

**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**

**July 18, 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 Woods  
Doug West  
Elaine Wong  
Evelyne Ndiaye  
Luz Roa  
Maria Hicks  
Nick Young  
Nirmal Saini  
Rick Jensen  
Wei Wu

**INTERESTED PARTIES**

Renee Pinel  
Steve Beckley

**INTRODUCTIONS & ANNOUNCEMENTS**

The meeting was called to order by Chairperson, Mr. Jay Yost at 8:35 a.m. Self-introductions were made and a quorum was established. Ms. Rachel Oster arrived at 8:55 a.m.

**APPROVE MARCH 14, 2013 MEETING MINUTES**

Chairperson Yost requested the board review the meeting minutes from the March 14, 2013 meeting.

**MOTION:** Mr. John Salmonson moved that the March 14, 2013 meeting minutes be approved as submitted; Mr. Brad Baltzer seconded. The motion passed unanimously.

**DEPARTMENT/DIVISION UPDATE**

Dr. Asif Maan provided the board with Department and Division updates. He highlighted SBX 21 required the Department to form a task force addressing nitrogen in ground water. The first meeting is tentatively scheduled for July 29, 2013. There will be a minimum of two meetings to formulate recommendations for nitrogen tracking and reporting.

Dr. Maan stated the state budget passed on time this year; staff will no longer be furloughed.

Dr. Maan stated the program conducted a strategic review of the Feed program to ensure the program will be able to assist industry in complying with the Federal Department of Agriculture's (FDA) Food Safety and Modernization Act (FSMA). There may be changes needed to the program's existing laws, and additional positions may need to be established.

Dr. Maan stated for the Fertilizer program, the Assembly Budget committee allocated seven new positions to assist the Department in addressing water quality issues. The program will provide an analysis of what the seven positions will be used for and the fiscal impact to the program at the next board meeting.

Mr. David McEuen commented that the Fertilizer Research and Education Program (FREP) Technical Advisory Subcommittee (TASC) expressed concern over FREP funds being used for funding projects not reviewed by the TASC.

#### **OIM SUBCOMMITTEE UPDATES**

Dr. Ba stated the OIM subcommittee reviewed several options that can be implemented for conducting out-of-state inspections. Options include: a law change to make inspections on a risk-based system versus mandatory yearly inspections; having the OIM manufacturer pay for inspections in-state and out-of-state; or having an agreement with third-party organizations recognized by the United States Department of Agriculture (USDA)-National Organic Program (NOP) to conduct out-of-state inspections. A change needs to be made for parity.

Mr. Jake Evans commented there should be equality for in-state and out-of-state OIM inspections.

Mr. Salmonson stated there is a cost issue and travel restrictions for conducting organic input material (OIM) out-of-state inspections.

Mr. Salmonson asked if the OIM legislative report was finished and if it addressed out-of-state inspections. Dr. Maan stated the report was finalized over a year ago and the board reviewed the report; it was also posted on the Department website.

Mr. Yost commented if third-party organizations conduct out-of-state inspections, the Department's investigative staff should observe the first set of inspections to ensure inspections are being conducted the same in-state and out-of-state.

Mr. Nick Young suggested risk-based inspections be conducted versus mandatory yearly inspections. He stated larger firms with higher risks should be inspected more frequently than reduced risk firms that only manufacture one product.

Discussion ensued regarding the current \$500 OIM registration fee, and if the current fee is sufficiently covering the costs of the OIM program. Dr. Maan informed the board it is not a self-sufficient program at this time.

Ms. Renee Pinel suggested trying to focus on drafting regulatory language to have the organic facility provide proof of inspection, whether it is from CDFA staff or third-party entities.

Mr. Evans suggested forming a small working group to address out-of-state inspections. Dr. Maan suggested two board members work with Ms. Pinel and the Department

**MOTION:** Mr. Jake Evans moved that a working group be formed to work with the Department on reviewing the law and regulations, including out-of-state inspections. Mr. Andrew Godfrey seconded; the motion passed unanimously.

Members of the working group are Mr. Jake Evans, Mr. John Salmonson, Mr. Steve Beckley, Mr. Andrew Godfrey, and Ms. Renee Pinel.

Dr. Maan thanked Mr. Salmonson for his leadership as chairperson on the OIM subcommittee, informing the board the OIM subcommittee has been abolished. Chairperson Yost provided Mr. Salmonson with a resolution from the Department and thanked him for his dedication to the industry and to the OIM subcommittee.

### **LABEL REGISTRATION UPDATES**

Dr. Dale Woods stated there are 88 conventional fertilizer registration applications pending review, and 6,542 approved. There are currently no conventional fertilizer labels pending review that have been in the queue for over 90 days.

Dr. Woods stated for OIM registration applications; there are 966 approved, 230 with the applicant requiring additional information, and 206 waiting for CDFA's review.

Dr. Woods informed the board there is a public fertilizer database on the Department website to view approved labels. For OIM labels, there is a registered OIM link that will list approved OIM and is updated quarterly. Dr. Woods stated a fertilizer workshop will be held in October 2013; it will probably be in Visalia.

Dr. Woods informed the board registration renewals will be due in January 2014. For conventional fertilizers, the fee is \$50 and for OIMs, the renewal fee is \$500. A late fee of \$50 will be assessed if you do not renew by January 31, 2014. If a substantial label change occurs, it will be considered a new registration, not a renewal.

Mr. Godfrey commented the program is not aligned with the National Organic Program (NOP) on the word compost on OIM labels. Dr. Woods stated woody inputs in compost have been an issue for the OIM program in regards to the label. The program is working to

address this issue to be consistent with conventional and OIM labels regarding the use of the term compost on labels.

Discussion ensued regarding composting. Dr. Maan stated the program will have internal discussion to compose a standardized way to address this issue.

### **INSPECTION AND COMPLIANCE UPDATES**

Mr. Nick Young stated in 2012, there were 131 OIM licensees inspected in California. As of June 2013, 56 OIM inspections have been completed. There is now 195 total in-state OIM locations; this is an increase of 64 firms since 2012.

Mr. Young stated the program has been issuing non-compliances after several Notice of Warning's have been given this year. It is the program's goal to work with industry, but when entities are not complying, non-compliances will be issued.

### **PROGRAM UPDATES/FUND CONDITIONS**

Dr. Amadou Ba provided the subcommittee with program updates. He stated that the International Standards Organization (ISO) 65 accreditation is still a requirement by the National Organic Program (NOP). The program has implemented a contract for assistance in preparing for ISO accreditation. The program is working with Ms. Gay Timmons, Oh Oh Organics, to prepare for obtaining accreditation. ISO 17065 is the updated accreditation of ISO 65, and is what the program is seeking.

Dr. Ba provided the subcommittee with an update regarding the regulations for clarifying the scope of OIM and other minor changes. After receiving four comments during the 45-day comment period, the Department did a 15-day notice with changes based on input received. One submitter requested a public hearing; a hearing was held on April 25, 2013. One comment was received during the public hearing, and no comments were received during the 15-day comment period of the modified text. The program is currently drafting the Final Statement of Reasons to finalize the regulation.

Dr. Ba reviewed the Fertilizer program budget. The beginning balance as of July 1, 2012 was \$1,869,063. Revenue was \$2,945,494 and expenditures were \$2,719,698. As of May 31, 2013, the ending balance was \$2,094,859. The Bank of America Certificate of Deposit (CD) account ending balance was \$3,049,965, for a total combined balance of \$5,144,824.

Dr. Ba reviewed the FREP budget. The beginning balance as of July 1, 2012 was \$3,094,519. Revenue was \$1,040,660 and expenditures were \$1,145,797. As of May 31, 2013, the ending balance was \$2,989,382. Encumbrances for fiscal year (FY) 2012/13 were \$1,372,004. The adjusted balance is \$1,617,378.

Dr. Ba stated for FY 2013/14, from April 2013 through May 31, 2013, \$1.5 million was received from mill assessments.

Chairperson Yost predicted mill assessment trends will decrease to 2009/10 trends. He stated this should be watched closely because the fertilizer budget has increased.

### **LABORATORY UPDATES**

Mr. Nirmal Saini stated that as of June 2013, 510 samples were received and 447 samples were completed. Of these samples, 2,179 assays were analyzed. The average number of assays per sample is 4.87. Mr. Saini stated eight samples were over the 60 day mark due to staff changes; it is the goal of the Center for Analytical Chemistry (CAC) to have all sample turnaround times within 21 days.

### **FREP UPDATES**

Dr. Doug West stated FREP project priorities were managing agricultural nitrogen; demonstrating agronomically sound uses of fertilizing materials at the field scale; developing best management practices (BMPs), and education and outreach.

Dr. West stated from the research projects received, the TASC requested ten full proposals for review by peers and by the TASC. They were then asked to rate the projects by priority. The projects below (1-4) were recommended for funding from the TASC in priority order.

Dr. West informed the board of funds that are already allocated for FY 2013/14. He further stated it is staff's recommendation to fund the first three projects based on available funds.

1. Developing Nitrogen Management Strategies to Optimize Yield and Protein Content While Minimizing Leaching Losses in California Wheat;
2. Improving N Use Efficiency of Cool Season Vegetable Production Systems with Broccoli Rotations;
3. Phosphorus and Boron Fertilizer Impacts on Sweetpotato Production and Long-Term Storage;
4. Nitrogen Fertilizer Use Efficiency and Mineral Nutrient Requirements of Major and New Table Grape Cultivars in the Southern San Joaquin Valley.

Ms. Renee Pinel asked on what basis projects get denied. Dr. West stated research projects get denied based on merit. Ms. Pinel asked if the program provides researchers with information as to what is needed to make a project scientifically sound if it is denied. Dr. West stated letters are sent to every principal investigator (PI) with comments, in an effort to provide feedback and guidance regarding areas of concern.

Mr. Salmonson commented on project 4, stating a grape project is needed, and we should provide the PI with guidance and request them to resubmit their project next year.

Dr. West provided the board with an update to the Nitrogen Management Training program for California Certified Crop Advisors (CA CCA). He highlighted it is a voluntary crop advisor certification program that will be implemented through FREP.

Mr. Jay Yost requested the board move to approve the Nitrogen Management Training for Certified Crop Advisor's (CCA).

**MOTION:** Mr. Steve Spangler moved that the Nitrogen Management Training for CCAs be approved; Mr. John Salmonson seconded. The motion passed unanimously.

**MOTION:** Mr. Steve Spangler moved to approve projects 1, 2, and 3 (Hutmacher, Orloff, Wright, and Lundy; Smith, Cahn, and Hartz; and Stoddard) and re-review project 4 for possible funding next year. Mr. John Salmonson seconded; the motion passed unanimously.

Dr. West stated the current three FREP vacancies were discussed at the FREP TASC meeting. TASC recommended Mr. Tom Gereke, Mr. David McEuen, and Dr. Robert Mikkelson be appointed for another term. Additionally, the TASC recommended a twelfth position be established for a fertilizer retailer, and that Mr. Charles Hornung be appointed to the additional position.

Chairperson Yost stated it is the Secretary's desire to have new people join the subcommittees and boards and that diversity be considered when appointing new members. Chairperson Yost stated it seems there are several universities on the subcommittee who are submitting projects; this could be a conflict. This will be discussed at the next FIAB meeting.

### **LEGISLATIVE UPDATES**

Ms. Pinel stated there is a trailer bill out to add additional people to realign the FIAB. It would add a lot of environmental and agency type people onto the board. It would take the cap off the mill tax, and to access FREP funds to be used for alternative projects or programs. It has not been introduced at this point, but may be introduced at any time.

Assembly Bill 69 is a bill by Perea; it would establish the nitrate at risk area fund in the state treasury, and would be administered by the State Water Resource Control Board (SWRCB). It would move money from the Department of Public Health to the SWRCB for drinking water. It was recently amended to become a nitrate drinking water bill to provide funding solutions for disadvantaged communities. FREP funds would not be allowed to be in private banks; there was a \$100,000,000 dollar cap as to how much it could hold. The bill was amended again; all requests to FREP has been eliminated and removed. The cap was taken off for how long communities can be on this program and what the funds can be used for. The fund would continue growing and continuing to collect the mill. The Western Plant Health Association is actively opposed and is working with their allies to oppose the bill. It requires a two-thirds vote to pass the bill.

Mr. Sandy Simon commented that this would be a multiple tier tax.

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

The next meeting will be October 3, 2013 at 9:00 a.m. in Sacramento.

Mr. McEuen stated the TASC would like to be on the agenda for the next board meeting to discuss the use of FREP funds.

Mr. Young stated there has been a change for investigative staff within the Fertilizer program. Mr. Percy Mejia is now working solely for the Feed program. Mr. Dan Hartigan is being trained for the Fertilizer program; he will be working out of Ontario.

**MOTION:** Mr. Brad Baltzer moved to adjourn the meeting at 11:03 a.m.; Mr. John Salmomson seconded. The motion passed unanimously.

Respectfully submitted by:



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

3/14/13

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Date