

CITRUS RESEARCH AND DEVELOPMENT FOUNDATION, INC.

Minutes of Board of Directors Meeting

October 28, 2014

A Meeting of the Board of Directors of the Citrus Research and Development Foundation, Inc. was held on Tuesday, October 28, 2014 at the University of Florida, IFAS, CREC, Ben Hill Griffin Hall, in Lake Alfred, Florida. The meeting was properly noticed and recorded. The meeting was called to order at 9:40 a.m. by President Tom Jerkins. Roll was called and a quorum was present. Board members present were: Mr. Bobby Barben; Mr. Larry Black; Mr. Joe L. Davis, Jr.; Mr. Tom Jerkins; Dr. Joe Joyce; Mr. Ricke Kress (telephone); Mr. Ben McLean; Mr. Jerry Newlin; Mr. Wayne Simmons and Mr. Bob Stambaugh. Dr. Lisa Conti, Dr. Mary Duryea and Mr. Hugh Thompson did not participate. Also participating were: Mr. Bill Bewlay; Dr. Harold Browning; Dr. Bob Bruss; Dr. Jim Dukowitz (telephone); Ms. Danielle Larochelle; Mr. Craig Noll; Dr. Stephanie Slinski; Mr. Mike Sparks (telephone); Dr. Jim Syvertsen; Dr. Tom Turpen and Mr. Alex Wheeler.

Also in attendance were: Mr. Ryan Armstrong; Dr. Calvin Arnold; Ms. Brandi Goller; Mr. Mike Haycock; Mr. Matt Joyner; Dr. Susan Logue; Mr. Sean McCoy; Mr. Ernie Neff; Mr. Stephen Pfleger; Mr. Taw Richardson; Ms. Shelley Rossetter; Ms. Shannon Shepp; Ms. Cali Walker (telephone) and Ms. Audrey Nowicki.

Dr. Joyce moved to accept the Minutes of the September 23, 2014 Board of Directors meeting. Seconded by Mr. Stambaugh, the motion passed unanimously.

Finance and Audit Committee: Vice Chairman Larry Black reported that the committee met October 27th for presentation and discussion of the audit and asked Mr. Wheeler to review the CRDF Audit for FYE June 30, 2014 for the Board. Mr. Wheeler reported that the audit has been completed and all reports being issued are clean and in compliance, with no accounting or compliance issues. Final copies of the completed audit will be available to the Board in the next week.

Mr. Wheeler further reported that revenues increased nearly 60% during FY 2013-14, research expenditures increased 20% and net equity at year end was nearly \$2 million. He also concluded that CRDF adequately addressed its primary mission during the year just completed. Mr. Black moved to approve the audit report as presented. Seconded by Mr. Davis, the motion passed unanimously.

Mr. Black reported that the Finance and Audit Committee began review of the FY 2015-2016 budget projections, and asked Dr. Browning to summarize. Early indications that approximately \$14 million in revenue will cover the diminishing research portfolio as focus shifts to delivery of solutions to growers. The current research portfolio is being reviewed for projects ending before the July 1, 2015 that may need to continue but do not fit into the NIFA or other federal funding. This short list could be addressed through a limited call for proposals.

Mr. Black summarized the September 2014 Financial Summary, noting the cash accounts balance of \$3.5 million. Accounts receivable are \$204,000 and accounts payable \$579,000, with net assets currently \$3.1 million. Revenue variances resulted from FY 2013-14 funding received after the June 30th year end. Variances in expenses resulted from invoices being received late. Mr. Black moved to accept the

Balance Sheet and Income Statement as presented. Seconded by Dr. Joyce, the motion passed unanimously.

Long-Term Research Funding and Legislative Matters: Mr. Sparks reported efforts are on track with the request for \$8 million from state General Revenue for CRDF project funding. Agricultural Commissioner Putnam has included this request as a priority in his budget. Mr. Sparks and Dr. Browning attended a round-table discussion with Governor Scott in the Indian River and discussion of the funding request occurred during this meeting.

Mr. Jerkins reported that the Citrus Disease Committee will meet December 9 and 10, 2014 at which time they expect to hear which NIFA, SCRI HLB projects were approved. Discussion of the priority topics for the second round of funding will be on the meeting agenda.

Governance Committee: Chairman Bob Stambaugh had nothing to report.

Research Management Committee: Chairman Bobby Barben reported on consideration of an amendment to Dr. Stansly's project #447 that was originally funded in the amount of \$199,960 and was enhanced last year with additional funding of \$148,159. Dr. Stansly submitted a proposal to continue his field trials, requesting \$470,000 to continue current objectives and adding treatments to the current trials. An additional new planting site also is part of the expanded proposal. The committee discussed the value of the additional treatments, but was not in favor of starting another field site in this project. Mr. Barben made a motion that Dr. Stansly be requested to re-submit the proposal with a one-year budget without the new site and including the addition of humic and fulvic acid at the Vero Beach site. Seconded by Mr. McLean, the motion passed unanimously.

Dr. Turpen reported that a core group of scientists will be meeting for the next two days facilitated by Dr. Susan Logue and Ms. Mina Sfondilis of PepsiCo and Tropicana. This first knowledge mapping session will focus on thermal and chemical therapy against *CLas* in infected trees.

Dr. Turpen reported that he attended a national conference of the National Agricultural Biotechnology Council, where the topic was DNA editing procedures. While the U.S. regulatory agencies are taking the lead, it is not known how this technology will be regulated in a global market.

Executive Committee: President Jerkins reported the committee met prior to the Board meeting to hear reports on the four AgroSource projects. This oral presentation complemented the written quarterly report which highlights progress on establishing the field trials, treatment applications, and expectations for the next quarter.

Commercial Product Delivery Committee: Chairman Ben McLean reported the committee met October 23rd, resulting in two recommendations to the Board.

Mr. McLean made a motion that the Board approve a proposal from Dr. Pelz-Stelinski to evaluate *CLas* acquisition by ACP from trees which have received thermal therapy. The one-year budget is \$105,782. Seconded by Mr. Black, the motion passed unanimously.

Mr. McLean made a motion that the Board approve year two of Project #776 by Dr. Albrigo in the amount of \$68,430. Seconded by Mr. Black, the motion passed unanimously. This project will include strobilurin treatments side by side with the plant growth regulator treatments.

Dr. Browning reported that the request from the CPDC and Board resulted in a meeting with NuFarm Americas, Inc. A field tour of ongoing trials allowed Dr. Stephanie Slinski, antimicrobials project manager and Dr. Browning to observe the ongoing evaluation of antibiotics against HLB being conducted by NuFarm. Dr. Browning introduced Mr. Craig Noll, Regional Account Manager for NuFarm, to begin NuFarm's presentation to the Board. Mr. Noll introduced Mr. Bewlay, NuFarm Business Development Manager, who gave an overview of NuFarm, an international plant protection and seed supplier that develops better solutions for plants. Ms. Larochelle reported on functions by their U.S. Development and Regulatory Teams which has handled over 600 registrations and 700 products, including herbicides, insecticides, fungicides and bactericides for agricultural use. Dr. Bob Bruss, Technical Services Manager, outlined where NuFarm stands at this time with the development of antibiotics for citrus HLB. Mr. Black asked what the Foundation can do to assist NuFarm. He stated the Foundation is looking for speed, not competition, in the search for a solution. He encouraged NuFarm and AgroSource to work together, and encouraged they continue their dialog with Dr. Browning and Dr. Slinski. NuFarm will work with Dr. Browning and expects to submit a proposal in the next few weeks.

Dr. Browning reported the CPD Quarterly Report is included with the meeting materials, summarizing progress toward the goals set for this year. The active projects were reviewed at the CPD meeting and Dr. Browning asked that questions on specific projects be directed to the relevant Project Managers. Discussion followed on Dr. Ehsani's thermal therapy project, refining time and temperature requirements for most effective thermal treatment. Regarding the status of the GRAS-like compound evaluations, a team is being put together to plan regulatory strategy meetings.

Industry Research Coordinating Committee: Chairman Wayne Simmons had nothing to report.

COO Report: Dr. Browning reported that four Board members' current terms will end December 31st. CRDF will be communicating with those members and their appointing organizations.

The Federal funding MAC is advancing decisions on the proposals received from stakeholder topic suggestions.

Future CRDF Meetings:

- Board of Directors meeting –December 9, 2014

With no further business, the meeting was adjourned at 11:40 a.m.

Minutes submitted by Jerry Newlin