

CHRISTMAS TREE PROMOTION BOARD TELECONFERENCE BOARD MEETING

Thursday, September 19, 2019

MINUTES

Welcome and Roll Call: The meeting was called to order at 11:02 a.m. Eastern time by Chairperson, Rex Korson.

Board Members in Attendance: Paul Battaglia, Roger Beyer, Rex Korson, Jim Corliss, Gary Westlake, James Rockis, Beth Walterscheidt, Bob Schaefer, Della Deal and Chris Maciborski

Board Members Not in Attendance: Mark Steelhammer and Mark Schmidlin

USDA Representative in Attendance: Sue Coleman

Staff in Attendance: Marsha Gray, Cyndi Alexander and Jenny Tomaszewski

Guest(s) in Attendance: Frans Kok

Agenda:

Chairman, Rex Korson moved the Research Committee to the top of the committee reports. It was **MOVED** by Roger Beyer and **SECONDED** by Bob Schaefer to approve the agenda as corrected. **MOTION APPROVED.**

Meeting Minutes - August 8, 2019:

Chairman, Rex Korson offered a correction to the minutes; adding the amount of \$63,475 to the motion to fund second year research projects. It was **MOVED** by Jim Corliss and **SECONDED** by Beth Walterscheidt to approve the August 8, 2019 meeting minutes as amended. **MOTION APPROVED.**

Committee Reports

Research – Della Deal reported:

- Cyndi Alexander has sent all research contracts to awarded universities – 2 contracts have been signed, 4 have been negotiated and are awaiting USDA approval, 3 are still being negotiated.
- Cyndi Alexander had an opportunity to attend the International Christmas Tree Research and Extension conference in Quebec. While in Quebec, Cyndi held a meeting with the CoFirGE Scientists who agreed on uniform data collection.
- Recommendation for spotted Lantern fly -the researcher was unable to begin project and contract was not signed in fiscal year 2018-19. \$4,300 was approved last year, but not used. The new request is for \$4,598 for the same proposal. Della Deal is requesting re-approval of the Spotted Lantern Fly to continue the project.
- Cyndi Alexander provided a run-down of the Spotted Lantern Fly project to the board.

It was **MOVED** by Jim Rockis and **SECONDED** by Gary Westlake to approve the recommendation from the Research Committee to fund the work on the Spotted Lantern Fly. **MOTION APPROVED.**

- Della Deal, Research Committee members and some board members attended a webinar by Dr. Jack Wang at North Carolina State University regarding the CRISPR technology and the impact on other commodities. The Research Committee would like to recommend funding the research proposal for CRISPR engineering to improve Christmas trees.
- Requested amount \$58,300 which would include supplies and a graduate student.
- Board discussion on the CRISPR technology and project.

It was **MOVED** by Gary Westlake and **SECONDED** by Jim Rockis to approve the funding recommendation for the CRISPR project in the amount of \$58,300 for the research committee. **MOTION APPROVED.**

- Marsha Gray reviewed the research budget; noting the previously approved \$192,183 for research projects at the last meeting and the \$4,598 approved for Spotted Lantern Fly . Approving the CRISPR project exceeds the current research budget. There is \$121,197 in the Research Reserve fund.

It was **MOVED** by Roger Beyer and **SECONDED** by Jim Rockis to increase the research budget by \$58,300 to cover the cost of the CRISPR project and transfer funds from the research reserve fund. **MOTION APPROVED.**

Finance – Roger Beyer reported:

- July 2019 Financial Statement is complete with the exception of the Research account. Marsha Gray noted that once the final journal entry to accrue research expenses is entered, the research account expense line is expected to be \$253,58 with a new net profit of \$119,183.
- That he would like the balance sheet to itemize the research reserve and general reserve.
- The full board approved a budget amendment at the August 8 meeting, which increased the compliance and audit budget to \$60,000. However, that amount would have exceeded the administrative cap, so the Executive Committee, in an email vote, approved a smaller budget amendment, making the Compliance budget \$56,000.
- The Executive Committee will meet again before the next board meeting to discuss other budget adjustments that may or may not be needed.

It was **MOVED** by Paul Battaglia and **SECONDED** by Jim Rockis to move \$4,300 from net income in 2017-18 to the research reserve fund. **MOTION APPROVED.**

Industry Relations – Gary Westlake reported:

- Marsha Gray has received requests to have more information about our research projects on the website. Marsha Gray along with Cyndi Alexander are working on getting the details on the website.
- The Research summary video is still in the works.

Governance – Beth Walterscheidt – no items reported.

Promotion – Paul Battaglia reported:

- The Promotion Committee received an additional request for funding in the amount of \$21,000 for Christmas Spirit Foundation/Trees for Troops. It is broken down into three categories:
 - \$5,000: to support a plan to gather additional trees and buy banners/signs to be placed on vehicles that are transporting the trees.
 - \$6,000: to support a social media plan that includes more activity and paid advertising and “boosting”
 - \$10,000: to be the sponsor of the tags that are attached to the trees and cover the cost of shipping
- Board engaged in discussion on the funds requested for Christmas Spirit Foundation/Trees for Troops.

It was **MOVED** by Bob Schaffer and **SECONDED** by Jim Corliss to approve \$16,000 for the Trees for Troops proposal from the Christmas Spirit Foundation to support the social media plan and tag printing and shipping; amending the promotion committee budget to \$950,000 for the 2019-2020 fiscal year. **MOTION APPROVED.**

- Paul Battaglia reported that all parts of the campaign are moving forward.
- We have not yet agreed to The Kelly Clarkson Show opportunity, however we are much closer. The show approved fresh Christmas trees on the set for our show appearance. Fleishman Hillard continues to work with the producer to secure a favorable outcome.

Compliance Committee – Chris Maciborski:

- Jenny Tomaszewski reported that the approved compliance project is moving along nicely. 1,500 FedEx envelopes will be mailed on Friday, September 20th and 200 United States Postal Service envelopes will be mailed the middle of next week (September 25th/26th).
- Marsha Gray reported that we just received approval of the budget amendment for grower audits. The auditor used last time had agreed to work with us again and we are looking for a west coast auditor. Gray has one lead and is searching for others. Executing any farm audits prior to this harvest year is highly unlikely and will probably begin in January.

Industry Data Committee – Jim Rockis reported they are progressing with three major plug producers in the country that will provide us information. Jim Rockis and Cyndi Alexander are working to get their survey in order.

Management Staff Updates

- Marsha Gray reported that she has begun working with Home Depot and Lowes. Ms. Gray has had two meetings and several calls with Home Depot and their media team is now working with Concept Farm and Fleishman Hillard. As a fresh Christmas tree retailer, they can use CTPB messaging and assets.
- Ms. Gray has a meeting with the fresh goods buyer at Lowes tomorrow, Friday, September 20th.
- Marsha wrapped up with state meetings. The Pacific Northwest board suggested that we share our research projects on our website along with the funding per project.

New Business

- Marsha Gray reported the Voice of the Industry proposal from NCTA is identical to previous years with an increase in fee from \$13,500 to \$14,000. Doug Hundley would be serving as the spokesperson. Doug is a retired extension agent and this would be his third year in this role. NCTA would provide back-up assistance for Hundley.

It was **MOVED** by Bob Schafer and **SECONDED** by Della Deal to approve the proposal for the voice of the industry for \$14,000 that was submitted by NCTA. **MOTION APPROVED.**

USDA - Sue Coleman reported:

- Nominees have been approved and cleared by the USDA; a press release will be made when the Secretary makes these appointments.
- A new draft of the guidelines for AMS oversight provided to the CTPB board on September 6th, this is following a receipt of 250 comments on the guidelines. Boards have until the end of September to provide comments on this new revised draft. Marsha Gray mentioned that if anyone is interested in seeing these guidelines to contact her.
- Marsha Gray reported that they are still working on getting importer fees collected at the border. Will not happen this year, but they will continue to work to make this happen.

Announcements – no additional announcements were made.

Next Meeting

Chairman, Rex Korson, did not set a date for the next board meeting with harvest approaching. If an action item should arise a conference call will be scheduled.

Marsha Gray shared that Austin, Texas will be our next in-person board meeting in mid-February, still working out the details.

Adjourn:

It was **MOVED** by Gary Westlake and **SECONDED** by Roger Beyer to adjourn the meeting at 1:04 p.m. Eastern time. **MOTION APPROVED.**

Respectfully Submitted,

Bob Schaefer
Secretary