

CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE
APPROVAL SHEET FOR MARKETING PROGRAM:
CALIFORNIA PISTACHIO RESEARCH BOARD

This approval sheet is for the following document:

Document:	Relevant Date/Year
Minutes to meeting held on:	June 28, 2017
Location:	Fresno

Documents Are Submitted for:

✓	Approval
Five	Items noted that require separate approval

Notable Actions:

2017 0628	#03	Motion to accept the auditor's report on the 2015-2016 financial records as presented.
2017 0628	#04	Motion to retain the firm Moss Adams to perform the audits of the Board's 2016-2017 financial records. [<i>Approved by Department Order on July 17, 2017.</i>]
2017 0628	#05	Motion to adopt the 2017-2018 Management Services Agreement with the Administrative Committee for Pistachios at a fee of \$14,600 per month. [<i>Approved by signature on Agreement, pending</i>]
2017 0628	#06	Motion to grant \$36,395 for Florent Trouillas' proposal entitled "Rhodococcus Genome Sequence Analyses and Symptom Development in PG1 and PG2 Rootstocks".
2017 0628	#07	Motion to adopt the 2017-2018 fiscal year budget based on a projected beginning balance of \$1,914,705, estimated revenue of \$4,400,000 and budgeted expenditures of \$5,830,200. The projected year-end carryover is \$684,505. [<i>Approved by Department Order on July 17, 2017.</i>]
2017 0628	#08	Motion to set the 2017-2018 assessment rate at \$0.008 per pound. [<i>Approved by Department Order on July 17, 2017.</i>]
2017 0628	#09	Motion to recommend Mark Szczerba from Wonderful Orchards, as the 4 th Alternate Member. [<i>Approved by Department Order on July 17, 2017.</i>]

APPROVED

SECRETARY OF FOOD AND AGRICULTURE

BY:  , Chief
Marketing Branch

DATE: July 17, 2017



**MEETING MINUTES
CALIFORNIA PISTACHIO RESEARCH BOARD
Board of Directors Meeting**

**June 28, 2017 – 9:00 a.m.
Administrative Committee for Pistachios Office
4938 E. Yale Ave., Suite 102, Fresno, California 93727**

Roll Call

Chairman Tom Coleman called the meeting to order at 9:00 a.m. A complete board roster is shown below with an * indicating those in attendance. A quorum was established.

Members	Alternates	Advisory Committee
* Tom Coleman, Chairman	1 st Alternate	Robert Beede
* Johnny Starling, Vice-Chairman	Rob Yraceburu	Carl Fanucchi
* Jeremy Blackwell**	2 nd Alternate	Todd Fukuda
* Rob Goff	John E. Konda	Mike Harvey
Eric Miller	3 rd Alternate	Anthony Rabo
* Doug Mueller	* Todd Tracy**	* Zack Raven
* Gary Robinson	4 th Alternate	
* Mike Smith	Adam Orandi	
* Rod Stiefvater		

*indicates those members, alternates and advisors in attendance;

**indicates attendance via teleconference

Others Present: Doug Sampson (CPA), Mark Szczerba, Kirk squire, Gene Lytle, Kacie Fritz (CDFA), Bob Klein, and Juanita Owens.

Approval of the February 3, 2017 and May 22, 2017 Meeting Minutes

Board Motion 2017-06-28 #1

It was moved by Gary Robinson and seconded by Rob Goff to approve the February 3, 2017 and May 22, 2017 minutes as written. The motion passed unanimously with no abstentions.

Public Comments on Agenda Items

There were no comments on agenda items from the public.

New Member Seating

Producer members and alternate producer members elected in 2017 were seated at today's meeting. Every three years the entire Board is up for election. This year, California producers voted for the following producer members/alternate members effective June 1, 2017 through May 31, 2020:

Producer Members:

Jeremy Blackwell (Blackwell Farming Company), Tom Coleman (Coleman Farming Company), Rob Goff (Wonderful Orchards), Eric Miller (South Valley Farms), Doug Mueller (Specialty Crop Company), Gary Robinson (Robinson Farms), Mike Smith (Setton Pistachio), Johnny Starling (Nichols Farms), Rod Stiefvater (RTS Agri Business),

Producer Alternates:

Rob Yraceburu (Wonderful Orchards) – 1st Alternate; John E. Konda (Konda Farms) – 2nd Alternate; Todd Tracy (Buttonwillow Land and Cattle Co.) – 3rd Alternate; Adam Orandi (ARO Pistachio) – 4th Alternate

Elect Chairman and Vice-Chairman

Kacie Fritz called for nominations for a chairman and vice-chairman.

Board Motion 2017-06-28 #2

It was moved by Rod Stiefvater and seconded by Gary Robinson to re-elect Tom Coleman as the chairman and Johnny Starling as the vice-chairman. The motion passed unanimously with no abstentions.

Auditor’s Report for Fiscal Year Ending July 31, 2016

Doug Sampson, CPA with Moss Adams, LLP, was present to review the auditor’s report for the fiscal year ending July 31, 2016 with the Board. Board members were emailed copies of the Audit Report and the Agreed-Upon Procedures report for review. Doug Sampson informed the Board that the audit was performed using the required government auditing standards. The Agreed-Upon Procedures are additional tests required for state marketing orders using CDFA accounting guidelines. Doug Sampson reported that the auditor’s opinion for this fiscal year was unqualified or “clean” for both the audit and the agreed upon procedures. It was noted that the net position as of July 31, 2016 was \$810,112 (a decrease of \$874,941 from the previous fiscal year).

Board Motion 2017-06-28 #3

It was moved by Johnny Starling and seconded by Rob Goff to accept the auditor’s report as presented. The motion passed unanimously with no abstentions.

Approve Auditor for Fiscal Year Ending July 31, 2017

This action requires separate approval by the Department

The Board agreed to engage Moss Adams, LLP as the auditor for the fiscal year ending July 31, 2017.

Board Motion 2017-06-28 #4

It was moved by Gary Robinson and seconded by Rod Stiefvater to engage the firm Moss Adams to perform the independent audit for fiscal year ending July 31, 2017. The motion passed unanimously with no abstentions.

CDFA Report

No report at this time.

Manager’s Report

Bob Klein included several categories in his report to the Board:

1. Indirect costs: the UC is still considering charging overhead for any research projects done through the UC. No decision will be made until July of 2018.
2. Pistachio Bushy Top Syndrome (PBTS): The CPRB sponsored a meeting for nurserymen in April and for researchers in May to address PBTS issues. There is no consensus as to the cause of PBTS. So far, the problem appears to be a nursery phenomenon, but more research is needed. It is not known if it is a pathogen, a mutation, or both. The Board discussed PBTS at length and considered options to help growers be aware of potential problems as new orchards are planted. Bob Klein will draft a grower advisory for the Board to review.

3. Food Safety: FSMA grower compliance begins in 2018. Water testing guidelines are still under review. All farm operations will be required to have a certified food safety person. Linda Harris is developing pistachio food safety curriculum. The first training session with this curriculum is scheduled for July 25-26. The cost will be \$55. Linda Harris will use the first training session to fine tune the curriculum for the training sessions that will take place after harvest. There was also some discussion regarding the GAP (Good Agricultural Practices) Questionnaire given to growers. The goal is to have a uniform GAP Questionnaire that follows FSMA guidelines and can be used by all processors.
4. Annual Report Publication: Every year researchers are required to submit executive summaries for their projects. The Commission included these summaries in their annual report, followed by the American Pistachio Growers (APG) publishing them. Bob Klein recommended that the publication of these summaries shift to an annual report published by the CPRB. It will cost about \$10,000 to make 2500 copies of a report that will include the executive summaries and some additional reports. The plan is to distribute copies at Pistachio Day and at the pistachio conferences sponsored by the APG and Wonderful. It will also be made available for downloading from the CPRB website.
5. Sterile Insect Technology (SIT): the industry has spent about \$1.5 million on SIT research to date. We are now capable of rearing 30,000 NOW moths per day. The irradiator can handle up to a million moths per day (an upgraded irradiator will be needed in the future for the goal of 4 million moths per day). In 2018 there will be a trial using sterile moths on a 5,000-acre area of pistachios (with some almonds as well) from February through November. During this trial, sanitation, insecticides, and mating disruption will continue. The project will cost \$3.5 million. If the Board agrees to fund \$2.5 million, APHIS will fund the rest. Almonds is also considering providing one to two hundred thousand for this research.
6. Weather Station System: At the February meeting, Bob Klein was asked to get bids on a weather system that could provide more accurate chill measurements. He learned that it would cost about \$1,000 for each station and about \$450 per year to maintain. Board members brought up other options as well. The Board weighed the options of having a uniform system with information all in the same format, or use currently available systems and have software built to manipulate the data from these systems. Bob Klein will put together some options for the Board to consider.

2017-2018 CPRB/ACP MOU

The CPRB and the Administrative Committee for Pistachios (ACP) annually review and sign a Management Services Agreement. The CPRB pays a management services fee to the ACP each month intended to cover about half of the ACP overhead expenses. CPRB currently pays \$12,500 per month and with the new agreement the fee will be increased to \$14,600 per month.

This action requires separate approval by the Department

Board Motion 2017-06-28 #5

It was moved by Rob Goff and seconded by Rod Stiefvater to adopt the 2017-2018 Management Services Agreement which sets the monthly services fee at \$14,600 per month. The motion passed unanimously with no abstentions.

Land IQ Web Mapping Applications

Bob Klein and Land IQ discussed possible mapping applications for which Land IQ submitted cost estimates. It was determined that these applications currently are not needed.

Research Proposal: Florent Trouillas, “*Rhodococcus* genome sequence analyses and symptom development in PG1 and PG2 rootstocks”

Dr. Florent Trouillas submitted a proposal to the Board requesting \$36,395 to maintain PG1 and PG2 plants being observed and to continue genomic analysis. Bob Klein recommended granting funds for this project believing it will provide helpful and valuable information.

Board Motion 2017-06-28 #6

It was moved by Gary Robinson and seconded by Johnny Starling to grant the requested \$36,395 for Florent Trouillas's proposal entitled "*Rhodococcus* genome sequence analyses and symptom development in PG1 and PG2 rootstocks". The motion passed unanimously with no abstentions.

2017-2018 Budget

Bob Klein presented a proposed 2017-2018 budget to the Board based on a projected crop of 550 million pounds. The proposed budget includes increases in Administrative expenses, standard research and \$2.5 million for SIT research. This year producers voted in favor of a referendum increasing the maximum assessment rate from \$0.005 per pound to \$0.015 per pound which allows the Board to set an assessment rate that will cover SIT research. The proposed budget presented carryout scenarios for three assessment rates. Bob Klein recommended the assessment rate of \$0.008 for this budget year. The 2017-2018 proposed budget total for research, overhead and SIT is \$5,630,200. The Board adopted the proposed budget.

This action requires separate approval by the Department

Board Motion 2017-06-28 #7

It was moved by Rob Goff, and seconded by Gary Robinson to adopt the proposed 2017-2018 budget based on a projected beginning balance of \$1,914,705, estimated revenue of \$4,400,000 (550 million pounds assessed at \$0.008), budgeted expenditures of \$5,630,200 (Research \$4,750,000, Endowments \$620,000, Overhead \$260,200) and a projected year-end carryover of \$684,505. The motion passed unanimously with no abstentions.

A copy of the budget is attached (Appendix A).

2017-2018 Assessment Rate

This action requires separate approval by the Department

Board Motion 2017-06-28 #8

It was moved by Rod Stiefvater and seconded by Rob Goff to set the 2017-2018 assessment rate at \$0.008 per pound. The motion passed unanimously with no abstentions.

Public Member

The Board has not yet found someone to recommend for the public member position.

Other Business

Bob Klein informed the Board that Rob Yraceburu, elected as 1st Alternate Member, has resigned. This means that the 2nd-4th Alternates move up to the 1st-3rd alternate positions and the Board needs to appoint a new 4th Alternate Member. Rob Goff recommended Mark Szczerba for this position.

This action requires separate approval by the Department

Board Motion 2017-06-28 #9

It was moved by Rob Goff and seconded by Mike Smith to appoint Mark Szczerba (Director of Research at Wonderful Orchards) as the 4th Alternate Member. The motion passed unanimously with no abstentions.

Public Comment

Gene Lytle (Wonderful Pistachios) inquired about the effectiveness of AF36. Several processors indicated that they will be using it this year but need more evidence on effectiveness for future considerations.

Topics for Future Consideration

No topics were presented.

Scheduling of Future Meetings

The next meeting will be scheduled after harvest.

There being no other business, the meeting was adjourned at 11:35 a.m.

Certification

I, Bob Klein, Manager of the California Pistachio Research Board, do hereby certify that, to the best of my knowledge, the foregoing is a true and correct account of the meeting of the California Pistachio Research Board conducted on June 28, 2017.

Date: _____
Bob Klein, Manager - California Pistachio Research Board

Appendix A

California Pistachio Research Board 2017-2018 Budget

2016-2017 Budget Summary

Net Assets 7/31/2016	\$810,112
2016-2017 Assessment Income	\$4,482,434
2016-2017 Estimated Interest	\$11,000
2016-2017 Estimated Expenses	(\$3,388,841)
Est. Net Assets 07/31/2017	\$1,914,705

2017-2018 Budget Summary

Est. Net Assets 07/31/2017	\$1,914,705
Crop Size in Pounds	Assessment Rate
550,000,000	0.008
Est. Assessment Income	\$4,400,000
2017-2018 Budget	-\$5,630,200
Est. Net Assets 07/31/2018	\$684,505

Budget Detail

	2016-2017 Budget	2016-2017 Est. Actual	2017-2018 Budget	Budget % Change + (-)	2018-2019 Budget Est.
Research/Education Expenses					
Research (Standard)	\$1,200,000	\$1,262,271	\$1,500,000	20.00%	\$1,500,000
Research (non-cyclic)	\$350,000	\$115,332	\$350,000	0.00%	\$350,000
SIT Research	\$750,000	\$750,000	\$2,500,000	70.00%	\$2,500,000
Education and Outreach	\$150,000	\$78,000	\$150,000	0.00%	\$150,000
Food Safety	\$250,000	\$98,096	\$250,000	0.00%	\$250,000
Total Funds for Research/Education	\$2,700,000	\$2,303,699	\$4,750,000		\$4,750,000
Administrative Expenses					
Administration	\$150,000	\$150,000	\$175,200	14.38%	\$175,200
Annual CPA Audit	\$7,000	\$8,000	\$8,000	12.50%	\$8,000
Bank Service Charges	\$500	\$135	\$500	0.00%	\$500
Board Meetings	\$3,000	\$250	\$3,000	0.00%	\$3,000
CDFA Marketing Branch	\$40,000	\$50,000	\$45,000	11.11%	\$45,000
Insurance	\$1,000	\$612	\$1,000	0.00%	\$1,000
Meeting Sponsorship	\$10,000	\$645	\$10,000	0.00%	\$10,000
Miscellaneous	\$5,000	\$3,000	\$5,000	0.00%	\$5,000
Travel - Board Members	\$2,500	\$0	\$2,500	0.00%	\$2,500
Travel - Manager	\$10,000	\$2,500	\$10,000	0.00%	\$10,000
Total Administrative Expenses	\$229,000	\$215,142	\$260,200		\$260,200
Endowment Commitments					
Fresno State	\$250,000	\$250,000	\$0		\$0
ANR Fruit/Nut	\$250,000	\$250,000	\$250,000	0.00%	\$0
ANR IPM Advisor	\$70,000	\$70,000	\$70,000	0.00%	\$70,000
ANR Tree Nut Genetics	\$150,000	\$150,000	\$150,000	0.00%	\$0
ANR Tree Nut Soil/Water	\$150,000	\$150,000	\$150,000	0.00%	\$0
Future	\$0	\$0	\$0		\$0
Future	\$0	\$0	\$0		\$0
Total Endowments	\$870,000	\$870,000	\$620,000		\$70,000
Total Budget	\$3,799,000	\$3,388,841	\$5,630,200	32.52%	\$5,080,200

6/29/2017