

CITRUS RESEARCH AND DEVELOPMENT FOUNDATION, INC.

Minutes of the Board of Directors Meeting

July 16, 2019

A meeting of the Board of Directors of the Citrus Research and Development Foundation, Inc. was held on Tuesday, July 16, 2019 at the UF-IFAS Citrus Research and Education Center, Ben Hill Griffin Hall, Room 103 in Lake Alfred, Florida. The meeting was properly noticed and recorded. Board President Larry Black called the meeting to order at 10:01 am. Roll was called, and a quorum was present. Board members present were Rob Atchley, Bobby Barben, Larry Black, Ned Hancock, Greg Hodges (telephone), David Howard, Charlie Lykes, Jeanna Mastrodicasa, Bob Newsome, Tom Obreza, Pat Ouimet, and John Updike, Jr. Also participating were Brandy Brown, Rick Dantzler, Winsor Eveland, Fred Gmitter (telephone), Jude Grosser, Audrey Nowicki, Brian Scully, Mike Sparks, and Jim Syvertsen.

Also in attendance were Mike Aerts, Dan Casper (telephone), Alec Hayes (telephone), Sean McCoy, Bo Meador, Andrew Meadows (telephone), Kelly Morgan, Brandon Page, Bill Poulton, Brent Sutton, and Tripti Vashisth.

Mr. Black welcomed all the guests and gave a special welcome to Amy Haas, General Counsel of UF, who joined us to discuss the DSO matter between UF and CRDF.

Mr. Black presented the board minutes from the June 12, 2019 meeting. Mr. Hancock moved to accept the minutes of the June 12, 2019 Board of Directors meeting. The motion was seconded by Mr. Updike, and with no further discussion it passed unanimously.

Executive Committee: Chairman Larry Black reported that the Executive Committee met on July 10 to discuss the DSO issue involving UF/IFAS. Mr. Black reported there were no action items at that time and the discussions that took place were regarding the Memorandum of Understanding (MOU) between CRDF and UF/IFAS. Mr. Black asked Mr. Dantzler to give an update from the meeting on the current status.

Mr. Dantzler thanked Ms. Haas again for joining the meeting and for working with him through the matters regarding the DSO with UF. He gave a brief background of the issues for those unfamiliar with the current situation.

Some months ago, we (CRDF) heard that the University may be expecting the CRDF board to accept some by-law changes that the board found not to be in the best interest of the organization or the citrus growers. The two major issues were whether CRDF would be required to spend all of its research funding strictly with UF and what level of review and control the university would have over CRDF research agreements. Mr. Dantzler and Mr. Black attended several meetings to discuss these matters on behalf of the CRDF board.

The most recent meeting Mr. Dantzler attended was a meeting with Ms. Haas, David Norton (UF Vice-President of Research) and Mark Caplin (UF Vice-President for Government Relations) to negotiate a separation from UF. However, he found that the University wanted to try and resolve

the current issues. During a lengthy meeting, Mr. Dantzler and the UF reps came to an agreement on a path forward, subject to approval by the CRDF board and UF BoT.

Mr. Dantzler reported that the reason for the MOU was to resolve any outstanding issues between UF and CRDF and to make sure that these same issues would not happen again. Mr. Dantzler reported that, initially, the terms of the MOU would expire on June 30, 2020, which would give the Legislature the opportunity to resolve the policy questions; however, the only policy that might need statutory clarification is the one which speaks to CRDF being allowed to fund research outside of UF.

Mr. Dantzler reviewed the details from the draft MOU between CRDF and UF, capturing the following points:

- The University would review CRDF's research agreements for form and not content, meaning the review of contracts would be strictly for compliance purposes only and not for scientific review;
- CRDF would accept a by-law change that states we are in compliance with the Governance Standards of UF (many of which CRDF is already following);
- Both CRDF and UF would agree to pursue a legislative clarification to F.S. 1004.28, subparagraph 2, that would clarify that CRDF has the authority to fund research outside of the University;
- UF BoT would not decertify CRDF during the September 2019 meeting;
- The Bayer contract that is currently funded would be grandfathered in;
- In the event that CRDF is to become decertified, UF would give an appropriate wind-down period before the decertification takes effect, and any federal appropriations CRDF receives would remain with CRDF

There were discussions of what an appropriate wind-down period would consist of, and about the 12% indirect cost (IDC) on all UF contracts. Mr. Dantzler and Ms. Haas agreed to discuss the reasonable wind-down period and decide on a specific timeframe. Mr. Dantzler reported that he had concerns about addressing the 12% IDC and believed there could be a possibility of the IDC being increased as opposed to staying at 12% or being eliminated.

Mr. Black asked Ms. Haas to provide an update on the University's perspective on the DSO matters and MOU.

Ms. Haas thanked the CRDF board for allowing her to join the meeting and speak on behalf of the University. She reported that from the University's perspective, the University board would like to see the relationship with CRDF continue and for the organization to continue with the important work that it does for the citrus industry. We all have the same goal, which is to find a cure of the HLB citrus disease. Ms. Haas apologized on behalf of the University for the miscommunication regarding the DSO issue. In terms of the MOU, Ms. Haas reported that she spoke with the UF board leadership on the substance of the MOU discussed earlier and they are in full support of the document. The UF Governance Committee would be updated on the MOU and the CRDF would be taken off the review for decertification.

Ms. Haas wanted to reiterate that the UF Office of Research under Vice-President David Norton is truly an administrative office and not a scientific office. Regarding the review and approval of the CRDF research agreements, the research office would strictly be handling the agreements for legal purposes only. Finally, Ms. Haas reported that in the event that CRDF became a different entity and not a DSO, she would advocate to put in place a minimum timeframe for a wind-down period. Also, she stated that if something happened in the Legislature that caused UF to look at a different relationship with CRDF, UF would not want to necessarily decertify CRDF but rather to work through what the new relationship would be between UF and CRDF.

Mr. Black asked Mr. Dantzler to discuss the items that have not been resolved, so the board could give direction on moving forward. Mr. Dantzler listed them as whether CRDF would be allowed to fund research outside of the University, which is the issue that the Legislature is going to address during its next session, and the level of review the university would have over CRDF contracts, including the confidentiality of the Bayer project. Ms. Haas reported that from the University's perspective, CRDF can continue business as usual, including funding research outside of UF until June 30, 2020. She also reported that the Office of Research will not be negotiating or changing business or payment terms. They would only be reviewing contracts in a technical form for legal purposes. As for any confidential contracts, UF would not be allowed to release or discuss any confidential agreements it reviews from any DSO. There was discussion about more clarification on the review of the CRDF contracts, to include a turnaround period, since once the MOU is signed by both parties any new contracts would fall under the review of the UF Office of Research.

There was concern discussed about the MOU not being a legal contract, which could cause these same issues to arise in the future. The CRDF board expressed that they want the issues with UF to settle and move forward without needing to worry about UF making changes in the future. There was discussion if a legislative change needed to be made if both parties agree to the MOU. Ms. Haas did not believe it was necessary to go to the Legislature for legislative clarification.

The last issue discussed was regarding the 12% IDC for administrative costs. Dr. Mastrodicasa explained what the IDC covers, which is the overhead costs for research agreements. The board agreed that the MOU should include language to lock in the rate of 12% for the IDC and for it not to increase in future years. Ms. Haas suggested that the CRDF board work with Mr. Dantzler on any outstanding issues or concerns they have about the MOU, so that when she and Mr. Dantzler complete the draft of the MOU, she could review it with the UF BoT for their approval.

Mr. Dantzler wrapped up the discussions by reporting to Ms. Haas that one of the changes made to the CRDF by-laws, that are currently in UF review, is to institutionalize an annual meeting with the senior university leadership and the CRDF board. He stated that this type of meeting between CRDF and UF could prevent having issues such as the DSO being out of compliance or becoming decertified. After no further discussion, Mr. Black thanked Ms. Haas again for taking the time to come speak to the CRDF BoD.

Mr. Black asked Dr. Mastrodicasa to give an update on the search for a new Senior Vice-President of UF/IFAS. Dr. Mastrodicasa reported that UF has identified the search committee

chair, which will be Dr. Michael Perri who is the Dean of the College of Public Health. The position has not yet been posted, nor has the search committee been named. There are ongoing discussions about who will be on the committee, which will include a couple of non-UF members. The plan is to start the search in September, so she believes there will be more details to come within the next 6-weeks to two months. Dr. Payne's plan is to retire in June 2020; however, there is a possibility of the new person being hired as early as late fall 2019.

Finance and Audit Committee: Chairman Ned Hancock reviewed the June 30, 2019 Financial and Investment Account Summaries. He reported that most of the variance in large amounts shown on the statement are due to the number of the projects we are doing. There was a budget for \$6.8 million to fund these projects; however, we did not quite spend that amount, therefore justifies the underspend. Also, all operational costs were under-budget except for the reviewer reimbursements, which is due to the addition of the second Scientific Advisory Board for the separate CPD 2018 RFP, staff travel and the sponsorship of the IRCHLB held in California. Lastly, Mr. Hancock reported that Bunting, Tripp and Ingley is expected to begin their FYE June 30, 2019 audit this week. Mr. Updike made a motion to approve the June 30, 2019 summaries as presented. The motion was seconded by Mr. Atchley and it passed unanimously.

Governance Committee: Chairman John Updike, Jr. reported that the Governance Committee has not met.

Research Management Committee: Chairman David Howard reported that the 2019 RFP process is running according to the schedule, and the SAB will meet on July 29 and 30 to make recommendations of the full proposals for funding to the RMC. An updated schedule of the timeline was provided in materials.

Mr. Howard asked Mr. Dantzler to give a status update on co-funding for the Gmitter project #18-010. Mr. Dantzler reported that Dr. Gmitter explained in detail project #18-010, Upgrading citrus genome sequence resources, to the Select Committee on Plant Improvement last week in Fort Pierce. However, regarding the co-funding request, this past fall the CRDF board approved project #18-010 for year 1 funding and years 2 and 3 would be contingent on receiving co-funding from another funding organization. Mr. Dantzler reported that he had reached out to CRB for co-funding; however, while they did not oppose to the proposal, they did say the project would not be allowed to be fast-tracked but would require for the proposal to go through their entire application process. Next he reached out to the Texas Research Institute and they had no available funding. Since we have run into issues with getting the project co-funded, the CRDF board will need to decide in early fall if they would like to move forward with the project.

Mr. Black reported that due to the lengthiness of the meeting he would like to adjust discussions of items on the agenda. He reported that next we would discuss Partnership updates starting with Mike Sparks.

Partnership Updates: Mr. Mike Sparks gave an update on CRaFT, reporting that Florida Citrus Mutual (FCM) has been working with Ag Commissioner Nikki Fried and FDACS to establish a special DSO for the CRaFT program. As of June 18, 2019, the DSO was founded and is under

FDACS. Commissioner Fried has appointed a Board of Directors, consisting of seven members which is made up of five growers, one nurseryman and one senior manager from FDACS. Mr. Sparks reported that the first meeting for this group will be on July 31, 2019. Also, the CRaFT Technical Working Group will meet during the first week in August.

Mr. Sparks reported they are on target to have a final program ready to be introduced to the citrus industry on September 2. Sometime around October 15, the CRaFT Technical Group will receive program applications, then they will work with the CRaFT BoD on application selection on November 15. Lastly, sometime in mid-December, there will be a counseling session with the individual growers that were selected to discuss what will be expected before the contract is written.

Dr. Brian Scully gave an update from the USDA-ARS citrus program. Dr. Scully gave a report on rootstocks, stating that the Department of Plant Industry (DPI) sent out an 11-month interim report. Unofficial reports indicate the Florida Citrus Industry has replanted + 4 million trees on a variety of rootstocks in the 2018/2019 season. Of the top ten rootstocks used by Florida growers, five were developed at USDA-ARS, including: US-942 (#1), Swingle (#2), US 802 (#6), US 812 (#8), US 897 (#9). All told, these rootstocks were used on about +2 million trees this fiscal year, allowing ARS to support 50% of the market.

Regarding scions, Dr. Scully reported the CRDF Select Committee on Plant Improvement held its meeting in Fort Pierce to meet with the USDA breeders. Since that meeting, Dr. Scully reported he has had two meetings with Dr. Ed Stover to review his updated release list of proposed selections, which Dr. Scully will be sending to Mr. Dantzler and Mr. Black for distribution.

Next, Dr. Scully gave a report on bactericides. He reported that they are working with the registrant, ARS and several growers in the Indian River area to optimize and improve the efficacy of those bactericides.

Lastly, he reported that they are continuing to work closely with Mike Sparks and FCM on the CRaFT program.

Commercial Product Delivery Committee: Chairwoman Ouimet reported that the CPDC met on July 15 to discuss the RFP for the large-scale field trials. Provided in materials is the copy of the RFP that was presented to the CPD committee. The language was written to allow more flexibility for individuals to fit into the outline of the requirements of the RFP, also allowing us to fund more entities. The committee unanimously voted to recommend the RFP for large-scale field trials for board approval. Dr. Ouimet made a motion to approve the RFP for large-scale field trials as presented. The motion was seconded by Mr. Updike. Before the motion was voted on, Mr. Dantzler clarified that the RFP is intended for not for profit corporations and credentialed researchers to apply for funding and not for individuals. However, the individuals (growers) that want to apply for funding will do so through programs such as the CRaFT program, where cost-sharing is allowed. With no further discussion, the motion was voted on and it passed unanimously.

Researcher Presentation: Mr. Dantzler thanked Dr. Jude Grosser for coming to the CRDF BoD meeting to give two final report presentations on project #15-010-Gmitter and project #15-013-Grosser. Mr. Dantzler reported that at the end of a project the PIs would be asked to give a final report presentation on their project and explained what they learned to the CRDF board. This would also allow the board to make a judgement on whether the project was worth its investment.

Dr. Grosser thanked the CRDF BoD for the opportunity to give the final report presentations for the two projects and for the continued support from CRDF to fund his projects. He reported that Dr. Gmitter could not attend the meeting in person, so he would be giving both presentations. First, Dr. Grosser gave a final report presentation on project #15-010-Gmitter, Development and commercialization of improved new disease resistant scions and rootstocks - the key for a sustainable and profitable Florida Citrus Industry. After the presentation there was a brief question and answer session with Dr. Grosser and Dr. Gmitter, who joined the meeting via telephone.

Second, Dr. Grosser gave a final report presentation on project #15-013-Grosser, Understanding and manipulating the interaction of rootstocks and constant nutrition to enhance the establishment, longevity and profitability of citrus plantings in HLB-Endemic areas. After the presentation there was a brief question and answer session with Dr. Grosser.

Commercial Product Delivery Committee: Dr. Ouimet gave a report on Aldicarb and the status of getting it through Section 3, which would give it full approval for commercial use. EPA has received all information needed requesting approval, but it may not be done in time for November. Thus, Dr. Ouimet reported that the hope is for growers to write letters of support to the EPA to help speed up the regulatory process for Aldicarb.

Dr. Ouimet gave an update from the FCPA meeting on “Orange-like Hybrids.” The meeting consisted of several industry members and breeders from the different regions. The major discussions of the meeting were based around new hybrids, if they can be used by processors to help with the blending and what would it take to change standard of identity.

Select Committee on Plant Improvement: Mr. Dantzler gave an update from the Select Committee on Plant Improvement meeting that was held at the USDA/ARS Horticulture Lab in Fort Pierce. He reported that one of the primary reasons of the meeting was to have an interactive discussion on the issues with hybrids and to hear from USDA/ARS breeders what new releases of citrus cultivars they have in the pipeline not just hybrids but conventional cultivars too. Mr. Dantzler reported that the next meeting will take place with the UF/IFAS breeders to hear what they have in the pipeline. Once we have a snapshot from both meetings, we can then compare what we have and move forward with next steps.

COO Report: Mr. Dantzler reported that he receives several contacts a month from individuals or companies who have “the thing” to help with greening. He suggested that maybe there would be a way to allow for these persons or companies to make a presentation to the CPD committee about what they have. It was suggested to give these people information on having a booth at

citrus tradeshows and/or conferences to discuss their products with all the growers from around the state.

Mr. Dantzer reported that the process for the search of the new Research Director has begun. We will be working with UF's Strategic Talent Group while recruiting for this position. He has also reached out to Bob Slavin, a private sector Headhunter out of Atlanta, for help in the search.

New Business: Mr. Howard thanked Mr. Dantzer and President Black for their diligent work with the DSO matters we had with UF.

Future CRDF Meetings: The next board meeting will be co-hosted with the Gulf Citrus Growers Association and will be held on Tuesday, August 27, 2019 at 10:00am, at UF/IFAS SWFREC in Immokalee, FL.

With no further business, the meeting was adjourned at 2:35 pm.

Minutes submitted by Rob Atchley, Secretary.