

**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**

**March 14, 2013
MINUTES**

MEMBERS

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

CDFA

Amadou Ba
Asif Maan
Dale Rice
Dale Woods
Doug West
Elaine Wong
Erica Jue
Evelyne Ndiaye
Greg Mukai
Kris Gulliver
Luz Roa
Maria Hicks
Marshall Stoddard
Mike Gingles
Nick Young
Nirmal Saini
Rick Jensen
Suzanne Turcotte
Wei Wu

INTERESTED PARTIES

Angela Fields
Chris Totten
Dragon Macura
Greg Cunningham
Laura Ferrante
Pedro Topete
Renee Pinel
Sandy Simon
Steve Beckley
Tad Bell
Terry Stark

INTRODUCTIONS & ANNOUNCEMENTS

The meeting was called to order at 9:00 a.m. by Chairperson, Mr. Jay Yost. Self-introductions were made and a quorum was established.

APPROVE SEPTEMBER 27, 2012 MEETING MINUTES

Chairperson Yost requested the board review the minutes from the September 27, 2012, meeting.

MOTION: Mr. John Salmonson moved to approve the September 27, 2012 meeting minutes as submitted. Mr. Steve Spangler seconded; the motion passed unanimously.

DEPARTMENT/DIVISION/ UPDATE

Mr. Rick Jensen stated there were no significant updates for the Department or the Division. However, he took the opportunity to recognize the cooperation of the fertilizer industry and the fertilizer program for their continued hard work and efforts in ensuring an effective, efficient, and viable registration and inspection program. He highlighted the Fertilizer Research and Education Program's (FREP) new initiatives; investigations being conducted at the field level; and progress made on improving and completing Organic Input Material (OIM) registration and facility inspections. Additionally, Mr. Jensen thanked program staff: Dr. Asif Maan, Dr. Amadou Ba, Mr. Edward Hard, and Dr. Doug West, for being actively engaged in current and emerging fertilizer and water quality issues, meeting program goals, and interacting with the Executive Office. A lot of resources were used, at the program level, engaging with Executive Office staff, and other agencies, on water quality issues.

Ms. Rachel Oster asked what other agencies are involved in discussion regarding water quality issues, and if the State Water Board (SWB) is technically looking at the manufacturing or application of compost. Mr. Jensen stated they are looking at the application, except for compost. For compost, they will be looking at manufacturing processes. Ms. Oster commented that the SWB is coming out with general minimum standards for compost facilities and regional boards will have the authority to adopt their own standards.

Dr. Maan commented it seems to be a facility regulatory issue, rather than the composting process and application.

Mr. Jake Evans asked how far along the discussions are on what is going to be regulated. Mr. Jensen stated that CDFG has a role in establishing a task force to look at use reporting and what type of information is important; it is still very broad. CDFG continues to educate the industry that nitrogen fertilizing materials come in many forms.

Discussion ensued regarding composting manufacturing processes.

BRANCH UPDATES

Dr. Maan thanked Mr. John Peterson and Mr. Sandy Simon for their dedication and service to the board and the department; both of them had previously served on the board. He then welcomed new board members: Ms. Rachel Oster, Mr. Jake Evans, and Mr. Andrew Godfrey.

Dr. Maan informed the board the Commercial Feed Inspection Program is going through a strategic review, by a technical working group formed of the Feed Inspection Advisory Board, the California Grain and Feed Association (CGFA), and feed program staff. The purpose of the review is to align program activities with the Food and Drug Administration's (FDA) Food Safety Modernization Act (FSMA). He explained the branch's organizational chart, highlighting the branch is fully staffed with the exception of one environmental

scientist in the registration unit. He further reported that Ms. Luz Roa was promoted to the vacant Staff Environmental Scientist position. He congratulated Ms. Roa on her promotion.

Dr. Maan reviewed the board roster, stating there will be three vacancies in October 2013. Two of these vacancies are for fertilizer licensees and one vacancy is for a public member. Vacancies will be advertised through a CDFA press release, Western Plant Health Association (WPHA), Ag Alert, and an email to all licensees and interested parties. Members with terms expiring include: Mr. Brad Baltzer, Mr. Steve Spangler, and Mr. David McEuen.

PROGRAM UPDATES/FUND CONDITIONS

Dr. Amadou Ba provided the board with general program updates, stating the Organic Input Material (OIM) program has been required by the United States Department of Agriculture (USDA) to be International Standards Organization (ISO) 65 certified. A Scope of Work has been developed, that will allow the program to hire a consultant to assist with the certification process. A request for proposal (RFP) is at the Department's Contract Office; that is the first step to hire a consultant.

Dr. Ba went over the proposed regulations for the fertilizer program, including amendments and additions to non-nutritive standards, biotic claims, clarifying the scope of OIM, the use of the term organic, and access for sampling, records maintenance and audits. The Notice of Proposed Rulemaking was published by the Office of Administrative Law (OAL) on March 8, 2013; the 45-day comment period will end on April 22, 2013.

Mr. Sandy Simon commented the way the proposed text was written, a product could be put under the scope of OIM even if they only use the phrase "providing organic matter" or "adding organic matter to the soil" on a garden soil compost. He stated he does not feel that was the program's intent. Dr. Ba encouraged Mr. Simon to submit a comment through the official regulatory process.

Mr. Chris Totten suggested providing clarity by changing the proposed text to "not for use in organic food production and not for use in organic crop production."

Discussion ensued and Mr. Jensen encouraged interested parties to use the formal process to submit comments regarding the proposed regulations.

Dr. Ba went over the Fertilizing Material Inspection Program's fund condition. As of July 1, 2012, the beginning balance was \$1,869,063; revenue was \$1,457,898; and expenditures were \$1,672,652. As of January 31, 2013, the ending balance in the CDFA account was \$1,654,309. The Bank of America Certificate of Deposit had \$3,049,965; total funds were \$4,704,274.

Dr. Ba went over the FREP's fund condition. As of July 1, 2012, the beginning balance was \$3,046,551; revenue was \$711,944; and expenditures were \$604,276.

Encumbrances through 2015/16 are \$3,503,784. If the program received no additional revenue, the adjusted balance would be -\$349,565. This does not consider revenue the program will receive in upcoming fiscal years.

Dr. Ba provided the board with mill assessment trends from 2003/04 through 2011/12. In 2003/04, revenue was \$1.46 million. Revenue increased through 2007/08, during which time revenue was \$4.94 million. This was when the mill assessment was 3 mills. The mill was reduced to 1.5 mills in 2008/09 and revenue decreased to \$3.09 million. From then on, revenue fluctuated, and the mill remained at 1.5.

Chairperson Yost commented mill assessments and tonnage reporting are only two aspects of the program; he believes there are errors in tonnage reporting. People are using the incorrect data to make decisions and if the data is wrong, it causes issues. It may require education to the people who are reporting or some other way of obtaining that information.

LABEL REGISTRATION UPDATES

Dr. Dale Woods provided a fertilizing material label registration status report, highlighting that as of March 2013, 269 conventional fertilizer products were pending review and 6,000 fertilizer products had been approved. For OIM, there were 821 fertilizer products approved; 282 required data revisions and are with the applicants, and 191 are with program staff for review.

Dr. Woods stated there was an issue with the public database; it was out-of-date in regards to heavy metals reporting. The heavy metals data is currently not viewable; an updated list will be made available soon. Dr. Woods stated a list of approved OIMs is now viewable on the Department's website.

Dr. Woods and Mr. Nick Young recently attended an Association of American Plant Food Control Officials (AAPFCO) meeting. The Department hopes to continue attending these meetings. Since next year's meeting will be in Sacramento, multiple staff will be in attendance.

Mr. Evans commended fertilizer program staff on the turnaround rate of reviewing product label registration applications. He asked if the OIM program is self-sustainable, based on the 1,200 product labels. Dr. Woods stated that OIM label review and facility inspections cost more than the conventional product. It is unclear, at this point, if costs are being covered by OIM revenue.

- A break was taken from 9:50 a.m. to 10:00 a.m.

INSPECTION AND COMPLIANCE UPDATES

Mr. Young went over the sampling and inspection summary from 2012. In 2012, there were 672 official samples taken and 88 violations from 322 firms. There were 221 heavy metal analyses done, and one heavy metal violation. The violation rate decreased for conventional and OIM samples. Mr. Young further reported the program met their goal of

inspecting all operational OIM licensees in the state. 131 OIM licensees were inspected in California. The number of inspections will likely increase 10 to 20 percent in 2013, due to the expected increase of OIM licensees. There were 22 additional investigative samples obtained. In 2012, there was a 13 percent sample violation rate: 12 license violations, 53 product registration violations, 12 label violations, and 1 heavy metal violations. Currently, there are plant growth regulator investigations ongoing. A large case against a manufacturer is with the attorney general's office and administrative civil penalties were assessed against two international firms.

Mr. John Salmonson suggested a press release be submitted to acknowledge the industry and the Department for heavy metals compliance.

Discussion ensued regarding the process of conducting investigations.

Mr. Evans inquired about out-of-state OIM inspections. Mr. Young stated those have not begun; the program is working through issues.

FREP UPDATES

Dr. Doug West provided an update on the Nitrogen Management Training and Certification program for Certified Crop Advisors (CCA). Since December 2012, there have been four curriculum development meetings with UC Agriculture and Natural Resources (UCANR); Dr. Doug Parker is the steering committee facilitator. A curriculum framework has been developed and an ad hoc advisory committee will meet on April 2, 2013 to review the framework. The target date for completion of the curriculum is November 1, 2013.

Ms. Erika Lewis gave an overview of the FREP annual conference that was held October 30 and 31 in Modesto, CA. She stated there were a wide variety of speakers, including Secretary Ross. There was record high attendance; 263 people. Feedback from the survey was very positive.

Ms. Lewis briefly went over the FREP research and education timeline for reviewing the concept proposals. An RFP was released on December 3, 2012; 48 concepts were received. The Technical Advisory Subcommittee (TASC) met on March 5, 2013 to discuss the concepts and voted to move 10 concepts to the full proposal stage. The 10 full proposals will be due on May 1, 2013; an award notification will be August 1, 2013, and the projects will begin on January 1, 2014.

LEGISLATIVE UPDATES

Ms. Renee Pinel provided the board with brief legislative updates. She highlighted that fertilizers are the major focus, specifically ground water impacts to drinking water. There has been a nexus drawn between impacting ground waters; there is no fertilizer bill in place at this time. WPHA has been working diligently with members of legislature and they have agreed not to carry that type of legislation. The focus is now on redirecting available funds that may be accessed by other agencies or from transferring responsibilities from other

agencies, over to water boards that may release those quickly, to assist disadvantaged communities. This is part of the education process; the primary leaders agree the cost of agriculture and the burden on growers outweighs the amount of revenue that could be gained from a fertilizer tax.

Ms. Oster asked what policy committees these bills may go through. Ms. Pinel stated that they will probably go through environmental safety and quality on the senate side and agriculture, health, and appropriation committees.

Discussion ensued regarding legislative issues.

LABORATORY UPDATES

Ms. Elaine Wong provided the board with laboratory updates stating there were 718 official and investigative samples received for 2012, and 715 samples completed. The average assay per sample was 6.45. Over 90 PGR samples were analyzed in 2012, and another 2 have been added this year.

ADDITIONAL ITEMS/NEXT MEETING

The next meeting will be on July 18, 2013 in Sacramento.

Mr. Evans requested that an OIM subcommittee meeting date be set to discuss issues. Ms. Oster seconded that request due to the public comment period of the proposed fertilizer regulations being ongoing. Discussion ensued regarding an OIM subcommittee meeting. Ms. Oster suggested submitting comments on the proposed regulation from the subcommittee. It was decided that would be a conflict of interest because the subcommittee suggested these regulatory changes.

Mr. Salmonson suggested holding a subcommittee meeting on May 16, 2013 in Sacramento to address OIM issues not related to the proposed regulations.

MOTION: Ms. Rachel Oster moved to adjourn the meeting at 10:47 a.m.; Mr. Doug Graham seconded. The motion passed unanimously.

Respectfully submitted by:



Amadou Ba, Ph.D.
Environmental Program Manager I
Fertilizing Materials Inspection Program

3/14/13
Date