

# **CITRUS RESEARCH AND DEVELOPMENT FOUNDATION, INC.**

## **Minutes of the Board of Directors Meeting**

**October 22, 2019**

A meeting of the Board of Directors of the Citrus Research and Development Foundation, Inc. was held on Tuesday October 22, 2019 at the Lake Placid Government Center Community Room, 1069 US Highway 27 North, Lake Placid, Florida. The meeting was properly noticed and recorded. Board President Larry Black called the meeting to order at 10:03 am. Roll was called, and a quorum was present. Board members present were Rob Atchley, Bobby Barben, Larry Black, Ned Hancock, Greg Hodges, David Howard, Ron Mahan, Jeanna Mastrodicasa, Bob Newsome, Thomas Obreza, and Patricia Ouimet. Also participating were Rick Dantzler, Jim Graham, Steve Futch (telephone), Michael Rodgers (telephone), Audrey Nowicki, and Deidra Whatley.

Also in attendance were Sean McCoy, Dakota McCullers, Ray Royce, Pam Fentress, Laurie Hurner, Frank Youngman, Mike Sparks, and Lukasz Stelinski.

Mr. Black presented the board minutes from the September 24, 2019 meeting. Mr. Hancock moved to accept the minutes of the September 24, 2019 Board of Directors meeting. The motion was seconded by Dr. Ouimet, and with no further discussion it passed unanimously.

**Executive Committee:** Chairman Larry Black asked Mr. Dantzler to introduce new staff member, Deidra Whatley, to the Board. Ms. Whatley was introduced and spoke of her past employment, experiences, and skill sets. It was also noted previously that Mr. Ron Mahan was in attendance and sitting on the Board in Mr. Lykes' vacant position. Mr. Mahan has not been officially approved by the University; therefore, he is considered a "probationary" member.

**Finance and Audit Committee:** Chairman Ned Hancock presented the September 30, 2019 Financial Summary. Mr. Hancock reported the FY 2019-20 FDACS contracts were executed on October 2, 2019. Mr. Hancock reported that of the nine new projects approved, paperwork and contracts on eight are in the works to be finalized and three are back from the University of Florida. The Financial Summary as of September 30, 2019 and Notes to same were discussed. Mr. Hancocok made a motion to approve the Financial Summary. The motion was seconded by Mr. Atchley, and with no further discussion it passed unanimously.

Mr. Dantzler gave a report on the contract status of the projects recently funded. All the project agreements, except one, have gone to the PIs. Previously the Board agreed to bring back for discussion funding a project out of Israel, in collaboration with Dr. Albrecht. To refresh, the Board has agreed to fund \$50,000.00 of the \$450,000 request. Recently, Mr. Dantzler and Dr. Graham had a lengthy telephone conversation with Dr. Albrecht and the PIs in Israel, who agreed to modify the original proposal in regard to project budget and scope. After the greenhouse studies in Florida, assuming it hits the mark, the Board will then be presented materials to determine if sufficient progress has been made to consider funding the balance of the proposal.

Mr. Dantzler provided an overview of the budget. Although it may be slightly premature to consider the budget for the FY 2020-2021, it is important to be aware of where we are and where we are going. Currently the budget outlook is as follows: Mike Sparks made an \$8 million specific legislation request. If this is funded, it is anticipated that \$2 million will be required to be spent on large scale field trials, leaving \$6 million for traditional research. We anticipate approximately \$1.9 million in box tax revenue. That makes the total revenue available for our traditional research portfolio: \$7.9 million. The 2020-2021 cost of the projects already under contract equals \$6,532,000.00, not including the Nutrition proposals of \$300,000.00 in the first-year costs, \$81,000.00 for Dr. Albrecht's field trial, and \$1 million for the extension of the Bayer contract. Including those projects, the costs would be \$7,913,000, leaving CRDF \$13,000.00 in the hole. This number includes all the contingency proposals (Gmitter, Zale, Dutt, and Orbovic). Projects do not start and stop based on fiscal year cycles so we never spend as much money as anticipated in the span of a fiscal year and PIs will not spend the full amount allotted and that will be returned to the organization as well. The budget also contemplates a \$1.5 million cash carryover (mirroring the 2019-2020 FY), as well as \$90,000.00 in transition costs should there have been a separation from the University. The budget is not as concerning as it may look on paper, but that is what the numbers are.

Mr. Hancock asked for questions on Mr. Dantzler's talking points and budget discussions; reminded that as all are reviewing proposals to be mindful how the proposals would be impactful to growers.

Dr. Ouimet requested a "heat map" in regard to projects. That is, she would like to see a report on funded reports by category. Mr. Dantzler responded that the database is available, and staff would provide this information to the board.

Mr. Dantzler explained that of the 91 pre-proposals that were reviewed, the PIs for only 27 were invited to submit a full proposal. And of these 27, only eight were selected for funding so the board was very discerning in what was funded.

A discussion about the Bayer project ensued because of its impact on the budget. Mr. Black pointed out that the projected budget, outlined by Mr. Dantzler, factors in the \$1 million Bayer funding. Mr. Dantzler discussed Bayer project total costs from 2018-2019 were nearly \$5 million. If CRDF puts in \$1 million, California puts in a commensurate amount and the private funding partners continue to participate it will be significantly less than \$5 million and there is a level below which Bayer would not want to continue the project.

Mr. David Howard recommends that when there are limited funds the Board consider a way to put out to bid projects that are grower ready and industry specific. Also, projects there may be a need for a supplemental RFP to deal with topics like nutrition that were not decided as part of the 2019 RFP. He also suggested there may be a way to manage the process more closely (possibly through the pre-proposal phase) and not directing the researchers on how to do their projects but more so directing researchers on we want out of the projects. Mr. Howard proposed the possibility of refining RFPs so there would be no need for extensions of time.

**Governance Committee:** Chairman John Updike, Jr. was not in attendance. Mr. Dantzler reported the committee did not meet.

**Research Management Committee:** Chairman David Howard reported the Research Management Committee had not met since the September 24, 2019 meeting. Mr. Howard noted that Mr. Dantzler had already touched on the Nutritional Committee meeting that will address the remaining 3 proposals. Mr. Howard asked Mr. Dantzler to give the report as to the timeline of the meeting. Mr. Dantzler reported the first Nutritional Working Group meeting is slated for Wednesday October 30, 2019 and the committee is still open for members. Dr. Schumann has been asked to give the presentation that was cut short during the September 24, 2019 meeting. Dr. Schumann's presentation sets the stage, from a nutrition research standpoint (what has been done from 2016 – present), for the working group to figure out the most pertinent questions that need to be answered. The Nutrition Working Group will also discuss whether going forward it recommends 2-3 large proposals or if the committee will propose more numerous tightly drawn proposals that react to specific, narrowly focused RFPs. A task of the committee will be to determine directions of the RFPs. Mr. Dantzler is hopeful to have the effort wrapped up by year-end but understands that may be too aggressive. The effort is to make sure that whatever is funded answers the questions the industry is asking.

**Commercial Product Delivery Committee:** Chairwoman Pat Ouimet reported that the committee met on October 21, 2019. The majority of the discussion centered around Dr. Albrecht's proposal that came in from the RFP for large-scale field trials. Dr. Ouimet recapped points from the prior board meeting wherein a motion was made to approve funding for a CRAFT proposal. She also explained that there were concerns with Dr. Albrecht's proposal, but she modified it significantly to address them. Dr. Ouimet stated that Mr. Dantzler, Brandon Page, and Dr. Albrecht worked through the questions and concerns. Dr. Ouimet asked Mr. Dantzler to expound on said changes.

Mr. Dantzler reported that Dr. Albrecht reduced the cost by \$133,000.00. The areas where the budget was trimmed were: Tree Care (-\$32,000 x 3 = -\$96,000), Compost (-\$1,600), Personnel/Staff (-\$20,882), and Travel (-\$6,000).

Mr. Dantzler explained that research had shown that the benefits of mulch had more to do with enhanced moisture and nutrient retention than microbial activity. Nevertheless, this particular product is not sold without the microbial addition to the mulching material so that is not something that could be accommodated. Also, the statistical analysis of the microbial activity would be in the root zone, so there could be helpful data emerging. Mr. Dantzler discussed this with Dr. Albrecht and recommended that the statistical analysis stay in the proposal.

Dr. Ouimet made a motion to approve Dr. Albrecht's proposal and opened the matter for discussion. The motion was seconded by Mr. David Howard. Mr. Hancock asked if there were any other similar projects funded or if there had been any other similar projects. Mr. Dantzler responded that there had and gave an example of one.

Mr. Hancock indicated that he would have liked to see Dr. Albrecht's project incorporated into a grower CRAFT project. There was discussion by Dr. Graham and Dr. Ouimet regarding the proposal

and the economic analysis yield of the project. Other projects have not included compost or other similar variables, and this project would help measure the economic worth of the mulch. Others are more focused on the yield. Dr. Ouimet mentioned Dr. Albrecht is working with a grower on a large-scale basis and there is a possibility that it will be incorporated into CRAFT.

Motion to approve Dr. Albrecht's proposal passed with a majority vote and one abstention by Mr. Rob Atchley.

**Researcher Presentation:** Dr. Lukasz Stelinski, Project 17-001C: Insecticide Resistance Management in Florida Citrus Production.

**Select Committee on Plant Improvement:** Mr. Bobby Barben asked Mr. Dantzler to report on the status of the work of the committee. Mr. Dantzler reported that the committee is in the process of drafting an interim report that will be coming back to the BoD for review. Mr. Dantzler explained that he had reached out to the apple industry to discuss how that industry conducts its breeding activities, but had been unable to get any response.

**COO Report:** Mr. Dantzler reported on the Bayer project and began with a recap of the previous BoD meeting and his suggestion of a joint meeting with the CRDF BoD and FCM Board, as well as inviting the other representatives from the other citrus organization (possibly even the Citrus Commission) to hear an update from the Bayer reps as to the status of the project followed by a budget discussion by Mr. Dantzler. That idea has been quashed and revamped to keep the meeting within CRDF. Mr. Dantzler proposed that at the BoD meeting in December, that Bayer make a presentation on the status of the project- where it stands and where is it going (Phase II). Members of the RMC and the CPDC, along with industry leader representatives, would be invited. Prior to the BoD meeting on December 3, 2019, the Joint Steering Committee will convene privately on November 14, 2019, to discuss with Bayer several budget scenarios and proprietary information.

Mr. Dantzler informed the BoD that on December 31, 2019, (Phase I of the contract with Bayer expires on June 30, 2020) a decision is supposed to be made regarding proceeding with Phase II. Bayer has agreed to a 1-year extension for that decision, but the Board of Directors meeting in January of 2020 will most likely be decision-making time. That will have given the industry time to provide input to the CRDF BoD. Mr. Dantzler discussed that he and Mr. Black have been in conversations with Bayer regarding whether the continuation of what is contemplated explicitly or implicitly is a triggering of Phase II, simply an extension of the work that is being done so that we can analyze where we are after a second growing season and the field trial work that is taking place in order to form a definitive decision moving into Phase II.

Mr. Hancock suggested an Executive Committee meeting. Dr. Ouimet agreed. Mr. Dantzler reported that Bayer agreed to allow a small group from the Scientific Advisory Board to participate as outside reviewers. Their report will be not be confidential since they will be offering thoughts on the project as a whole for the board's consideration.

Discussion ensued regarding financial matters concerning the Bayer project and budget scenarios. Dr. Ouimet suggested an internal meeting among the committee members for Bayer to discuss options.

Mr. Dantzler reported that there were 17 applications for Research Manager and the advertisement window would close on October 23, 2019.

Mr. Dantzler also reported that the Florida Department of Citrus is poised to recommend two new board members.

Mr. Dantzler said that the CRAFT DSO contract had been shared with the University and concerns had been raised regarding the IP Policy, but that this and other concerns could be resolved. Mr. Dantzler suggested that the provision regarding royalties be deleted from the contract since there would not be any, but that he did not want to do that without the Board's knowledge and approval. Consequently, Mr. Atchley made a motion to delete the IP Policy from the CRAFT contract. Mr. Bobby Barben seconded the motion, and with no further discussion the motion passed unanimously.

**Partnerships:** Mike Sparks from FCM reported on the news out of Tallahassee and the budget situation. Commissioner Fried does have the continuation budget request of \$8 million dollars as well as other citrus funding in her budget. Around mid-November a preliminary report should come available showing where the request stands at that time. In Washington, DC, the appropriation of MAC and CHIRP dollars have dropped to a crawl due to Congress dealing with other issues. The \$25 million dollars in the NIFA funds are in flux. There is also a need for marketing dollars.

Mr. Sparks touched on the CRAFT project and stated that the application date has passed. There are not quite 2,000 acres enrolled but there are a good number of plantings and resets. The committee has met, and a research design has been developed with more work to be done. Dr. Ouimet reported that of the five bucketed areas (with multiple sub-categories) for the projects to cover, the majority of applicants fall into a nutrition/rootstock scion combination with a few in pest management and few in the soil/bio-stimulants area. Mr. Sparks and Dr. Ouimet pointed out that there is excellent representation around the state and from all citrus regions, as well as the size of grower participants (small, medium, and large) and the diversity of the projects.

Dr. Jeanna Mastrodicasa gave an update on the search for the Sr. Vice President of Agriculture and Natural Resources position; the position has been posted. Nominations will be taken and there will be search committee meeting on December 3, 2019. Mr. Black inquired as to the search for the Plant Improvement/Transformation Lab position. Dr. Obreza stated that the position is closed to applicants and the review process will begin soon.

Dr. Obreza updated the BoD on filling the Extension Agent position left vacant by Stephen Futch. On November 18, 2019, candidates will convene in Arcadia and committee members have been invited to interact with candidates.

**Extension Agent Report:** Laurie Hurner reported that, in the vacancy of Dr. Futch's position, other Extension Agents had stepped up and filled the gap. Growers are continuing to be served in the

interim. The project currently being focused on, with researchers, is the Nutrition Boxes which was discussed at the Expo in August by Dr. Rogers. The Nutrition Boxes contain basic materials for soil testing and leaf analysis over the course of a year. Once said samples are analyzed, an Extension Agent and specialist will follow up to discuss the growers' nutrition program and needs. The first meeting was subsequently held at the beginning of October, in Lake Alfred, with approximately 60 people in attendance, and the Nutrition Boxes were distributed. There are Nutrition Box meetings scheduled in Indian River (10/23/19), Immokalee (10/29/2019) and Sebring (11/08/2019).

**New Business:** No new business.

**Future CRDF Meetings:** The next board meeting will be held on Tuesday, December 3, 2019, at 10:00am, at UF/IFAS CREC in Lake Alfred, FL.

With no further business, the meeting was adjourned at 12:21 pm.

Minutes submitted by Rob Atchley, Secretary.