

**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (Department)
FERTILIZER INSPECTION ADVISORY BOARD (FIAB)**

**CDFA
2800 Gateway Oaks Drive
Sacramento, CA 95833
Room 101**

**September 12, 2017
9:00 a.m.**

MINUTES

MEMBERS

Andrew Godfrey
David McEuen
Doug Graham
Gary Silveria
Jake Evans
Jay Irvine
Ron Naven
Steve Spangler, Vice Chair

MEMBERS ABSENT

Melissa McQueen, Chair

CDFA

Adriana Avalos
Amadou Ba
Angelia Johnson
Barzin Moradi
Brittnie Sabalbro
Carla Sanchez
Dale Woods
Elaine Wong
Kristopher Gulliver
Lubna Durrani
Mark Cady
Martin Burger
Natalie Jacuzzi
Natalie Krout-Greenberg
Nick Young
Nicole Crouch
Roberta Franco

INTERESTED PARTIES

Brandon Richards
Holly Higgins
Mindy DeRohan
Rebekah Menezes
Renee Pinel

INTRODUCTIONS AND ANNOUNCEMENTS

Mr. Steve Spangler, Vice Chair, called the meeting to order at 9:03 a.m. Self-introductions were made and a quorum was established. Ms. Melissa McQueen, Chair, was absent.

APPROVE MAY 24, 2017 MEETING MINUTES

Vice Chair Spangler requested the board review the minutes from the May 24, 2017 FIAB meeting.

MOTION: Mr. David McEuen moved to approve the minutes; Mr. Ron Naven seconded. The motion passed by all board members present with a vote of 6 - 0. Mr. Gary Silveria and Mr. Jay Irvine were not present at this time.

DEPARTMENT / DIVISION / BRANCH UPDATES

Ms. Natalie Krout-Greenberg announced after the retirement of Mr. Nirmal Saini, Dr. Barzin Moradi, former Program Supervisor for the Fertilizer Research and Education Program (FREP), was appointed as the Branch Chief for the Center for Analytical Chemistry (CAC) Lab.

The Department was awarded a Federal grant for the Food Insecurity Nutrition Incentive Program (FINI) that matches money spent to purchase fresh fruits and vegetables. The Office of Farm to Fork is administering the grant and FINI has now been implemented at farmers markets around the state. A request for proposal (RFP) has been sent out to focus on small businesses, Community Supported Agriculture (CSAs), farmstands, and mobile farmers' markets to further the reach of the grant funds.

Ms. Krout-Greenberg stated Dr. Scott Gottlieb, Food and Drug Administration (FDA) Commissioner, reported the proposed rule to extend the compliance dates for the agricultural water quality standards rule by two to four years, varying by operation size; the proposed rule is open to a public comment period of 60 days. A stakeholder meeting will be held early next year to discuss agricultural water quality standards due to the complexity of the rule.

The Department is in year two of the five-year cooperative agreement with the FDA to implement the Produce Safety Rule. The technical requirement date for the inspections to begin will remain January 26, 2018. However, the inspections are delayed until 2019 to ensure there is sufficient outreach and education, and proper training for firms affected by the Rule, as well as readiness for the state inspectors.

Ms. Krout-Greenberg announced, after eight years with the National Organic Program (NOP), Mr. Miles McEvoy, Deputy of Administration, is retiring at the end of September.

The Department's Cannabidiol Cultivation Licensing Program is no longer under the oversight of the Inspection Services Division; it is a stand-alone Division. Mr. Richard Parrott is the newly appointed Director for the CalCannabis Division.

Dr. Amadou Ba provided Branch updates and stated Dr. Doug West, Environmental Scientist (ES) for FREP, retired August 31, 2017. Dr. Ba introduced Dr. Martin Burger, newly appointed Senior Environmental Scientist (SES) (Supervisor) for the Fertilizing Materials Inspection Program (Fertilizer).

The Budget Change Proposal (BCP) requesting one ES position for the Fertilizer program to focus on biochar product registration, was approved. Ms. Kimber Collins-Florian was appointed to fill the position. Ms. Marilyn Boehnke, a former Branch employee, has returned to the Branch as an Associate Governmental Program Analyst.

Mr. Jason Cho was appointed as an Office Technician to the Branch Office Support Staff unit. The Branch is working diligently with the Human Resources Branch on a reorganization plan. Currently, appropriate personnel allocations from the inspector series are being processed for reclassification to the environmental scientist series.

Dr. Ba provided regulation updates and announced the Fertilizing Materials standards and labeling inspection protocol will be effective October 1, 2017 and the amended registration cycle will be effective January 1, 2018. The Antimicrobial Use and Stewardship Program is currently responding to comments received during the public comment period that ended on August 22, 2017. The Feed program received a grant for the third time for Animal Feed Regulatory Program Standards (AFRPS); the award of \$450,000 will provide \$300,000 to the Feed program and \$150,000 to the CAC Lab.

Dr. Ba provided a legislative update stating Senate Bill (SB) 623, regarding water quality issues, has become a two-year bill; so, there will not be a law change impacting the Fertilizer program at this time. The Fertilizer program's database was viewed as a fee collection tool to secure funds from the industry. Several attempts were made this year to change different sections of the Food and Agricultural Code (FAC) to address issues related to safe drinking water.

The FREP conference is scheduled for November 1-2, 2017 in Modesto, California, and the Certified Crop Advisor (CCA) training is scheduled for March 6-7, 2018 in Fresno, California.

LEGISLATIVE UPDATES

Ms. Renee Pinel, Western Plant Health Association (WPHA), stated SB 49 would ensure that any environmental regulation roll-backs at the federal level would not affect California. This bill would lock in standards for the federal environmental rules, such as the Clean Water Act, Safe Drinking Water Act, and the Coastal Zone Reauthorization Act, for California at pre-election 2016 standards.

SB 623 would provide funds from a six mill fertilizer assessment for replacement drinking water for disadvantaged communities. Additionally, this bill would provide funds from a statewide basis public goods charge for residences and business to address the drinking water issues. This bill would provide growers the benefit of approximately 15 years of indemnification from the State Water Resources Control Board's cease and desist orders. SB 623 is stalled this session.

Assembly Bill (AB) 747, which was amended in response to the stalling of SB 623, would allow Monterey County to issue a nitrogen tax on the use of fertilizers, based on the percentage of nitrogen in the fertilizer; the nitrogen tax would be collected as sales tax. If passed, AB 747 will be costly on a county basis.

CALCANNABIS CULTIVATION LICENSING PROGRAM UPDATES

Ms. Amber Morris, Branch Chief of the CalCannabis Cultivation Licensing Program (CalCannabis), provided law and regulation updates. The Medical Cannabis Regulation and Safety Act, signed by the Governor in 2015, was specific to the medical use of cannabis. In November 2016, voters passed Proposition 64, the Adult Use of Marijuana Act. In June 2017, the Governor signed SB 94, that combined both into one set of laws, the Medicinal and Adult Use of Cannabis Regulation and Safety Act.

The CalCannabis Program Environmental Impact Report (PEIR) covering statewide activity of the medical and adult use of marijuana was released for public review on June 15, 2017 with a comment period that ended July 31, 2017. The program is reviewing comments received.

CalCannabis had drafted regulations for medical cannabis, but because of the passage of SB 94, the medical cannabis regulations were withdrawn. A substantial amount of very useful comments were received for the medical cannabis regulations; this information will be applied to the new rulemaking package, which will be one set of regulations addressing both medical and adult use of marijuana.

The California Environmental Quality Act (CEQA) requires the identification of any significant environmental impacts; the CEQA report must be completed and certified before rulemaking can proceed. Since the regulations must be implemented by January 1, 2018, the program will use the emergency rulemaking process in late fall, which will allow the regulations to become effective when published, and then follow up with a regular rulemaking process to allow more time for public input.

Ms. Morris provided an overview on the proposed regulations, as well as a briefing on the definitions of terms, application and licensing requirements, site specific requirements, environmental protection measures, maintenance of records, track and trace system, frequency of inspections, enforcement actions, and fines associated with violations. She further explained that a local permit or license is required before applying for a state license.

CalCannabis will deploy two technology projects by January 2018: an online licensing system and a track and trace system to be used by all licensees. The track and trace system will track cannabis from seed to sale - from farmer to retail.

FUND CONDITIONS / BUDGETS – PROPOSED FY 18/19

Dr. Dale Woods reported, as of July 1, 2016, the beginning combined balance for Commercial Fertilizer and Organic Input Material (OIM) Program was \$8,376,542; revenue was \$6,218,827; expenditures were \$5,313,368; there were \$498,935 in encumbrances; and the ending balance, as of June 30, 2017, was \$8,783,066.

The FREP Program, as of July 1, 2016, had a beginning balance of \$3,073,776; revenue was \$2,732,943; expenditures were \$2,147,569; encumbrances, through fiscal

year (FY) 15/16 and FY 16/17, were \$951,441; and the ending balance, as of June 30, 2017, was \$2,707,709. The mill assessments trends for FY 15/16 brought in \$9.17 million. The Fertilizer program anticipated a reduction for FY 16/17 with revenues of \$8.36 million which are consistent with the industry feedback.

Dr. Woods presented the Fertilizer budget, comparing the total amount expended versus total program budget and highlighting the proposed budget for FY 18/19. The total operating expense for proposed FY 18/19 is in alignment with the previous approved budget for FY 17/18.

MOTION: Mr. Jay Irvine moved to approve an updated expenditure of \$60,000 for the CAC lab to the previously approved FY17/18 Fertilizer budget; Mr. Doug Graham seconded. The motion passed unanimously by all board members present with a vote of 8 - 0.

Mr. Jake Evans stated the Fertilizer's chemistry lab expense for FY 17/18 is 90 percent more than OIM's chemistry lab expenses; however based on sample data presented by Mr. Nick Young, the number of OIM samples are heavier than 10 percent of samples being tested, which is not reflected in the OIM expenses listed for FY 17/18. Mr. Evans asked if the Fertilizer program can align the OIM chemistry lab expenses with the total amount of samples collected. Dr. Woods stated the cost of fertilizer to OIM chemistry lab expenses have always been 80/20.

MOTION: Mr. Ron Naven moved to approve the proposed FY 18/19 fertilizer budget; Mr. Jay Irvine seconded. The motion passed unanimously by all board members present with a vote of 8 – 0.

Dr. Woods reviewed the FREP FY 17/18 budget and presented the proposed FY 18/19 budget, highlighting research contracts and grants of \$1.796 million.

MOTION: Mr. Doug Graham moved to approve FREP's proposed FY 18/19 budget; Mr. Gary Silveria seconded. The motion passed unanimously by all board members present with a vote of 8 – 0.

Break was taken from 10:27 a.m. to 10:43 a.m.

SAMPLING AND AAPFCO UPDATES

Mr. Nick Young, Supervising Special Investigator (SSI) II, attended the Association of American Plant Food Control Officials (AAPFCO) Summer Annual Conference in Bellevue, Washington; 29 states were represented with 161 participants.

Mr. Young reported AAPFCO Online is a database that allows industry to access the electronic version of the 2017 Official Publication of terms and definitions. The database provides a forum for group discussions by committees composed of regulators and industry members. Mr. Young highlighted the terms 'enhanced efficiency fertilizer', 'slow release fertilizer', 'controlled release fertilizer', 'bat guano', and 'compost', noting they are newly defined terms by AAPFCO.

Mr. Young provided an update on sampling for 2017; the Fertilizer program received 976 samples through mid-August. The program received 1,278 samples last year with an 18 percent violation rate.

REGISTRATION WORKING GROUP UPDATES

Mr. Andrew Godfrey, Chair of the Product Registration Working Group, provided an update on the working group meeting held on August 31, 2017. They discussed creating resources, such as checklists and online tools, for the registration process to improve the time for completing the registration label review and renewal process. Dr. Woods stated the work group questioned the program about having a normative time for label/packet review. He provided an example of normative timeline of processing conventional records.

Dr. Woods delivered a brief update on the status of regulations for the modified registration cycle regulation, the draft Notice to Industry regarding the registration cycle, the use of the provisional registration status, and the benefits of early registration submission in 2018.

Vice Chair Spangler requested that Mr. Godfrey call the next working group meeting as needed. Dr. Ba agreed and stated the Department will continue to work on process improvements to minimize other label registration issues.

REGISTRATION UPDATES

Dr. Martin Burger, Senior Environmental Scientist (Supervisor), reported 8,326 conventional fertilizer labels were approved and 207 new label applications are pending review; 1,911 OIM labels were approved and 106 new label applications are pending review. There were also 343 updates to records approved and 157 updates to formulas.

Dr. Burger announced the Fertilizer Program Workshop is October 24–25, 2017 in Seaside, California. The workshop allows industry to meet with the Fertilizer registration staff and discuss the review of their labels. A Notice to Industry regarding the amended registration cycle process was released on August 28, 2017. The Fertilizer program awaits guidance from the Department's Legal Office regarding cannabis language on fertilizing material product labels; a Notice to Industry will be released as soon as guidance is received.

The Fertilizer program created new label aids on specific materials to assist in process improvements of label registrations. The label aids will be available online and consist of flow charts and/or more descriptive diagrams that display analysis and data requirements. Dr. Burger stated a complete list of label aids for 18 fertilizing material ingredients will soon be available online. The program will actively create additional label aids as needed or requested by industry.

Ms. Krout-Greenberg stated the list of label aids is the start of the working group meeting its goal of process improvements for fertilizer registrants. She encouraged the

Fertilizer program to continue to help the label registration process move smoother and be more transparent for those who register fertilizing material products.

FREP UPDATES

Ms. Natalie Jacuzzi, Environmental Scientist, presented the proposals received in response to the 2017 RFP. The proposals included improving fertilizer input management practices, understanding soil-plant processes, and loss pathways of nitrate movement. FREP received a total of nine proposals and the Technical Advisory Subcommittee (TASC) recommended four of the proposals for funding. Ms. Jacuzzi presented all nine proposals, highlighting the four recommended proposals and their fiscal impact for the next few FY.

MOTION: Mr. Ron Naven moved to approve proposals recommended for funding; Mr. Gary Silveria seconded. The motion passed unanimously by all board members present with a vote of 8 - 0.

LABORATORY UPDATES

Ms. Elaine Wong reported the lab received 941 samples from January 1 to July 31, 2017. The lab processed more than half of the samples received of approximately 1,200 samples per year.

BOARD AND TASC VACANCIES

Dr. Ba announced three board terms expire October 14, 2017. All three board members reapplied along with two additional board applicants. Vice Chair Spangler recommended reappointing the three current board members, Ms. Melissa McQueen, Mr. Gary Silveria, and Mr. Doug Graham.

MOTION: Mr. Jay Irvine moved to recommend to the Secretary that Ms. McQueen, Mr. Silveria, and Mr. Graham be appointed as board members; Mr. Ron Naven seconded. The motion passed with a vote of 6 – 0; Mr. Silveria and Mr. Graham abstained.

Dr. Ba announced four TASC terms expire September 17, 2017. Three out of the four current TASC members reapplied along with seven additional TASC applicants. TASC recommended reappointing the three current TASC members, Mr. Jerome Pier, Mr. Eric Ellison, and Mr. Rex Dufour, and Ms. Marja Koivunen.

MOTION: Mr. Jay Irvine moved to approve the four proposed appointments for TASC; Mr. Doug Graham seconded. The motion passed unanimously by all board members present with a vote of 8 - 0.

AGENDA ITEMS FOR FUTURE MEETINGS

Vice Chair Spangler recommended tonnage reports be added to the next FIAB meeting agenda.

NEXT MEETING-

The next FIAB meeting will be March 8, 2018 at 9:00 a.m., in Fresno, California.

MOTION: Mr. Jay Irvine moved to adjourn the meeting at 11:58 a.m.; Mr. Ron Naven seconded. The motion passed unanimously by all board members present with an 8 - 0 vote.

Vice Chair Spangler adjourned the meeting at 11:58 a.m.

Respectfully submitted by:

ORIGINAL SIGNED BY DALE WOODS

Dr. Dale Woods

Environmental Program Manager I
Fertilizing Materials Inspection Program

9/12/2017

Date