

**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)
FERTILIZER INSPECTION ADVISORY BOARD (FIAB)**

**CDFA, Inspection Services Division
2800 Gateway Oaks Drive, Room 101
Sacramento, CA 95833**

**January 14, 2016
MINUTES**

MEMBERS

Andrew Godfrey
Brad Baltzer, Chair
David McEuen
Doug Graham
Gary Silveria
Jake Evans
Melissa McQueen
Ron Naven
Steve Spangler

CDFA

Amadou Ba
Barzin Moradi
Dale Woods
Doug West
Elaine Wong
Lisa Montanez
Luz Roa
Mark Cady
Maria Tenorio
Minal Patel
Natalie Jacuzzi
Nirmal Saini
Param Singh
Shari Lo Grossman

INTERESTED PARTIES

Mindy Derohan
Rebekah Menezes
Renee Pinel
Steve Beckley
Tad Bell

INTRODUCTIONS AND ANNOUNCEMENTS

Mr. Brad Baltzer, Chair, called the FIAB meeting to order at 9:00 a.m. He welcomed Mr. Ron Naven as a new board member. Self-introductions were made and a quorum was established.

Mr. Naven introduced himself to the board. He stated he works for Yara North America, and represents Northern California. He has been in the fertilizer industry for 31 years.

APPROVE SEPTEMBER 17, 2015 MEETING MINUTES

Mr. Baltzer requested the board review the minutes from the September 17, 2015 FIAB meeting.

MOTION: Ms. Melissa McQueen moved to approve the minutes as submitted; Mr. Ron Naven seconded. The motion passed unanimously by all board members present with a vote of 9 - 0.

DEPARTMENT, DIVISION, AND BRANCH UPDATES

Dr. Amadou Ba introduced Ms. Minal Patel as the branch Office Assistant, and informed the board she will be taking minutes until the previous incumbents position is filled on a permanent basis. He further introduced Ms. Lisa Montanez and Dr. Shari Lo Grossman as new Environmental Scientists for the Fertilizer Program. Mr. Param Singh is on a limited term assignment as a Supervisor Special Investigator I, as Mr. Nick Young was promoted to Supervisor Special Investigator II for the Fertilizer Program. For the administrative staff, Ms. Adrienne Belvedere was hired as an Agricultural Aide. Mr. Rick Jensen was unable to attend today's board meeting because he is in Monterey for an outreach meeting regarding the Food Safety Modernization Act's (FSMA) produce and feed rules.

The Governor's Budget has been released and CDFA is scheduled to receive \$485 million. The Feed and Livestock Drugs Inspection Program submitted a budget change proposal for the use of antibiotic drugs; it was approved by the Department of Finance for \$1.3 million. The new Medical Cannabis Program will be under the Division of Inspection Services, and will be a joint effort between multiple departments including: CDFA, Department of Pesticide Regulation, and State Water Board (SWB); it will be overseen by the Department of Consumer Affairs. The Fertilizer Research and Education Program (FREP) is conducting outreach activities and grower trainings.

PROGRAM UPDATES AND FUND CONDITIONS

Dr. Dale Woods reviewed the fund conditions from July 1, 2015 through October 31, 2015. The beginning balance for the Fertilizer Program was \$5,314,402; revenue was \$3,236,484; expenditures were \$1,449,435; encumbrances were \$506,929; the adjusted ending balance was \$6,594,522. The majority of the revenue was from the mill assessment fee. The Organic Input Material (OIM) Program is seeming to be more self-sufficient due to better tracking of program activities.

Mr. Jake Evans asked if the cost of out-of-state inspections is included in the fund condition. Dr. Woods stated out-of-state and out-of-country OIM inspections are being paid by the parent program, the Fertilizer Program. This is because the law stipulates the mill assessment fee will cover inspections; the cost is included in the budget projections.

The beginning balance for the OIM Program was -\$332,486; revenue was \$363,561; expenditures were \$169,175; encumbrances were \$47,312; the adjusted ending balance was -\$185,412.

There are two transfers pending which will decrease the Fertilizer Program's balance by \$741,107. The OIM Program will receive \$181,851; FREP will receive \$599,256.

Dr. Woods stated FREP's beginning balance was \$2,990,212; revenue was \$1,272,136; expenditures were \$825,831; encumbrances through fiscal year (FY) 15/16 were \$2,096,307; the adjusted ending balance was \$1,340,210.

MILL ASSESSMENT AND FERTILIZER PRICING DISCUSSION

Dr. Woods reviewed the monthly mill assessment trends. The rate increased from \$0.002 to \$0.003 on October 1, 2014. For FY 14/15, mill revenue was \$6,695,916. For FY 15/16, through October, mill revenue was \$3,672,177. The Program believes it will continue to have a sufficient revenue flow, and there is no need to increase the mill assessment rate at this time. He noted the mill assessment rate is currently at the maximum rate allowed by law. If an increase was needed, it would require a law change.

Discussion ensued regarding general fertilizer market conditions, short and long term effects; the board agreed to continue to monitoring mill assessment trends closely.

INSPECTION AND COMPLIANCE UPDATES

Mr. Singh provided the board with inspection and compliance updates stating 214 OIM inspections (approximately 96 percent) were completed in California, Oregon, Nevada, and Arizona by the end of November 2015. Ecocert had conducted 43 out-of-state inspections through November. The total locations that require an inspection in California, Oregon, Nevada, and Arizona is 224.

The total fertilizer samples for 2015 was approximately 1,080. There were 549 conventional samples; 416 OIM samples; and 115 investigative samples.

Mr. Singh stated the violation rate for conventional fertilizer was 20 percent and 19 percent for OIM. Data is not fully complete for 2015; it is still being compiled.

The Program is on track to have all inspections completed for California and bordering states by the end of the 2016 calendar year. The number of locations requiring

inspections continues to increase; currently, there are 248 total locations - 20 percent more than in 2014.

Mr. Singh went over total civil penalties collected in 2015; \$121,167.34 has been collected to-date. There are seven cases still pending and one in default. Pending penalties are \$87,675.57, and penalties in default are \$5,929.99.

Dr. Woods informed the board the agenda item Proposed Regulations was for update purposes only. The regulation packet that was discussed at the prior meeting is currently being routed through the program for approval.

REGISTRATION UPDATES

Ms. Luz Roa informed the board Dr. Woods and Ms. Jenny Lester-Moffit recently attended the National Organic Standards Board (NOSB) meeting in Vermont. The OIM program has been International Organization for Standardization (ISO) certified by the United States Department of Agriculture, Agricultural Marketing Services (USDA-AMS) since January 29, 2015; the program will soon be subject to a follow-up audit. Ms. Roa stated the 2015 Fertilizer Workshop in Sacramento, California had over 100 attendees, and received positive feedback from industry. The 2016 Fertilizer Workshop will be held in Southern California.

Ms. Roa provided the board with registration application updates, highlighting at the end of December 2015, there were 8,006 approved conventional registrations and 1,544 approved OIM registrations. By year end, 9,550 labels were approved and were up for renewal in January 2016. The current OIM approved product list with 1,544 approved products is available on the CDFA website. An updated list will be posted around March/April 2016.

FREP UPDATES

Dr. Barzin Moradi informed the board FREP's strategic planning is still in progress. General goals for the next 5 – 10 years are fostering improvements in the agronomic and environmental performance of fertilizing materials, including:

- Positioning FREP as the primary source of information on nutrient management
- Bringing research into practice
- Identifying and addressing knowledge gaps

Dr. Moradi further stated FREP determined the major objective of the Central Coast Initiative is to reach out to the agricultural and community experts, commodity groups, local agencies, shippers, packers, consultants, and environmental groups, etc. FREP will continue to focus on outreach, education, and research. The main research priority areas include improving input management, understanding soil-plant processes, and loss pathways.

Dr. West stated there is currently \$3,340,237 encumbered through FY 17/18 for ongoing FREP research projects.

LABORATORY UPDATES

Ms. Elaine Wong reported that from January 1, 2015 through October 31, 2015, 1,069 samples were received. At year end, there were approximately 1,200 samples. Of the 1,200 samples, 1,016 were routine; 10 were priority; 18 were partial rush; and 25 were rush. The average assays per sample was 4.82; total assays requested were 5,149; of those, 5,001 were routine and 148 were rush. The majority of the turn-around times were under 14 days.

Ms. Wong informed the board the lab has purchased some new equipment, and more cross training is occurring between the lab staff.

AGENDA ITEMS FOR FUTURE MEETINGS

Mr. Baltzer asked the board for agenda items for the next meeting, aside from mill assessment trends.

Mr. Spangler asked the board be provided with more information on the Central Coast Public Records Act (PRA) request, regarding the cease and desist order in the central coast. He stated this should include where they get the standards for this and which body of water it encompasses; who and where the fertilizer tests go to, and critical impacts; including how this impacts CDFA's Fertilizer program and if this issue may lead to a lawsuit.

Discussion ensued regarding the Central Coast PRA. Dr. Ba stated the program will look into it.

Mr. Andrew Godfrey asked for a summary of fertilizer early registration renewals, including firms, labels (OIM and conventional), and pending product reviews since the last renewal cycle took 7 – 8 months for the program to register products.

NEXT MEETING

The next FIAB meeting will be at 9:00 a.m., Wednesday, May 11, 2016, in Fresno, California.

MOTION: Ms. Melissa McQueen moved to adjourn the meeting; Mr. Gary Silveria seconded. The motion passed unanimously by all board members present with a 9 - 0 vote.

Mr. Baltzer adjourned the meeting at 11:13 a.m.

Respectfully submitted by:



Dr. Dale Woods
Environmental Program Manager I
Fertilizing Materials Inspection Program

1/14/2016

Date