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Open Letter from the NCPN Governing Board

Contemplation on Program Funding Use under the Farm Bill for FY 2015-2016

To: See Distribution Below

Discussion:

Since the inception of the National Clean Plant Network (NCPN) in the Farm Bill 2008 (section 10202) and as further reauthorized in the Farm Bill 2014 (section 10007), USDA has provided about \$25 million in public support to 20 clean plant centers in 15 States. Supported crops include fruit trees, grapes, hops, berries, and citrus; with sweet potato and roses initiating NCPN entry.

The Governing Board greatly appreciates all of the efforts of the Network members who engaged in the annual NCPN Request for Applications (RFA) process, with a special note of thanks to the applicants who so diligently provide compelling proposals; and especially to the various members of the NCPN Tier 2 Governing Body *ad hoc* committees who review applicant pre-proposals and help improve and harmonize the submissions. The work of the *ad hoc* committees is essential and, because of their labors, the program is better focused on the needs of industry for core services.

The NCPN Governing Board (NCPN-GB) met in June 2014 to discuss program funding priorities and cooperator trends in requesting support, noting past and present progress as well as future directions. Below in this document the Governing Board would like to provide the NCPN Tier 2 Governing Bodies as well as cooperators and other interested parties with information and interim guidance on matters directly associated with applications for NCPN funding support. Please note that our guidance pertains to the NCPN funding cycle for FY 2015 and FY 2016 and highlights topics that will be deliberated upon when NCPN next engages in its Strategic Planning process.

NCPN Funding Priorities

NCPN funding priorities are governed by language in the Farm Bill 2014, section 10007(e) which indicates that the program is to:

- Establish a network of clean plant centers for diagnostics and pathogen elimination services;
- Consult and collaborate with governments, universities, industry, and others in program implementation;
- Use existing public facilities to serve as clean plant centers;
- Produce clean propagative plant material;
- Maintain blocks of pathogen-tested plant materials; and
- Provide clean plant source material to stakeholders.

The Governing Board understands this language to mean that funding priorities focus on meeting the immediate operational/service needs of clean plant centers engaged in accepting, diagnosing, cleaning, holding, and providing clean plant source material to include the following categories

- Center Operations
 - This category includes staffing, equipment, supplies, materials, services, and minor existing facility retrofitting to ensure for plant health and containment associated

with the ‘immediate’ actions needed to accept, diagnose, clean, hold, and provide material; with the following added clarifications:

- Staffing and other routine/recurring costs --- Staffing is seen as a critical ‘control point’ for center operations; too vital to be supported by only one or a few funding sources. Over time, the Governing Board suggests that its foundation of support for this item be reasonably balanced with other sources secured by the centers.
 - Equipment and other allowable infrastructure costs --- The Governing Board sees this item as a principle/primary focus of NCPN funding support; including re-tooling needs. Such support engages public funding in the risk of ramp-up and basic system needs and ensures that the infrastructure is in place and is sound.
- Network Administration
 - Staffing, equipment, supplies, material, travel, and services associated with the network mandate to establish, consult, and collaborate.

Associated with the above supported costs as complimentary points of need are the following categories:

- Education/Outreach/Economics
 - Material, services, and travel costs associated with NCPN’s mandate to ‘provide clean plant source material’; namely to ensure that the availability and value of using clean plant materials is communicated well to the associated communities and users.
- Methods Development
 - Costs associated with operationalizing research on improvements in diagnostics and therapeutics so that the resulting technologies become immediately applicable to the service needs of NCPN.
- G-2 Foundations
 - Occasionally the Governing Board may consider supporting foundations where plant material is cleaned at one location, but material is maintained locally elsewhere in G-1 ‘like’ conditions for specialized service to local industry. Better service to local industry as balanced against the cost in supporting extensive systems is at the core of this issue.

The Governing Board remains vigilant against NCPN program ‘mission creep’ and intends to engage in a discussion on this matter of reaffirming the program mission at the next NCPN national meeting, tentatively planned for some time late in 2015 and focusing on cap stoning NCPN Strategic Planning FY 2015-2020.

Cost requests that the Governing Board has generally not supported include the following categories:

- Construction – Offices, screen-houses, greenhouses, roads, and retaining walls as well as improvements not associated with immediate NCPN priorities such as cosmetics upgrades or work not directly impacting the core mission of NCPN.
- Research – Investigations to develop new or advanced diagnostic and therapeutic technologies or to study pathogens. However once new methods are developed and accepted, NCPN resources might be provided to implement them.
- Certain Equipment and Supplies – Materials not directly related to the immediate needs to a clean plant center to engage in diagnostics, therapy, or foundation work.

- Nursery Certification and related programs – The Governing Board understands that the clean plant ‘system’ extends beyond the immediate reach of NCPN into areas such as nursery and grower programs for plant increase, distribution, and follow-up. The Governing Board is aware that the Network has funding limitations and that other sources of funding such as that found in other areas of the Farm Bill or elsewhere are better intended to support these expanded needs.
- Cost Swapping – The use of NCPN funds to replace funds already being provided to a center for services comparable to what NCPN supports; except in rare instances where the ‘released’ funds remain in direct support of the operations of the clean plant program.
- Other costs – Plant DNA fingerprinting, scholarships, plant increase blocks, international travel (unless specifically authorized); and any costs not reasonably demonstrable as addressing the immediate clean plant center needs for operations/services support.

Guidance on Funding Amounts per Specialty Crop or Other Category:

The Governing Board is compelled to provide stakeholders with benchmark funding amounts reasonably ascribed to each crop or initiative currently in the network or anticipated to seek entry with two specific goals in mind: 1) to provide Tier 2 Governing Bodies, applicants for support, and proposal review teams some standard against which to develop and gauge proposals that are moderate and reasonable in purpose and amount of funding being requested, and 2) to further encourage meaningful long-term planning and efficient prioritization of needs.

In providing these benchmarks, the Governing Board fully understands the pitfalls in this exercise and intends the numbers to be advisory only; to serve as a practical target while also communicating practical limits on the ‘ask’ anticipated from each specialty crop group and applicant. The percentages are based on a read of the NCPN funding historical record of the past 5 years as adjusted for funding anomalies and an expectation that certain needs are changing. As necessary, the Governing Board will make final funding recommendations however based on the realities of demonstrated need at the time proposals are submitted.

For FY 2015 it is suggested, and **for FY 2016** it is anticipated that the NCPN Tier 2 Governing Bodies, any working groups associated with them, and applicants for NCPN funding will work to develop proposals that collectively remain within the following amounts as a percentage of total available NCPN funding for the year:

- **Fruit Trees** – 20%-25% >>> in total for **all** applications for this crop
- **Grapes** – 20%-25% >>> in total for **all** applications for this crop
- **Hops** – 3%-5% >>> in total for **all** applications for this crop
- **Berries** – 10%-15% >>> in total for **all** applications for this crop
- **Citrus** – 20%-25% >>> in total for **all** applications for this crop
- **Education/Outreach/Economics** – 2%-5% >>> in total for **all** applications for this need
- **New Crops** – 5%-10% >>> in total for **all** applications for this crop

If the above recommendations are followed, the ‘ask’ might still exceed the total amount of funding available to NCPN. The Governing Board will engage in making funding recommendations, based on their reviews of proposals that further moderate within suggested limits.

It is anticipated that the setting of limits as indicated above will accomplish the following desired outcomes over time:

- Provide Tier 2 Governing Bodies and applicants with clarity over practical funding targets, both in amounts and items, for crops and *visa vie* individual proposals.
- Help Tier 2 Governing Bodies and applicants plan and space-out immediate and long-term funding needs; facilitating a 5-year planning processes at all levels, including that of the Governing Board.
- Encourage applicants to gauge their own needs against those of others in the crop group as well as collectively within the whole network.
- Ensure for moderation and priority setting in individual applications for funding support; in essence the ‘ask’ is proportioned within the covered crop group.
- Ease the duties of the Governing Board and the Tier 2 *ad hoc* pre-proposal review committees by ensuring that proposals submitted too them for consideration as to relevance to the needs of the network, that crop, and the industry, have been considered by the applicants based on provided guidance.
- Increase the likelihood and surety that items specifically requested in proposals to Tier 2 *ad hoc* committees and the Governing Board will make it through the review processes for consideration; in essence, prioritization is returned to the applicant, with guidance and concurrences placed with the Tier 2 *ad hoc* pre-proposal review committees, and final recommendations with the Governing Board.

5-Year Program and Fiscal Planning – Tier 2’s and Individual Centers:

The Governing Board requests that each of the Tier 2 Governing Bodies (or groups established by them for such a specific purpose, such as an industry advisory team) and individual clean plant centers that anticipate continued program support establish basic 5-Year Plans under which program and fiscal needs are projected and communicated initially among each other for prioritization and harmonization; and finally with the Governing Board in support of funding consideration and long-term planning. We understand that select centers and Tier 2 bodies (or groups established by them) may already be making such projections and therefore greatly encourage continuance and communication of the effort. The goals for the five-year planning effort follow:

- Plans would be provided to the Governing Board for their understanding, planning, and communicating long-term support strategies for crops and centers.
- Plans would serve to harmonize and support annual center requests for NCPN funding.
- Plans would be kept short/basic >>> not to exceed 3-5 pages; touching upon the highlights of anticipated program directions and associated fiscal needs.
- Plans would be updated annually as realities on the ground change.
- Plans would be accepted earlier, but no later than with the NCPN FY 2016 funding cycle.

Of critical importance, the Tier 2 Governing Bodies 5-year program and fiscal plans should provide clarity regarding the harmonized roles and funding needs of each participating cooperator, how they relate to and support each other, and how any new entities previously not supported by NCPN funding are rationally incorporated into the plan to better embellish the services provided to industry. Additionally, the Tier 2 Governing Bodies are encouraged to establish and maintain a running ‘wish list’ that is consolidated across all centers under their aegis, timed as to when the need will likely occur, prioritized among all listed ‘wishes’, and aligned with NCPN funding priorities.

On a related note; one of the challenges facing supporters of clean plant programs is in fully understanding the total costs of what it takes to run a clean plant center; including the costs of actually producing clean plant material. As such, the requested 5-year plans for individual centers should indicate or estimate, in addition to program needs, total clean plant center costs, the amount of these costs proposed to be borne by NCPN, other actual or anticipated sources of support or revenue, and how it is anticipated that the NCPN contribution might change over time. Short budget narratives are needed that clearly explain funding requests.

Additionally, the actual costs associated with cleaning up individual material are of great interest to industry. Development or refinement of this information by clean plant centers should also be pursued and then used in discussions with cooperators when addressing long-term center sustainability.

Long-Term Clean Plant Center Sustainability:

Clean plant centers are vital to the nations agricultural health and economy, and planning for their long-term sustainability is prudent and of immediate concern. The public, seeing an interest in this matter, has provided for the sustenance of NCPN and its associated entities. Funding is however limited and the needs are great and expanding.

When NCPN first launched, clean plant centers sought and received significant priority support to affirm, stabilize, and advance capacity. This support was and is wholly justified. Today, the Network is more robust, and the challenge of balancing NCPN support with other sources to ensure for long-term program sustainability is vital and timely.

- Clean plant centers in consultation with stakeholders might prudently plan for multiple-streams of support, such that the suspension of any one source of funding for whatever reason will not, after reasonable adjustment, result in irreparable harm to the continuance of center operations, the Network in general, or to stakeholders that depend on services.
- Program leaders are encouraged to engage and establish business plans that focus on long-term center sustainability.
- Care should be taken in developing funding sources that are balanced and encouraging of continued and expanded use of the Network as a critical plant safeguarding tool; ensuring that Network use by stakeholders is facilitated through processes that are easy to access and compelling in cost.
- Federal, State, and other granting sources, institutional support, revenue from services rendered, and other means, either direct or indirect, of generating center support is encouraged.

It is the sense of the Governing Board, as an overarching procedure, that clean plant centers, when first entering the network, might be anticipated to have escalating ‘asks’ for funding support to satisfy immediate needs for improvements that directly relate to service delivery and to reasonably ‘ramp-up’ to meet the needs of clients. After a reasonable period of ramp-up activities, the Governing Board anticipates that the needs for NCPN support to such centers would stabilize while centers endeavor to diversify their support system. This diversification would then be followed by a reasonable decline in reliance on NCPN support; thus allowing the Network to focus resources on existing criticalities and expand assistance to other centers and new crops.

- Over a reasonable period of time after initial program needs have been satisfied (and with reasonable exceptions and flexibility to account for select conditions that may warrant otherwise) it is the anticipation and speculation of the Governing Board that NCPN’s

portion of center support might generally not exceed perhaps 25% of the total costs of operations associated with crops for which support is being sought.

After some reasonable period of reduced support from NCPN, the Governing Board understands that a cyclical return to escalating needs may occur due to factors such as equipment obsolescence or new opportunities to adjust services or meet new challenges as they arise. At such a time, application to NCPN for increased support is anticipated.

Conclusion:

It is the sense of the Governing Board that the cursory observations and guidance provided here will be useful to the intended audience to advance NCPN strategic, program, and fiscal planning and to clarify certain parameters for applicants intending to seek NCPN funding in FY 2015 and FY 2016. It is hoped that the guidance provided above will accord NCPN stakeholders with greater clarity, direction, and both immediate and long-term contemplation of support.

The Governing Board hopes that the parameters set here will communicate the need, and provide for adequate lead time, for attention on these matters, including robust action in the direction of appropriate center funding diversity while also communicating the intention of the Governing Board to provide for a robust, stable, and expanded network; including other specialty crops of interest to American industry while simultaneously honoring past traditions and commitments needed to ensure for the strength and success of centers currently supported through NCPN.

An opportunity to more fully discuss and further pursue these guidances and other related propositions will manifest itself later in FY 2015 with a proposed NCPN national meeting that intends largely to focus on the matter of a new and advanced NCPN Strategic Plan FY 2015-2020.

Questions or comments about the observations provided in this open letter may be submitted to the NCPN Management Team for points of clarification and for transmission to the Governing Board for their contemplation. The Coordinator can be reached as provided for below.

Thanks to all for your continued support of, and engagement in the activities of the National Clean Plant Network. NCPN is really your program, and your network. Together we have succeeded to make and keep it advancing, responsive, relevant, useful, strong, and sustainable.

Thanks again to all.

On behalf of the Governing Board

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Distribution:

- NCPN Governing Board
- NCPN Operations Leadership Team (Tier 2 'core')
- NCPN Tier 2 Governing Body Members
- NCPN Cross-Commodity Industry Leadership Team
- NCPN 'Chairs' and Members of the FY 2014/2015 *ad hoc* pre-proposal review committees
- NCPN FY 2014 Funding Recipients