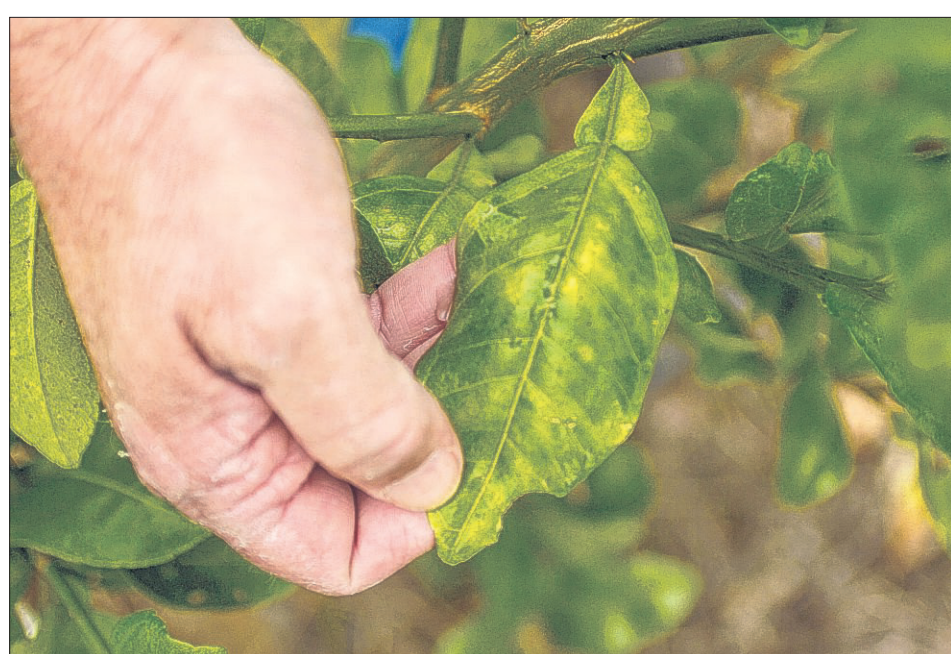
LOCAL

CITRUS from 1A

every four grapefruit that leaves Florida comes from this district. The majority of Florida's orange crop is grown in Central Florida.

But canker, an airborne bacterial disease spread by wind and rain, and greening, an even deadlier disease spread by a small flying insect, have taken their toll on local citrus farmers.

Growers have learned to live with both diseases, pinning their hopes on a greening antibiotic or genetically modified disease-resistant trees engineered by researchers at state universities.



FILE PHOTO

Peter Spyke, owner of Arapaho Citrus Management Inc. in Fort Pierce, points out a leaf on a grapefruit tree that is affected by citrus greening in his 10-acre experimental hydroponics grove on his grove along State Road 70 west of Fort Pierce in 2008.

CANKER, GREENING HIT TREASURE COAST HARD

Florida's blueprint for handling canker depleted almost \$1.3 billion from the coffers of state and federal budgets, amputating 16.5 million commercial and residential citrus trees in the Sunshine State.

In total, the U.S. Department of Agriculture funneled a jaw-dropping \$610 million in compensation to citrus growers for their economic losses — with about \$137 million going to Treasure Coast growers.

That's on top of the state's jarring \$623 million spent on burning 87,493 commercial citrus acres statewide in addition to disease research and compensation to homeowners for losing residential backyard trees in the Shade Florida tree replacement program.

Then there's the startling \$9.7 million spent by the Florida Department of Agriculture since 1995 on the still-ongoing litigation of the eradication program in South Florida. Court costs in Broward and Palm Beach counties could propel legal costs beyond \$33 million.

Although citrus remains Florida's signature crop, not one trade organization or government agency could put a number on the total economic losses the citrus industry sustained from 2000 through 2010.

While the past 10 years has been infinitely cruel to citrus farmers, Indian River Citrus League President Doug Bournique insists the industry is far from its final obituary.

"Before (hurricanes) Frances and Jeanne, the (Indian) River (District) was ready to pack 28 million field boxes of fruit," Bournique said. "In the aftermath, we were left with 4 million boxes. Twenty million field boxes were unharvested and left on the ground. That was a \$20 million loss in just one year."

According to the USDA, the Treasure Coast, including Okeechobee County, had 99,272 of commercial citrus acres in 2010, less than half of the 216,108 acres the region had in

2000. The Treasure Coast lost 116,836 acres this past decade alone.

"In the '80s we had freezes. We had oversupply in the '90s. But mother nature seemed to hit us with a perfect storm these last 10 years," Mike Sparks, CEO of Lakeland-based Florida Citrus Mutual said.

LITIGATION CHANGES INDUSTRY

Bournique said a chain of events led up to citrus diseases penetrating the Indian River District, yielding irreversible consequences for growers, packers and consumers nationwide and internationally.

After litigation in Broward County hindered the state's canker eradication effort, the disease surfaced on a commercial Martin County citrus grove in 2001.

At that time, the Florida Department of Agriculture's controversial program burned all trees within a 1,900-foot radius of a canker infected tree. After hurricanes Francis and Jeanne ravaged the Treasure Coast in 2004, canker eradication efforts intensified and the disease spread rapidly to St. Lucie and Indian River counties.

After Wilma pummeled the region in 2005, the state abruptly dropped the massive program, but not before spending \$623 million burning 87,493 acres of commercial citrus statewide.

Former Broward County Circuit Judge J. Leonard Fleet tried to stop the burning program and questioned the science used by USDA plant scientist Tim Gottwald, who concluded that all citrus within 1,900 feet of an infected canker tree should be burned.

"I felt very badly for those that suffered as a result of this disease, but I could not substitute sympathy for what I perceived to be constitutional mandates," Fleet said.

Gottwald said Fleet "misunderstood" his findings and was "incapable"

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Allen Morris, *economist*,
University of Florida Institute of Food and Agricultural Sciences

of understanding what was at stake for farmers whose livelihoods depended on the crop.

Fleet was later overturned by an appeals court. By then canker had spread to Palm Beach and south Martin County.

"We were two weeks away from shutting canker down before Judge Fleet's ruling," said third-generation citrus grower Pete Spyke, owner of Arapaho Citrus Management Inc., in Fort Pierce, who manages and owns about 4,000 acres of citrus and agricultural land on the Treasure Coast.

CRITICS SPEAK OUT

Other critics have characterized the eradication program as overzealous and mismanaged — exploited by some growers who saw a chance to capitalize on groves that were producing poorly and researchers amassing lucrative scientific grants for notoriety and tenure.

"Canker was endemic for years in Brazil, Argentina, South Africa, Australia and they were still able to grow fresh fruit. There was no reason to be upset about a few spots," said Orlando-based Heinz Wutscher, who retired from the USDA in 1999 as a 32-year plant researcher.

According to Florida Department of Agriculture, canker was detected and eradicated twice in Florida from 1912 to 1933 and again from 1986 to 1992. Both times eradication methods involved destroying trees within 125 feet. The 1,900-foot radius was adopted by the state after Gottwald released his research in January 2000.

"Canker in Florida goes back to the turn of the 20th century," said Jack Whiteside, a citrus plant pathologist who retired in 1991 from the Citrus

Research Center at Lake Alfred. "But this time the trees were destroyed with such severity."

J. Brantley Schirard Sr., chief executive officer of Fort Pierce-based Schirard Citrus Inc., said growers did the best they could do with the science available.

"Was it a mistake? The answer is yes and no. This was an attempt to cut off the disease. There was no way of knowing the hurricanes would blow it all over the state," Schirard said about Francis and Jeanne. "On the other hand, it was costly and it didn't work, when you look at the facts."

Over the years, growers learned to manage canker. Now, greening is their main concern.

"Canker was like getting a head cold and greening is like getting cancer," said University of Florida Institute of Food and Agricultural Sciences economist Allen Morris.

A DIFFERENT BUSINESS NOW

On top of diseases, globalization and American's growing apathy for breakfast has motivated growers to ship the majority of Indian River grapefruit to more lucrative markets in Japan, France, the United Kingdom and Canada.

The Florida Department of Citrus spent about \$7.5 million on international marketing in 2010 out of its \$33.6 million marketing budget and overall \$58.2 million budget. A University of Florida study showed Florida could lose \$55 million annually if it were to lose its European markets for red and white grapefruit.

All of Richey's fresh grapefruit are now sold to international distributors. Despite shipping costs, he yields better revenues there compared to domestic markets.

Where the Money Went

In total, the U.S. Department of Agriculture funneled \$610 million in compensation to Florida citrus growers for their economic losses because of the canker eradication program. About \$137 million of that went to Treasure Coast and Okeechobee growers. Here's what local growers received:

- Indian River County:** \$52.13 million
- Martin County:** \$6.1 million
- St. Lucie County:** \$47.16 million
- Okeechobee County:** \$31.62 million

Clewiston-based Southern Gardens Grove Co., a subsidiary of U.S. Sugar Corp. received \$37.5 million in economic compensation, the most statewide, as a result of the USDA's canker eradication program. Here are the top receivers on the Treasure Coast and Okeechobee.

- Indian River County's Premier Citrus LLC:** \$15.43 million
- Martin County's MCZ/Centrum Citrus Farms:** \$3.17 million
- St. Lucie County's Becker Holding Corp.:** \$10.66 million
- Okeechobee County's Lykes Bros Inc.:** \$26.93 million

SOURCE: U.S. Department of Agriculture

Citrus Sales Increase

Although acreage devoted to citrus has decreased over the years, gross sales of Florida citrus has increased. In 1950, Florida growers grossed \$176 million. Last year they grossed \$1.054 billion.

Florida Citrus Season	Gross sales	Acres
2009-10	\$1,054,716	517,100
2008-09	\$1,046,735	530,900
2007-08	\$1,283,994	538,900
2006-07	\$1,499,112	554,400
2005-06	\$1,024,610	576,400
2004-05	\$754,169	641,400
2003-04	\$891,500	678,000
2002-03	\$787,378	718,100
2001-02	\$966,803	727,600
2000-01	\$862,031	756,000
1999-00	\$1,108,523	762,400
1989-90	\$952,303	534,600
1979-80	\$1,037,050	758,400
1969-70	\$243,045	817,100
1959-60	\$219,774	508,200
1949-50	\$175,616	422,700

"We had easy peelers stealing our market share (South American orange juice growers and processors) in grocery stores," said Richey, reflecting on the 2000s. "The dynamics of the whole culture in our country of families having breakfast (and) cutting fresh fruit at the table ... that was all lost with dashboard dining and dual-income families."

Richey's father-in-law, Victor Knight, was cofounder and president of Riverfront Groves for 47 years before he died in 2007.

Spyke, with Arapaho Citrus, now focuses on selling fresh orange juice and specialty fresh gift fruit online. He lost the majority of his commercial trees during the state's eradication program.

"I lost my 80-year-old trees with the most fabulous fruit you can imagine. It will take me another 80 years to make fruit like that again," Spyke said.

Bournique said some Treasure Coast citrus farmers also are considering water farming as a viable revenue stream. He said growers with large idle groves could potentially hold rain water in shallow reservoirs to be cleansed and sold to municipalities or other farmers during droughts.

THE FUTURE OF CITRUS

Tom Hurley, chairman and CEO of Becker Holding Co., is planning a

large-scale development and considering growing alternative fruit crops and plants that can be used for biofuels.

"My granddad was an entrepreneur so we recognize his legacy and want to protect the land assets we have," Hurley said.

Still, others hope their children and future citrus generations can help save the industry their forefathers started before them.

"Our future is going to be in these disease resistant trees," said Sparks, with the Florida Citrus Mutual. "Can you imagine if one of the sons or daughters of one of these growers found a cure for greening? There's careers that can be made in citrus research."

But growers are footing most of the bill for research against greening now.

In May, Gov. Rick Scott axed a \$2 million request scheduled to go to the Citrus Research and Development Foundation Inc., a growers' organization overseeing a major research effort to combat greening.

Wutscher said there's a reason for that.

"Canker was predicted to be the end of the worse. But as we can see, greening is the real problem," Wutscher said. "We already scared everybody to death with canker. It looked like a big scheme to get something out of nothing."

Treasure Coast citrus growers in it for the long haul

By Nadia Vanderhoof

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MARTIN COUNTY — Tom Hurley is keeping all options on the table when it comes to the family business.

As the chairman and CEO of Becker Holding Corp., he's managed the company during back-to-back hurricanes, thwarting floods, droughts, freezes, even juggling the oversupply and undersupply of citrus fruit.

But over the past 10 years, some of the family's best commercial citrus trees were destroyed by canker and greening, two paralyzing citrus diseases threatening the livelihoods of farmers throughout the state. The family is diversifying the business out of necessity, Hurley said.

"We lost a couple of thousand acres because of that. And we

can't replant (citrus) because of diseases," Hurley said. "Even if we could, the problem with diseases is that young trees can't mature fast enough to make fruit."

Hurley and his brothers Scott and Rick own about 12,000 commercial citrus acres across the Treasure Coast. The brothers are now considering growing crops like peaches and plants that can be used for biofuels in the future.

"We'd like to develop a sustainable energy crop," Hurley said. "(Citrus) land could be used to produce biomass or other types of oils or seed crops, but there's still a fair amount of research that has to go into that too."

The trio are the grandsons of Richard Becker, who grew to be one of Florida's top five citrus producers after starting his citrus career in the early 1950s. He died in 2005.

As one of the largest and most established citrus companies in Martin County, Hurley hopes to expand and grow Becker Holding into a diversified land company so that future generations can contin-

ue the family legacy. During peak season, the company employs about 200 workers, Hurley said.

The company recently announced plans for a large-scale development called Hobe Grove on a 2,823-acre citrus grove off the Hobe Sound exit on Interstate 95 in Martin County.

Hurley hopes to model part of his company after Oviedo-based A. Duda & Sons Inc., a fresh vegetable grower and shipper that evolved into a diversified land company. Duda is the driving force behind Brevard County's newest master-planned community Viera.

"We're still in the permitting process and this is not something that's going to happen overnight. It's a 30-, 40-year project," Hurley said.

The Hurleys are not unlike other citrus legacies farming in the Indian River District, a narrow strip of land on Florida's eastern seaboard stretching from the New Smyrna through the Treasure Coast and into Palm Beach County.

Indian River Citrus League

president Doug Bournique said the Treasure Coast is known as the grapefruit capital of the world because 70 percent of Florida's grapefruit is grown here. Growers from the Sunshine State produce about 70 percent of the nation's citrus crop.

The forecast for Florida grapefruit this season is 14 million boxes of colored varieties and 5.6 million boxes of white, totaling about 19.6 million boxes. The state's orange crop is pegged at 142 million boxes.

In 2010, about \$1.055 billion was grossed by statewide citrus growers harvesting 517,100 acres. In 2009, citrus growers grossed about \$1.047 billion by harvesting 530,900 acres.

But its not American consumers buoying industry revenues. International markets in Japan, France, the United Kingdom and Canada now make up the majority of grapefruit consumers.

Japan buys more grapefruit than American households, according to Florida Department of Citrus chief economist Mark Brown. He said citrus fruit in

those markets are purchased at a premium, at almost double the price domestically.

"If we could bottle that (consumer sentiment) and bring it back here, we would," Brown speaking about Japan's affinity for grapefruit. "Even their bubble gum is grapefruit flavored."

According to the U.S. Department of Commerce, nationwide citrus growers exported about \$112 million in grapefruit to Japan in 2010, compared to \$46 million in Europe and \$29 million in Canada.

Like their peers, the Hurley family has shipped the majority of grapefruit to international markets. But that doesn't mean they've forgotten about their Treasure Coast roots.

"I'm pretty positive that they'll (university researchers) find a strain of trees that can survive these diseases. That's the main challenge for us now," Hurley said. "First and foremost I want my kids to find what they love to do. If it happened to be part of the family business, that would be great."