



Foundation Plant Services

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FPS GRAPEVINE USER FEES & HOW THEY ARE ASSESSED

As a customer who has purchased grapevine material from FPS, you signed the "FPS Grower Agreement" on the reverse side of the order form, including an agreement to pay annual user fees of four cents (\$.04) for each propagative unit sold, exchanged or retained for your own use during the preceding calendar year. FPS User Fee income goes directly to support the FPS grape program to help offset the high cost of testing, maintaining and distributing small quantities of plant material, and are the largest single source of support for our grape clean stock program.

FPS user fees should not be confused with other types of assessments, such as nursery assessments due to the California Dept. of Food & Agriculture (CDFA) or royalties payable to the UC Office of Technology Transfer for propagation of UC-patented grape varieties. FPS User Fees are not charged on UC-patented materials.

Each spring you will receive a report form and are asked to record the number of propagative units you have sold, exchanged or retained for your own use during the previous calendar year, and to mail in your payment if applicable. If no user fees are due, please note "-0-" on the report form and return it to FPS.

The obligation to report and/or pay FPS user fees applies to all purchasers of FPS material, including nurseries, growers, wineries, hobbyists or other entities. All customers can potentially increase their FPS materials, so all are asked to report. User fees apply to both certified and noncertified materials, as well as to private proprietary materials maintained by FPS. The user fee agreement is applicable for the life of your vines, applies to all generations of propagations, and continues with a new owner in the event you sell the property on which the vines are growing.

FPS defines a propagative unit as "the smallest vegetative unit used to produce a new plant, or as any unit derived in any way from the plant material provided..." by FPS, "...including transfer of genetic material whether by traditional breeding or biotechnology techniques and including, but not limited to, a cutting, rooting, benchgrafted vine, graftstick, or budstick..." The attached diagram may help to clarify this definition.

FPS relies upon user fees to keep it financially healthy and responsive to industry needs. In accordance with the Grower Agreement, FPS retains the right to inspect and audit the business records and plantings of a customer, and to review the CDFA Registration &

Certification Program records, if underpayment or nonpayment is suspected. Non-payment of user fees due will result in a customer's loss of priority for grape program material allocations.

Questions about FPS User Fees should be directed to Carole Lamb by E-mail at cjlamb@ucdavis.edu or by phone at (530) 752-5400.