

CALIFORNIA CITRUS NURSERY BOARD

MINUTES OF MEETING

December 12, 2007

Lindcove, California

Chairman Bob Zuckerman called a meeting of the California Citrus Nursery Board to order at 10:05 a.m. on Wednesday, December 12, 2007 at the Lindcove Research Station in Lindcove, California. Roll was taken, showing a quorum was present with the following in attendance:

Members

Kim Alvitre
Don Dillon
Robert LoBue
Steve Maddock
Gary Moles
Tom Mulholland
Roger Smith
Bob Zuckerman

Alternates

*Lane Miller
*Larry Rose

Staff

JD Allen, MMS
Jim Melban, MMS
Glenn Yost, CDFA

Guests

Thomas Chao, Thermal Plaza Nursery
Mike Colvin, CDFA
Aaron Dillon, Four Winds Growers
Leonard Massey, B&Z Nursery
Susan McCarthy, CDFA
Georgios Vidalakis, UCR/CCCP
Tim Williams, UCR

** Alternate acting in lieu of member during the early part of the meeting*

Minutes of Previous Meeting

On a motion by Moles and a second by Rose, the minutes of the meeting of May 8, 2007 were approved as mailed.

Board Vacancies

Melban reported to the Board there was a vacancy in the third alternate position. Chairman Zuckerman called for nominations to fill the position and, hearing none, left the position vacant.

Financial Report and Revision of Budget

Melban led the Board through the financial report (Exhibit "A", attached), noting the difficulty of looking at financial reports when no assessment income is received during the year. He explained several accounts which were over-budget, including income transferred from the State, "audits" and "Disease Testing Subsidy". The income from the State amounts to \$47,400 and is money that was still held by the State from the old organization and it is Melban's understanding that this is the final payment from them. Melban stated the "audit" account had been overspent because he had asked the auditors to do some extra things, necessitated by the transfer from being a State-run organization. He said the "Disease Testing Subsidy" was overspent during the 2007 year strictly because of the timing of payments, some of which were made in the 2007 fiscal year for 2006 work and he noted that the total amount of money spent on the account falls within the parameters of total budgeted amounts. Melban then presented the Board with a proposed revised budget (Exhibit "B", attached) and upon review and discussion, the Board took the following action:

Board Action #07-06 – Smith moved, seconded by LoBue, that the Board accept the proposed revised budget as presented by Melban, encompassing the additional income funds from the State and increasing

the expenditure account “Disease Testing Subsidy” as noted in Exhibit “B”. In addition, total income and carryover, total expenditures and reserve were adjusted accordingly.

MOTION CARRIED UNANIMOUSLY

Marketing Order Amendments

Melban read a letter he received from Don Durling regarding the basis on which assessments are collected by the Board, (Exhibit “C”, attached). Durling’s main contention was that basing the assessment on 1% of the dollar value at first sale is not a fair way to assess because the first sale can cover a very broad spectrum of values, ie. some might pay 1% of a \$10 sale and others 1% of a \$100 sale. His letter suggests changing the assessment base of 1% of a dollar value per tree to a strictly per tree basis. Zuckerman said this type of change would necessitate a major amendment to the marketing order.

At this point, Melban distributed a copy of the first two articles of the Board’s marketing order outlining the changes the Marketing Branch would accept under a minor amendment. It was noted that several corrections still needed to be made to the wording, along with clarification of several points, and it was moved by Mulholland, seconded by Moles and unanimously carried, that the Board move forward with cleaning up the language for the minor amendment and having a phone conference meeting with the final document, pursue a major amendment to the marketing order’s basis for assessment collection, to be in place and ready to go by August 31, 2008, giving the Marketing Branch 120 days to make the new order effective by January 1, 2009.

Committee Reports

Research Committee – Research Committee Chairman Don Dillon reviewed the recommendation of the Research Committee as follows:

Research Projects – Acct #510		
Leafminer Management	Grafton-Cardwell	27,565
Citrus Rootstock Breeding and Evaluation	Roose	19,742
Breeding New Citrus Scion Varieties	Roose	19,045
Application of Real Time PCR for Detection of <i>Spiroplasma Citri</i>	Yokomi	20,000
Account 510 Total		\$ 86,352

Testing Projects – Acct #511		
Cooperative Registration Testing	Vidalakis	72,955
Registration Testing for CTV	Polek	10,000
Annual citrus Tristeza Virus Index	Grafton-Cardwell	13,511
Account 511 Total		\$ 96,466

Total Recommended to the Board for Funding in 2008	\$ 182,818
---	-------------------

A discussion ensued, noting the fact that Dr. Rooses’ projects are funded not only by this Board, but by the Citrus Research Board (CRB) as well. There was concern expressed that because the CRB pays about 80% of the projects, they may have a bigger say in directing the funds. Smith noted that he, as well as other nurserymen sit on both Boards and feels that the nurseryman’s point of view is represented

well on the CRB review committee. He also said that Dr. Roose understands that the scion work is of greater importance to the nursery industry than the rootstock work.

Board Action #07-07 – Smith moved, seconded by LoBue, that the Board accept the Research Committee’s recommendation as shown above.

MOTION CARRIED UNANIMOUSLY

Education Committee – Committee Chairman Moles reviewed what the Education Committee has been working on this past year, noting the main focus has been to update the “Information Book” and getting it online. Moles also said the Committee is investigating the creation of a website. Allen said he had received only one proposal so far, but felt the person was highly knowledgeable, experienced and very reasonably priced at just over \$2,200. He said that of the other proposals he was expecting, one of them was very experienced with creating quality sites, but was going to be at least \$4,500, and the other was reasonably priced, but inexperienced. The Board decided to let Committee Chairman Moles make the final decision on the selection of a website developer.

Moles then told the Board that his Committee had reviewed a proposal entitled “Extending Knowledge on Citrus Commercial Varieties and Related Citrus Germplasm” from Georgios Vidalakis and Tracy Kahn of UC Riverside. He stated that this project was an effort to streamline the distribution of information about new and existing citrus varieties in a web-based joint dynamic format combining up-to-date information gathered from websites and databases including UC, USDA, CCPP and CVC sites. Moles said the Committee reviewed it and is recommending fully funding the proposal.

Board Action #07-08 – Mulholland moved, seconded by Maddock, that the Board accept the Kahn proposal for the full amount of \$16,244.

MOTION CARRIED UNANIMOUSLY

Industry Committee – Committee Chairman Mulholland noted the purpose of this Committee was to develop protocol/models for the release of new high-demand varieties, from any source, and to pave the way for the quick and efficient release into the hands of nurserymen. After some discussion, it was agreed that the Committee would work on furthering that goal by keying in on the following five topics:

- Sit down with the CRB to coordinate their research efforts with ours.
- Sit down with CCCP and CDFA to discuss the logistics of testing and the protocols and techniques of testing with the idea of creating a faster turnaround of results
- Discuss the need for new varieties with UCR and OTT, and create better communications with OTT
- Become more involved in the greening issue and stay in “the loop”
- Develop protocols for CCCP screenhouses

Board Action #07-09 – It was moved by Moles, seconded by Alvitre, that the Industry Committee make progress on these five issues by March 31, 2008.

MOTION CARRIED UNANIMOUSLY

Management Proposal

Melban presented the Monfort Management Services (MMS) proposal for 2008, noting that Monfort's president, Jerry Munson had written a letter to the Board explaining the need for increasing the management services fee this year, (Exhibit "D", attached).

Board Action #07-10 Dillon moved, seconded by Moles, to approve the following resolution:

RESOLUTION C

Retaining Monfort Management Services, Inc. to Supply Management Services for the 2008 Fiscal Year

WHEREAS, Monfort Management Services, Inc. has provided the necessary office facilities and staff services, and the Board Manager has performed in a satisfactory manner, and

WHEREAS, Monfort Management staff members are also involved in the management of other advisory boards or commissions, which allows MMS, Inc. to minimize the expenses of the involved board by the sharing of such expense items as multi-purpose trips, memberships, subscriptions, or certain purchases.

THEREFORE BE IT RESOLVED that the Board approve the retention of Monfort Management Services, Inc. for the 2008 Marketing Season for a total amount of \$30,000, with the Board to be billed in twelve equal monthly installments of \$2,500, which shall cover the following:

1. The services of Jim Melban as Board Manager and JD Allen as Assistant Manager,
2. The services of MMS's secretarial, bookkeeping and clerical staff on an as-needed basis, and
3. The furnishing of Office space, utilities, special phone equipment, postage meter, mailing system, micro-computers and printers and other miscellaneous equipment, and

BE IT FURTHER RESOLVED that when appropriate opportunities arise for cost-sharing with the other boards managed by Monfort Management Services, Inc., an officer of MMS, Inc. be authorized to pro-rate such shared costs based on a suitable formula calculated to distribute the costs according to the benefit derived by each board involved. This distribution may be on an equal basis, a percentage of usage basis, or according to the direct benefit obtained by each board, based on such things as the time spent on a trip.

BE IT FURTHER RESOLVED that the Board recommend that the Department approve establishing a contractual relationship between the Board and Monfort Management covering the provision of the aforementioned services and facilities, and that the Board Chairman be authorized to sign said contract, and approve the appropriate invoices involved on behalf of the Board.

MOTION CARRIED UNANIMOUSLY

Budget Development

Melban walked the Board through the budget worksheet, noting that the Board had already voted on and passed Resolution C, the management contract. During the discussion it was suggested the Board does not need to bring forward such a large carryover, and that maybe the assessment rate need to be lowered.

Mulholland moved, seconded by Maddock, to approve Resolution A with an assessment rate of ½ %.

MOTION DID NOT CARRY
2 YEA, 4 NAY, 1 ABSTAIN

Board Action #07-11 Moles moved, seconded by Dillon, to approve Resolution A with an assessment rate of ¾ % as follows:

RESOLUTION A

Crop Estimate and Rate of Assessment

WHEREAS, the California Citrus Nursery Board provides that the Board recommend a rate of assessment for each marketing season, and

WHEREAS, the Board has estimated a crop value of \$22,000,000 to be produced in the 2008 season, and

WHEREAS, the Board has considered the estimated expenditures in its preliminary 2008 budget,

BE IT RESOLVED that the Board recommend to the Secretary that the assessment rate for the period January 1, 2008 thru December 31, 2008 be one percent (0.75 percent) of the first sale of propagated citrus.

MOTION CARRIES
5 YEA, 1 NAY, 1 ABSTAIN

Board Action #07-12 Smith moved, seconded by Moles, to approve Resolution B as follows:

RESOLUTION B

2008 Preliminary Budget

WHEREAS, it is estimated that there will be a carry-over of \$425,000 from the Board's 2007 budget, and

WHEREAS, the attached preliminary budget (Exhibit "E") reflects estimated income and expenditures for the 2008 marketing season,

BE IT RESOLVED that the Board recommend the approval by the Department of Agriculture of the attached preliminary budget and authorization of the transfer of the estimated carry-over to the 2008 budget.

Other Business

Rose suggested the Board enter into a “needle exchange” agreement with the Rare Fruit Growers organization. He said it would be beneficial to give this group selections from California that they could not otherwise get other than illegally bringing the material into this country and risking various dangers to our trees. Zuckerman suggested the Education Committee put this topic onto their agenda for the next meeting.

NEXT MEETING

There was no date set for the next meeting.

Adjournment

There being no further business, the meeting was adjourned at 12:25 p.m.

***** ***** ***** ***** *****

Certification of Minutes

I, JD Allen, Assistant Manager of the California Citrus Nursery Board, do hereby certify that to the best of my knowledge, the foregoing is a true and correct copy of the minutes of a meeting of the California Citrus Nursery Board held in Lindcove, California on December 12, 2007.

JD Allen, Assistant Manager