

California Department of Food and Agriculture (CDFA)
Minutes
of the Meeting
of the California Fruit Tree, Nut Tree, and Grapevine
Improvement Advisory Board (IAB)
Held on Tuesday, June 5, 2025

BOARD MEMBERS

Members Present: Jeremy Bahne, Cliff Beumel, Richard Bostock, Isaac Duarte, Jay Jensen, Dan Martinez, Nicholas Podsakoff, Reid Robinson

Members Absent: Eckhard Kaesekamp, Denise Moore

OTHER ATTENDEES*

Maher Al Rwahnih, Morgan Burke, Tanya Goodson, Kristi Harrer, Benjamin Kaesekamp, Brenda Lanini, Phuong Lao, Jasmine Minhas, Cristian Munos, Kelley Paugh, Tia Russell, Hanna Upton, Stephen Vasquez

*As self-reported in the GoTo application or sign-in sheet

WELCOME AND INTRODUCTIONS

Reid Robinson, Chair, called the meeting to order at 10:10 am and welcomed everyone. Robinson reviewed the topics of discussion and conducted roll call. A quorum was present for the Board.

REVIEW OF MEETING MINUTES FROM NOVEMBER 19, 2024, BOARD MEETING

Robinson directed the Board to review the draft minutes prepared by program staff for the November 19, 2024, meeting. A copy of the draft minutes had been distributed to the Board members and posted on the Department's website prior to the meeting. Robinson opened the floor for any changes or corrections. The Board reviewed the minutes, and no changes or corrections were made.

Board Motion #1

The Board approved the minutes from the November 19, 2024, meeting.

Motion: Dan Martinez

Second: Cliff Beumel

In Favor: Jeremy Bahne, Cliff Beumel, Richard Bostock, Isaac Duarte, Jay Jensen, Dan Martinez, Nicholas Podsakoff, Reid Robinson

Against: None

Absent: Eckhard Kaesekamp, Denise Moore

Abstain: None

PISTACHIO ASSESSMENT DISCUSSION

Stephen Vasquez, Executive Director of the California Pistachio Research Board (CPRB), presented on CPRB's request for removing pistachio from the assessment

exemption list in California Code of Regulations, Title 3, Section 3070. Vasquez explained that there were currently between 9 and 12 pistachio nurseries, but this may change as planting was decreasing. Last year, there were about 7,500 acres of pistachio planted, and now it was expected there will be about 5,000 acres planted. In comparison, there were about 30,000 acres planted per year from 2012 to 2022. CPRB was interested in submitting research proposals to IAB on new rootstock research in order to utilize the expertise of the Board in conjunction with that of Foundation Plant Services (FPS). Vasquez estimated that the industry was about 5 years away from having significant plantings of new rootstocks. With an assessment of 1% on approximately 5000 acres planted and \$15/tree, Vasquez suggested that pistachios would generate about \$62,000 annually in IAB assessment revenue.

The Board asked Vasquez about whether there would be buyer's remorse for pistachio assessments if the Board was unable to fund pistachio research due to financial conditions. Vasquez acknowledged that pistachio genetics research is expensive and would likely require co-funding by CPRB regardless. The Board asked Vasquez whether the assessment would only apply to pistachio rootstock. Vasquez responded that it would apply to pistachio in general. Maher Al Rwahnih, Director of FPS, put forward that FPS would maintain a pistachio foundation as a service to industry. Vasquez stated that there were two main varieties and about four minor varieties of pistachio, and that the main challenges for pistachio varieties were reducing chill hours and resisting soil pests. Al Rwahnih stipulated that it would be part of the mission of FPS to provide support by identifying available and hopefully new material of pistachio. The Board discussed how to proceed, and Robinson assigned Isaac Duarte to investigate this issue further and report back to the Board.

Board Motion #2

The Board recommended evaluating the removal of pistachio (*Pistacia* spp.) from the assessment exemption list in California Code of Regulations, Title 3, Section 3070.

Motion: Reid Robinson

Second: Dan Martinez

In Favor: Jeremy Bahne, Cliff Beumel, Richard Bostock, Isaac Duarte, Jay Jensen,
Dan Martinez, Nicholas Podsakoff, Reid Robinson

Against: None

Absent: Eckhard Kaesekamp, Denise Moore

Abstain: None

FOUNDATION PLANT SERVICES UPDATE AND BUDGET REVIEW

Al Rwahnih updated the Board on FPS activities and the proposed budget. FPS had improved their success with fruit tree cultures, with 45 selections transferred from media to soil. In the tissue culture (TC) lab, another improvement was early testing of in vitro material for viruses, so that resources were not wasted on positive material. In material where the success rate of TC alone was low due to recalcitrant viruses and

viroids, cryotherapy was added as an additional therapy. These improvements in the testing protocol were helping move material faster through the testing program.

Al Rwahnih showed a list of new releases and introductions. More olive varieties were being handled by the introductions program, and FPS was working with colleagues in Italy to introduce a variety known for resistance to Pierce's disease to the public collection. A new pistachio block was established at Russell Ranch, but there were reduced sales to nurseries, especially for UCB-1. FPS was working with countries in the Middle East to promote sales of UCB-1 as ornamental shade trees. For grape, there were 83 new releases and 38 new introductions, most of which were table grapes. The Phase 1 greenhouse housed about 1,200 selections and was full. Because there were additional grapevine selections, fundraising was in progress for a screenhouse. The Phase 2 screenhouse was estimated to cost \$3.7 million, and FPS had garnered support through a private donation with matching funds from industry and stakeholders. University of California also had provided a \$2.5 million interest-free loan to FPS which will allow them to move forward with the screenhouse project.

Al Rwahnih reported that FPS was awarded \$2.4 million by NCPN for FY25/26. This was the highest amount of funding to date, but FPS operations were still not fully funded. Research funding was awarded by the U.S. Department of Agriculture (USDA) for five projects under the Plant Protection Act 7721 (PPA 7721), but agreements were still in progress. The Berry Program was expanded, and FPS was now receiving many requests for services which could help fill the funding gap that had resulted from reduced user fee income and low UCB-1 sales. To maintain the collection through these down years, FPS was cutting costs by having staff work across multiple departments, increasing automation, and increasing prices for plant materials and services. There had been lay-offs and staff downsizing due to budget shortfalls, leading to impacts on customer support (e.g., longer turnaround times). The mission of providing clean plant material was still prioritized.

Al Rwahnih summarized the proposed IAB Budget and how it compared to the previous year. The Board asked if the 10% overhead was present in the past budget and about continued availability of funding through NCPN. Al Rwahnih responded that the 10% overhead was included in past budgets, and they were making preparations in case the new farm bill terminates NCPN funds.

CDFA PROGRAM UPDATES

Kelley Paugh, CDFA, reminded the Board that IAB funds cover vine mealybug (VMB) trapping and presented VMB trapping results for 2024 (attachment H01). The IAB assessment audit by the CDFA Marketing Branch was completed for the second nursery and was still in progress for the third nursery. Paugh also announced that phosphine gas treatment may be approved as an alternative to hot water treatment for controlling VMB, pending further review of a USDA study on its efficacy. Paugh stated that the Nursery Stock Nematode Certification Forum was held in November 2024, in which Dr. Andreas Westphal presented on anaerobic soil disinfestation as a

proposed treatment for nematode certification. The presentation by Dr. Westphal was available online on the CDFA Meetings webpage, however this work still needed to be published in order to be considered for approval as a certification treatment. There were also concerns from industry and scientists about the cost of materials and inadequate information on optimal soil conditions. For the Nursery Stock Registration and Certification (R&C) Programs, Paugh announced that a new Environmental Scientist, Elizabeth Hellman, was working with deciduous fruit and nut trees and grapevine in the Sacramento district. For the Grapevine R&C Program, it was also anticipated that the previously discussed fee increase would go into effect in 2026.

Paugh updated the Board on the current status of the new Deciduous Fruit and Nut Tree (DFN) R&C regulations. An exact timeline for completion could not be provided, however the new regulations were in the process of being updated with a schedule of fees. Paugh explained that IAB currently covered costs for DFN R&C, but a schedule of fees was needed in case IAB decided to discontinue this funding. The Board asked how IAB would cease covering costs for DFN R&C, and Paugh responded that the Board could make a motion to stop covering costs. It was clarified that this motion could also be made under current regulations, even though there was no schedule of fees listed. The Board asked about the outcome if IAB chose to stop covering lab services and how much money would be saved. Paugh replied that nurseries would be responsible for paying for services rendered, and the amount saved was still being calculated by CDFA. The Board asked whether meetings could still be held about the DFN R&C regulations, and Paugh agreed that it was still possible to arrange a meeting to review the regulations again if desired. The Board asked about the options available to help advance the new regulations through the review process, including whether the Board can send a letter to the Secretary. Paugh and Brenda Lanini, CDFA, agreed that the Board could draft a letter to the Secretary. The Board agreed among themselves to draft a letter to the Secretary in support of an expeditious review of amended DFN R&C regulations.

Kristina Weber, CDFA, presented to the Board on how to make nursery license updates and explained why it was important to keep the license updated (attachment H02). Weber explained that R&C acreage was not linked to the nursery license database, and that these discrepancies could be caught either by CDFA staff, County Agricultural Commissioner staff, or the nursery through renewal notices. Minor changes can be made to nursery license information by emailing the Nursery Services Program (nurseryservices@cdfa.ca.gov), but larger changes required the submission of a nursery license application form. Changes in acreage could require payment of additional fees.

FUND CONDITION, PROGRAM BUDGET, AND ASSESSMENT COLLECTION UPDATE FOR FY 24-25

Paugh presented an update on the program's revenue and expenditures (attachments H03 and H04). Assessment revenue from 2021 to 2024 decreased by 34%, 23%, and 23% for Fruit Trees, Grapevines, and Nut Trees, respectively, and increased by 70% for Olive. For FY 24/25, the total assessment revenue was \$2,188,809. Research

funding was disencumbered for FY 22/23, and funds were currently being reconciled and will be disencumbered for FY 23/24. Paugh summarized expenditures for personnel services and operating expenses for FY24/25 and FY25/26 (proposed). Without including support to Foundation Plant Services (FPS), the total personnel services and operating expense was projected at \$1,243,496 for FY 25/26, compared to \$1,337,963 in FY 24/25. Program savings were primarily derived from the lower indirect state administrative cost (pro rata). The Board and CDFA staff discussed how pro rata was determined by the Department. The Board requested that CDFA staff provide details about how pro rata is calculated and a breakdown for pro rata expenses, so that the Board may provide informed recommendations for managing IAB funds. The Board also requested a general breakdown for laboratory supplies and equipment, as well as total costs per R&C program, and how these costs have changed over time.

In the fund condition balance sheet, assessment revenue was projected as approximately \$300,000 lower in FY 25/26, which the Board agreed was a realistic projection. The Board questioned why the Agricultural Trust Fund balance was projected to decrease by approximately \$800,000 in FY 25/26, even though total assets and liabilities were similar between years. CDFA staff agreed to investigate the reason for this difference (ex. typographical error). The Board also requested liabilities be broken down into funded contracts.

PROPOSED BUDGET FOR FY 25-26

The Board reviewed the FPS 2025-26 IAB Budget Summary (attachment H04) and discussed the funding allocation for FPS. Robinson acknowledged that the Program's reserve should not be drawn below \$700,000 because of the requirement to retain a cash reserve of 50% of total expenditures. It was acknowledged that eliminating funding for FPS would be catastrophic to FPS operations. The Board predicted that assessment revenue would continue to decrease in the future. It was believed to not be feasible to allocate \$3,000,000 for total expenditures, given that this amount was never collected as total assessment revenue. CDFA reminded the Board that IAB also covered program expenses for vine mealybug trapping and deciduous fruit and nut tree and grapevine sampling and testing (attachment H06), which contributed to expenditures. The Board requested from CDFA a summary of historical expenditures for CDFA base costs, FPS costs, and research funding costs by year, similar to how it was presented for IAB assessment revenue.

When reviewing the total amount requested by FPS, the Board discussed that providing this full amount was not fiscally sustainable. Al Rwahnih explained that FPS was doing its best to secure alternate sources of funding and to reduce expenses, and that only funding 50% of what was requested would make it challenging to continue normal operations. Robinson asked Al Rwahnih whether it would be better for FPS to receive more funding now versus later, because assessment revenue was not anticipated to increase in the next couple years. Al Rwahnih replied that it would be more valuable to receive more funding now and to save the more significant cutbacks for later. The Board discussed the drawbacks and benefits of cutting back funding to

FPS in order to better balance the IAB budget. The Board asked about whether the 1% assessment was fixed or not. CDFA staff replied that it could only be changed through legislation. The Board discussed the ramifications of changing the assessment to 2%. The Board decided to maximize funding for FPS this year in order to allow FPS more time to adjust operations, and then funding would be brought down next year. The Board discussed with CDFA staff the consequences of the cash reserve decreasing below the required amount. The Board decided to fund FPS a total of \$1,256,504, instead of the requested \$1,993,083. There were no changes to expenditure details that were presented by CDFA. The Board requested to discuss in the fall meeting about how to raise the assessment from 1% to 2% of gross sales.

Board Motion #3

The Board recommended a proposed spending plan for FY25/26 of \$2,500,000.

Motion: Reid Robinson
Second: Richard Bostock

In Favor: Jeremy Bahne, Cliff Beumel, Richard Bostock, Isaac Duarte, Jay Jensen, Dan Martinez, Nicholas Podsakoff, Reid Robinson
Against: None
Absent: Eckhard Kaesekamp, Denise Moore
Abstain: None

NEW BOARD MEMBER NOMINATION TO FILL VACANCY (GRAPEVINE)

Robinson nominated Kristi Harrer of Casa Cristal, who was present at the meeting, to fill a vacancy for grapevine. There were no other nominees.

Board Motion #4

The Board recommended the appointment of Kristi Harrer to the Fruit Tree, Nut Tree, and Grapevine Improvement Advisory Board

Motion: Richard Bostock
Second: Jay Jensen

In Favor: Jeremy Bahne, Cliff Beumel, Richard Bostock, Isaac Duarte, Jay Jensen, Dan Martinez, Nicholas Podsakoff, Reid Robinson
Against: None
Absent: Eckhard Kaesekamp, Denise Moore
Abstain: None

NEXT MEETING/AGENDA ITEMS

The Board proposed the following agenda items for the next board meeting:

- New board member nominations for Reid Robinson (fruit and nut trees), Dan Martinez (grapevine), and Eckhard Kaesekamp (grapevine), and election of officers.
- Process to raise the IAB assessment from 1% to 2% of gross sales

The next IAB meeting was tentatively scheduled for Fall 2025.

ADJOURNMENT

Robinson adjourned the meeting at 1:57 pm.

Respectfully submitted by:
Kelley Paugh, Senior Environmental Scientist
Nursery Services Program
California Department of Food & Agriculture