



# 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 are required to report each year the number of propagative units sold, exchanged or retained for your own use during the preceding calendar year and to pay a User Fee of two cents (\$.02) per each propagative unit. User fees are a major source of revenue for our program. They help to offset the high cost of testing, maintaining and distributing small quantities of many types and varieties of plant material, and are the largest single source of support for our grape clean stock program.

At the time you purchased your grape material from FPS, you signed the "FPS Grower Agreement" on the reverse side of your order form, which includes an agreement to pay annual user fees to FPS. FPS User Fees represent income which goes directly to support the FPS grape program, and 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, since support comes indirectly to FPS from patent royalties paid on these materials.

Each year in late April or early May you will receive a report form and be asked to report the number of propagative units you have sold, exchanged or retained for your own use during the previous calendar year (January 1<sup>st</sup>-December 31<sup>st</sup>), and to mail in your payment if applicable. The reporting cycle was set up for April/May each year to allow customers adequate time to compile their records from the previous calendar year before being asked to report. If for some reason you need to report user fees for a calendar year other than the one specified on the report form, there is a space on the form immediately below the line for the present reporting year where you can indicate the year, number of propagative units and amount of off-cycle user fees due. If no user fees are due for the present reporting period, you should note "-0-" on the report form and return it to FPS to avoid receiving additional notices.

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

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## **FPS GRAPEVINE USER FEES & HOW THEY ARE ASSESSED (CONT.)**

For the purposes of the FPS Grower Agreement, a “propagative unit” is defined 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...” User fees are due on all generations of plants produced from FPS propagating material. It is important to note that when single buds are used to produce plants, then User Fees are due for each bud sold, used or exchanged. In the event a new plant is produced using both rootstock and scion material from FPS, the user fee is due on all parts of the new plant that were derived from FPS materials. Therefore, a \$.024 (2.4 cent) user fee is the complete fee on a benchgraft produced with both FPS scion wood and FPS rootstock. The attached diagram may help you to understand and visualize 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 the upcoming winter’s dormant cutting allocations, and may at some point in the near future affect a customer’s status in the CDFA Registration & Certification Program.

There are a few situations which may warrant removal from the user fee list. If you wish to request removal from the user fee mailing list, please check the box on the front of the report form, and a removal request form will be mailed to you.

Questions about FPS User Fees should be directed to Business Office/Distribution Manager Cheryl Covert by E-mail at [clcovert@ucdavis.edu](mailto:clcovert@ucdavis.edu) or by phone at (530) 752-3590.

*--- PLEASE SEE DIAGRAM ON NEXT PAGE ---*