

**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**

**June 28, 2012
MINUTES**

MEMBERS

Brad Baltzer
David McEuen
Doug Graham
Jay Yost
John Peterson
Rachel Oster
Sanford Simon
Steve Spangler

CDFA

Asif Maan
Amadou Ba
Amrith Gunasekara
Dale Woods
Doug West
Elaine Wong
Erica Jue
Evelyne Ndiaye
Karen Ross
Katherine Borchard
Luz Roa
Maria Hicks
Mike Gingles
Nate Dechoretz
Nick Young
Nirmal Saini
Wei Wu

INTERESTED PARTIES

Michelle Miller, Sun Gro Horticulture
Katherine Borchard, ASCO
Laurence London, ASCO
Ray Green, Go Green Organics
Renee Pinel, WPHA
Steve Beckley, OFAC

INTRODUCTIONS & ANNOUNCEMENTS

The meeting was called to order at 9:02 a.m. by Chairperson Jay Yost. Self-introductions were made and a quorum was established. Mr. John Salmonson was unable to attend the meeting.

APPROVE JANUARY 27, 2012 MEETING MINUTES

Chairperson Yost asked the board to review the meeting minutes from the January 27, 2012 Fertilizer Inspection Advisory Board (FIAB) meeting.

MOTION: Mr. John Peterson moved to approve the January 27, 2012 meeting minutes as submitted. Mr. Doug Graham seconded; the motion passed unanimously.

DEPARTMENT/DIVISION/ UPDATE

This agenda item was not discussed due to time constraints.

FERTILIZER RESEARCH AND EDUCATION PROGRAM INITIATIVES

Dr. Asif Maan informed the board of the Fertilizer Research and Education Program's (FREP) initiatives.

- a. The FREP database will provide the industry with 20 years of FREP research in a searchable database. Phase 1 is complete; it was designing the input template and the user interface. Dr. Daniel Geisseler, U.C. Davis, is working on summarizing FREP's research projects to be entered into the database. It will be available to industry on July 2, 2012; data will continue to be added as it is summarized by Dr. Geisseler. Dr. Maan provided the board with a brief overview of how the searchable database operates. Phase 2 is being developed; it is in regards to fertilization guidelines.

Mr. Peterson asked the purpose of the database. Dr. Maan stated that it is an additional research tool for California Crop Advisors (CCA), growers, and other interested parties.

Mr. Steve Spangler voiced his concern about regulations arising around nitrogen use. He stated that much of the information on the database is from a different era, and people are now using alternate techniques. The timing of nitrogen and the method of application is now different. If someone saw a chart with outdated timings, and methods of nitrogen use, they may try to promulgate regulations in the form of what growers can apply. Dr. Maan stated FREP has expended \$12 million on 160 research projects over the past twenty years. FREP's goal is to highlight the projects that FREP has funded, and to provide guidelines. Dr. Maan commented that Mr. Spangler's concern is understandable, but FREP's guidelines will incorporate several variables including soil types, variety, and fertilizer types. These are minimum standards and guidelines of what needs be applied.

Ms. Rachel Oster asked if additional links from outside of the Department will be provided. Dr. Maan stated there will be an option for additional links to be added.

Dr. Amrith Gunasekara commented it is tremendous that the water boards moved from a single value of nitrogen application to a range which gives flexibility; there is immense variability in this data. Therefore, it is an agronomic discussion, not an engineering database.

Mr. John Peterson asked if the Department is willing to go to court if the database is evidence in court at some point. Mr. David McEuen commented that he understands the concern, but people with dubious contentions are always going to find something anyway; this database provides some guidelines versus no guidance.

Dr. Maan stated the database was presented to industry at three different forums and positive comments were received.

- b. The Department is focusing on Nitrogen in the Nutrient Management Practices (NMP) Certification Program. FREP and California CCA are developing a consortium to bring stakeholders including the FIAB, CCA's, commodity groups, the Water Board, and other groups to receive feedback on this program. CDFA is actively working with CCA's Board of Directors; general areas of training have been discussed. Additional information will be provided at the next FIAB meeting. The Department has received positive feedback from regulatory groups, but growers are questioning why this program will be limited to CCA's. As this idea develops, the consortium will decide on the best approach to move forward. Phase 3 will develop how many continuing education units are required to maintain the NMP certification. It is unknown if it will be more than the 40 units, the current required amount. The goal is not to overburden CCA's.
- c. FREP has applied for a United States Department of Agriculture (USDA), Natural Resources Conservation Service (NRCS), Conservation Innovation Grant (CIG). It is a collaborative \$1 million project; the grant will provide \$500,000. It will be \$250,000 in kind and \$250,000 in cash contribution from FREP. The objective is to apply FREP research at the field and farm level; four crops have been selected in Salinas Valley. By July 20, 2012, CDFA will know if the proposed grant was accepted.

Mr. Peterson asked if this \$250,000 will affect FREP projects. Dr. Maan responded stating that at the next FIAB meeting, a revised budget for Fiscal Year (FY) 2012/13 and 2013/14 will be presented to the board for approval.

MOTION: Mr. Steve Spangler moved to approve the FREP cash contribution of \$250,000 for a three-year period, contingent on the approval of the CIG grant. Ms. Rachel Oster seconded; the motion passed unanimously.

Dr. Maan said there is a fourth initiative for managing agricultural nitrogen and gaining an understanding of how management of agricultural nitrogen is proceeding. The two recent forums were well attended; there was a panel discussion and academia was involved. This is another way of showcasing what FREP has been doing. There are several proactive ongoing events regarding water quality control. There is a Request for Proposal (RFP) in the ballpark of \$250,000 in addition to the \$250,000 FREP cash contribution.

Dr. Maan thanked the board for being proactive to the environmental issues; this assists the FREP Program.

Ms. Oster asked if there is a link on the new FREP database with instructions on how to apply for a FREP grant. Dr. Maan stated there is a link on the website.

Mr. Nate Dechoretz arrived at 9:25 a.m. He stated there will be a lot of challenges arising within the next few years. Over the past few months, nitrate issues have been brought to the forefront. These will be continuing issues that the Department is trying to stay in front of as best as possible. The Department has limited authority, but will be working with other agencies in order to work cooperatively. The Department is looking forward to the continued support of the industry. The Feed and Fertilizer Branch have talented employees who will be assisting the Executive Office. The financial support FREP has been providing for the Science Advisor, Dr. Gunasekara, will now be spread among several programs since he is involved in many issues, not just the nitrate, fertilizer, and water issues. We are mindful of the concerns expressed, especially when Assembly Bill (AB) 32 came out, since the legislature made the Department use their own money; the Department ensured that did not happen. Mr. Dechoretz thanked the board for the opportunity to work with them.

PROGRAM UPDATES AND FUND CONDITION

Dr. Amadou Ba stated that as of March 29, 2012, the Organic Input Material (OIM) regulations became law. The legislative report has been completed and is posted on the CDFA website; the link was sent to the board. The Program has started drafting regulations on "Natural Organic Fertilizer." Additionally, the Program has been conducting outreach activities, including meeting with Accredited Certifying Agents (ACA), continuing consultation with the National Organic Program (NOP), meeting with the Organic Materials Review Institute (OMRI), California Certified Organic Farmers (CCOF), and Agricultural Services Certified Organic (ASCO). The NOP has requested that the Department obtain ISO 65 accreditation; the Department's current priority is to review and register OIM labels. The NOP will send a staff member to our annual staff meeting in August to interact with the program. CDFA attended California Agricultural Commissioners and Sealers Association (CACASA) area groups, and has done outreach in the grower community.

Dr. Ba provided the board with an overview of the fund condition for the Fertilizing Materials Program as of May 31, 2012. The beginning combined balance was \$2,363,752; there was \$2,816,709 in revenue, and expenditures were \$2,987,236. The ending CDFA account balance was \$363,151 and the ending Bank of America balance was \$1,830,074; the ending total combined balance was \$2,193,225. Additionally, the Fertilizer Program has a Certificate of Deposit (CD) in the amount of \$3,000,000; \$49,965 was earned from interest. The total funds, including the CD, are \$5,243,190.

Dr. Ba provided the board with an overview of the fund condition for the Fertilizer Research and Education Program (FREP) as of May 31, 2012. The beginning combined balance was \$3,006,179; there was \$1,299,473 in revenue, and expenses

were \$1,116,622. The FREP had encumbrances of \$2,164,885; the adjusted combined balance was \$1,024,145. The mill assessment trends from 2007 to current were provided.

Secretary Karen Ross arrived at 10:12 a.m. She expressed her appreciation to the board and thanked them for their time and effort participating in the FIAB and in assisting in funding research in order to fill data gaps. Filling data gaps assists in regulatory decisions that will be made by others that will have a huge impact on the industry. She stated she personally appreciates all the work the program is doing; it is vital to how government, at the regional and state level, may or may not move forward on the issue of nitrates and groundwater and all of the other things that come with that. The science and the data is a way to help people not rush to conclusions. Where there are gaps, she is going to continue pushing everyone to find projects in order to give us the tools that are needed. Secretary Ross stated she received fabulous feedback from the workshops that FREP co-sponsored with UC Agriculture and Natural Resources. Those types of ongoing public forums really showcase all of the research that has been done and the best management practices that are being implemented. With a bit more work, new tools may be readily available as we try to buy some space to let common sense and science drive some of the final decisions.

Dr. Maan thanked Secretary Ross for taking the time to attend the board meeting and talk to the board, as well as thanked her for supporting the program with her vision.

Mr. Dechoretz commented that the review of the specialty crop block grant was just completed. It was noted that FREP needs to coordinate with the specialty crop block grant program to ensure there is no duplication. There may be shared funding on projects in the future.

Mr. Yost said that the program has the authority to go to 3 mills, and are currently at 1.5 mills. There are currently high fertilizer prices, and depending on revenue and cash flow, additional funds may be needed.

Discussion ensued regarding increasing the mill.

LABEL REGISTRATION UPDATES

Ms. Luz Roa reported that all new OIM registration applications are within the 30 day review period. Mr. Yost congratulated the program.

Dr. Dale Woods provided the board with information on the registration labels that are being reviewed by the OIM Program. He stated that there are 538 approved registrations, 309 registrations that require data revisions from the applicant, 136 registrations pending review, and 115 registrations that were resubmitted after data revisions were requested. OIM registrations have increased significantly.

Dr. Woods noted that a notice was sent to industry regarding silicon and another notice was sent to industry regarding a disclosure statement for OIM verbiage on labels that must be used in certain cases.

Discussion ensued regarding the OIM disclosure statement and when it must be used. There will be a fertilizer workshop in Seaside, CA on October 17 and October 18.

Mr. Peterson asked about provisional licenses for products that were already registered by a third party entity. Dr. Woods stated that they must be completely transitioned to OIM by September 30, 2012.

OIM INSPECTION/SAMPLING UPDATES

Mr. Young stated that in California, through mid-June, 71 OIM inspections have been completed. For the first half of 2012, staff has been cross training; they are now working on their own, except for sizeable firms. A challenge has been how to gauge the number of firms that need to be inspected in California. It is difficult with firms that have not applied for registration, but seem to manufacture OIM. There are some organic products that are being marketed as conventional. Mr. Young stated the program intends to make improvements including revising audit questions and having a different questionnaire for composters. There is more research put into OIM inspections versus conventional fertilizer inspections. Investigators have been consulting with the scientific staff to review multiple firms at once, and have obtained mobile printers so return trips to firms are not necessary. Mr. Young commented it is surprising that many firms have issues, but are not purposefully adulterating their product, such as adding a non approved OIM ingredient.

Mr. Young reported that samples have decreased due to personnel changes, yet the number of manufacturers sampled increased from the previous year. There were 39 products tested for Plant Growth Regulators (PGR). They were detected in nine hydroponic products from seven firms. The Department has filed cases with the Attorney General against two of the firms with two or more cases pending. There are two additional pending cases in the retail sector.

Mr. Ray Green asked how many out of state licensees need to be inspected for OIM. Mr. Young responded stating the list is being refined, and the Program does not have an exact number. Mr. Green asked how many out of state label registrations have been filed. Mr. Dale Woods stated there are over a dozen, but he did not have an exact number.

LABORATORY UPDATES

Ms. Elaine Wong stated in 2012, from January to May, the lab received 340 samples. Of the samples received, 307 were routine, eight were priority, five were partial rush, and 20 were rush samples.

2013 FREP PROJECT PROPOSALS AND TASC VACANCIES

Mr. Edward Hard stated that the FREP and Western Plant Health Association held a conference on October 30 and 31, 2011 in Modesto, California

Mr. Hard presented the board with a summary of ongoing projects. He stated for FY 2012/13, there is \$81,000 remaining in the budget for research projects. He highlighted the projects that the Technical Advisory Subcommittee (TASC) recommended for funding. He further stated that projects 12-02 and 12-09 were not recommended. Letters will be sent to applicants informing them if their project proposal has been approved or denied.

Discussion ensued regarding the proposed FREP TASC projects.

MOTION: Mr. Steve Spangler moved to approve the FY 2012/13 FREP research project proposals that were recommended by the TASC. Mr. Doug Graham seconded; the motion passed unanimously.

Mr. Hard stated that for every approved FREP project, the Department is recommending increasing the yearly allowed funds by \$25,000 in order to receive meaningful projects. Mr. David McEuen, a member of the TASC, commented it was recommended across the board in order to get a narrower project scope. Every proposal has a breakdown of costs and how the money will be spent.

MOTION: Ms. Rachel Oster moved to approve a change in funding from \$50,000 to \$75,000 per year for FREP's research projects, effective January 1, 2013, as recommended by the TASC. Mr. David McEuen seconded; the motion passed unanimously.

Mr. Edward Hard stated the TASC recommended Mr. Eric H. Ellison and Ms. Marja E. Koivunen be appointed as subcommittee members and Mr. Dennis Chessman be appointed for the USDA-NRCS seat; the previous incumbent retired.

MOTION: Mr. John Peterson moved to approve the TASC vacancies as requested from the TASC with Mr. Eric H. Ellison and Ms. Marja E. Koivunen being appointed as members, and Mr. Dennis Chessman being appointed for the USDA-NRCS seat. Mr. Brad Baltzer seconded; the motion passed unanimously.
Dr. Doug West stated the TASC decided Special RFP's are a priority; the TASC will be looking for multidisciplinary teams. The proposals will go through the normal review process, and the board will have to authorize funding as usual. The timeline is compressed; the project start date will be January 2013.

Discussion ensued regarding the RFP's. Dr. West clarified that the goal is that one team will be doing the work of the Special RFP regarding nitrate in groundwater. Ms.

Pinel commented it is an extremely valuable project. Mr. Yost stated that we scientifically need to be able to answer this question.

BOARD VACANCIES

Dr. Maan informed the board there will be three vacancies on the FIAB in October 2012. He further stated that it is the Secretary's desire to bring diversity to the board to reflect California agriculture. The press release for vacancies has been sent to all licensees and advertised through WPHA and the Organic Fertilizer Association of California. The deadline to apply for appointment is August 1, 2012.

ADDITIONAL ITEMS/NEXT MEETING

The next meeting will be on Thursday, September 27, 2012 in Sacramento at 9:00 a.m.

MOTION: Mr. Steve Spangler moved to adjourn the meeting at 11:35 a.m. Mr. Doug Graham seconded; the motion passed unanimously.

Respectfully submitted by:



Asif A. Maan, Ph.D., Chief

Feed, Fertilizer, and Livestock Drugs Regulatory Services Branch

6/28/12

Date