

**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)
FERTILIZER INSPECTION ADVISORY BOARD (FIAB)
Sacramento, CA
March 16, 2011
MINUTES**

MEMBERS

Jay Yost, Chair
Brad Baltzer
David McEuen
Doug Graham
John Peterson
John Salmonson
Tim McGahey

CDFA

Karen Ross
Danielle House
Justin Petty
Edward Hard
Stab Kobata
Maria Hicks
Asif Maan
Mike Gingles
Amadou Ba
Nick Young
Nirmal Saini
Marshall Stoddard
Luz Roa
Dale Rice
Elaine Wong

INTERESTED PARTIES

Ray Green
Renee Pinel
Steve Beckley
Chris Totten

INTRODUCTIONS & ANNOUNCEMENTS

The meeting was called to order at 9:32 a.m. by Chairperson, Mr. Jay Yost. Self-introductions were made and a quorum was established. Mr. Sanford Simon and Mr. Steve Spangler were not in attendance.

MINUTES OF THE LAST BOARD MEETING

The Chairperson requested that the Board review the minutes of the previous Board meeting, and asked if there were any questions or corrections.

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

DEPARTMENT/DIVISION/BRANCH UPDATE

Dr. Asif Maan stated that Ms. Karen Ross has been appointed as the Secretary of CDFA and Mr. Nate Dechoretz continues as Deputy Secretary. Dr. Maan stated that the Division Director position is still vacant. The hiring freeze is still in place; however, there is now an option to hire and promote from within CDFA, an exemption from the Governor's Office is required for all outside agency hires. Dr. Maan stated that Feed, Fertilizer, and Livestock Drugs Regulatory Services (FFLDRS) branch currently has two Staff Environmental Scientist vacancies and an exemption from the hiring freeze is being processed. Dr. Maan stated that the Branch Chief I vacancy in the Feed Program was filled with an internal candidate, Mr. Gary Castro. Dr. Maan stated that \$30 million

has to be cut from the CDFA general fund within two fiscal years; the budget cut may impact the FFLDERS vacancies, but the level of impact is unknown at this time.

ORGANIC INPUT MATERIAL (OIM) SUBCOMMITTEE UPDATES

Mr. John Salmonson stated there was a public hearing last week on the OIM, AB 856 regulations due to the request from Agri Service Incorporated and California Certified Organic Farmers (CCOF). Mr. Salmonson stated that he believes most of the issues were resolved with All Things Organic and other entities.

Dr. Maan stated seven people commented at the public hearing on March 8, 2011. Once the comments are compiled and responses are prepared, the Department will submit the regulation packet to the Office of Administrative Law (OAL).

Mr. Yost stated that one of the remaining issues that the subcommittee will have to work through is the impact on small composters. Mr. Doug Graham mentioned CCOF believes it is the small grower and the small manufacturer that will be impacted.

Mr. Yost thanked Mr. Salmonson for his work with the OIM subcommittee. Dr. Maan also thanked Mr. Salmonson on behalf of the Branch and the Department for his leadership with the subcommittee.

PROGRAM UPDATES AND FUND CONDITIONS

Dr. Amadou Ba updated the Board about the backlog of label registrations identifying that the Branch is requesting an exemption for overtime to reduce the backlog that has been compounded by the 3-day furlough on the Branch's registration staff. The exemption request can be approved from within the Department. Dr. Ba stated there is an additional scientist doing efficacy data review. Discussion ensued regarding registration of labels that are in the backlog.

Mr. John Peterson asked what the turn-around time is for efficacy data review packets that are being sent to UC Davis. Dr. Ba stated that the turn-around time is six months; the OIM Program will also start sending UC Davis data packets if data review is required.

Mr. Peterson asked if the two Staff Environmental Scientist positions that the Branch is trying to receive exemptions for will be working on data review. Dr. Maan stated "yes," they will be performing data review. Mr. Peterson stated that the Board would like the Department to recognize the significance of reducing the backlog and inquired if the Board can do anything to let the Department know the importance of this issue.

Secretary Karen Ross arrived at 8:50 a.m. Dr. Maan introduced Secretary Ross highlighting that she was Chief of Staff for the United States Department of Agriculture

before her appointment as Secretary of CDFA and provided the Board with a brief biography of the Secretary. Secretary Ross thanked the Board for serving and informed the Board that she is looking forward to working with them, especially water quality and groundwater contamination issues. Secretary Ross further stated that she intends to inform the Governor of the importance of CDFA's hiring freeze exemption request when it goes to the Governor's Office for approval.

Dr. Ba stated that as of July 1, 2010, the fund balance was \$801,734, the revenue from July 1, 2010 through January 31, 2011 was \$1,050,575, and the expenditures were \$1,329,101. Dr. Ba reminded the Board that they made the decision to liquidate a Certificate of Deposit (CD) in the amount of \$1,685,379. The ending balance as of January 31, 2011 was \$2,208,587. The total fund amount is now \$5,246,796, including the \$3,038,209 in a CD.

Mr. Yost stated that fertilizer revenue is mainly derived from the mill assessment on the dollar value of fertilizer which fluctuates significantly and affects the revenue. Mr. Yost stated that the Fertilizing Materials Inspection Program is right on track at this time.

Dr. Ba stated the Fertilizer Research and Education Program (FREP) fund had a beginning balance of \$2,973,939, the revenue from July 1, 2010 through January 31, 2011 was \$824,819, and the expenditures were \$576,796. The ending balance as of January 31, 2011 was \$3,221,962 and the encumbrances were \$1,770,669; the adjusted balance is \$1,451,293.

Secretary Ross asked the Board how mill assessments are set. Mr. Yost stated that multiple factors are considered; the Board watches fertilizer market trends and makes the best projection possible to provide sufficient funds for the Program.

AB 856 REGULATION AND OUTREACH UPDATES

Dr. Ba stated CDFA staff has started the rulemaking process for the AB 856, OIM law. The regulations were submitted to OAL on January 21, 2011 and the comment period ended on March 7, 2011. Dr. Ba informed the Board that CCOF and Agri Service Incorporated requested a public hearing, which was held on March 8, 2011. Seven people made formal comments at the hearing. Dr. Ba stated the Branch is currently compiling comments and preparing responses to comments that will be submitted to OAL including the Final Statement of Reasons.

Dr. Ba informed the Board that CDFA has been actively involved in outreach activities including training workshops. The workshops were for industry to understand the processes of registrations and licensing as well as the implementation of AB 856. Dr. Ba stated there were approximately 90 attendees, including 10 composters. The next training workshop is scheduled in Modesto that will be specific to OIM; approximately 80 attendees have confirmed their attendance.

Dr. Ba informed the Board he recently attended the US Composting Council meeting and the Eco Farm Conference; AB 856 provisions were discussed at both meetings.

Dr. Ba stated Organic Trade Association (OTA) and CCOF were present at the US Composting Council and the EcoFarm meetings. CCOF made a statement at the meetings that they have decided not to recognize CDFA's review of OIM. Dr. Ba stated CCOF and OTA commented that CDFA should not duplicate the review process and should accept third party review of OIM's within the state. Dr. Ba stated the law requires CDFA to conduct reviews of OIM. Dr. Maan stated that CCOF participated in the development of the AB 856 language and is on the subcommittee, and yet decided not to recognize CDFA's review of OIM. Dr. Maan iterated that CDFA is staying transparent and hopes to arrive at a workable solution of the implementation issues. Dr. Maan stated there will be an additional workshop on April 14 in San Diego, CA for the composters. Dr. Ba provided the Board with a comparison of compost analyses between private labs and CDFA labs, highlighting that the outcome consistently had a high degree of correlation. Dr. Maan stated that per the OIM mandate, a separate fund must be kept for organic label registrations apart from commercial fertilizer. Dr. Maan noted 23 OIM labels have now been received.

FREP RESEARCH PROJECT UPDATE

Mr. Edward Hard provided the Board with a report on the FREP conference highlighting that there were 157 attendees. For the 2011 grant solicitation, FREP received 38 research concepts. The FREP Technical Advisory Subcommittee, a subcommittee of this Board will be meeting next week to discuss those proposals. Mr. Hard stated that the FREP budget is healthy this year and years forward. Mr. Hard reported FREP is currently behind in invoicing because researchers are often tardy in submitting their reports and FREP does not make payment until the reports are received. Mr. Hard stated these projects cover a vast array of areas, including ground water quality issues. Mr. Hard informed the Board that two of the 2010 award projects were for nitrogen research, including Dr. Thomas Harter's project for groundwater nitrate loading and Western Plant Health Association's nitrate research and groundwater management education program.

Ms. Renee Pinel stated agronomic health of the plants is going to be a very important issue. Ms. Pinel further stated having growers identify the best managing practices while still maintaining tools to balance economic and environmental stewardship, will be beneficial as well. Mr. Hard stated in the past there was an internal delay processing contracts, but FREP is now working with the Federal Funds Management Office and the Grant Awards Unit, within CDFA, to expedite the grant process which will now be used in lieu of contracts. Mr. Hard stated the new process will be beneficial for the grantees and CDFA staff allowing projects to forward within one to two months, versus a minimum of 90 days in the past.

FERTILIZING MATERIALS SAMPLING SUMMARY

Mr. Nick Young provided the Board with an overview of the 2010 fertilizing materials sampling summary. Mr. Young stated that 1,084 fertilizing material samples were taken; of those, 287 analytical violations (26%) were identified. There were 397 commercial fertilizer samples; of those, 74 violations (19%) were identified. Mr. Young stated that 383 heavy metal samples were taken; there was only one violation. Mr. Young stated that 337 firms were sampled in 2010.

Mr. Young then provided the Board with an overview of the results for individual plant nutrient samples, and highlighted that all samples in violation for nutrient guarantees were under 14%. Mr. Young stated sulfur violations increased from seven to fourteen percent; the Program will continue to evaluate these products in 2011. Mr. Young stated, overall hydroponic fertilizer violations included: 34% for label violations; 46% for product registration; and 28% for unlicensed locations. Lastly, Mr. Young stated there were 36% humic acid violations. Mr. Young reported to the Board humic acid violation rates have significantly decreased throughout the state.

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

LABORATORY UPDATE

Ms. Elaine Wong provided the Board with a report for samples analyzed in 2010 at the Center for Analytical Chemistry (CAC). Ms. Wong stated there were 1,144 samples received and 1,142 samples analyzed at CAC; of these, 88% were routine, 2.8% were priority, 1.1% were partial rush, and 7.9% were rush samples. Ms. Wong stated the total number of assays requested were 6,392; 92.3% were routine and 7.7% were rush assays. Ms. Wong highlighted the turn-around time was 80% within 21 days. Ms. Wong stated the three monthly furlough days are impacting the turn-around time and there were some instrumentation issues.

VACANCIES AND TERMS EXPIRING

Mr. Dale Rice informed the Board that six Board members terms are expiring in October and December of 2011. Mr. Rice stated a referral has been sent to CDFA's legal office inquiring if terms can be changed in order to stagger them. Mr. Rice stated terms are set in statute as being three years and it is problematic that six terms are expiring in the same year. Mr. Rice stated if any information is received from the legal office, the Board will be notified. Mr. Rice stated an announcement of Board vacancies will be on the CDFA website for the six vacancies. Mr. Rice stated a standard form will be sent to the current members with expiring terms asking if they would like to continue serving on

the Board. He encouraged the Board to complete the forms promptly and send them to the Department with an updated resume to expedite the appointment process.

ADDITIONAL ITEMS/NEXT MEETING

The next meeting will be on September 21, 2011 at 9:00 a.m. in Sacramento. Mr. Yost also encouraged the Board to complete their re-appointment questionnaire in a timely manner.

Mr. Yost commented that Mr. Thomas Beardsley has a resolution from CDFA appreciating his service on the Board for several years. Mr. Yost stated that he will present it to him at a later date because he is not at today's board meeting.

The meeting was adjourned at 10:25 a.m. by Chairperson Yost.

Respectfully submitted by:



Asif A Maan, Ph.D., Branch Chief II
Feed, Fertilizer, Livestock Drugs, and Egg Regulatory Services
Inspection Services

3/16/11

Date