

CALIFORNIA CITRUS MUTUAL

REPORT TO THE CDFA BOARD - JUNE 30, 2010

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In 2000 the Plant Protection Act was implemented, which allowed USDA to develop systems approaches that allowed disease and pest free product into the United States from a pest and/or disease infested area. That change in policy combined with a highly mobile global population and increasing agricultural imports have overwhelmed the system.

The system can't begin to handle the volume of traffic: traveler, commercial or smuggler. That coupled with the fact that budgets are woefully inadequate has reduced the effectiveness of the prevention system. The result is an increase in invasive pest, disease detections, and quarantines for: LBAM, Asian citrus psyllid, diaspines root weevil, citrus leaf miner, European grape vine moth and others in California, with citrus canker, Huanglongbing (HLB) and citrus black spot in Florida posing additional threats domestically, and numerous other deadly citrus diseases in countries importing or seeking to import product into the United States. HLB is in Mexico, on both the east and west coast. The most recent detection of HLB infected ACP was in Mazatlan in the Mexican State of Sinaloa. This is a popular tourist area approximately 630 miles from the Arizona border at its closest point and about 903 miles on a direct line from Tijuana, from where ACP first entered San Diego County in 2008.

After 9-11 responsibility for agricultural border inspections was moved away from USDA and put under Customs and Border Protection. The transition was a rough one fraught with problems. CCM and others engaged actively, both in Washington and with CBP officials at California ports of entry. In our view most of the problems have been rectified. We continue to meet with CBP in Washington for staffing updates and information dissemination. We know, for example the amount of effort that has gone into our ACP/HLB issue from them.

The current budget crisis does not portend any positive improvement in our industry's ACP/HLB effort or the State's other programs in the foreseeable future. Diaspines root weevil was previously a quarantined pest, affecting multiple hosts including nursery stock in Southern California. CDFA downgraded the pest from actionable to non-actionable due to budget constants; not because the pest ceased to be an economic threat.

The 2009-10 CDFA budget is \$315 million of which \$98 million are General Fund dollars. The balance is funded through fees, Ag funds and Federal dollars. \$62 million of the of the \$98 million is allocated to the Division of Plant Health. A primary objective of the Board as the budget wars resume should be to maintain CDFA's general fund dollars, especially the \$62 million, and to increase the emergency project allocation.

There is currently dialogue that would access greater funding from the federal government. We believe that is a false assumption at worst and short lived at best. The federal government is fiscally hamstrung and will soon mirror the situation in California. Furthermore, it is our belief that Congress will eventually pass a Continuing Resolution or an Omnibus Appropriations bill that will leave funding for USDA at a level equal to last year for programs authorized last year. That basically translates to no new dollars.

LBAM is a threat to all of California's 271,000 acres of commercial citrus. The USDA has determined that LBAM could establish throughout the majority of the United States with the West Coast, Southwestern and Southeastern States at highest risk. The percentage of the annual crop value produced within the at-risk areas were: apples (58%), grapes (97%), oranges (100%) and pears (73%). The USDA has estimated the total annual crop costs due to damage and control if LBAM were introduced in the at-risk areas. The crops listed in descending order of economic loss and percentage of total crop damage costs were: oranges (43%), grapes (30%), apples (22%) and pears (5%). Also, because LBAM can occur in nursery stock, this industry could provide another pathway for its introduction outside of the quarantined area in addition to movement on agricultural commodities

The Asian citrus psyllid is the most dangerous threat currently facing the citrus industry. This is a sucking pest that has the potential to damage citrus, but the threat comes from its ability to vector HLB, sometimes referred to in Florida as citrus greening disease. There is no treatment or cure for this disease. Once it is in the tree the tree will decline, produce inedible fruit and eventually die. HLB is responsible for the death or destruction of tens of thousands of acres of citrus in Florida.

ACP is present in Southern California, in San Diego, Imperial, Orange and Los Angeles Counties. These counties are under an ACP quarantine. Infestations are currently confined to backyard trees in urban areas. ACP first entered CA from Mexico into San Diego County in 2008 and shortly thereafter Imperial County. The detections in La County came later in the central city area. Because of the high number of finds in LA, it is thought that this was an established population. HLB has not been found in CA.

CDFA has the responsibility of trapping, surveying and treating urban areas. The protocol is to treat 400 meters around a find. This program has proved very successful. However, because of budget constraints CDFA is currently limited to treating only the find site and adjacent properties. The exception is in Imperial county where the citrus industry through the newly created California Citrus Pest and Disease Management Committee has provided \$500,000 to resume the 400 meter treatments around finds in that county. The Committee is very concerned that a reduced level of treatment would lead to an increase in the populations and ultimately infestation of nearby commercial citrus. Since the 400 meter treatments resumed the number of new finds and repeat finds are down. To date there have only been a couple finds in commercial orchards. In those incidences the grower has treated and there have not been repeat finds.

The risk to the State of California, should HLB spread to the state, is the loss of its \$1.8 billion citrus industry that generates a multiplier of another \$1.2 billion. The industry's 74 packing houses, directly employing 12,000 with an additional 10,000 jobs in supporting services. Our industry saw what happened when Florida did not respond to the arrival of ACP. By the time HLB was first detected five years later, ACP had spread the disease throughout the entire state. Our industry is determined not to let that happen here.

Following the discovery in 2005 of HLB in Florida, we along with industry partners formed the HLB Task Force made up of representatives from industry, universities, CDFA and USDA.. At that time neither ACP or HLB had been found in California. The Technical Committee identified, prioritized and coordinated research needs. The Resource Committee identified and sourced funding. The Communications Committee developed educational materials and did public outreach to heighten public awareness, generate concern and garner public support for stopping a deadly threat to California citrus. The Citrus Research Board funded the public outreach which included the hiring of a PR firm to help develop the message in way that would resonate in the urban areas. The Task force developed an Action Plan in the event that ACP or HLB were found in California. The plan was within days of being completed when HLB was found in Tijuana Mexico and only few months later in San Diego. When ACP got here the industry was ready and more importantly the citizens in the urban areas were on board.

While we believe that in the interest of protecting America's food supply, it is the responsibility of government to prevent, detect and eradicate invasive species, our industry recognized early in the ACP/HLB fight that we would not be able to rely on the government to protect our industry. To assure that the California citrus industry did not go the way of Florida the industry rightly or wrongly would have pick up where government left off. To that end the industry took several proactive steps.

CRB increased its assessments and its cap to generate immediate dollars for trapping, surveying, testing and communications efforts. CRB has had sole responsibility for trapping and surveying all commercial citrus area in the state.

The industry sponsored and got passed legislation, AB 281, that created the California Citrus Pest and Disease Prevention Committee under the Secretary. The Committee made up of industry members is charged with budgeting, planning and running citrus specific pest and disease prevention programs under CDFA and funded by assessing citrus growers up to \$0.09 per carton produced. So far this year the Committee has appropriated \$500,000 for backyard treatments in Imperial County and \$350,000 to continue the communication effort.

The citrus nursery industry worked to pass SB 140, creating mandatory testing of nursery stock and establishing a time line for putting all registered propagative stock inside protective structures.

Additionally, millions of dollars in all of the citrus producing states are being directed toward research in a coordinated effort to improve detection, treatment and find a cure for HLB. It is the hope and prayer of our industry that the aggressive actions we are taking will hold off the arrival of HLB until an effective treatment or disease resistant tree can be developed.

In conclusion Citrus Mutual would recommend that the Board take the following actions to move the invasive species crisis in a positive direction toward solution.

First the Board should pass a resolution asking the Governor to seek a Congressional Reporting Service report or a General Accounting Office report asking for an evaluation of the pest situation since passage of the Plant Protection Act.

Secondly, the Board should pass a resolution speaking to the reduction of the pest exclusion budget activities and the corresponding increase in invasive pest costs and eradication program cost, most of which have been borne by the federal government. Mexico is getting \$1.5 million for ACP treatment along the border and California expects to receive \$11.5 million CHRP dollars; all for consumer or urban work. In both cases these are USDA funds.

Finally, the Board should describe specific negative impacts, not just on agriculture, but on the environment, jobs and the economy when an invasion occurs. The Board needs to remind the Governor's office about the loss of IPM and organic programs and cite examples of trade restrictions that limit the State's ability to generate income from exports.