

**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**

**September 17, 2015  
MINUTES**

**MEMBERS**

Brad Baltzer, Chair  
Andrew Godfrey  
Doug Graham  
Melissa McQueen  
Steve Spangler

**CDFA**

Amadou Ba  
Angelia Johnson  
Barzin Moradi  
Brooke Elliott  
Dale Woods  
Doug West  
Kevin Wall  
Kristopher Gulliver  
Maria Tenorio  
Marilyn Boehnke  
Marja Koivunen  
Mark Cady  
Megan Kavanaugh  
Natalie Jacuzzi  
Nick Young  
Nirmal Saini  
Wei Wu

**INTERESTED PARTIES**

Mindy DeRohan  
Rebekah Menezes  
Renee Pinel

**INTRODUCTIONS AND ANNOUNCEMENTS**

Chairman, Brad Baltzer, called the FIAB meeting to order at 9:00 a.m. Ms. Rachel Oster, Mr. David McEuen, Mr. Gary Silveria, and Mr. Jake Evans were unable to attend today's meeting. Self-introductions were made and a quorum was established.

**APPROVE MAY 13, 2015 MEETING MINUTES**

Chairman Baltzer requested the Board review the minutes of the May 13, 2015 FIAB meeting.

**MOTION:** Mr. Doug Graham moved to approve the minutes as submitted; Mr. Andrew Godfrey seconded. The motion passed unanimously by all board members present with a vote of 5 - 0.

## **DEPARTMENT, DIVISION, AND BRANCH UPDATES**

Dr. Amadou Ba announced recent hires to the Feed, Fertilizer, and Livestock Drugs Regulatory Services Branch (FFLDRS). Mr. Kevin Wall was hired as a Feed, Fertilizer and Livestock Drug Inspector, Dr. Marja Koivunen was hired as Senior Environmental Scientist (Specialist), and Dr. Shari Lo Grossman was hired as an Environmental Scientist within the Fertilizing Materials Inspection Program (FMIP). Mr. Timothy Valles was appointed as a Program Technician II, Ms. Minal Patel was appointed as an Office Assistant, and Ms. Melissa Espejel was appointed as an Agricultural Aide (Seasonal) within the Branch Office Support Staff Unit (BOSS). Mr. Nick Young was moved to a Supervising Special Investigator II position on an out-of-class assignment, and Mr. Param Singh was promoted to Supervising Special Investigator I, on a limited term basis.

Dr. Ba informed the board of legislative and regulatory issues. Assembly Bill (AB) 1039, drafted by FFLDRS staff, would amend the Food and Agricultural Code (FAC) to enhance CDFA's ability to collect administrative penalties, has been signed into law by the Governor. The new Food Safety Modernization Act (FSMA) rules for preventive controls for Human Food and Animal Food are now finalized. The new requirements of the rule will heavily impact the Feed Program. Senate Bill (SB) 27, regarding the use of antimicrobial drugs in livestock, will impact the Livestock Drugs Program and the Feed Program. The bill passed through the Assembly and the Senate and is currently on the Governor's desk for signature.

To implement FSMA, the Food and Drug Administration (FDA) offered grants and cooperative agreements to state feed programs. CDFA submitted an application and has been awarded \$450,000 per year for five years - \$300,000 per year for FFLDRS to achieve and maintain full implementation of the Animal Feed Regulatory Program Standards (AFRPS), and \$150,000 to the Center for Analytical Chemistry (CAC) laboratory enhancement and coordination to maintain, and enhance International Organization for Standardization (ISO) 17025:2005 accreditation.

Bargaining Unit 10, the professional scientists union, has entered into a tentative agreement with the state for a salary increase for rank and file members. The increase will be a five percent per year salary increase, for the next five years. The tentative agreement requires ratification by the membership and the state legislature, and the Governor's signature. The salary increases would impact the budget, but since the salary increase is not yet official, it cannot be included in the proposed budget.

CDFA has developed the Office of Environmental Farming and Innovation (OEFI) headed by CDFA Science Adviser, Dr. Amrith Gunasekara. OEFI will provide incentives to farmers and ranchers whose practices improve ecosystems, air quality, and wildlife and its habitat. Two programs under the OEFI umbrella, the State Water Efficiency and Enhancement Program (SWEET) and the Dairy Digester Research and Development Program, received funding from the Greenhouse Gas Reduction Fund via the state cap and trade program.

## **FERTILIZER LABEL REGISTRATION UPDATES**

Dr. Dale Woods stated FFLDRS has only one vacancy, an Environmental Scientist position within the FMIP. The position was advertised and applications are coming in. He reported 7,800 conventional registration applications had been approved and 121 were pending review as of September 16, 2015. Although it is late in the year to receive applications, they are still coming in. As of August 2015, 1,447 Organic Input Material (OIM) applications were approved and 41 were pending review.

Dr. Woods informed the board annual audits are required to maintain the International Organization for Standardization (ISO) 17065 accreditation. An internal audit was held in July 2015, and the United States Department of Agriculture (USDA) - AMS audit is expected in February 2016. FMIP expected the accreditation to be the last step to obtain USDA - National Organic Program (NOP) recognition as a Material Review Organization (MRO). The Division Director, Mr. Rick Jensen, wrote a letter to the NOP in August 2015, requesting formal recognition of the OIM Program as an MRO. The letter outlined how the program meets the requirements and polices of NOP Policy Memo 11-4 and Guidance Document 5012.

The fertilizer workshop is scheduled for October 7-8, 2015, in Sacramento at the Holiday Inn. The annual workshop has break-out sessions on tonnage and mill reporting, registration and licensing, OIMs, and the Extraview database; it also allows time for one-on-one appointments with registration staff.

The Program is planning a change to the upcoming registration renewal process. Both OIM and conventional applications are currently due in January. To address the heavy influx of applications, the Program will send out a notice in October 2015 stating OIM applications will be accepted in the beginning of November 2015. The turnaround time for an OIM firm, which submits a complete renewal package with all necessary documents, is approximately three months. The intent for early registration is to have many applications reviewed, pre-approved, and ready to finalize upon receipt of the fees, which cannot be accepted until January 1, 2016.

The Association of American Plant Food Control Officials (AAPFCO) has a few proposals under discussion that will impact aspects of the industry. One issue is the question of allowing amendments on the grade statement, based on the relative content of nitrogen (N), phosphorus (P), and Potassium (K). Some states are making an effort to have firms change their product names to address this. In California, any changes that result in a product name change would require a new registration with all associated fees. This would be significant for the Program because there are currently 5,250 approved labels that require a grade statement.

California and a few other states have been testing for and allowing silicon on labels with some very specific verbiage; however, the testing methods and labeling are different from state to state. AAPFCO is now reviewing laboratory methods and label requirements, and is very close to approval. The AAPFCO-approved label will likely have the term soluble silicon, and the Program would have to change its labeling standards for consistency. If the Program changes its requirements, industry will be given notice and allowed a significant amount of time to make the label changes.

Silicon is now accepted on labeling for dicots. Enough data has finally been provided to show that silicon is a benefit and not just for monocots. The Program has not sent a notice to industry, but it will be discussed at the October 2015 workshop.

There is discussion at AAPFCO regarding humic acid, which has been a perennial issue in the nationwide registration community. CDFA has been ahead of the humic acid issue because the Program accepted one supportable claim and was firm about what would be allowed; that is a defining characteristic for California because other states do not do these inspections and test for the acids. Some states are moving towards accepting laboratory methods for fulvic acid; however, there are issues with the testing method. The Program doesn't anticipate any changes for quite a while, as the CAC would have to assert that it is able to functionally conduct those tests, and appropriate efficacy data would definitely be needed to show the addition of fulvic acid is scientifically supported.

### **INSPECTION UPDATES**

Mr. Nick Young stated 144 OIM inspections (approximately 60 percent) were completed in California, Oregon, Nevada, and Arizona by the end of August 2015. The Program is on track to have all inspections completed for California and bordering states by the end of the 2015 calendar year. The number of locations requiring inspections continues to increase; currently, there are 248 total locations - 20 percent more than in 2014.

Mr. Young announced he will be serving on the board of AAPFCO, which will give California more of a voice at their meetings, as appropriate, since California is a leader in the agricultural industry. He will be presenting at an AAPFCO meeting soon, and plans to announce that Ecocert will be conducting out-of-state and out-of-county inspections on behalf of CDFA. Online classroom training was initiated in May 2015 for seven Ecocert inspectors who will be conducting OIM inspections in the United States (US). Mr. Young traveled to Minnesota, Iowa, Mississippi, and Washington to do in-field training. Out-of-country inspections are expected to begin in late 2015 or early 2016.

Chairman Baltzer asked if there was a chance for reciprocal inspections with other states. Mr. Young replied not at this time. Dr. Woods stated it is a long-term possibility.

Mr. Young stated a civil penalty case is the end result of uncorrected violations. The interval for a firm to correct an issue from a warning notice to a penalty notice is generally three to five months. Since the May 13, 2015 board meeting, four civil penalty cases have been completed; two with OIM manufacturers and two with specialty fertilizer manufacturers. In three cases the manufacturer paid the penalty. In the fourth case, the manufacturer signed a stipulation to pay the fine. There are six new cases pending for various violations. The firms have several options: request an informal hearing with a hearing officer, request a formal hearing, or accept and pay the fine. Most firms pay the fine because the cases have been very thorough with concrete evidence. Out of approximately 20 civil penalty cases, only 3 or 4 firms requested hearings.

Discussion ensued regarding posting a list of firms who are fined for violations on the CDFA website; however, a list will not be posted at this time. There are too many unresolved questions and potential legal issues. If the board or the industry requests that a list be posted, the Program would work with the CDFA Legal Office to determine the details of how much information would be included.

### **OIM OUT-OF-COUNTRY INSPECTION CONTRACTS**

Dr. Woods stated CDFA had signed and implemented contracts for OIM inspections for Canada and Mexico with Ecocert. The international contract for the remaining countries, China, India, etc., which will also be with Ecocert, is being finalized and is expected to be signed soon. Six separate contracts (four out-of-state, one for Canada and Mexico, and one for the remaining international locations) went out for bid separately. Ecocert won each 2-year contract individually based on the qualifications of the bid. Ecocert is one of the largest organic certification firms conducting inspections in over 80 countries. Ecocert is USDA accredited to inspect, review, and certify organizations as USDA - NOP certified.

Mr. Steve Spangler asked what the value of the products being inspected is, versus the cost of the inspections. Dr. Woods replied there is concern related to cost of inspecting every OIM manufacturer; however, it is required by our laws and regulations to inspect every firm, every year. There are approximately 55 locations out-of-country, and 160 locations under the four out-of-state contracts. The Program will have to inspect locations where the cost of an inspection will be significantly more than the wholesale cost of the product. However, as some of these inputs show up in many products, it is appropriate to carry out inspections.

### **FUND CONDITIONS, FY 15/16 REVISED BUDGET, and FY 16/17 PROPOSED BUDGET**

Dr. Ba reviewed the fund conditions for the fiscal year (FY) beginning July 1, 2014 and ending June 30, 2015. The beginning balance for the commercial fertilizer fund was \$4,700,707; the revenue was \$4,515,869; the expenditures were \$3,902,174; the encumbrances were \$286,899; and the adjusted ending balance was \$5,027,503.

The beginning balance for the OIM fund was \$405,993; revenue was \$365,320; expenditures were \$860,246; encumbrances were \$51,265; and the adjusted ending balance was \$140,198. Approximately \$220,000 of the OIM revenue was from mill assessments. The program is carefully accounting for all OIM expenditures in order to have a clear picture of the actual cost of the program.

The Fertilizer Research and Education Program's beginning balance, as of July 1, 2014, was \$2,685,073; the revenue was \$2,277,064; and expenditures were \$1,971,925. The total contract encumbrances through FY 14/15 were \$950,888; the adjusted ending balance was \$2,039,324.

The total mill assessment rate was set at \$0.003 from FY 2003/2004 through 2007/2008; FY 2009/2010 to 2012/2013 the rate was \$0.0015; from FY 2012/2013 to 2014/2015, the rate was \$0.002; and, effective October 2014, the rate is set at \$0.003. The increase from 2 to 3 mills mitigated somewhat the loss in revenue that might have been felt due to the effects of the drought on production.

This year the Program added a column for the Governor's Budget in the budget spreadsheet presented to the board. The Governor's budget shows program authority, while the program budget is the expenditure plan. Going forward the Program will present both budgets.

Dr. Ba stated no revisions are needed to the OIM Program's budget for FY 15/16. However, approval is needed to increase the Fertilizer Program's budget from \$4,298,019 to \$4,846,551. The increase is due to the out-of-state and out-of-country OIM inspection contracts, which also cause an increase in operating expenses and equipment (OE&E).

The proposed FY 16/17 budget for the Fertilizer Program was \$4,871,734. The proposed OIM Program's FY 16/17 budget is \$788,661; total net program costs are proposed at \$5,660,395.

**MOTION:** Mr. Andrew Godfrey moved to approve the revised FY 15/16 Fertilizer Program's budget of \$4,846,551 and the proposed FY 16/17 combined budgets for the Fertilizer and OIM program of \$5,660,395; Mr. Doug Graham seconded the motion. The motion passed unanimously by all board members present with a 5 - 0 vote.

The FREP proposed FY 16/17 budget was \$2,939,325.

**MOTION:** Ms. Melissa McQueen moved to approve the proposed FREP budget for FY 16/17 of \$2,939,325; Mr. Andrew Godfrey seconded. The motion passed unanimously by all board members present with a 5 - 0 vote.

## **DRAFT PROPOSED REGULATIONS**

Mr. Nick Young gave an overview of the proposed regulations prepared to correct inconsistencies and conflicts within the California Code of Regulations (CCR) pertaining to fertilizers. Five working groups within CDFA closely reviewed and discussed the regulations and carefully reviewed possible changes, deletions, and additions. After fifteen months of meticulous work, the proposed changes to CCR sections 2300 to 2324 were finalized. There are a total of 28 modifications - 5 new regulations and 23 revisions; all changes would be in-line with existing authority. The objectives for the changes are to increase transparency, close loopholes, improve clarity and uniformity, and mirror existing laws and regulations.

## **LABORATORY UPDATES**

Mr. Nirmal Saini reported the workload was recently heavier for the CAC, but the CAC was able to complete 97 percent of the samples within 28 days. During January 1, 2015 through July 31, 2015, 813 samples were received. Of those, 773 were routine samples; 8 were priority samples; 14 were partial rush samples; and 18 were rush samples. The average assays per sample were 4.92; total assays requested were 3,996; of those, 3,874 were routine and 122 were rush. The majority of the turn-around times were under 14 days.

## **FREP UPDATES**

### *2015 Regular Request for Proposals*

Dr. Doug West stated the FREP 2015 regular RFPs began in December 2014 and the concept proposals were due in January 2015. The proposals were reviewed and the authors of selected projects were asked to submit a full proposal by May 2015. Priority areas are similar to those of the past few years: Developing Integrated Water and Nutrient Management Tools; Education and Outreach; Developing New Best Management Practices (BMPs) ; Field-Scale Demonstration of Recommended BMPs Related to Fertilizing Materials; Filling Knowledge Gaps for Nitrogen Management in Specific Crops in the San Joaquin Valley. The award notification of the recommended projects approved by the board at this meeting, if any, would be September 18, 2015, and those projects would start January 2016.

Six regular RFP project proposals were evaluated by the FREP Technical Advisory Subcommittee (TASC) and peer reviewers and three were recommended for funding: 1) Prediction of Summer Leaf Nitrogen Concentrations From Early Season Samples to Better Manage Nitrogen Inputs at the Right Time in Trees and Vines, by Patrick Brown and Emilio Laca; 2) Improving Nitrate and Salinity Management Strategies for Almond Grown Under Microirrigation, by Maziar Kandelous and Patrick Brown; and 3) Evaluation and Demonstration of Nitrogen and Phosphorus Management in Organic Leafy Greens

Vegetable Productions on the Central Coast, by Richard Smith and Mike Cahn. The cost to fund the projects over the next three fiscal years would be \$652,326.

**MOTION:** Mr. Steve Spangler moved to approve \$652,326 in funding for the three projects recommended by the TASC; Mr. Doug Graham seconded. The motion passed unanimously by all board members present with a vote of 5 - 0.

### Summary of Current Projects

Dr. West reported there are currently 31 active projects; 34 with the newly-approved projects. In FY 14/15, the available funds for projects was \$1,500,000. With the increase in the mill assessment, the research funds were increased to \$2,000,000. The encumbered funds for 15/16 are \$1,387,673; for 16/17, \$847,677; and for 17/18, \$419,813.

### Updates on Selected FREP Projects

Ms. Natalie Jacuzzi reported on the status of three of the FREP projects. Irrigation and Nitrogen Management Web-based Software for Lettuce Production (CropManage), by Michael Cahn, et al. – CropManage is a web application (app) for managing water and nitrogen fertilizer that is publicly available for growers, ranch managers, and California Certified Crop Advisers (CCAs). The app was first developed for lettuce, and currently supports seven crops. CropManage provides weather-based irrigation schedules and fertilization schedules on a weekly basis. Approximately six months ago, the app had 550 users and use of the tool is growing.

Assessment of Plant Fertility and Fertilizer Requirements for Agricultural Crops in California (Guidelines), by Dr. Daniel Geisseler, et al. – The Guidelines project has online research-based fertilization guidelines for 17 crops, specifically chosen as they make up more than 60 percent of the irrigated crop acreage. Twelve more guidelines are planned to be added over the next two years. Some guidelines are currently available in Spanish and more are being translated. The guidelines emphasize the BMP known as the 4r's of nutrient stewardship: the right source, the right rate, the right time, and the right place for fertilizer application.

Determining the Fertilizer Value of Ambient Nitrogen in Irrigation Water (Pump and Fertilize), by Michael Cahn et al. – Pump and Fertilize is actually two projects, one for cold crops and one for nut crops. The cold crop project shows accounting for Nitrogen in irrigation water would further reduce fertilizer needs as even very low concentrations of nitrate in irrigation water is taken up by vegetables. It has been adopted in grower requirements of the Irrigated Lands Regulatory Program of the Central Valley and Central Coast Regional Water Quality Control Boards. The nut crop project is very similar to the cold crop project, as it also aims to optimize the use of ambient nitrogen.



Updates on Nitrogen Management Training for Grower Self-Certification

Mr. Mark Cady informed the board a Central Valley Regional Water Quality Control Board (CVRWQCB) order requires all growers to have a Nutrient Management Plan (NMP). The NMP for growers in areas vulnerable to nitrate leaching would have to be certified. The CVRWQCB Order has two options for certifying an NMP: a plan could be certified by a CCA who attended the CDFA and University of California Natural Resources training program, or growers who pass the training program could certify their own NMP. CDFA will train CCAs to train the growers. UC Davis is developing the curriculum and the evaluation questions for the certification exam following the training. Two train-the-trainer events are proposed to be held in November or December 2015. Grower training in the field should be January or February 2016, with all training completed by the end of March 2016.

**BOARD and TASC VACANCIES**

Dr. Ba announced there will be three vacancies on the board on October 14, 2015; membership terms are expiring for Mr. Jake Evans, Mr. Andrew Godfrey, and Ms. Rachel Oster. Ms. Oster decided not to reapply for membership at this time. There are seven applicants for the three positions, including current board members, Mr. Evans and Mr. Godfrey. All applicants have been verified as holding a California fertilizer licensee or are a representative of a California licensed fertilizer firm.

**MOTION:** Mr. Steve Spangler moved to appoint Mr. Jake Evans, Mr. Andrew Godfrey, and Mr. Ron Naven to the board; Ms. Melissa McQueen seconded. The motion passed unanimously by all board members present with a vote of 5 - 0.

The board's appointment recommendations, along with applicant information, will be sent to the Secretary for the final decision on appointments.

Dr. Ba presented the information on the TASC vacancies. There were eleven applicants for the TASC. One of the applicants is no longer eligible as she is now an employee of CDFA. The USDA – Natural Resources Conservation Services (NRCS) vacancy is filled by the applicant from USDA - NRCS. Two seats need to be filled by this Board. The TASC has remained a diverse group with different expertise.

**MOTION:** Mr. Doug Graham moved to appoint Ms. D. D. Levine and Mr. John Bushoven for membership on the TASC; Mr. Andrew Godfrey seconded the motion. The motion passed unanimously by all board members present with a 5 - 0 vote.

**AGENDA ITEMS FOR FUTURE MEETINGS**

Chairman Baltzer asked for agenda items for the next meeting. Mr. Godfrey requested a summary of the results of accepting OIM application packages in November; whether there

was a timely response, or perhaps how many responded with an early registration package. Dr. Woods stated that would be included as part of the regular registration update.

Chairman Baltzer suggested the next agenda should include an update and discussion on the mill assessment rate and fertilizer pricing. With the water issues due to the drought and the weak to flat fertilizer pricing, the board will need to be aware of the situation in the event a formal change needs to be made. He also suggested an update on the pending civil penalties and on the progress of the proposed regulations.

**NEXT MEETING**

The next FIAB meeting will be 9:00 a.m., Thursday, January 14, 2015, in Sacramento.

**MOTION:** Ms. Melissa McQueen moved to adjourn the meeting; Mr. Andrew Godfrey seconded. The motion passed unanimously by all board members present with a 5 - 0 vote.

Chairperson Baltzer adjourned the meeting at 12:10 p.m.

Respectfully submitted by:



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

September 17, 2015  
Date