

2800 Gateway Oaks Dr., Room 101
Sacramento, CA 95833

Tuesday, February 24, 2015

10:00 a.m. – 2:00 p.m.

Voting Members

Michael Babineau
Robert Crudup
Janet Silva Kister
Thomas Lucas
Steve Maniaci
Steve McShane
Scott Nicholson
Elizabeth Elwood Ponce
Ernest J. Rodriguez

Non-Voting Members

John Kabashima
Eric Larson
Lorence Oki
Karen Suslow

CDFA & Guests

Dean Kelch
Kathy Kosta
Joshua Kress
Phuong Lao
Erin Lovig
Amber Morris
Betsy Peterson
Duane Schnabel
Roger Spencer
Janet Taylor
Kristina Weber
Cathy Vue

1. Call to Order and Roll Call

Meeting was called to order at 10:05 a.m. by Elizabeth Elwood Ponce, Board Chair.

2. Opening Remarks and Housekeeping

Joshua Kress welcomed Board Members and guests, and reviewed housekeeping and agenda items.

3. Review of Minutes from August 26, 2014 Board Meeting

Steve Maniaci moved to approve the Minutes for the August 26, 2014 Board Meeting as submitted. Steve McShane seconded. Board unanimously voted in favor. Motion carried.

4. Neonicotinoid Action Item Update

At the August 26, 2014 meeting, the Board put forward a motion that included recommendations to the Secretary concerning the available research on the neonicotinoid issue. It included a recommendation that a task force be created consisting of members of the NAB and the CDFA Pollinator Group to work together to address the neonicotinoid issues.

The motion was submitted to the Secretary. Duane Schnabel, Environmental Program Manager II, Branch Chief for the CDFA Pest Exclusion Branch, reported that the Secretary asked that the existing apiary working group be expanded to include members of the NAB and the CDFA Pollinator Group. The working group would work together to develop recommendations to the Secretary. The group will meet once a year to discuss apiary issues.

The Board discussed the lack of science behind the new labeling and the status of the Department of Pesticide Regulation (DPR), neonicotinoid reevaluation. The Board questioned the source of the current research being conducted on the issue. Schnabel reported that the studies currently underway are paid for by the chemical companies that represent the products. The research proposals are required to be peer reviewed for approval. The peer review group usually includes scientists from academia and government entities, and may include scientists from other countries such as Canada and European Union.

The Board further discussed the neonicotinoid issues at garden centers and nurseries and the need for positive PR. Janet Silva Kister reported that AmericanHort (<http://americanhort.org>) has convened a group of growers from across the country to work on the neonicotinoid issues from the grower's perspective and they are raising money for research to look at the impact of neonicotinoid use with ornamental plants. They are also working to develop speaking points for

the industry to assist with answering questions from the public and the media on the issue. Kister recommended that the Board be aware of what this group is doing and coordinate with them on industry issues. The California Association of Nurseries and Garden Centers (CANGC) is participating with this group and the group also reports on the CANGC monthly call. Schnabel reported that Bell Nursery has released a presentation about the difficulties they had producing plants without neonicotinoids. The presentation also includes talking points about the issue, (http://ir4.rutgers.edu/Ornamental/PollinatorWorkshop_FilesForWeb/PollinatorWorkshop_02_Mangum.pdf)

5. *Phytophthora ramorum* (P.ram) Program Action Item Update

At the August 26, 2014 meeting, the Board put forward a motion concerning the issues of inequality in the *Phytophthora ramorum* regulations. Amber Morris, Environmental Program Manager I for the Interior Pest Exclusion Program, reported that the USDA organized a National Program meeting in the fall of 2014 to allow states to review the changes to the program and voice concerns. CDFA voiced concerns about the inequity in how the new regulation was applied to other states (such as the list of shippers that are eligible to ship interstate that is only required to be maintained by California, Oregon and Washington). The USDA noted the concerns but no action had been taken at the time of this meeting.

Morris reported that in the spring of 2014, California had one *P.ram* positive interstate shipping nursery. Morris also discussed the difficulties with eradicating this pest from a nursery; however, in this case, the nursery was tested again in the fall with negative findings. Morris further discussed the work Kathy Kosta has done with the nursery concerning Best Management Practices (BMPs) to help them prevent repeat infestations. Morris reported that the USDA is providing research money to find ways to get *P.ram* out of the nurseries. California continues to look for the pest during annual nursery inspections even though the mandatory sampling protocol has been eliminated for most interstate shipping nurseries.

The Board discussed the eradication requirements for positive finds in interstate shippers in other states. Morris reported that all positive nurseries have to undergo the Confirmed Nursery Protocol if found positive.

6. State Interior Quarantines Update (Attachment 1-5).

Duane Schnabel provided quarantine updates for European Grapevine Moth, Asian Citrus Psyllid, Mediterranean Fruit Fly, Oriental Fruit Fly, and Light Brown Apple Moth.

The Board discussed the artificial movement of Asian Citrus Psyllid (ACP) by homeowners, packinghouse detections of ACP and HLB detections. The Board further discussed the LBAM Program including the availability of lures, the natural spread of the pest, public outreach efforts, possibility of deregulation and the new Repeat Positive Nursery Protocol. The Board requested a list of the LBAM Working Group participants and information about how to be added to the group.

7. Program Environmental Impact Report (PEIR)

Joshua Kress, Environmental Program Manager I for the Nursery, Seed, and Cotton Program, provided an overview of the Program Environmental Impact Report (PEIR). In order to be California Environmental Quality Act (CEQA) compliant, CDFA is required to do an Environmental Impact Report (EIR) for all quarantines and department activities. To expedite the process, CDFA chose to conduct a PEIR to examine how the Department's current actions impact the environment and to create an overarching EIR for CDFA's entire plant health system. The full report is available on CDFA's website (<http://www.cdfa.ca.gov/plant/peir>).

Schnabel reported that the PEIR was certified on December 24, 2014. Since that time, CDFA received two challenges from environmental groups but the PEIR remained in effect during the court challenge. The PEIR was developed to look at management programs and long term quarantines. Initially the risk assessment had over 500 possible scenarios to analyze, and 200 scenarios were ultimately included in the report. These cover the different programs and the chemicals used by the Department.

The Board discussed the different impacts and mitigation efforts included in the report, how they impact the nursery industry, and the litigation process.

8. Pierce's Disease Control Program Update

Roger Spencer, Environmental Program Manager II, Branch Chief for the Pierce's Disease Control Program, provided an overview of the program including its five fundamental goals: determining the distribution of the Glassy-winged Sharpshooter (GWSS), containing the spread of GWSS, developing quarantine programs to facilitate the movement of clean host material, rapid response to detections, and funding research.

The program had been approved to expand investments in research and outreach to include other designated pests of wine grapes such as the European grapevine moth, the brown marmorated stink bug, the vine mealybug, and red blotch disease. Spencer reviewed the pest designation process for inclusion into the program and reviewed the biology of the European grapevine moth, the brown marmorated stink bug, and the vine mealybug.

Spencer reviewed the changes to the program's Approved Treatment Protocol, trapping tolerance, and hold requirements. The holding area had been reduced and a treatment option had been implemented to avoid the holding period. The material was then treated again at the holding dock prior to shipping. No live GWSS had been detected on nursery stock that had undergone an approved treatment.

The Board discussed the effect of climate on GWSS, the historical finds in southern California, and the risk of spreading the pest to locations in northern California. The Board also discussed the need for a USDA-funded treatment of citrus and visual inspections of nursery stock shipments at origin and destination. The program assessments pay for research, agricultural supplies, traps, distribution of traps to counties, and some trapping and inspection activities. There was further discussion on the obstacles associated with organic growers and eucalyptus and jojoba treatment options.

9. New Pests of Concern in California

Weed Pests of Concern:

Dean Kelch, Primary State Botanist, provided a presentation on the California Code of Regulations (CCR) 4500 Noxious Weed list, including information on *Limnobium laevigatum* (South American spongeplant) and *Euphorbia dendroides* (Tree spurge). Kelch reviewed PlantRight's Weed Risk Assessment (WRA) Model designed for horticultural plants and the format of CDFA's new Pest Risk Assessment, including rating criteria. Kelch provided examples of the Pest Risk Assessment for Giant reed (*Arundo donax*). He also presented information on *Dittrichia viscosa* (False yellowhead), *Chrysanthemoides monilifera* (Boneseed), *Cenchrus ciliaris* (Buffel grass) and *Euphorbia graminea* (Grassland spurge).

Plant Diseases of Concern:

Kathy Kosta, Senior Environmental Scientist, provided an update on recent detections of *Phytophthora tentaculata* in five native plant nurseries and two forest restoration sites in four California counties. The plants at the restoration sites were removed and destroyed and the sites were being monitored. As a result of these finds, CDFA reached out to native plant nurseries and an increased interest from those nurseries in CDFA's Best Management Practices (BMP) program occurred.

10. Systems Approach to Nursery Certification (SANC)

Karen Suslow provided an update on the National Plant Board's Systems Approach to Nursery Certification (SANC). Eight nurseries, each in a different state, were participating in SANC's three year pilot program. The systems approach looks at all the critical control points in a nursery operation where a pest or pathogen could be introduced into a nursery. Two of the nurseries in Pennsylvania and Missouri had already completed the audit-based risk assessment. The remaining six nurseries should be completed by the end of the summer. Suslow further discussed

the training provided to the inspectors conducting the audits and the anticipated benefits of the program (<http://sanc.nationalplantboard.org/>).

11. Nursery Services Regulatory Update

Joshua Kress provided an update for regulatory projects currently underway in the Nursery, Seed, and Cotton Program. The Deciduous Fruit and Nut Tree Registration and Certification Program's regulations were being updated to reflect current industry practices and disease testing needs. The process includes industry meetings to solicit feedback on the needs of the growers and to review the draft regulation.

The Grapevine Registration and Certification Program was previously reviewed and updated in 2010. Since then, Red Blotch Disease was discovered in 2011. The Program held a public meeting in December 2014 to solicit comments and input from the growers and nurserymen concerning the program needs. More public meetings will be held and a working group will be developed to address concerns and regulatory changes. A mailing list was set up to keep growers and interested parties updated on the regulatory changes. Kress emphasized the program's efforts to ensure that the process is transparent and includes continued outreach to interested parties, including the limitations of producing 'disease free' nursery stock.

The Board further discussed the difficulties with making changes to regulations.

Duane Schnabel reported that in 2012 Cucumber Green Mottle Mosaic Virus (CGMMV), a federally actionable pest, was detected in a few seed production situations. In some of the cases, Bacterial Fruit Blotch was also detected. There was no correlation found between the two diseases. Regulatory action was taken, including an extensive trace-back investigation. The seed that likely infected the field was eventually traced back to a seed lot that originated from Romania, which is one of the countries in which the disease is known to exist. Schnabel discussed the difficulties in testing seed. Schnabel also discussed the location that CGMMV was first detected in 2012 and the restrictions that have been placed on the field. These include only planting non-host plants and sentinel plants for three years of negative findings. Positive plants were detected in the field in the spring of 2013 but in the last testing period all samples were negative. In 2014, CGMMV was detected in five watermelon fields, owned by a single grower and located in San Joaquin County. Two additional fields were also found positive in Fresno County and Kern County. All trace-back seed still available tested negative for the virus. There was evidence that one of the contaminated seed lots went through a transplant house and possibly infested other seed lots that were later planted. The contaminated fields totaling 550 acres are currently on regulatory hold and the growers are choosing to fumigate with methyl bromide or plant non-hosts. Soil from these fields cannot be moved.

The Board discussed the regulatory actions that would be taken if the disease was found at a transplant house, and testing requirements for seeds and transplants. Currently the testing program for seed is voluntary and there are no requirements for testing transplants.

Betsy Peterson from the California Seed Association (CSA) provided information about the collaborative efforts of the CSA and the USDA to address this problem in a non-regulatory way. Such efforts include a voluntary accreditation pilot program beginning in spring 2015, looking at transplant house, growers, seed producers and seed distributors. This program will have a quality manual and will include seed testing and traceability of the seed. Many seed companies already have good traceability of their seed and testing protocols in place. Peterson discussed what was learned about this pathogen over the last few years, including the importation of transplants from countries that are known to have the disease. The disease is transmitted both by seed and mechanically. A Growers Guide for CGMMV was developed by CSA in 2014 and is posted to their website (<http://www.calseed.org/cgmmv.html>)

12. Nursery Services Budget Update and Fund Condition Update

Joshua Kress provided the Board with a Budget Summary and Fund Condition Statement (Attachment 6-7). Kress reported that the costs for Personnel Services listed in the Budget Summary have increased in the last few years. In FY12/13, there was a significant increase in personnel costs due to the end of furloughs and in FY14/15, there was another increase due to a salary increase for the supervising scientists. In FY15/16, a slight increase in personnel services is anticipated due to overlap of the previous year adjustments and staff merit raises.

At the August 26, 2014 meeting, the Board put forward a motion to fund out-of-state travel in FY15/16 at a cost of \$2,000 for a Nursery Services staff member to attend the Western Horticultural Inspection Society Meeting in Utah. The program had a pending request for this travel under the Department's out-of-state travel blanket which is reviewed and approved by the Secretary in the spring. The funds were temporarily included as a \$2,000 increase to the in-state travel line item. If travel is approved by the Secretary, the in-state and out-of-state travel line items will be adjusted accordingly, with the total budget for all travel remaining the same.

Kress also noted that utilities were not included in the proposed budget for FY15/16 but expenses were anticipated. Attorney General expenses have historically been included in the proposed budget; however, no charges were anticipated. Since CDFA is no longer working with the temporary labor service CASS and is now hiring seasonal staff directly for that work, the expenses previously listed under that line item were now accrued in the Personnel Services as CDFA temporary staff salary. There was a refund of \$197 listed under Other Miscellaneous Charges for FY13/14 that was being investigated because it was thought to be an error and would thus likely be corrected.

The Board discussed the changes in general expenses since FY12/13. Kress reported that a large stock of supplies was purchased in 2012 causing general expenses in the following years to be low. General Expenses for this program are historically \$30,000 to \$35,000. Final expenditures within each line item may vary from the proposed budget; the program is not held to specific budget line items for most areas of expense, but the program is held to the overall spending authority for operating expenses and equipment.

Kress also reviewed the Fund Condition with the Board and reported that the Nursery Program is industry funded and is required to keep a reserve balance to assure funds are available to cover activities if the program is discontinued. Kress explained how some costs are redirected to other programs through the cost recovery line item. It was reported that the majority of the costs recovered come from the Fruit Tree, Nut Tree, and Grapevine Improvement Advisory Board (IAB) program which pays for field work for the Deciduous Fruit and Nut Tree Registration and Certification Program performed by Nursery Services staff. Reimbursement for the Unclaimed Gas Tax (Food and Agriculture Code, Section 224c) was also listed as a recovered cost. The bulk of the Unclaimed Gas Tax goes to the California counties and a portion is directed to all industry-funded programs to cover overhead costs since industry-funded programs do not receive state general funds.

In FY12/13 and FY13/14, the program brought in more revenue than was spent but it was projected that in FY15/16 Program expenditures would exceed revenue. In general, it is recommended that a program of this size maintains one third to one half of its annual budget in reserves. For this program that range is approximately \$1-1.5 million, and the program reserve was projected at around \$1.5 million. If the reserve balance approaches the lower end of the recommended threshold, the program will work with industry to look at increasing licensing fees or decreasing costs. The Program was also reviewing the Registration and Certification (R&C) programs to evaluate the cost associated with running the programs since the fees had not been adjusted in many years.

The Board further discussed the fluctuation in the Nursery Program revenue and the current authority to increase license fees. Currently the program had the statutory authority to increase nursery license fees from the current rate of \$150 per sales location up to \$180. However the maximum acreage fee could not be increased without a change in statutory authority. Duane Schnabel emphasized that in general these predictions are conservative in the fact that revenue is generally underestimated and expenditures are overestimated.

For the new Board members, Kress reviewed the services the Nursery Services Program provides. Kress also discussed the funds from the Program that are provided to the counties to assist with the

costs to inspect nurseries and enforcement activities associated with nursery cleanliness. A few years ago these funds were estimated to cover approximately one-third of the actual county costs to perform annual nursery inspections.

13. County Agricultural Commissioner's Update

Janet Taylor, Deputy Agricultural Commissioner for San Diego County, reported that there were four new insect pest introductions (two scales and two mealy bugs) in San Diego County on incoming shipments in 2014, as well as one new weed, four new fungi, and one new virus. A coqui frog was also intercepted coming from Florida (normally found on shipments from Hawaii). The county also had two sites with Polyphagous Shot Hole Borer detections; researchers from UC Riverside were scheduled to visit Vietnam in 2015 to look for potential biological control agents for the beetle.

Lorence Oki noted that the UC Cooperative Extension was starting the process to recruit new positions. New proposals for positions are received in June-July and the comment period occurs through the fall. Oki reported that he planned to review the proposals and provide the NAB a list of positions related to the nursery industry for review and comment by the NAB members; this would allow for industry to voice their needs for positions to support the industry. Oki also reported that John Kabashima would be retiring in the summer.

The Board further discussed the need to find qualified educators, researchers, and employees to meet industry needs.

The Board requested clarification on the Diaprepes Advisory issued in 2009. Schnabel reported that there was one incident in San Diego County. The layout of the nursery operation caused difficulties in addressing the infestation. The Board voiced concerns that chemicals were being put into the environment that may not need to be and requested clarification on what is required since the pest has been downgraded to a B-rating. Counties have discretion to take regulatory action to prevent B-rated pests from entering their county. In addition, all nursery stock must be free from B-rated pests to meet the standard of cleanliness. The Board discussed the difficulties with treating and inspecting for Diaprepes and the impacts to the nursery. Kress agreed to discuss the Advisory with the Primary State Entomologist and requested any proposals for changes to the protocol be submitted to him for review by CDFA.

14. Committees Updates: None

15. New Items: None

16. Public Comments

The Board took a moment to honor Don Dillon, Sr., former president of Four Winds Nursery and father of Board Member Don Dillon, Jr., who passed away February 9, 2015 at the age of 93.

17. Election of Officers

Joshua Kress thanked Elizabeth Elwood Ponce for serving as the Board Chair since the Board's establishment and reviewed the Board Procedures for election of officers. The term of office for any officer is one year, and they can serve up to two consecutive terms. Elizabeth Elwood Ponce had served two consecutive terms as Chair and Steve McShane had served two consecutive terms as Vice Chair. Kress requested a recommendation for appointment of a new Chair. Steve McShane volunteered.

Robert Crudup moved that the Board recommend appointment of Steve McShane as Chair. Janet Silva Kister seconded. The Board unanimously voted in favor. Motion carried.

Kress requested a recommendation for Vice Chair. After discussion, Thomas Lucas volunteered.

Steve McShane moved that the Board recommend appointment of Thomas Lucas as Vice Chair. Michael Babineau seconded. The Board unanimously voted in favor. Motion carried.

Kress introduced Erin Lovig as the new Board Manager.

18. Next Meeting/Agenda Items

The next meeting will be held in Sacramento in September. A Doodle poll will be sent out by Erin Lovig around June 1, 2015 to determine the best date available.

19. Adjournment

Meeting was adjourned at 1:54 pm.

Respectfully submitted by:
Erin Lovig
Senior Environmental Scientist
CDFA Nursery, Seed, & Cotton Program

Approved by Board Motion on September 12, 2015