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 27, 2012 MINUTES

| <u>MEMBERS</u> | CDFA | INTERESTED PARTIES |
|--|---|---|
| Jay Yost, Chair Brad Baltzer David McEuen Doug Graham John Peterson John Salmonson Rachel Oster Sandy Simon Steve Spangler | Amadou Ba Amrith Gunasekara Asif Maan Dale Woods Doug West Elaine Wong Greg Mukai Luz Roa Maria Hicks Marshall Stoddard Mike Gingles Nick Young Nirmal Saini Rick Jensen Wei Wu | Bill Wolf, Wolf, Di Matteo + Associates Chris Totten, E.B. Stone Deborah Stemwedel, California Organic Fertilizers Nathaniel Lewis, WSDA Peggy Miars, OMRI Ray Green, Go Green Consulting Renee Pinel, WPHA Sebastain Braum, CCA Steve Beckley, OFAC Tim McGahey, Helena Chemical Company Tim Stemwedel, California Organic Fertilizers |

INTRODUCTIONS & ANNOUNCEMENTS

The meeting was called to order at 1:00 p.m. by Chairperson, Mr. Jay Yost. Self-introductions were made and a quorum was established.

MINUTES OF THE LAST BOARD MEETING

Mr. Yost requested that the board review the meeting minutes of the September 21, 2011 Fertilizer Inspection Advisory Board (FIAB) meeting.

MOTION: Mr. Brad Baltzer moved to approve the September 21, 2011 meeting minutes as submitted. Mr. Steve Spangler seconded; the motion passed unanimously.

DEPARTMENT/DIVISION/BRANCH UPDATE

Mr. Rick Jensen stated that the Governor's Budget was released, and it includes an additional \$12 million general fund cuts for the Department in Fiscal Year (FY) 12/13. There have been no structural changes to the Division since the last meeting.

FUND CONDITION

Dr. Amadou Ba stated that as of July 1, 2011, the beginning balance for the Commercial Fertilizing Materials Inspection Program (FMIP) was \$2,363,752. There was \$1,485,854 in revenue from July 1 to November 30, and there was \$1,151,627 in expenditures. The ending balance as of November 30 was \$2,697,979. The Fertilizer Research and Education Program (FREP) had a beginning balance of \$3,006,179 on July 1, 2011. There was \$424,777 in revenue, and \$275,528 in expenditures. The ending balance as of November 30, 2011 was \$3,155,428. Additionally, there is \$2,252,837 encumbered for research grants; the adjusted balance is \$902,591.

Dr. Ba reviewed mill assessment revenue trends stating that the revenue may decrease later in the year. Mr. Jay Yost commented that revenues collected from the mill assessments will probably decrease by approximately 15% – 20%.

ORGANIC INPUT MATERIAL SUBCOMMITTEE UPDATE

Dr. Ba stated that the Organic Input Material (OIM) Subcommittee met this morning to discuss the scope of the definition of OIM. The subcommittee recommended that, "CDFA proceed with regulations to the effect that "Natural Organic Fertilizer" products that do not have a label, do not make claims of compliance to the NOP or claims for use in organic crop and food production, are not required to register with CDFA."

MOTION: Mr. John Peterson moved that the recommendation of the OIM Subcommittee on the scope of the definition of OIM be accepted. The motion was seconded by Mr. Doug Graham; the motion passed unanimously.

Mr. Graham commended CDFA staff, on behalf of New Era Farm Service, for moving this program forward and being timely and transparent through the process.

LEGISLATIVE REPORT

Dr. Ba stated that the Program has completed a draft legislative report. After it is reviewed by the Department, it will be posted on the CDFA website, and the link will be sent to the Board.

PROGRAM UPDATES

Ms. Luz Roa provided the board with a brief overview of personnel updates highlighting that Mr. Doug West has joined the FMIP as an Environmental Scientist and Ms. Danielle House has returned from maternity leave, and will be assisting the FMIP with label review.

Ms. Roa stated that as of December 2011, there were no fertilizer labels pending review over 60 days; most labels are within the 30-day review period.

As of December 31, 2011, 375 OIM applications had been received; 161 OIM labels were approved; 160 additional labels were returned for incomplete applications or a request for

additional information was sent to the entity; 18 labels were resubmitted to CDFA, and 36 are still pending review.

Mr. Yost commended the Department for their hard work in keeping the label review numbers low, even while implementing the OIM Program.

Silicon dioxide claims are now being accepted by the Department. There are three options of how the claim can appear on the label, and an analysis will need to accompany the registration. A notice will be sent to the industry notifying them of this change.

Ms. Roa stated that CDFA staff was struggling with the appropriateness of the word "organic" being used on conventional product labels. To be clear and consistent, there are now three options: the product can be registered as an OIM, you can add a disclosure that the product is "not for use in organic crop and food production," or the organic claim can be removed from the label.

Mr. Nick Young reported that the Department has started conducting on-site OIM inspections; investigators were trained in small groups throughout the state. The investigators will now be conducting OIM inspections in their respective areas in groups of twos and threes for the first six months for training purposes. The initial inspections are scheduled at least a week in advance, although CDFA may return to the firm unannounced for a variety of reasons.

Mr. Young stated the amount of samples taken was slightly less than last year because of staff training and the implementation of the OIM Program. From an enforcement standpoint, there are investigations of firms that are using plant growth regulators, and allegedly adulterating products.

A break was taken from 1:40 p.m. to 1:55 p.m.

FREP RESEARCH PROJECTS UPDATE

Mr. Edward Hard reviewed the status of ongoing FREP research projects and the amount of funds expended on projects for FY 09/10, 10/11, 11/12, and what will be spent on the research projects in FY 12/13 and 14/15.

PROPOSAL: CCA TRAINING AND CERTIFICATION ON NUTRIENT MANAGEMENT PLANS

Dr. Asif Maan made a Power Point presentation on new initiatives specific to the FREP. Dr. Amrith Gunasekara reported to the Board at the previous FIAB meeting that the Department is moving forward with a plan to create a FREP research database to synthesize all of information from the Program's past research projects. The design phase of the input template is completed for the FREP database; twenty years of relevant information will be extracted from reports and other documents and entered into the database which can be used by California Crop Advisors (CCA) and growers in a searchable database form. A well

educated and qualified individual, with a Ph.D., is being hired through UC Davis to extract information from the FREP research projects. The goal is to enter the extracted information into the FREP database on a flow basis instead of waiting until all of the projects have been reviewed. CDFA received a \$40,000 Specialty Crop Block grant for this project; \$20,000 will be used for CDFA's information technology staff time spent on the development of the database and \$20,000 is for FREP's staff time spent working on FREP projects.

Dr. Maan stated there is an opportunity to be awarded a United States Department of Agriculture (USDA), Natural Resources Conservation Service grant of up to \$1 million for three years; it would be a cooperative effort between CDFA, FREP and the water coalitions. If the Department is successful in obtaining the grant, it will supplement FREP's outreach efforts. The Program is reviewing how FREP research can work towards reducing water quality issues, as they relate to nutrients. The deadline for submitting the concept is January 31, 2012.

Dr. Maan provided the Board with background information regarding the initiative of the CDFA Certification Program for CCA's to oversee nutrient management plans (NMP). There is scientific evidence of nitrate contamination in ground water that can be linked to fertilizers. The Central Valley Regional Water Quality Control Board is moving forward with their regulatory requirement in a short period of time. Initially, their draft was going to be ready by June, but it may not be ready until December. Dr. Maan stated that CDFA is working with the coalitions to develop NMPs.

CDFA has recognized that CCA's are a good resource to assist growers in implementing NMPs; however the CCA Program is general and based mainly on agronomic practices. Dr. Maan stated the Department is looking to supplement the CCA's program by creating a CDFA program to train and certify CCA's on NMPs. This concept is approved by the Secretary of CDFA, and it will not duplicate the existing CCA program. FREP will establish and coordinate the program with the regional water boards, CCA, and the coalitions to determine the training and education requirements. FREP will also provide training and education to CCAs on NMPs developed by coalitions throughout California and will certify CCAs who have successfully completed the NMPs training and education program. Dr. Maan stated the program would start in the Central Valley as a pilot program; he presented this concept to California CCA board on December 15, 2011. The board supported the concept, and created a group of experts from their board to work with CDFA on the details and the curriculum. The pilot program will be funded through FREP; FREP's main goals are education and outreach. It is still a concept; a lot of details still need to be worked out, but the process has been started.

Mr. Yost asked if CCA trainings are already being tracked, and if so by whom. Dr. Maan stated they are being tracked, but he is not aware of who is tracking the trainings or the process that is being used. He stated FREP's goal is to create an informational document that will be shared with the CCA's. Mr. Yost asked why CDFA needs to duplicate the tracking procedure. Dr. Maan stated the Department's intention is to not create any duplication. Dr. Gunasekara commented that CDFA does not want to undermine CCA or duplicate what they are already doing. CDFA, CCA, and the water boards will meet to

discuss the details of how this program will work efficiently; this program will be very specific to NMPs.

Ms. Renee Pinel commented that if the training and certificate program is limited to CCA's, it would make the CCA program irrelevant. Dr. Maan stated that the Department has submitted a legal request to answer potential questions. It will be a voluntary program, and more details will be available shortly.

Discussion ensued regarding the proposed pilot program.

Mr. Jensen stated that the CCA program is an opportunity to educate the industry with the 20+ years of FREP research. The board asked what the cost estimate is to implement this program. Dr. Maan stated a preliminary estimate of the cost to FREP is \$150,000 to \$200,000.

MOTION: Mr. John Salmonson moved to approve the Department's plan in concept, stating that additional details need to be worked out at the next FIAB meeting. Mr. Steve Spangler seconded; the motion passed unanimously.

Dr. Sebastian Braum informed the Board he is the current Chair of the California CCA Board and the agronomist for Yara North America in the western region. He provided the FIAB with an overview of the California CCA program and CCA's Board of Directors. Dr. Braum stated that CCA was established in 1992, and is a voluntary program. The certification standards were established by what is now the international CCA Association of the American Society of Agronomy. To be a CCA in California, you have to pass the International CCA requirements and exam that is specific to California. He stated that the international exam does very little with irrigation, salinity, and issues that are crucial for western agriculture. Dr. Braum stated there are currently 562 CCAs in California; about 80 percent of CCAs are also Pest Control Advisors. Key areas of CCAs interest are nutrient management, soil and water management, pest management, crop management, and manure management. On December 15, 2011, CCA's Board of Directors approved CCA to work with CDFA. FREP has assisted with funding the California CCA program since 2007; CCA hopes their expertise has finally being realized and they will now be able to provide an increasingly relevant service to FREP.

LABORATORY UPDATE

Ms. Elaine Wong stated there was a slight decrease in samples submitted to the lab for 2011. There are usually 1200-1300 samples submitted per year, but only 955 samples were submitted for 2011. The Program has been submitting more plant growth regulator samples; 43 were received in the latter part of 2011. Ms. Wong stated the lab has been having great turn-around time. Over 90% of samples have been taking less than 21 days. Plant growth regulators started being analyzed mid-year. Mr. Nirmal Saini stated that as of yesterday, new equipment is being installed which will greatly assist the lab in analyses.

BOARD VACANCIES

Dr. Maan stated there will be three vacancies in October 2012. He further stated that it is the Secretary's desire to bring diversity to the board to reflect California agriculture.

ADDITIONAL ITEMS/NEXT MEETING

Dr. Maan presented Mr. Tim McGahey with a resolution for his dedicated service to the FIAB. Mr. McGahey thanked Dr. Maan and stated it has been an honor working with the board and CDFA staff. The next FIAB meeting is scheduled for June 28, 2012 in Sacramento.

MOTION: Mr. John Salmonson moved to adjourn the meeting at 3:03 p.m.; Ms. Rachel Oster seconded. The motion passed unanimously.

Respectfully submitted by:

Asif A. Maan, Ph.D., Chief

Date

Feed, Fertilizer, and Livestock Drugs Regulatory Services Branch