

California Department of Food and Agriculture

Marketing Branch

Approval of Meeting Minutes and Actions

Program:	California Pistachio Research Board
Meeting Date:	June 4, 2020
Meeting Location:	Videoconference and Teleconference

Notable Actions:

2020 0604	#04	Motion to recommend engaging the firm of Moss Adams LLP to perform the financial audit and the fiscal and compliance audit for the 2019-2020 fiscal year. [Approved by Department Order on August 14, 2020]
2020 0604	#05	Motion to fund Blake Sanden’s proposal: “Pistachio Irrigation Monitoring & Training Demonstration” in the amount of \$37,246.
2020 0604	#06	Motion to recommend approval of revisions to the contract policy section of the Policy Manual as presented. [Approved by Department on July 3, 2020]
2020 0604	#07	Motion recommend adoption of the 2020-2021 fiscal year Management Service Agreement with the Administrative Committee for Pistachio for a monthly service fee of \$14,600. [Approved by Department letter on July 23, 2020]
2020 0604	#08	Motion to recommend adoption the proposed 2020-2021 fiscal year budget based on a projected beginning balance of \$6,036,607 , estimated revenue of \$6,036,607, estimated revenue of \$2,850,000 (950 million pounds assessed at \$0.003), budgeted expenditures of \$3,944,200 (Research \$3,550,000, Farm Advisor \$120,000, Overhead \$274,200) and a projected year-end carryover of \$4,942,407. [Approved by Department Order on July 20, 2020]
2020 0604	#09	Motion to recommend establishing the 2020-2021 fiscal year assessment rate at \$0.003 per pound. [Approved by Department Order on June 30, 2020]

APPROVED

SECRETARY OF FOOD AND AGRICULTURE

BY: 
 Joe Monson, Branch Chief
 Marketing Branch

DATE: DECEMBER 28, 2020



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

**June 4, 2020 – 9:00 a.m.
Video/Teleconference Meeting via Zoom**

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
* Gerrid Climer	* Brian O’Neill	Carl Fanucchi
* Jeremy Blackwell	2 nd Alternate	* Todd Fukuda
Rob Goff	* Zack Raven	Mike Harvey
* Eric Miller	3 rd Alternate	Brad Higbee
* Doug Mueller	* Erik Wilkins	Michael Naito
Mike Smith	4 th Alternate	Anthony Rabo
* Rod Stiefvater	* Clay Beck	
* Todd Tracy		
* Christine Milgrom		

*indicates those members, alternates and advisors in attendance;

Others Present: Kirk Squire, Andrew Howe, Bob Dow, Daniel Palla, Paul Takhar, Adam Orandi, Doug Sampson (Moss Adams CPA), Alex Sells Moss Adams CPA), Kacie Fritz (CDFA), Mirek Wilczek (CDFA), Juanita Owens, and Bob Klein.

Approval of the February 12, 2020 Meeting Minutes

Board Motion 2020-06-04 #1

It was moved by Doug Mueller and seconded by Todd Tracy to approve the February 12, 2020 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 Members

Every three years all producer members and alternate producer members of the Board are nominated and elected to serve a three year term. Today was the first meeting of the board elected in 2020. The following are the producer members/alternate members for the June 1, 2020 through May 31, 2023 term:

Producer Members:

Jeremy Blackwell (Blackwell Farming Company), Gerrid Climer (Nichols Farms), Tom Coleman (Coleman Farming), Rob Goff (Wonderful Orchards), Eric Miller (South Valley Farms), Doug Mueller (Specialty Crop Company), Mike Smith (Setton Pistachio), Rod Stiefvater (RTS Agri Business), and Todd Tracy (Buttonwillow Land and Cattle Co.)

Producer Alternates:

Brian O’Neill (Huron Orchards) – 1st Alternate; Zack Raven (Keenan Farming Company) – 2nd Alternate; Erik Wilkins (Wonderful Orchards) – 3rd Alternate; Clay Beck (Maricopa Orchards) – 4th Alternate

Elect Chairman and Vice-Chairman

Kacie Fritz called for nominations for a chairman.

Board Motion 2020-06-04 #2

It was moved by Rod Stiefvater and seconded by Jeremy Blackwell to re-elect Tom Coleman as the chairman. The motion passed unanimously with no abstentions.

Kacie Fritz called for nominations for a vice-chairman.

Board Motion 2020-06-04 #3

It was moved by Brian O’Neill and seconded by Tom Coleman to elect Gerrid Climer as the vice-chairman. The motion passed unanimously with no abstentions.

Auditor’s Report for Fiscal Year Ending July 31, 2019

Doug Sampson, CPA with Moss Adams, LLP, presented the auditor’s report for the fiscal year ending July 31, 2019. Board members were emailed copies of the Audit Report and the Agreed-Upon Procedures to review ahead of the meeting. The audit was performed using the required government auditing standards. The Agreed-Upon Procedures (AUP) are additional tests required for state marketing orders using CDFA accounting guidelines. The auditor’s opinion for this fiscal year was unqualified (good) for both the audit and the agreed upon procedures. The net position as of July 31, 2019 was \$5,500,555 (an increase of \$2,674,213 from the previous fiscal year). Cash and cash equivalents at the beginning of the year was \$3,756,256 and at year end \$6,144,237. Revenues for the year were over \$2 million above the amount budgeted. The AUP report (five procedures performed) had one finding in procedure five indicating that there was no policy for contracts at the time of the audit.

Recommend and Approve Auditor for Fiscal Year Ending July 31, 2020

The Board will engage Moss Adams, LLP as the auditor for the fiscal year ending July 31, 2020.

Board Motion 2020-06-04 #4

It was moved by Christine Milgrom and seconded by Gerrid Climer to engage the firm Moss Adams to perform the independent audit for fiscal year ending July 31, 2020. The motion passed unanimously with no abstentions.

This action requires separate approval by the Department

CDFA Report

Kacie Fritz had nothing to report.

Manager’s Report

Bob Klein reported that the SIT project now has a federal appropriation of \$6 million. Moth releases are ongoing now in the Five Points area. They were scheduled for 7 days a week but dropped to 5 with cancellation of American flights. It is now up to 6 days a week. CDFA is handling all the trapping in the area. Bob reviewed SIT budget versus expenses over the years that SIT has been funded.

Bob Klein also mentioned that the Covid 19 pandemic has impacted some researchers as they have not had access to their labs. He will get updates from researchers in the near future.

Weather Stations

Bob Klein reported that Carl Fanucchi and Bob Beede have identified thirty areas for weather stations. The Board asked Bob Klein to get bids for cost of set up and maintenance of weather stations.

Sanden Revised Proposal - "Pistachio Irrigation Monitoring & Training Demonstration"

Bob Klein reminded the Board that they asked Blake Sanden to submit a revised proposal to clarify how the website would work. A revised proposal was presented and approved for funding.

Board Motion 2020-06-04 #5

It was moved by Gerrid Climer and seconded by Brian O'Neill to grant \$37,246 to fund Blake Sanden's proposal, "Pistachio Irrigation Monitoring & Training Demonstration". The motion passed unanimously with no abstentions.

CPRB Policy Manual

At the February 12, 2020 meeting, the Board approved a draft of the Policy Manual that added a section for a policy on contracts. The CDFA did not approve of the contract policy section as written. This section was revised and presented to the Board for approval at today's meeting.

Board Motion 2020-06-04 #6

It was moved by Brian O'Neill and seconded by Gerrid Climer to approve the revisions to the contract policy section of the Policy Manual as presented. The motion passed unanimously with no abstentions.

This action requires separate approval by the Department

Annual Management Services Agreement (ACP/CPRB)

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. The 2020-2021 agreement has no change to the current fee of \$14,600 per month.

Board Motion 2020-06-04 #7

It was moved by Eric Miller and seconded by Brian O'Neill to adopt the 2020-2021 Management Services Agreement with a monthly service fee of \$14,600 per month. The motion passed unanimously with no abstentions.

This action requires separate approval by the Department

2020-2021 Budget

Bob Klein presented a proposed 2020-2021 budget to the Board. In the proposed budget, standard research is increased by 11%, SIT research is reduced to \$1 million (previously \$2.5 million), annual audit expenses are up 25%, and \$120,000 for supporting farm advisor technical help was added. The overall budget is 31.62% less than the 2019-2020 budget with a total of \$3,944,200 for research, SIT, Farm Advisor and overhead expenses. The Board adopted the proposed budget. Various assessment rates were included in the draft of the budget based on a crop size of 1.2 billion pounds. The crop size estimate was lowered to 950 million pounds and the Board recommended lowering the assessment rate from 0.005 to 0.003 cents per pound.

Board Motion 2020-06-04 #8

It was moved by Todd Tracy and seconded by Eric Miller to adopt the proposed 2020-2021 budget based on a projected beginning balance of \$6,036,607, estimated revenue of \$2,850,000 (950 million pounds assessed at \$0.003), budgeted expenditures of \$3,944,200 (Research \$3,550,000, Farm Advisor \$120,000, Overhead \$274,200) and a projected year-end carryover of \$4,942,407. The motion passed unanimously with no abstentions.

This action requires separate approval by the Department

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

2020-2021 Assessment Rate

Board Motion 2020-06-04 #9

It was moved by Doug Mueller and seconded by Eric Miller to set the 2020-2021 assessment rate at \$0.003 per pound. The motion passed unanimously with no abstentions.

This action requires separate approval by the Department

Other Business

Bob Klein mentioned that the Administrative Committee for Pistachios asked Land IQ for a proposal to track pistachio acreage. There have been questions about how accurate the ACP annual statistics are for bearing and non-bearing acreage. Land IQ uses imagery, GIS, and ground truthing to identify pistachio acreage as well as the age of the plantings once the trees are a couple of years old. The ACP may ask the CPRB to share the cost of this project currently estimated at \$84,000.

Public Comment

There were no public comments.

Topics for Future Consideration

No additional topics were mentioned.

Scheduling of Future Meetings

No future meetings were scheduled at this time. There being no other business, the meeting was adjourned at 9:52 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 4, 2020.

Date: _____

Bob Klein, Manager - California Pistachio Research Board

Appendix A

California Pistachio Research Board 2020-2021 Budget

2019-2020 Budget Summary

Net Assets 7/31/2019	\$5,500,555
2019-2020 Assessment Income	\$3,712,257
2019-2020 Estimated Interest	\$98,000
2019-2020 Estimated Expenses	(\$3,274,205)
Est. Net Assets 07/31/2020	\$6,036,607

2020-2021 Budget Summary

Est. Net Assets 07/31/2020	\$6,036,607
Est. Crop Size in Pounds	950,000,000
Assessment Rate	0.003
Est. Assessment Income	\$2,850,000
2020-2021 Budget	-\$3,944,200
Est. Net Assets 07/31/2021	\$4,942,407

Budget Detail

	2019-2020 Budget	2019-2020 Est. Actual	2020-2021 Budget	Budget % Change + (-)	2021-2022 Budget Est.
Research/Education Expenses					
Research (Standard)	\$1,600,000	\$1,767,239	\$1,800,000	11.11%	\$1,800,000
Research (non-cyclic)	\$350,000	\$0	\$350,000	0.00%	\$350,000
SIT Research	\$2,500,000	\$1,000,000	\$1,000,000	-150.00%	\$1,000,000
Education and Outreach	\$150,000	\$65,870	\$150,000	0.00%	\$150,000
Food Safety	\$250,000	\$128,831	\$250,000	0.00%	\$250,000
Total Funds for Research/Education	\$4,850,000	\$2,961,940	\$3,550,000		\$3,550,000
Administrative Expenses					
Administration	\$175,200	\$175,200	\$175,200	0.00%	\$175,200
Annual CPA Audit	\$9,000	\$11,200	\$12,000	25.00%	\$12,000
Bank Service Charges	\$500	\$150	\$500	0.00%	\$500
Board Meetings	\$3,000	\$400	\$3,000	0.00%	\$3,000
CDFA Marketing Branch	\$55,000	\$48,000	\$55,000	0.00%	\$55,000
Insurance	\$1,000	\$690	\$1,000	0.00%	\$1,000
Meeting Sponsorship	\$10,000	\$125	\$10,000	0.00%	\$10,000
Miscellaneous	\$5,000	\$1,500	\$5,000	0.00%	\$5,000
Travel - Board Members	\$2,500	\$500	\$2,500	0.00%	\$2,500
Travel - Manager	\$10,000	\$4,500	\$10,000	0.00%	\$10,000
Total Administrative Expenses	\$271,200	\$242,265	\$274,200		\$274,200
Endowment Commitments					
ANR IPM Advisor	\$70,000	\$70,000	\$0		\$0
Farm Advisor Technical Help	\$0	\$0	\$120,000	100.00%	\$120,000
Total Endowments	\$70,000	\$70,000	\$120,000		\$120,000
Total Budget	\$5,191,200	\$3,274,205	\$3,944,200	-31.62%	\$3,944,200

6/8/2020