

**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**

**October 14, 2014  
MINUTES**

**MEMBERS**

Jay Yost, Chair  
Brad Baltzer, Vice-Chair  
Andrew Godfrey  
David McEuen  
Doug Graham  
Jake Evans  
John Salmonson  
Rachel Oster  
Steve Spangler

**CDFA**

Amadou Ba  
Brooke Elliott  
Dale Woods  
Doug West  
Elaine Wong  
Evelyne Ndiaye  
Kimber Collins  
Kris Gulliver  
Luz Roa  
Mark Cady  
Maria Tenorio  
Marilyn Boehnke  
Marshall Stoddard  
Nick Young  
Nirmal Saini  
Rick Jensen  
Suzanne Turcotte  
Wei Wu

**INTERESTED PARTIES**

Dragan Macura  
Mark Brady  
Melissa McQueen  
Rebekah Menezes  
Renee Pinel  
Tad Bell

**INTRODUCTIONS & ANNOUNCEMENTS**

Chairperson Jay Yost called the Fertilizer Inspection Advisory Board (FIAB) meeting to order at 9:00 a.m. Self-introductions were made and a quorum was established.

Dr. Amadou Ba announced Dr. Dale Woods was appointed as the Environmental Program Manager I (EPM I) for the Fertilizing Materials Inspection Program (FMIP).

**APPROVE MINUTES OF THE AUGUST 1, 2014 MEETING**

Chairperson Yost requested the Board review the meeting minutes from the August 1, 2014, board meeting.

**MOTION:** Mr. Brad Baltzer moved to approve the meeting minutes as submitted; Mr. John Salmonson seconded. The motion passed unanimously.

## **DEPARTMENT/DIVISION/BRANCH UPDATES**

Mr. Rick Jensen provided the board with Department and Division updates. He stated Undersecretary Sandra Schubert resigned in September 2014; the Division now reports to Mr. Jim Houston, Deputy Secretary for Legislation and Public Engagement.

Mr. Jensen stated the Division has been actively monitoring three bills: Assembly Bill (AB) 2413, which formally establishes the Farm to Fork Office within CDFA, and AB 1873, the Farmers Market bill, were signed by Governor Brown. Senate Bill (SB) 835, the Livestock Drug bill, was vetoed by the Governor.

Mr. Jensen informed the board the Department and the Food and Drug Administration (FDA) will jointly host a Food Safety Modernization Act (FSMA) listening session on November 6, 2014, to provide industry with an overview of the updated proposed rules for risk-based preventive controls for animal and human food, solicit comments, and respond to questions.

Dr. Ba reported a special state-wide salary adjustment for supervisory and managerial scientific classifications had been decided by the court system. FFLDRS has four positions affected by the pay increase.

Dr. Ba reported earlier this year, 530 California Certified Crop Advisers (CCAs) were trained through sessions developed and conducted jointly by the Fertilizer Research and Education Program (FREP), the CCAs, the University of California Agriculture and Natural Resources (UC ANR) and the California Association of Pest Control Advisors (CAPCA). CAPCA estimates about 300 CCAs will receive the training to be held in Fresno on January 13-14, 2015; in San Luis Obispo on January 24-25, 2015; and in Sacramento on March 10-11, 2015. FREP and UC ANR will create a framework and outline the modules to be covered for the training.

Dr. Ba informed the Board the 2014 FREP/Western Plant Health Association (WPHA) Conference is scheduled for October 29-30, 2014 at the Double Tree Hotel in Modesto. Secretary Karen Ross and Ms. Martha Guzman Acevedes, the Deputy Legislative Secretary of the Governor's Office will attend the Conference.

## **FERTILIZER REGISTRATION UPDATES**

Ms. Luz Roa informed the board approved conventional registrations increased by approximately 600 since July 2014. The approved Organic Input Material (OIM) registrations increased by approximately 200, and the number of pending OIM registrations decreased from 276 to 96. All required supporting documents for license renewal will be mailed in December 2014.

Ms. Roa re-iterated the product renewal process, stating when a renewal payment is received without all supporting documents, correspondence is sent to request them. At five months, a 30-day notice is sent advising the firm the application will be canceled if the requested document is not submitted and the firm will need to reapply and pay another fee. If the firm

does not respond within six months of the date of the request, the application is cancelled. The turnaround time for a firm which submits a complete renewal package with all necessary documents is about three months. The Program has to ensure all the necessary information is received before approving an application. In addition to reviewing the formula and verifying all the components comply with the National Organic Program (NOP) standards, there are labeling components of the fertilizer laws and regulations. For example, a label may require revisions which take a few iterations before an acceptable version is created.

Dr. Woods stated pending OIM registration applications received through September 2014 were assigned and no applications were pending over 60 days. This year, all OIM registrations required additional documents to comply with the International Organization for Standardization (ISO) 17065. The firms were notified, but were not fully aware of all that would be entailed. Registration time is further hindered because all 1,400 OIM and 7,000 conventional registrations are due on the same day.

Ms. Roa stated the Program is exploring options to address the huge influx of registrations every renewal cycle. An amendment to current law would be required to change the renewal cycle or establish a provisional registration. The Program is considering taking administrative action, which would not require a law change, and would provide registration information to the OIM firms several months in advance. This would give firms the option to submit and have their documents reviewed in early January; all that would be left to do is accept the fee and mark the status as approved.

Ms. Roa reported the ISO Auditor was onsite for three days, and three nonconformance issues were noted in her report. The issues were elevated to "Major", so the Program does not yet have ISO accreditation. The first issue was the Program's application review process. ISO requires two staff to sign off on the applications; the Program revised their review process to now have two OIM staff sign off on each application. Second, the Program did not have the training history prepared; the Program is gathering training records from 2009 to present. Third, the auditor wanted to review OIM staff's personnel files to review performance evaluations. They further wanted to see what policies are signed and what training is received that addresses confidentiality. As a state agency, access to personnel files is not allowed, so the Program had provided the section of law that addresses confidentiality and blank performance documents with a document signed off by Human Resources (HR) that confirmed all OIM staff received their performance evaluations. The auditor still determined that was not sufficient. After further consultation with HR, the Program is working to develop a simplified confidentiality document for OIM staff to sign. A formal written response to the auditor response is being prepared to address the nonconformance issues. The audit committee may request another onsite audit to corroborate the Program's responses.

Ms. Roa stated the Department's August 1995 Notice to Industry regarding chelates was discussed at the previous meeting; the feedback was that the program should require nutrient guarantees for chelates. The Program is reviewing the laws and regulations, and the volume of labels that have been approved without this requirement, and considering a notice to industry that would require nutrient guarantees for chelates.

## **INSPECTION UPDATES**

Mr. Nick Young stated through the end of September 2014, the total combined OIM and conventional samples obtained were 1,069. Within California and the bordering states of Nevada, Oregon, and Arizona, there are 216 total locations that require OIM inspections and 158 (73 percent) were completed. By the end of October, 90 percent of inspections will be completed.

Mr. Nick Young reported there was an informal hearing on a civil penalty case since the October 2014 meeting. The appellant was ordered to pay \$10,500 in penalties, plus investigative costs. There are three additional civil penalty cases that will be filed shortly. Dr. Ba stated the Program has been working diligently with the Contracts Unit to prepare four Invitations for Bid (IFBs) for out-of-state OIM inspections. The United States was divided into four regions, not including California, Nevada, Oregon, and Arizona, and a list of OIM firms was prepared for each region. The IFBs are expected to be posted to BidSync, the state's online eProcurement system, within a few weeks. The Program will begin work on similar paperwork for Mexico, and possibly other international locations soon.

- A break was taken from 9:45 a.m. to 10:00 a.m.

## **FUND CONDITION AND BUDGET UPDATES**

Dr. Woods reviewed the fund conditions for the Fertilizer, OIM, and FREP programs for the Fiscal Year (FY) ending June 30, 2014. The beginning balance for the Fertilizer program was \$1,555,355; revenues were \$4,326,169; additional funds from liquidating a Certificate of Deposit were \$3,055,536; expenditures were \$4,036,353; the ending balance was \$4,900,707. The beginning balance of the OIM program was \$13,006; revenues were \$856,095, which included \$200,000 transferred from the FMIP; expenditures were \$403,900; the ending balance was \$465,201. The beginning balance of the FREP was \$2,891,555; revenues were \$1,763,898; expenditures were \$1,970,378; the ending balance was \$2,685,075; encumbrances were \$1,263,172; the adjusted ending balance was \$1,421,903.

Dr. Woods stated the FMIP FY 14/15 budget was previously approved by the Board; however, due to the salary adjustments, a revised budget was prepared. The previously approved FY 14/15 Fertilizer budget was \$4,079,744; the revised budget is \$4,245,480. The budget was tightened where possible to offset the salary increases. If it becomes necessary to further decrease expenses, some vacant positions may not be filled. Dr. Woods stated for FY 15/16, the FMIP proposed budget is \$4,353,019, and the OIM program's proposed budget is \$815,178.

Mr. John Salmonson stated it was expected when the OIM program was being developed it would run a deficit. The OIM program is actually about where the Board thought it would be; but, the out-of-state inspection issue will need to be resolved.

Chairperson Yost commented the OIM program is doing better than expected. The Board should continue its due diligence to get accurate budgetary numbers over time in order to have a clear picture before addressing the OIM program revenue issues.

Mr. Jake Evans pointed out the OIM program expenditures are being paid by the FMIP. Some of the OIM numbers are out of balance, especially the lab numbers. It does not make sense from a business standpoint for the OIM program for it not to be self-sustaining.

Dr. Ba asserted the way the law is currently written the mill assessment collected from OIM products and conventional fertilizers are not separate. The issue of the FMIP providing resources to the OIM program requires closer monitoring. In the future, a more permanent solution will be needed.

Mr. Rick Jensen added the Program must closely and accurately track expenditures. Ultimately, no matter where the money comes from, the Program needs to disclose where money is being spent. It is estimated it would cost well over \$1 million per year for expenses if the Program completed all of the mandated inspections.

**MOTION:** Ms. Rachel Oster moved to approve the revised FY 14/15 FMIP budget of \$4,245,480, the proposed FY 15/16 FMIP budget of \$4,353,019, and the proposed FY 15/16 OIM budget of \$815,178. Mr. John Salmonson seconded; the motion passed unanimously.

### **FREP UPDATES**

Dr. Woods reported the FY 13/14 actual personnel expenses were less than the approved expenses because the Program had several vacancies. Another expense with a major difference from approved to actual was the expenditure of \$110,062 for professional services; that was combination of funds used for Agriculture in the Classroom and a Sacramento State contract to moderate the Nitrate Tracking and Reporting Task Force. The higher personnel expenses in the proposed FY 15/16 budget reflect the cost of full staffing. The approved 14/15 research contract contains a rollover of encumbered funds from FY 13/14. Dr. Woods stated the major increase in the FREP's proposed budget is the \$500,000 increase to the research line item to fund new initiatives related to nitrate issues.

The FREP's proposed FY 15/16 budget is \$2,987,217; the line item earmarked for research was increased from \$1,500,000 to \$2,000,000 to fund additional new initiatives related to nitrate issues.

Chairperson Yost asked for a motion to approve the proposed FREP budget.

**MOTION:** Mr. John Salmonson moved to approve the FREP FY 15/16 proposed budget of \$2,987,217. Mr. Doug Graham seconded; the motion passed unanimously.

Dr. Woods reviewed the available funds for research. The beginning balance on July 1, 2013 was \$7,515,452. After calculating program reserve expenses and contract obligations, projected funds available for research at the end of FY 13/14 were \$2,713,655.

### FREP Strategic Planning

Mr. Mark Cady informed the board the FREP will be going through a strategic planning process and develop a series of goals: fund research; outreach – get research results to stakeholders; transfer knowledge to growers and decision makers; support solutions to nutrient management challenges; help the agriculture industry manage fertilizers in an agronomically sound manner, and be recognized more widely as a resource, especially in the grower community. Mr. Cady reported staff was brain-storming solutions for barriers to getting useful research results quickly to the growers. The barriers are basically due to the diversity of growers, locations, and soils, as well as the breadth of knowledge and expertise of the advisors. Growers need site-specific customized solutions to be as effective as possible with fertilizer use. The FREP's long-term strategy is to develop a strategic framework with a robust and dynamic outreach, information, and education program to deliver practical and effective practices to the grower. The FREP staff will coordinate and develop a single, integrated, decision-making management tool that has all the relevant information in one comprehensive framework, and will allow for customization of the Best Management Practices to local conditions. This tool will also assist with the FREP's strategic vision to put the Program front and center in outreach and as a resource to growers and end users.

Mr. Cady stated the FREP will ask for a special Request for Proposal (RFP), which will be out of cycle from the standard request. Seven fertilizer research initiatives on nitrogen were developed to go with the RFP: nitrous oxide research; nitrogen management training program for growers; demonstration projects on the multiple benefits of nitrogen; management practices with growers; understanding and quantification of the movement of nitrates in deep soil; development of easy-to-use measurement technologies for field-scale measurement of nitrate leaching below the root zone; development of integrated water and nutrient management tools.

Dr. Ba introduced the inter-agency research proposal concept to address greenhouse gas from aerobic composting of manure and food waste. CalRecycle contributed \$75,000, the Air Resources Board 4<sup>th</sup> Climate Change Assessment agreed to provide \$225,000, and CDFA, specifically the FREP, is being asked to contribute \$100,000, which is 25 percent of the funding. Other agencies are involved and the CDFA Science Advisor, Dr. Amrith Gunasekara, will assist in overseeing the project. If funded by the FREP, the Department will be at the table to monitor the proposal. The timeline was too short for the Technical Advisory Subcommittee (TASC) to review the concept proposal prior to bringing it to the board. The concept will be presented to the TASC at the next meeting for their input.

**MOTION:** Mr. Steve Spangler moved to approve \$100,000 for the inter-agency research proposal concept to address greenhouse gas from aerobic composting of manure and food waste, contingent upon FREP's scrutiny of the proposal; Ms. Rachel Oster seconded. The motion passed with eight yeas and one nay.

Dr. West provided an overview of the FREP research projects. There are 27 active projects, not including the four recently approved by the Board. The encumbrances through FY 16/17 are approximately \$3 million. This does not include the recently approved projects, which is an additional \$726,000 total.

### **LABORATORY UPDATES**

Ms. Elaine Wong stated the lab is on track for the FY. Previously, the Center for Analytical Chemistry (CAC) aimed for turn-around times of 21 days. This year's goal was to keep the processing time under 21 days; better than 90 percent were done in 14 days. The total number of samples received was 1,030; routine samples 980; priority 20, partial rush 6 and rush 24. The total number of assays was 5,064; 4,936 routine and 128 rush.

### **BOARD VACANCIES**

Chairman Yost reported there will be three vacancies on the board in 2015; membership terms are expiring for Mr. John Salmonson, Mr. Jay Yost, and Mr. Doug Graham; only Mr. Graham applied to be considered to serve another term. After the board makes its recommendations to the Secretary, she will make the final decision on the appointments. There are 14 applicants for this position. One applicant had to be eliminated due to not being licensed, and there is not a current public member term available.

**MOTION:** Mr. Steve Spangler moved to recommend to the Secretary the appointment of Mr. Doug Graham, Ms. Melissa McQueen, and Mr. Gary Silveria to the FIAB; Mr. David McEuen seconded. The motion passed unanimously.

Chairperson Yost informed the board they needed to elect a new chairperson.

**MOTION:** Mr. John Salmonson moved to appoint Mr. Brad Baltzer as Chairperson; Mr. David McEuen seconded. The motion passed unanimously.

Outgoing Chairperson Yost turned the meeting over to Mr. Brad Baltzer, as the new Board Chairperson.

### **ADDITIONAL ITEMS/NEXT MEETING**

Dr. Ba stated the Secretary signed a resolution for Mr. Salmonson and Mr. Yost and presented them with the framed resolutions.

Mr. Yost reasserted board members should sit in on a FREP TASC meeting.

The next FIAB meeting will be Wednesday, February 4, 2015, in Sacramento.  
Chairperson Baltzer adjourned the meeting at 12:00 p.m.

Respectfully submitted by:



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

10/14/14

Date