

**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)
FERTILIZER INSPECTION ADVISORY BOARD MEETING (FIAB)
Seaside, California
September 18, 2008
MINUTES**

MEMBERS

John Salmonson
Brad Baltzer
Thomas Beardsley
David McCuen
John Peterson
Sanford Simon
Steve Spangler

CDFA

Nate Dechoretz
Asif A. Maan
Amrith Gunasekara
Dale Rice
Natalie Krout-Greenberg
Nirmal Saini
Elaine Wong
Kent Kitade
Suzanne Turcotte
Kelsey Olsen
Pierre Labossiere
Carolee Riley
Avnee Jivabhai
Ken Trott
Rolf Frankenbach
John Naf

INTERESTED PARTIES

Renee Pinel
Steve Beckley
Jake Evans
Doug Graham

CALL TO ORDER

Chairman John Salmonson called the meeting to order at 8:55 a.m. A quorum was established.

INTRODUCTIONS AND ANNOUNCEMENTS

Mr. Salmonson welcomed everyone to the meeting. Self-introductions were made.

APPROVAL OF MINUTES

Mr. Salmonson asked the Fertilizer Inspection Advisory Board members to review the minutes of the May 22, 2008 meeting.

MOTION: A motion was made by Mr. John Peterson to accept the minutes as presented. Mr. Steve Spangler seconded the motion. The motion passed unanimously.

DEPARTMENT / DIVISION / BRANCH UPDATE

Division Director Mr. Nate Dechoretz explained that the California state budget crisis has not impacted the Division significantly, except for the loss of a few contracts and a hiring freeze. He also addressed the database development project, and informed the Board that one of the six Division IT databases have been updated and is working well. The Fertilizing Materials Inspection Program (FMIP) "INSPECT" database is the next to be updated, however, the project is on hold until the state budget is signed. Mr. Dechoretz also informed the Board that two of three branches in the Division have been reorganized successfully, the most recent being the FFLDERS.

Dr. Asif Maan informed the Board that strategic planning for the Feed and Fertilizer Programs has been completed. The Feed and Fertilizing Materials Inspection Programs have been separated, and will be supervised and managed by Ms. Natalie Krout-Greenberg and Dr. Amrith Gunasekara respectively. There are several vacancies the Branch anticipates filling once the hiring freeze has been lifted. Special investigator and inspector exams are going to be held in October and November.

Dr. Maan also informed the Board that the "INSPECT" database "as-is" and "to-be" documents have been completed. An Internal Feasibility Study Report has been conducted, bids were invited, and a vendor has been selected to develop the new "INSPECT" database. However, the project is on hold until the restrictions on contracts are lifted.

FUND CONDITION

Dr. Maan called the Board's attention to the FMIP's Fund Condition Summary Report. He noted a beginning balance of \$2,340,477 as of July 1, 2007 and an ending balance of \$5,667,846 as of June 30, 2008 (including \$1,500,000 in a CD account). Attention was then brought to the Fertilizer Research Education Program's (FREP) financial summary report. The report showed a beginning balance of \$2,713,960 as of July 1, 2007 and an ending balance of \$1,581,411 as of June 30, 2008, after accounting for encumbrances. Mr. Sanford Simon questioned if the budget has impacted FREP research projects. Dr. Maan informed the Board that research contracts are not affected by the Governor's Executive Order.

Dr. Maan then presented data showing the impact of the mill assessment reduction from 3 mills to 1.5 mills. The Board asked the Program to present the calendar year end impact of the change at the next Board meeting.

REGULATORY / REGISTRATION UPDATES

Dr. Gunasekara presented a list of accomplishments from the FMIP strategic planning process including the reorganization of the program. He informed the Board that the registration specialist positions have been reclassified to research analyst to appropriately reflect their job duties.

Dr. Gunasekara addressed the label registration backlog and informed the Board that our goal is to bring the label reviews within the 90-day period, as stipulated by law. We expect to achieve this goal within next few months. He also informed the Board of several steps taken by the program to improve the label review process including but not limited to: conducting a Registration Workshop with over 60 attendees; and developing a registration application tracking system and an on-line searchable fertilizing materials product label database to provide stakeholders and field program inspectors with updated product registration information.

Feed, Fertilizer, and Livestock Drugs Inspector Mr. Nick Young provided the Board with the 2007 Fertilizing Materials Sample Summary with charts and graphs illustrating the number of samples taken and violations found.

ORGANIC INPUTS SUB-COMMITTEE UPDATE

Mr. David McCuen informed the Board that the September 17, 2008 Organic Inputs Sub-Committee meeting was cancelled pursuant to the 10 day public notice requirements as prescribed by the Bagley-Keene Act. The meeting will be rescheduled for September 30 in either Fresno or Sacramento, or October 8 in Monterey depending on the availability of the sub-committee members. Dr. Gunasekara stated the agenda will be mailed to committee members and interested parties once the meeting date and location are determined.

FREP UPDATE

Ms. Carolee Riley presented the Board with a status report of the current research projects. She informed the Board that FREP is again collaborating with Western Plant Health Association for a joint conference which is scheduled for November 12-13, 2008 in Modesto.

Ms. Riley reported that the Technical Advisory Sub-Committee (TASC) met yesterday to review research project proposals and approved four of seven project proposals for the Board to consider for the next funding cycle. Project proposal breakdowns recommended by TASC were present to the Board.

APPROVAL OF NEW FREP PROJECTS AND FUNDING

Ms. Riley informed the Board that the TASC recommended research projects would require \$460,000 in funding over three years. She further stated, the TASC has assigned a leader for each project, based on their expertise, to oversee the reporting and work completed by the researchers.

MOTION: A motion was made by Mr. Thomas Beardsley to accept the \$460,000 funding and proposed projects as presented. Mr. Brad Baltzer seconded the motion. The motion passed unanimously.

REGULATIONS UPDATE

Mr. Kent Kitade informed the Board that the comment period for the proposed Full Disclosure of Ingredients regulation ends on September 29, 2008 and to date, he received only two comments. Mr. Salmonson inquired as to what actions will be taken once the comment period has ended. Mr. Kitade reported that he would respond to the submitted comments, make any necessary changes resulting from the comments, and resubmit the regulations to the Office of Administrative Law for final approval. Mr. Salmonson verified with Mr. Kitade that the process will be completed by no later than January 1, 2009.

LABORATORY UPDATE

Ms. Elaine Wong presented a Fertilizer Samples Lab Analysis Report from January to June of 2008. She explained a turnaround time of 15 days or less for 89.54% of the 708 total samples received. Ms. Wong also presented a report from the new Inductively Couple Plasma Mass Spectrometer, which will soon become the standard equipment used to test fertilizer samples.

Mr. Nirmal Saini noted the Center for Analytical Chemistry is now considering installing a new sprinkler system to prevent any damage from future potential fires in the laboratory.

BOARD AND FREP TASC APPOINTMENT PROCESS

At this point in the meeting, Dr. Maan informed the Board that the meeting will go into a closed session in order to allow confidential discussions amongst the Board members regarding appointments to the FREP TASC and FIAB. He noted one vacancy on the

FREP TASC and six vacancies on the FIAB to be considered. The vacancies were advertised through a press release. Seven applications for FREP TASC and three new applications for FIAB have been received. Dr. Maan explained that in the closed session, the Board will review the resume of each candidate, and will vote to recommend nominees to the CDFA Secretary for appointments to TASC and FIAB. He also noted that after the closed session, the meeting will return to an open session during which Mr. Salmonson will announce the decisions made in the closed session.

Mr. McCuen informed the Board that FREP TASC would like to review the resumes and consider nominees before voting.

Dr. Maan invited any questions, comments or concerns before the closed session was called.

CLOSED SESSION TO DISCUSS APPOINTMENTS

A closed session was called at 10:00 a.m. for the Board to discuss the vacancy on the FREP-TASC and the six vacancies on the FIAB.

The closed session was called to an end at 10:45 a.m. at which time Mr. Salmonson invited all attendees back for the remainder of the open session meeting. He reported the Board's decision to postpone recommendations of appointees to the FREP TASC until the by laws have been checked in regards to increasing the vacancies from one to three. Mr. Salmonson also announced the Board's recommendation to the CDFA Secretary to reappointment Mr. Brad Baltzer, Mr. Tim McGahey, Mr. Sanford Simon, Mr. John Salmonson and Mr. Steve Spangler and to appoint Mr. Jay Yost to serve on the FIAB for a full three year term.

ASSEMBLY BILL 32 – GLOBAL WARMING SOLUTIONS ACT OF 2006

Dr. Gunasekara made a presentation regarding the Global Warming Solutions Act of 2006, which focuses on actions to reduce green house gases in California. CDFA would like to add a dedicated scientific position to address issues of potential green house gas emissions from fertilizers in agriculture. The position would require a higher level scientist to address this issue. It would require approximately \$169,000 in funding to support this position. Mr. Salmonson questioned if this funding is being requested from CDFA or from the FMIP. Dr. Gunasekara responded this request is from the department.

Ms. Renee Pinel expressed concerns in regards to the extent of this position being dedicated to fertilizer activities, since green house gas emissions is a broad topic and implicates many other sources. She noted the Air Resources Board (ARB) has been in

this situation before when they used the data in CDFA's tonnage reports without fully understanding the reporting structure. With CDFA's input, it was determined that additional data was needed through research.

Ms. Pinel expressed concerns about the department housing a position that is not directly beneficial to the fertilizer industry. Specifically, she wanted to know the scope of work, its funding source, and the reporting structure to prevent the position from becoming permanently funded by the fertilizer industry. Mr. Dechoretz informed the Board that this position is temporary for one year.

Mr. Salmonson was concerned with the lack of funding from other programs. He noted that the fertilizer program is funded by the industry, therefore, should be used for fertilizer program activities only. Discussion ensued as to the ways in which this position could be monitored. Ms. Pinel requested the scope of work and a copy of the duty statement for this position be provided at the next Board meeting. The Board expressed that the person filling this position would be required to report to Dr. Maan and would work closely with Dr. Gunasekara and provide weekly progress reports. The incumbent would also be required to provide updates at all Board meetings. The Board was informed this position will be housed in department's Agricultural Environmental Stewardship unit.

MOTION: A motion was made by Mr. Steve Spangler to recommend funding not to exceed \$169,000 for a one year position to work in close coordination with Dr. Amrith Gunasekara and provide updates at the Fertilizer Inspection Advisory Board meetings. Mr. John Peterson seconded the motion. The motion passed unanimously.

At the next meeting, the Board will determine if funding for this position will come from the FMIP or FREP revenue.

ADDITIONAL ITEMS / NEXT MEETING

Mr. Steve Beckley thanked the FIAB on behalf of the California Certified Crop Advisory Board.

Dr. Gunasekara informed the Board that the location, date, time and agenda for the organic input subcommittee meeting will be properly announced as soon as the availability of the subcommittee members is confirmed.

The next Board meeting will be held on January 14, 2009 in Sacramento at the Center for Analytical Chemistry, followed by a tour of the lab.

MOTION: A motion was made by Mr. David McCuen to adjourn the meeting. Mr. John Peterson seconded the motion. The motion passed unanimously. The meeting adjourned at 11:32 a.m.

Respectfully submitted by:



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

Date

AAM/AJ