

California Department of Food and Agriculture (CDFA)
Minutes

of the Meeting/Video Conferencing
of the California Fruit Tree, Nut Tree, and Grapevine
Improvement Advisory Board (IAB)
Held on Wednesday, May 20, 2026
501 Hopkins Road
Davis, CA 95616

IMPROVEMENT ADVISORY BOARD MEMBERS

Members Present: Jeremy Bahne, Cliff Beumel, Brent Burky, Isaac Duarte, Kristi Harrer, Benjamin Kaesekamp, Denise Moore, Nicholas Podsakoff, Tia Russell, Sebastian Saa

Members Absent: Jay Jensen (Chair)

OTHER ATTENDEES*

Maher Al Rwahnih, Tom Burchell, Morgan Burke, Tanya Goodson, Dustin Hooper, Phuong Lao, Brenda Lanini, Jasmine Minhas, Samuel Morales, Kelley Paugh

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

WELCOME AND INTRODUCTIONS

Cliff Beumel, Vice Chair, called the meeting to order at 10:08 am and welcomed everyone. Beumel reviewed the topics of discussion and conducted roll call. A quorum was present for the Board.

REVIEW OF MEETING MINUTES FROM NOVEMBER 7, 2025, AND DECEMBER 17, 2025, BOARD MEETINGS

Kelley Paugh, CDFA, explained that the minutes from the November 7 and December 17, 2025, meetings were not yet finalized. As a result, these minutes were not presented for review or approval during this meeting.

FOUNDATION PLANT SERVICES UPDATE AND BUDGET REVIEW

Maher Al Rwahnih, Foundation Plant Services (FPS), reported increased testing and cleanup in response to orchard phytoplasma concerns, prompting full-orchard retesting and scheduled checks of affected varieties (attachment H12). The tissue culture virus-elimination program was expanded from 4 to over 70 selections, aided by early PCR screening and expanded cryotherapy for viroids. Despite reduced sales income, fruit tree and grapevine programs continue to grow, with new plant introductions and new infrastructure such as an additional screenhouse, in addition to expansion of the berry program with 35 new selections and increased testing services. FPS noted staffing challenges, including retirements and reliance on temporary workers. While financially stronger due to UCB-1 sales and grant support, FPS requested a reduced \$1.5 million budget from IAB. Board questions centered on tissue culture storage, viroid issues, cherry virus concerns, and CRISPR genetic modification regulations.

REVIEW OF THE ASSESSMENT EXEMPTIONS (3 CCR § 3070)

Paugh opened discussion on whether certain ornamental or non-fruiting varieties – such as fruitless olives or native species – should be listed as exempt under the assessment exemption regulations in 3 CCR § 3070 (attachment H01). The Board decided to not amend assessment exemption regulations as there was little practical benefit to exempting ornamental and non-fruiting varieties.

CDFA PROGRAM UPDATES

Paugh presented that a total of 804 Vine Mealybug (VMB) traps were deployed at 41 Grapevine Registration & Certification (R&C) Program participant sites across 10 counties in 2025 (attachment H02).

A proposed treatment for nursery stock nematode certification was pending approval by CDFA, with its review still contingent on its publication in a peer-reviewed journal. Board members discussed emergency exemption possibilities for the proposed treatment in case methyl bromide was banned. Review and approval of phosphine gas as a treatment for VMB was also still pending publication of standard operating procedures.

Regulation scoping meetings for the Grapevine and Deciduous Fruit and Nut Tree R&C programs were scheduled in the upcoming months.

Board members were reminded that formal appointment packages, including notarized forms, were required for all members in order to remain compliant with statewide board member requirements.

Also relevant to Board interests was a recent amendment to the California Food and Agricultural Code [FAC 6761 (f)] that allows CDFA to suspend or revoke nursery licenses for failure to pay IAB assessments, following investigation and hearing.

FUND CONDITION, PROGRAM BUDGET, & ASSESSMENT COLLECTION UPDATE FOR FY 25/26

Jasmine Minhas and Phuong Lao, CDFA, presented a review of the program's fund condition and budget status for FY 25/26 (attachments H03, H04, H05, H06, H07, H08, H09, and H10). Staff reported that the program expected approximately \$2 million in assessment revenue for the year. Regarding late payments, CDFA was prioritizing outreach to nurseries that appear to owe significant assessments. The fiscal report included tables showing expenditures for personnel services, direct and indirect operating expenses, and reimbursements to other programs for work performed. A long-term fund condition graph showed that although assessment revenue had remained relatively stable, expenditures have exceeded revenues for multiple years, gradually drawing down reserves from historical highs of approximately \$9 million. Staff highlighted that continued deficit spending could eventually threaten the program's reserve requirement of at least six months of operating funds.

VINE MEALYBUG TRAPPING ACTIVITIES DISCUSSION

Paugh explained that traps were deployed seasonally, as the program's seasonal technician classification allows staff to work only nine months per year. Some nurseries questioned whether greenhouses – which remain active year-round – should receive continuous trapping. To sustain year-round greenhouse trapping, CDFA would need to hire a second seasonal technician, resulting in roughly \$19,000 in additional annual cost. The Board discussed whether counties conducting glassy-winged sharpshooter trapping might also support VMB trapping, and Paugh responded that this possibility could warrant further exploration. Board members discussed whether year-round greenhouse trapping would be necessary to maintain certification or whether seasonal trapping was sufficient to confirm that sites remained free of vine mealybug. Paugh agreed to present on historical VMB detections at the next meeting.

GRAPEVINE, FRUIT TREE, AND NUT TREE ASSESSMENT AUDITS

Paugh presented updates on IAB assessment audits performed by the CDFA Marketing Branch for grapevine nurseries. A base audit fee of \$1,200 was charged per nursery. Five grapevine nurseries have already been audited. Audit results revealed that most nurseries had overpaid assessments, requiring CDFA to refund a total amount of approximately \$17,000. Underpayments totaled roughly \$9,000, resulting in a net program outflow of around \$7,700. Audit costs totaled about \$6,000 in base fees. Board discussion focused on whether audits should be expanded to fruit tree and nut tree nurseries. CDFA explained that the Marketing Branch has authority to audit these nurseries as well. Board members debated fairness, transparency, compliance benefits, and the limited effectiveness of short audits. Ultimately, the Board reaffirmed its decision to retain \$10,000 annually for audits and asked CDFA to determine how commodity categories would be defined for audit costs.

PROPOSED BUDGET FOR FY 26/27

The Board reviewed the proposed FY 26/27 program expenditure plan (attachments H05 and H06). CDFA staff showed a total program budget of \$2,738,614 if full funding was allocated to FPS. Board members discussed assessment forecasts, noting that grapevine assessment revenue was likely to decline further due to vineyard removal and lower planting rates, while fruit tree and nut tree assessments may hold flat or increase slightly. The Board emphasized the risk associated with continued deficit spending and the need to maintain statutory reserves. After extensive discussion, the Board recommended reducing expenditures for FY 26/27 and achieving this reduction by awarding FPS \$1,042,504 out of the requested \$1,542,504, resulting in a revised recommended total budget of \$2,238,614.

Board Motion #1

The Board recommended a proposed spending plan for FY 26/27 of \$2,238,614, including estimated Pro Rata of \$87,558.

Motion: Cliff Beumel

Second: Nicholas Podsakoff

In Favor: Jeremy Bahne, Cliff Beumel, Brent Burky, Isaac Duarte, Kristi Harrer, Benjamin Kaesekamp, Denise Moore, Nicholas Podsakoff, Tia Russell, Sebastian Saa
Against: None
Absent: Jay Jensen
Abstain: None

CLARIFICATION OF “GROSS SALES” FOR ASSESSMENT CALCULATION FOR FAC § 6981

Paugh provided clarification regarding the meaning of “gross sales” as used in Food and Agricultural Code § 6981 (attachment H11). The assessment must be calculated using the gross tree or vine price, including royalties, user fees, and any costs that directly affect the price of the plant itself. Supplemental charges such as shipping costs, tree protectors, or other non-plant accessories are not included in the assessment calculation. The assessment also applies when selling to buyers located outside of California, even if the buyer is a producer. The clarification aligned with longstanding industry practice and was welcomed by Board members seeking consistent application across nurseries.

NEXT MEETING/AGENDA ITEMS

The fall IAB meeting was tentatively scheduled for November 2026. The board requested future agenda items including:

- Presentation of final results from IAB-funded research.
- Review of Form 700 and mandatory trainings.
- Bagley-Keene Open Meeting Act refresher.
- Long-term vine mealybug trend analysis over multiple years.

ADJOURNMENT

Beumel adjourned the meeting at 1:35 pm.

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

ATTACHMENTS

H01 ccr_3070_iab_exemptions ADA
H02 2025 VMB Trapping Results ADA
H03 Assessment History ADA
H04 IAB Research Encumbrances ADA

H05 Expenditures Detail ADA

H06 Fund Condition ADA

H07 Historical Annual Fund Condition ADA

H08 FPS Budget Summary ADA

H09 Reimbursement to the Nursery Program FY26-27 ADA

H10 Reimbursement to the Nursery Program by Crop Testing ADA

H11 Clarification of Gross Sales FAC 6981 ADA

H12 FPS Presentation May IAB ADA

DRAFT