CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA) FERTILIZER INSPECTION ADVISORY BOARD MEETING Sacramento, California January 19, 2007

MINUTES

MEMBERS

<u>CDFA</u>

John Salmonson Brad Baltzer Thomas Beardsley David McEuen Tim McGahey John Peterson Sanford Simon Steve Spangler Nate Dechoretz Asif A. Maan Maryam Khosravifard Suzanne Turcotte Luz Gonzalez Natalie Krout Marshall Stoddard Stan Kobata Elaine Wong Ray Green Al Vargas Charmaine Canlas

INTERESTED PARTIES

Renee Pinel – Western Plant Health Association Steve Beckley – S. Beckley & Associates Allan Romander – CA Certified Crop Advisory Board Doug Graham – New Era Farm Service Betsy Peterson – CA Seed Association Thomas Quick – Grow More, Inc. Isaac Nelson – Port Organic Products Jake Evans – True Organic Products

CALL TO ORDER

Chairman John Salmonson called the meeting to order at 8:30 a.m.; a quorum was established. Board member Bob Duckworth was not present at the meeting.

INTRODUCTIONS AND ANNOUNCEMENTS

Mr. Salmonson welcomed everyone to the meeting. Self-introductions were made.

APPROVAL OF MINUTES

Mr. Salmonson asked the Fertilizer Inspection Advisory Board (FIAB) members to review the minutes of the September 15, 2006 meeting.

MOTION: A motion was made by Mr. John Peterson to accept the minutes as presented. Mr. Brad Baltzer seconded the motion. The motion passed unanimously.

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DIVISION/BRANCH UPDATES

Division Director Nate Dechoretz informed the board of two new employees hired with the Division's administrative staff, Administrative Assistant Alice Wright and Executive Secretary Reina Laroa. Mr. Dechoretz reported on the hiring of a new Agency Information Officer, Mr. Davood Ghods. Undersecretary A.J. Yates has retired, and there is no word yet of his replacement.

Mr. Dechoretz stated reorganization of the Center for Analytical Chemistry (CAC) is going well and showing beneficial signs. However, there are many issues with the CAC's infrastructure due to maintenance neglect. The Department of Finance has approved the division's spending authority to address maintenance issues. Mr. Dechoretz also reported that division may take on a leadership role in the auditing process for the leafy green E. Coli situation.

Branch Chief Asif Maan provided the board with an update of vacancies due to upcoming retirements and personnel changes. Three Special Investigator positions have been re-classified to Feed, Fertilizer, and Livestock Drug Inspectors. Two of these positions have been filled, and one is in process. The Registration Specialist position has not been filled and an exam will be offered in April or May of 2007. The Accounting Technician position has been filled. In addition, the Office Technician, Office Assistant and Information Systems Technician positions are in the process of being filled.

CERTIFICATION OF INPUTS FOR ORGANIC PRODUCTION

Mr. Ray Green, Organic Program Manager with the Inspection and Compliance Branch, presented an overview of the Organics Program, providing information on the program's regulations and the certification of inputs for organic production. Mr. Green discussed how the Organic Materials Review Institute (OMRI), a nonprofit organization that determines which input products are allowed for use in organic production and processing, is not overseen by any governmental agency. Therefore, OMRI endorsements may lack regulatory authority.

Mr. Jake Evans, a manufacturer from True Organic Products, suggested that the State provide registration and oversight of organic inputs by developing an organic fertilizer certification program. Mr. Isaac Nelson from Port Organic Products suggested current certification agencies pay dues for state oversight and sign a contract, agreeing to adhere to Federal and State organic fertilizer requirements. Thomas Quick from Grow More, Inc. agreed with Mr. Evans, adding that providing a qualified State program to monitor organic regulations and operations would help protect the organic growers' interests.

In response to the industry's comments, Mr. Dechoretz stated the department must first check with the legal office to see what authority it has to enforce and regulate such a program. Ms. Renee Pinel commented the industry should reach a consensus on what regulations should be enforced by the program. Mr. Salmonson and Ms. Pinel suggested the fertilizer and organics industry conduct a workshop to further discuss the issue.

CALIFORNIA CERTIFIED CROP ADVISORS: GOALS & ACCOMPLISHMENTS

Mr. Allan Romander of the California Certified Crop Advisor (CCA) Program made a presentation on the goals and accomplishments of the CCA Program. Mr. Romander stated the CCA Program's main objectives now focus on identifying the CCA's role in the regulatory environment; to increase and strengthen membership; to outline a long-term plan towards making the CCA Program self-sustained as an organization; and to administer and track CCA's Continuing Education Units. The program's recent accomplishments includes the development of a new CCA brochure and powerpoint presentation; participation in various meetings and conferences, including setting up a CCA exhibit; and the reinstitution of CCA exam training sessions.

MANURE MANAGEMENT REGULATIONS UPDATE

Mr. Al Vargas presented a powerpoint presentation that discussed numerous factors affecting manure utilization, trends in manure generation and management, nitrogen in the environment, and marketplace trends. He noted the mature dairy cattle population has nearly doubled in the state within the last 25 years, and the population in the San Joaquin Valley has tripled.

NEW REGULATIONS UPDATE

Senior Environmental Research Scientist Maryam Khosravifard shared a powerpoint presentation that focused on a proposal of the full disclosure of ingredients by label guarantors on packaged agricultural minerals, specialty fertilizers, packaged soil amendments, auxiliary soil and plant substances, and bulk products. In addition, a proposal on the protection of trade secrets was briefly discussed.

REGULATORY/REGISTRATION ISSUES & UPDATES

Registration Specialist Suzanne Turcotte presented a handout illustrating an update on industry submissions and backlog progress. Ms. Turcotte stated the label review backlog has significantly gone down and has shown improvement, which has now been reduced to 60-80 days. However, there has been a substantial increase in new license applications and product registrations, and the review process is becoming more challenging.

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EMERGING ISSUES

Dr. Maan provided a powerpoint presentation illustrating the following emerging issues:

- Food safety application of manure and compost to agricultural land
- Organic fertilizers
- Compost specifications and marketing
- Disclosure of ingredients
- Nitrate in ground and surface water
- Bulk fertilizer label review/registration
- Impact of feed program strategic planning recommendations

After Dr. Maan informed the board of the Feed Inspection Advisory Board's strategic planning recommendations, he suggested the Fertilizer Inspection Advisory Board consider reviewing the fertilizer program through strategic planning to evaluate if the current program is still effective and relevant to meet emerging challenges and issues.

CASH STATUS

Dr. Maan directed the board to Attachments #12-1 and #12-2, which illustrate fund conditions as of November 30, 2006. The Commercial Fertilizer Inspection Program's reserve balance is \$3,633,072. The Fertilizer Research and Education Program's reserve balance is \$1,647,514.

FREP UPDATE

SAFE Program Specialist Natalie Krout informed the board of the outcome of the Fertilizer Research Education Program (FREP) Conference, attended by approximately 92 participants. Feedback from evaluations included suggestions for other conference locations and requests to provide a less technical conference and more industry-related.

Ms. Krout reported that a goal has been set to implement the FREP program's evaluation process, in conjunction with a contract with UC Davis, for its effectiveness towards the fertilizer industry by June 2007. Additional updates and goals within the program include a follow-up on project proposals by Program Supervisor Kent Kitade and Agricultural Technician Lacey Van Exel; a conversion of all FREP video tapes to DVD; an update to the website to make it more user-friendly; and a meeting with the Technical Advisory Subcommittee to discuss the prioritization of research projects.

LABORATORY UPDATE

The Center for Analytical Chemistry (CAC) Program Supervisor Elaine Wong reported the CAC is still in the process of improving the turnaround time for sample analysis. However, they are in need of updated instrumentation in order to improve the workload and data processing of fertilizer samples.

Chemistry Laboratory Supervisor Stan Kobata reported on the effects of the CAC's reorganization process. During the 2005/06 fiscal year, the fertilizer lab was at 3.65 PY, which was reduced to 3.1 PY for the 2006/07 fiscal year due to payroll adjustments.

Mr. Kobata noted the CAC has set aside a budget of \$40,000 toward the purchase of an upgraded nitrogen-sulfur analyzer, which will have a carry over of \$11,000 for the following fiscal year. Mr. Kobata and Ms. Wong suggested to the Board they consider increasing the budget for future equipment purchases in order to increase sample analysis efficiency.

Mr. Kobata directed the Board to a handout that showed the turn-around time for fertilizer samples received in November through December of 2006. Most of the sample results are available within 10-15 working days.

BOARD VACANCIES

MOTION: A motion was made by Mr. Tim McGahey to reappoint Mr. David McEuen to another term. Mr. Brad Baltzer seconded the motion. The motion passed unanimously.

ADDITIONAL ITEMS/NEXT MEETING

The next board meeting is scheduled for 8:30 a.m., June 15, 2007, in Sacramento.

ADJOURNMENT

MOTION: A motion was made by Mr. Steve Spangler to adjourn the meeting. Mr. John Peterson seconded the motion. The motion passed unanimously; the meeting was adjourned at 12:10 p.m.

Respectfully submitted by: