

CRDF Board Meeting

February 23, 2016

Strategic planning objectives and approach are directly linked to the CRDF mission



Current CRDF mission

To "advance disease and production research and product development activities to insure the survival and competitiveness of Florida's citrus growers through innovation"

Objectives of the strategic planning process

- Ensure survival of the current citrus industry in Florida, and not necessarily to solve for HLB or accelerate research
- Develop an updated and vetted process to define CRDF focus, planning, budget allocation, organization and stakeholder engagement for the next six years

Approach of the strategic planning process

Engage BTG consultants in a 4 month evaluation and planning process to:

- Understand evolving industry dynamics, funding landscape and HLB disease mitigation progress
- Assess current CRDF planning process, capacity and role
- Conduct extensive and multiple interviews with over 30 internal and external stakeholders to inform CRDF evaluation
- Conduct Brazil visit with Fundecitrus to understand industry management techniques, grower engagement and technology progress
- Workshop emerging views with multi-disciplinary steering committee and full day brainstorming with industry members

CRDF updated strategy summary



Objective:	Ens	ure survival of the current citrus industry in Florida					
		Existing trees New trees		Overall Outcomes			
Tech ct timing) (43 yrs) (53 yrs) (53 yrs)		 Balanced panel to conduct full invetechnologies (and combinations) p Focus efforts (shortlist expected at Continue scanning for existing technologies 	Effective projectsStemmed yield loss				
Science (Vield imparted Tong Term (4+ yrs)		 Inventory to shortlist ~2 pathogen meta projects Engagement of agro-chem, coordination w Farm Bill 	 Inventory to shortlist ~3 meta projects for vector/host Ag-chem, processors, start-up, Farm Bill, academics engagement 	Commercialized technologyYield rebound from treatmentsNew trees resistant			
Agro Practic	ces	Aggressive removal of abandoned groves and high inoculum trees Horticultural practices to maintain	Aggressive replanting schedule Revamped and aggressive agro practices for industry survival even	Yield rebound from new trees + better management			

- tree health
- Psyllid management

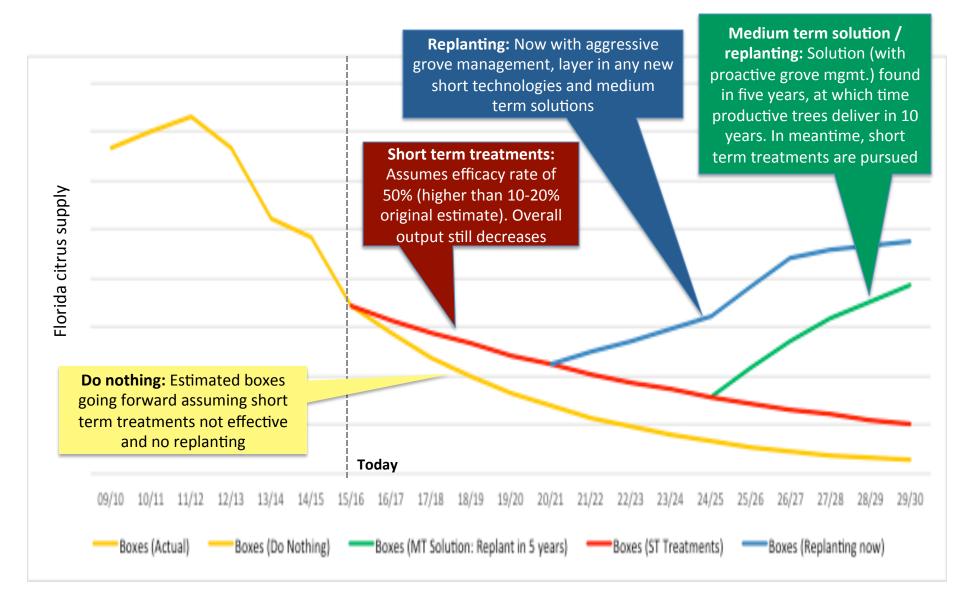
- with HLB
- Pilot Disease Control District
- Clear playbook for growers

Regulatory and business support

- Abandoned grove incentives
- Aligned regulatory support
- Cost/risk assessment of replanting
- Incentives for growers to replant
- Nego with processers & packers
- Aligned regulatory support
- Potential recapitalization biz case
- Containment and reduction of HLB
- Coordinated growers
- Massive replanting

Scenario modeling shows importance of short term treatments and replanting





Proposed 7 Initiatives and Target 2016 Outcomes



7 Initiatives

Target 2016 Outcomes

R&D Science and Technologies

- 1. Short Term technologies
- 2. Med Long Term technologies

- Inventory & shortlist projects to deliver results <3 years
- Clear criteria and independent evaluation team
- Prioritized projects (~5) and scout/pipeline budget
- Integrate technologies and select 5 meta projects
- Engage ag-chem companies to choose and commercialize
- Integrate activities with Farm Bill and MAC

Agro Practices

- 3. Horticultural Practices
- 4. Playbook & Communications

- Aggressively revamped horticultural practices to support industry even with HLB; pilot Disease Control District
- Clear guidelines of available treatments and horticultural practices bought in by majority of growers

Regulatory and Business

- 5. Grove economics and coordination
- 6. Regulatory & incentives negotiation
- 7. Potential business plan for recapitalization

- Grove and industry financial model and incentives needed to maintain citrus infrastructure
- Massive collaboration to combat HLB spread/impact
- Aligning regulatory approvals
- Defined incentives negotiated and agreed upon with stakeholders
- Actionable financial and strategic plan to potentially recapitalize industry and keep infrastructure in state

2016 Implementation Plan



Initiative set-up and staffing		Playbout (so output (so and prace	science	Incentivo coordin		Prioritized med-long term and potential recapitalization business case				•	
	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	

R&D Science and Technologies 1 Short Term technologies

2 Med – Long Term technologies

Agro Practices

- 3 Horticultural Practices (tree and grove management) and Disease Control District pilot
 - 4 Playbook and communication to growers to support adoption

Regulatory and Business

- 5 Grove economics and grower coordination
 - 6 Regulatory and incentives negotiation
 - 7 Biz plan for potential recapitalization

Milestones:

Structure & initiatives set up

Playbook & grower coordination

Go/No go on potential recap ask

2017-2020 medlong term tech, replanting schedule

CRDF to play leading and coordinating roles with extensive support from others in the citrus industry



Evolving CRDF Role

Potential CRDF sponsor and lead

Highly involved citrus industry

Science and Tech-

Short Term technologies

Stronger lead

Sponsor: Tom Jerkins

Lead: Current/New PMs

Input: Ben, Bobby, Jackie, TIG

Med – Long Term technologies Smaller lead with new support

Stronger lead

Sponsor: Tom Jerkins

Lead: TBD or N/A. TIG

Input: Coca Cola, PepsiCo

Agro Practices Horticultural Practices

and coordination Playbook & Comms

Sponsor: Jerry, Lisa, or Steve

Lead: New full time hire

Input: University of Florida / IFAS, CHMA coordinators

Sponsor: Harold

Lead: PM

Input: CRDF board for messaging

Regulatory

and

Business

Grove economics and coordination

Regulatory & incentives negotiation

Potential Biz plan for recap

Stronger coordination

Consider for later

Sponsor: Larry, Jerry

Lead: PM

Input: Outside consultant, CHMA coordinators

Sponsor: Harold

Lead: TBD

Input: Outside consultant

External political and PR consultants

Ag-chem for existing tech, processors, FL Fruit & Veg. Assc., Third Party Registrations, Fundecitrus

Ag-chem for developing new tech, processors, FFVA / TPR, Fundecitrus

Fundecitrus. FL Citrus Production Mgrs. Assc. (FCPMA), CA and Texas CRDF peers

Fundecitrus, FCPMA, CA and Texas CRDF peers

FCPMA. State and Fed agencies, Florida Citrus Mutual (Sparks)

Florida Citrus Mutual (Sparks), FFVA, FDACS

CA and Texas CRDF peers., FCPMA, FL Citrus Mutual, State and Fed agencies

CRDF 2.0 potential detailed organization structure for discussion



CRDF Board of Directors

Executive Committee

(existing committee)

COO – Harold Browning

 Run the program management office (PMO) of the new initiatives

Current Structure

- President: Tom Jerkins (grower)
- Members: Current Structure, 13 Board members: 10 industry members,
 2 University representatives, and one FDACS representative
- Meeting frequency: Monthly , 11x year (combined Nov/Dec)

Proposed Structure

- President: Tom Jerkins (grower)
- Members: 13, representing growers (7), research institutions (1), processors (2), and ag-chem (3)
- Proposed meeting time: 2x monthly (as needed in kickoff phase, otherwise once a month)

R&D Science and Technologies (Stronger and Smaller lead)

R&D Committee (merged RMC, CPDC, IRCC)

Current Headcount

- **3 FTE consultants:** Project managers
- ¼ FTE in house: Project manager

ST Technologies (Strong lead)

- 3 FTE in house: Project managers with ag-chem background to focus on most promising opps
- ½ FTE consultant: Ag-chem consultant to help with proj. inv.

MT-LT Technologies (Smaller lead)

 Increase capacity industry players including processors/agro chem Agro Practices (Stronger lead & Support)

Horticultural Practice
Committee (new committee)

Current Headcount

• 1 FTE consultant: Field trial admin

Proposed Additions

- 2 FTEs in house: Horticultural practice specialist with scientific background & comms
- ½ FTE Potential Disease Control District

Other considerations

- UF / IFAS, CHMA coordinators, and CRDF board to be involved
- Other dev. of best practices, playbook, and pilot of DCD

Regulatory and Business Support (Stronger Coordination)

Regulatory & Business (new coordinator role)

Current Headcount

0.25 FTE Harold Regulatory

Proposed Additions

- 1 FTE in house: Grower incentives and coordination
- ½ FTE Regulatory support
- 1 FTE Consultants: Underwrite, design, and negotiate incentives
- ½ FTE consultant: PR, Lobbying firm to lead media outreach

Administration

Governance, Finance and Audit committee (merge F&A and Gov)

Current Headcount

3 FTE in house: Business manager, office manager, and program assistant

Proposed Additions

None

CRDF potential budget FY 16/17





			15/16 (F)	16/17 (P)	Notes & Recommendations
		R&D PROJECTS			
	CURRENT	Research	11,269,374	6,269,374	De-prioritize research, cut projects, invest in product development
	COMMENT	Product Development	4,023,604	8,023,604	Prioritize product development with focus on meta projects
		Total Research and Product Dev. projects	15,292,978	14,292,978	
		R&D PROJECTS			
		Research / Scanning	Current	4,388,562	Massive Focus on projects with Short Term Outcomes; Separate into Specific projects and Scanning Efforts
R&D Science	SHORT	Product Development	projects to	8,023,604	
and		Short Term Technologies initiatives	be split into	300,000	Ag chem consultant to help perform project Inventory with CRDF
Technologies		R&D Projects Sub Total	Short Term Yield	12,712,166	
		R&D PROJECTS	Outcomes		
		Research	and Med- Long Term	1,880,812	Focus on Research with Med-Long Term Outcomes, Additional capacity/budget from Farm Bill, MAC, Agro-Chem and Processor
	MED/LONG	Product Development	Yield Outcomes	-	capacity, badget from Farm Bill, Wine, Agro Chem and Frocessor
		Med-Long Term Technologies initiative		250,000	Dedicated project managers from ag-chem to forward opportunities
		R&D Inititives Sub Total		2,130,812	
	AGRO PRACT	TICES INITIATIVES			
	Horticultural practice specialist		-	150,000	Specialist to study and codify most applicable horticultural practices
	Grower	outreach	-	250,000	Engagement of growers in selected areas, and throughout the state
Agro Practices*	Develop	ment of best practices	-	100,000	Codified best practices that will go into the playbook
Practices	Playboo	k production and distribution	-	100,000	Clear and actionable playbook used to help growers and build trust
	Pilot of	disease control district		300,000	Focus on 1 or 2 pilots of districts that practice coordinated approaches
	Agro Practices Initiatives Sub Total		-	900,000	
	REG AND BUS INITIATIVES				
Regulatory and Business	Grower Incentives & coordination		-	250,000	Staff to evaluate, incentivize and influence grower actions
	Regulatory and negotations		-	200,000	CRDF staff and consultants to coordinate and accelerate changes
	Public relations firm		-	50,000	Communication of key messages to relevant stakeholders
	Business plan development/lobbying			150,000	Used for state and federal regulatory bodies and leaders
	Reg and Bus Inititiatives Sub Total			650,000	
Administration	Admin Costs		843,870	843,870	Assumes this value is held constant
	TOTAL COSTS		16,136,848	16,686,848	

- 1. Greater focus on product development
- 2. Split into Short & Med/Long Term with focus on Short Term and high efficacy
- 3. Additions in Agro Practices and Incentives & Regulatory Coordination

Proposed CRDF 6 year strategic plan



Year 1: 2016

Years 2-3: 2017-2018

Years 4-6: 2019-21

Set up initiatives & traction

Practices and replanting stage

Integrating new tech

R&D Science and Technologies

- Establish R&D Committee to perform inventory to determine go / no go on all current projects
- RFPs for prioritized short term tech focus areas and MT-LT meta projects
- Incentivize ag-chem consortium participation and optimize PM func.

- Quarterly project reviews
- Go / no go on keeping prod. dev. in house or into for profit entity
- 1 or more meta projects in field test
- Ag-chem fully engaged either as paid consultants, PMs, or in spun-off entity
- Continued quarterly project reviews
- 1 or more meta projects commercially available
- Improved efficacy given better practices in the field

Agro Practices

- Inventory of currently available agro practices for grower implementation
- Engage knowledgeable external parties for best practices
- Develop and distribute grower playbook as an ongoing tool
- Pilot Disease Control District

- Grower engagement activities for playbook buy-in and demonstration of best practices
- Review of latest treatments and agro practices; Communication of results
- Annually distribute updated playbook with grower feedback

- Review of latest treatment and agro practices
- Annually distribute updated playbook with grower feedback

Regulatory and Business

- Develop analysis, comms and outreach focused on grower incentives
- Accelerate/support regulatory
- If necessary, perform analysis for application package for potential recapitalization
- Grower incentives approved and in place for grower / processor coord.
- Aggressive replanting of trees
- Media management and political lobbying with use of consultants
- Implemented policy changes / bailout

- Growers actively removing infected trees and replanting
- Massive industry collaboration
- Review and update of grower and processor incentives
- Regulatory acceleration of med-long term technologies

Next steps and closing remarks



- Review budget and identify areas for approval (table areas without approval for further review and define specific requirements)
- Set up initiative teams for approved initiatives and begin implementation
- Evaluate and finalize organization and budget