

**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**

**February 4, 2015
MINUTES**

MEMBERS

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

CDFA

Amadou Ba
Barzin Moradi
Brooke Elliott
Dale Woods
Dan Parks
Doug West
Elaine Wong
Evelyne Ndiaye
Greg Mukai
Justin Petty
Kelsey Hogue
Kris Gulliver
Luz Roa
Maria Tenorio
Marilyn Boehnke
Natalie Jacuzzi
Nick Young
Nirmal Saini
Rick Jensen
Wei Wu

INTERESTED PARTIES

Claudia Reid
Daren Stemwedel
Jose Castañeda
Mary Junqueiro
Oscar Torres
Rebekah Menezes
Renee Pinel
Steve Beckley
Tad Bell
Vicky Childs

INTRODUCTIONS & ANNOUNCEMENTS

The Fertilizer Inspection Advisory Board (FIAB) meeting was called to order at 9:00 a.m. by Chairperson, Mr. Brad Baltzer. Self-introductions were made and a quorum was established.

Chairperson Baltzer reminded the board that Form 700's and Ethics Course certificates were due. He asked Dr. Amadou Ba to present the changes of the Bagley-Keene Open Meeting Act (Act) which were recently amended. An electronic copy of the Bagley Keene Act will be sent to board members upon request.

Dr. Ba reviewed the Act, highlighting the relevant rules:

1. For all action items at board and committee meetings, the 'yes' or 'no' vote or abstention must be recorded for each member present and itemized by name in the minutes.
2. The option to receive meeting notices and agendas by regular mail, email, or both must be offered to board members and interested parties.
3. The meeting agenda must include all items to be discussed, and an item may not be broad or overall; the topic "Additional Items" has been replaced with "Agenda Items for Future Meetings" to provide the opportunity for members and the public to suggest items for future meetings.
4. The public is not required to sign in or identify themselves in order to attend board and committee meetings.

A statement was added to the interested party sign-in sheet to advise them they are not required to sign in.

APPROVE OCTOBER 14, 2014 MEETING MINUTES

Chairperson Baltzer requested the Board review the October 14, 2014 board meeting minutes.

MOTION: Mr. Steve Spangler moved to approve the meeting minutes as submitted; Mr. Doug Graham seconded the motion. The motion passed unanimously.

DEPARTMENT, DIVISION, AND BRANCH UPDATES

Mr. Rick Jensen provided the board with Department and Division updates. He stated that on January 26, 2015, the Governor announced Mr. Jim Houston, previously Deputy Secretary of Legislation for CDFA, was appointed to Undersecretary. Jennifer "Jenny" Lester Moffitt was appointed as Deputy Secretary.

Mr. Jensen informed the board CDFA has the ability to assess civil penalties. Over the last two years there were a few incidences where companies chose not to pay their assessed penalties. A legislative concept was developed to amend the Food and Agriculture Code allowing CDFA to file civil penalty assessments as a judgment in the appropriate superior court at no cost to the department. This will give the program greater ability to secure the funds. It has been approved by the Governor's Office to be an administration-sponsored bill.

Mr. Jensen reported the highly pathogenic avian influenza (HPAI) H5N8 virus was confirmed in a commercial turkey flock in Stanislaus County. This is the first finding of HPAI in commercial poultry in California.

Dr. Ba announced the hiring of several new staff. Ms. Natalie Jacuzzi was hired for the Fertilizer Research and Education Program (FREP) as an Environmental Scientist. Ms. Megan Kavanaugh and Ms. Kathryn Lincoln were appointed to the Fertilizing Materials Inspection Program (FMIP) as Environmental Scientists. Mr. Theodore Bert and Ms. Samantha Moran were appointed as Feed, Fertilizer and Livestock Drug Inspectors in the Feed and Livestock Drug Program. Ms. Kelsey Hogue was hired as an Office Technician in the branch support unit.

Dr. Ba reported the Branch is providing California Certified Crop Adviser (CCA) training. Approximately 80 CCAs attended the first training, which was in Fresno, January 2015. Two additional training workshops will be held; one in San Luis Obispo this month, and one in March 2015 in Sacramento. A total of 250 to 300 CCAs are expected to attend the 2015 training. UC Davis and FREP will begin grower training soon. The 2014 FREP/Western Plant Health Association (WPHA) Conference in Modesto was well attended. The regulation to raise the mill assessment from \$0.002 to \$0.003 became effective October 2014. The impact of the increase will be seen in the revenue reported in January 2015.

PROGRAM UPDATES/FUND CONDITIONS

Dr. Dale Woods reviewed the fund conditions for the period beginning July 1, 2014 and ending December 31, 2014. The FMIP beginning balance was \$4,700,707; revenues were \$1,788,188; expenditures were \$2,245,963; encumbrances were \$310,079; and the adjusted ending balance was \$3,932,853. The beginning balance of the Organic Input Material (OIM) Program was \$405,993; revenues were \$118,167; expenditures were \$505,844; encumbrances were \$29,674; and the adjusted ending balance was \$11,358. The FREP beginning balance was \$2,685,073; revenues were \$1,661,006; expenditures were \$997,697; encumbrances were \$2,352,472; and the adjusted ending balance was \$995,910. He then reported on the total funds available for fertilizer research from the FREP, FMIP, and OIM Program. Funds projected to be available for research in Fiscal Year (FY) 2014/2015 were \$2,393,948. The mill assessment rate from FY 2009/2010 to 2012/2013 was \$0.0015; from FY 2012/2013 to 2014/2015, the rate was \$0.002. The mill assessments were at \$0.003 from FY 2003/2004 through 2007/2008 and will be again beginning January 2015.

Mr. Jensen stated the overall costs in the FMIP have increased significantly. In the past year, expenses just to operate the program have gone up 11 percent, not including costs for FREP research. Historically, the program has funded \$1 million to \$1.5 million in research; there is a need to at least maintain, if not increase FREP research. The \$0.003 assessment will likely just maintain it. Changes to expenditure tracking have been initiated to identify the costs of the OIM Program. An online time-tracking system was implemented for staff to report their time by program. In a year, we will have a clear picture on the actual cost of the OIM program.

OIM OUT-OF-STATE INSPECTION CONTRACTS

Dr. Woods stated four Requests for Proposal (RFPs) for 2-year out-of-state OIM inspection service contracts were listed on BidSync, California's web-based procurement system. The United States was divided into four regions, not including California, Nevada, Oregon, and Arizona. A list of OIM firms was prepared for each region: Western, Mid-Western, Southern, and Eastern. One company, Ecocert ICO LLC met all the requirements for the contracts and was selected for all four regions. Once the four contracts are signed, the program will provide training to ensure the audits and paperwork are completed in accordance with CDFA processes and procedures, and will audit the firm's work.

Dr. Ba stated the total cost for the contracts for two years is \$475,293 for approximately 300 firms. The program has learned that Ecocert is operating in Canada, Mexico, South America, Asia, and Europe. The program will soon begin the contract process for international inspections.

INSPECTION AND COMPLIANCE UPDATES

Mr. Nick Young stated the total combined OIM and conventional samples obtained through the end of December 2014 were 1,498. Per the board's request, the samples were separated by conventional and OIM. Based on how the product is classified at CDFA, there were 978 conventional samples and 520 OIM. These numbers are subjective and can be misleading; samples categorized as OIM may not represent how the product is marketed. He reported there are three pending Civil Penalty cases on compliance issues. The assessments in all three cases include the recovery of investigative costs. The program just received the violation rates for last year's samples, but has not yet checked the data. Approximately 600 manufacturers were sampled last year and the overall violation rate was 12 percent. The annual sampling summary with a firm-by-firm break down of violations will be completed by April. The summary is publicly available upon request, but is not available online.

LABEL REGISTRATION AND OIM ISO 17065 UPDATES

Ms. Luz Roa reported on registration applications. Of the new registration applications received and awaiting review, 150 are conventional and 78 are OIM. Since September 2014, approved conventional registrations increased by approximately 600 and OIM by approximately 200. All fertilizing material licenses expired December 31, 2014, and applicants were able to submit for license renewal through the database. The program is in the process of reviewing the renewals. Applications are held when a firm has outstanding mill assessments or tonnage reports, and those applicants are advised their licenses can be renewed when the forms are submitted.

Ms. Roa reported on the status of the International Organization for Standardization (ISO) 17065 audit. The ISO auditor conducted an onsite corrective action audit on January 29, 2015 to corroborate the Program's responses to the nonconformance issues. The auditing committee is expected to review the findings and issue a final report in February 2015.

FREP UPDATES

Dr. Barzin Moradi reported FREP is engaged in outreach through involvement with grower coalitions, State and regional water boards, and other organizations. FREP staff is meeting with them to get acquainted with their staff and their programs, and to identify ways FREP could be involved and help growers through their programs. Staff is also assisting the Department of Water Resources review committee for the Proposition 204 Grant Program.

FREP announced a regular request for proposal (RFP) on December 2, 2014, and a special RFP on January 6, 2015. The regular RFP has two phases. Phase one is the concept proposals with a due date of January 16, 2015, which are currently under review by the Technical Advisory Subcommittee (TASC). In phase two, the authors of selected projects will be asked to submit a full proposal by May 1, 2015. The award notification will be on September 1, 2015, and the start date for the projects will be January 1, 2016. The special RFP is a single phase request focused on Nitrogen. Proposals are due on March 3, 2015; the award notification date is June 1, 2015; and the start date for the projects is July 1, 2015.

Mr. Jake Evans stated the amount going to research increases yearly. He asked who evaluates projects for value, what is done with the information from the completed projects, and how the funds are monitored to prevent payment for under-performing or non-completed projects.

Dr. Moradi replied the grantees are required to send two reports a year regarding progress made on the promises in the proposals, and they are required to disseminate the results into the community when the project is completed. Staff reviews the reports, checks and compares the work with the variables and promises in the proposal, and follows up on the community outreach. Funding is paid by invoice, but is not paid until FREP is satisfied with the progress of the projects.

Mr. Evans asked how TASC fits into the process. Mr. Steve Spangler replied TASC reviews the proposals to ensure the scientific validity of the proposal and that it meets the RFP requirements. If a project is received that matches the RFP, but the methodology is poor, TASC would send it back for specific modifications before it could be approved. TASC also ensures the proposals have a direct correlation to production agriculture.

Dr. Moradi reported FREP staff underwent a strategic planning process to develop goals. The overall goal established is for FREP to become the primary resource in California for nutrient management. Three subordinate goals were set: outreach and education, research, and challenges/potential. FREP's goals were shared with TASC during its October 30, 2014 meeting. A workgroup was formed to find ways to put the FREP front and center in outreach and as a resource to growers and end users; and to discover solutions to get useful research results quickly to the growers.

Dr. Doug West provided an overview of the FREP research projects. He reported there are 31 active projects, which include the four approved in 2014. The encumbrances through FY 2016/2017 total \$3,497,722.

LABORATORY UPDATES

Ms. Elaine Wong reported the total samples the Center for Analytical Chemistry (CAC) received from January 1 through December 31, 2014 was 1,498, about 200 above average. The routine samples received were 1,423; priority samples were 38, partial rush samples were 7, and rush samples were 30. The average assays requested per sample was 5.05; the total assays requested were 7,564; routine assays were 7,385; and rush assays were 179. There was also an increase in assays requested for heavy metals.

Ms. Wong reported, per department policy, CAC employees with over a maximum number of hours are on a mandatory vacation reduction plan and must take time off to reduce the balance of vacation hours. As a result of understaffing due to the required

vacations, the lab was unable to meet its goal to keep the processing time under 21 days. Previously, CAC had been able to complete more than 90 percent of samples within 14 days; however, the annual report reveals just over half were processed within 14 days or less, and 81.3% at 21 days or less.

Mr. Gary Silveria asked what dictates a 'rush' sample. Mr. Young responded there are two rush categories, the actual 'rush', which is the highest priority, and the lessor category of 'partial rush'. 'Rush' is usually a safety concern such as when a product is suspected of having heavy metals or a plant-growth regulator. 'Partial rush' would be used for an OIM inspection; a mass balance would be requested on an OIM product with over three percent nitrogen to ensure the product matches the ingredients on the label. The inspection cannot be completed until the assays are completed.

Mr. Andrew Godfrey stated he had seen labels such as "biofungicides" and "beneficial fungus" and asked if CAC plans to test for beneficial biological claims, and if it has the capability for these tests. Ms. Wong replied the lab does not have the equipment to do those tests, but is researching the idea as it is an upcoming area of concern.

Dr. Woods noted beneficial biological claims are increasing and other states are also looking into concerns about whether products actually have those ingredients and whether they are viable. It's also an issue of concern with the Association of American Plant Food Control Officials (AAPFCO). Dr. Woods is a member of its working group that's researching such testing. AAPFCO is expected to make a recommendation soon.

Mr. Evans asked if the lab had been considering isotope ratio mass spectrometry (IRMS) testing to verify organic integrity. Ms. Wong replied CAC is considering the viability of setting up a portion of the lab for IRMS, but the equipment required is very costly. There is no funding at this time for the initial cost of approximately \$400,000 to obtain the equipment. Mr. Nirmal Saini said he was in communication with the UC Davis lab, which has the IRMS testing equipment needed. The testing at the UC Davis lab is still in the research stage.

Mr. Jose Castañeda asked if there was a way to certify a lab as there is a great deal of diversity between labs. Mr. Saini replied the California Department of Public Health's Environmental Laboratory Accreditation Program (ELAP) provides evaluation and accreditation of laboratories to ensure the quality of analytical data. There is a list of certified labs on the ELAP website.

Mr. Castañeda stated his company uses an accredited lab and results still differs from other labs. Ms. Wong commented when different methodology is used, the results can be quantitatively different. Mr. Young stated Mr. Castañeda could request that the labs use CDFA methodology, which is public information. Ms. Wong suggested he contact her for the specific methodologies for the analyses he needs.

AGENDA ITEMS FOR FUTURE MEETINGS

Chairperson Baltzer asked for agenda items for the next meeting. He reminded the board that per the Bagley-Keene Act, only limited discussion could occur and no action could be taken unless an item is on the agenda. He requested the election of the vice chair be included on the agenda for the next meeting. Dr. Ba stated an email requesting agenda items would be sent to the board before the next meeting.

NEXT MEETING

The next FIAB meeting will be 9:00 a.m., Wednesday, May 13, 2015, in Fresno.

MOTION: Mr. Steve Spangler moved to adjourn the meeting; Mr. Gary Silveria seconded the motion. The motion passed unanimously.

Chairperson Baltzer adjourned the meeting at 10:45 a.m.

Respectfully submitted by:



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

February 4, 2015
Date