

CITRUS RESEARCH AND DEVELOPMENT FOUNDATION, INC.

Minutes of Board of Directors Meeting

June 12, 2014

A Meeting of the Board of Directors of the Citrus Research and Development Foundation, Inc. was held on Thursday, June 12, 2014 in the Blue Heron Room of the Hyatt Regency Coconut Point, Bonita Springs, Florida. The meeting was properly noticed and recorded. The meeting was called to order at 1:45 p.m. by Vice President Ricke Kress. Roll was called and a quorum was present. Board members present were: Mr. Bobby Barben; Mr. Larry Black; Dr. Lisa Conti; Mr. Joe L. Davis, Jr.; Dr. Mary Duryea; Mr. Tom Jerkins; Dr. Joe Joyce; Mr. Ricke Kress; Mr. Jerry Newlin; Mr. Wayne Simmons; Mr. Bob Stambaugh; and Mr. Hugh Thompson. Mr. Ben McLean was absent.

Also participating were: Mr. Doug Ackerman; Mr. John Barben; Mr. David Bass; Mr. Bryan H. Belcher; Mr. Robert Black; Mr. Kevin Bouffard; Dr. Harold Browning; Mr. Dan Casper; Mr. Peter Chaires; Mr. Tim Dooley; Mr. Aedan J. Dowling; Dr. Jim Dukowitz; Mr. David Evans; Mr. Richard Gaskala; Dr. Tim Gottwald; Mr. Bud Graves; Mr. Ron Hamel; Mr. Red Hancock; Mr. Terry Hancock; Dr. Prakash Hebbar; Mr. David Howard; Ms. Diane Johnson; Mr. Dick Johnson; Mr. Jimmy Johnson; Mr. Lee C. Jones; Ms. Leanna Himrod; Mr. John Marone; Mr. Peter McClure; Mr. Marty McKenna; Mr. Paul Meador; Mr. Andrew Meadows; Mr. Tom Mitchell; Mr. David Munyan; Mr. Greg Nelson; Ms. Sarah Nix; Ms. Audrey Nowicki; Mr. Brandon Page; Dr. Jack Payne; Dr. Nick Place; Ms. Ginny Pena; Mr. Andy Rackley; Mr. Gray Reid; Mr. Taw Richardson; Mr. Ray Royce; Dr. Swadeshmukul Santra; Mr. Brantley Schirard; Ms. Shannon Shepp; Mr. Daniel Skousen; Mr. Jim Snively; Mr. Mike Sparks; Mr. Michael Stewart; Dr. Jim Syvertsen; Dr. Tom Turpen; Mr. Grady Welchel; and Mr. Eddie Wertz.

Mr. Kress moved to accept the Minutes of the May 27, 2014 Board of Directors meeting. Seconded by Mr. Simmons, the motion passed unanimously.

Finance and Audit Committee: Chairman Hugh Thompson reviewed the May 31, 2014 financial summary, outlining the current status of revenues and expenses with one month remaining in the fiscal year. Mr. Thompson moved that the Board accept the May 31, 2014 Financial Statement. Seconded by Mr. Davis, the motion passed.

Dr. Browning presented the Draft Budget for FY 2014-2015. Based on the June 11th crop forecast, Dr. Browning noted an even further reduction of approximately \$201,000 from the projected \$3.5 million Box Tax revenue presented, with the revenue total now projected at \$13,873,196. Summarizing the other revenue sources of \$3.5 million in State Legislative support, \$2.5 million in FDOC research support which is equal to last year's, and various grant projections and donation from The Coca Cola Company, he also noted that the USDA MAC projects funding has not been finalized which could increase the revenue. Dr. Browning reviewed the expenses noting the change in staff funding results from the anticipated hiring of a Business Manager which is in progress. As a result of reduced revenue, the usual Request for Proposals will be held off unless there is a need to fill gaps in research after the federal NIFA research projects funding has been determined, as well as the completion of knowledge mapping of research to date. The advance of research to delivery in sixteen areas results in added Commercial Product Delivery Management costs. Based on current projections, the cash balance at the end of FY

2014-15 would be reduced to approximately \$1.35 million. Mr. Thompson moved to approve the FY 2014-2015 Budget as presented by Dr. Browning, seconded by Mr. Stambaugh. Mr. Davis inquired if the ending cash balance is sufficient, and how MAC funding will impact the Foundation. Dr. Browning is working with MAC to fund projects on field trials of antimicrobials, inoculum sources from abandoned groves, and a model grove concept, all product delivery projects. Staff will be reviewing the current research portfolio with the intent to identify areas for budget reduction if necessary. The motion to approve the budget as presented by Dr. Browning passed unanimously.

Mr. Thompson referred to the document included with the Board materials listing the eleven (11) CRDF support contracts. Mr. Thompson moved to give Dr. Browning the authority to negotiate and enter into the 2014-15 support agreements. Seconded by Mr. Kress, the motion passed.

Mr. Thompson requested that Staff provide detailed cost projections for 2015-16 as early as possible during FY 2014-15 so that Finance and Audit and the Board can plan for budget needs accordingly. Dr. Browning indicated that once the list of projects funded by the NIFA and MAC programs is available, it can be determined if there is a need for a CRDF RFP. All of the current researchers will be notified of the NIFA RFA and encouraged to apply so their work can continue unimpeded.

Long Term Research Funding and Legislative Matters: Mr. Sparks reported there has not been much change to funding to report and thanked the Foundation and Dr. Browning for the sponsorship support and presentations made earlier at the Industry Conference. He indicated that work will start by September on next year's Legislative funding request, as well as the Farm Bill \$25 million in discretionary funding which should include \$10 million for antibacterials.

Governance Committee: Chairman Bob Stambaugh reported that the pool of candidates for the Business Manager position was narrowed down and interviews will be scheduled in the coming week, with the expectation to fill the position by the end of the month.

Research Management Committee: Chairman Bobby Barben had nothing to report since the Committee has not met recently. Dr. Turpen reported that he has an individual searching the pharmaceutical industries for compounds that might be adapted and approved for citrus. He plans a final report within sixty days.

Commercial Product Delivery Committee: In Chairman Ben McLean's absence, Dr. Browning gave an update on progress since the last Board meeting to fund the four (4) projects proposed by AgroSource for the development of antimicrobial activities. The proposed contracts have been returned by Mr. Richardson's attorney with edited terms, some of which are unacceptable to the Foundation. In addition, the CRADA in effect between AgroSource and USDA researchers has not yet been provided, a necessary step to verify that the contract language does not conflict with the CRDF agreement terms. Currently the redlined agreements are being reviewed by CRDF Counsel. Expecting to have them returned quickly, Dr. Browning will schedule follow-up meetings with Mr. Richardson to resolve differences in terms. The Executive Committee will convene to review and approve the contracts prior to execution. In the interim, AgroSource has initiated the proposed projects. Mr. Richardson will

proceed with scheduling a meeting with EPA that includes CRDF participation once the contracts are in place.

Dr. Browning reported that the Commercial Product Delivery Committee will meet July 1st and will include an overview of penicillin research results and activities of FDACS to treated HLB-infected trees in the citrus Arboretum.

Industry Research Coordinating Committee: Chairman Wayne Simmons reported that the committees continues on refining the priorities and will complete the gaps analysis in coming months.

New Business: Mr. Davis asked how the micro-propagation of the citrus nurseries is progressing. Dr. Browning updated the Board on plans with AgroMillora for micropropagation. Release of four tolerant rootstocks by UF, IFAS has led to licensing of Florida citrus nurseries to being commercial propagation. Mr. Davis also questioned if there are any IP disputes delaying this process, and there appear to be none.

Future CRDF Meetings:

- Board of Directors meeting July 22, 2014
- Commercial Product Delivery Committee meeting July 1, 2014

With no further business the meeting adjourned at 3:20 p.m.

Minutes submitted by Jerry Newlin