

**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)
FERTILIZER INSPECTION ADVISORY BOARD MEETING (FIAB)
Sacramento, California
August 19, 2010
MINUTES**

MEMBERS

Jay Yost
Thomas Beardsley
David McEuen
Tim McGahey
John Peterson
John Salmonson
Sandy Simon
Steve Spangler

CDFA

Asif Maan
Amadou Ba
Avnee Jivabhai
Nirmal Saini
Luz Roa
Edward Hard
Dale Rice
Elaine Wong

INTERESTED PARTIES

Renee Pinel
Ray Green
Paula Bodey
Doug Graham
Steve Beckley
Tad Bell
Neil Edgar
Nick Lapis
Paula Bodey

CALL TO ORDER

Chairman Jay Yost called the meeting to order at 8:34 a.m. A quorum was established. Mr. Brad Baltzer was unable to attend.

INTRODUCTIONS AND ANNOUNCEMENTS

Chairman Yost welcomed everyone to the meeting. Self-introductions were made.

MINUTES OF THE LAST BOARD MEETING

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

DEPARTMENT / DIVISION UPDATE

Mr. Nirmal Saini informed the group that he is currently acting as the Division Director. He noted some staff changes at the Department level. He also announced that the furlough program is back for three days a month. The division annual report has been completed. Ms. Natalie Krout-Greenberg has been hired as the Special Assistant for the Division.

Dr. Asif Maan informed the group of the Feed Branch Chief I vacancy and the Department will be holding exams in the near future. The Branch has completed the first round of interviews for Environmental Scientist. He noted the Division will be moving to a location off of West El Camino Boulevard in Sacramento sometime in the spring of next year. Discussion ensued about the new location.

PROGRAM UPDATE

Dr. Amadou Ba presented a program update and informed the group that the current backlog has a total of 1,050 labels to review, of which only 105 are over the 90 day limit. There were over 440 labels submitted in the last 30 days. He noted that several people have been submitting labels in hard copy and through the website resulting in some labels being counted twice. The previous backlog contained 264 labels to review past the 90 day limit. Dr. Ba clarified that the reduction in the backlog is due to the staff working overtime to compensate for furloughs. He noted that approximately 5,555 labels were due for renewal at the beginning of the year. Because of the problems with the database, the late penalty was pushed back to June 30th, 2010. As of now, 2,878 are approved and 621 were discontinued. This leaves 2,056, of which 1,200 labels have not yet been renewed thru the database. Of the renewals, approximately 600 labels are pending payment and are therefore not yet completed. There are 110 labels submitted that will require data revisions and 100 labels are pending review. All of these are included in the backlog.

Dr. Ba informed the group that there are approximately 1,750 industry account users, 80 CDFA user accounts and 70,000 user records.

FUND CONDITION

Dr. Ba informed the group that the Fertilizing Materials Inspection Program beginning balance, as of July 1, 2009 was \$1,188,893. The ending balance as of June 30, 2010 was \$5,513,919 including funds in two separate CD accounts. He noted that the CD with \$1.5 million should be liquidated because the program funding is rather low at \$801,734. Mr. Yost noted that the \$1.5 million CD is coming up for maturity, the program either needs to reinvest it or move it back into the account. Mr. Yost reminded the group that the program is currently spending more than its revenue, as planned, in order to decrease the revenue. In the future, the revenue may need to be adjusted thru mill assessment fees.

MOTION: A motion was made by Mr. John Peterson to move the money in the \$1.5 million CD back to the Bank of America fund upon expiration. Mr. Steve Spangler seconded the motion. The motion passed unanimously.

Dr. Ba informed the group that the FREP beginning balance as of July 1, 2009 was \$2,803,667. The adjusted ending balance as of June 30, 2010 is \$1,607,574 after encumbrances.

Dr. Ba presented historical trends for the mill assessment fee. He noted that the highest revenue from these fees was collected in 2007/08. In the current fiscal year, the program will have collected less revenue than in the previous fiscal year because of the adjustments in fees and the pricing in fertilizer. This will decrease the program revenue, as planned.

Dr. Ba noted that a total of 780 samples have been collected, of which, 738 samples have been completed. Of these, 91% were processed within 4 weeks which is a very good turn around time.

LABORATORY UPDATE

Ms. Elaine Wong presented a laboratory update. She informed the group that 780 samples were received and there is a pretty quick turn around time. She noted an increase in organic fertilizer samples. The lab has been asked to do more plant growth regulator hormone tests in organic fertilizers. Mr. Yost questioned if this will present any problems. Ms. Wong noted that the fertilizer section of the lab does not have this equipment, but the equipment is available in other areas of the lab. She noted that there are only 40 samples expected for this test and they can be accommodated on the other machine at this time. Discussion ensued about the specific testing used on these organic products. Dr. Ba clarified that these are hydroponic products, not organic products.

AB 856 SUBCOMMITTEE UPDATE & RECOMMENDATIONS

Dr. Maan presented an update of the implementation of AB 856. He noted the names of the 13 individuals for the subcommittee that was established per the recommendation of the board. The subcommittee met on June 9, 2010, where the program provided an overview, the implementation plan was presented, and potential enforcement issues were identified and prioritized. The first issue that was addressed was the compost enforcement issue. A compost working group was established. Implementation of enforcement should begin January 1, 2011. There will be a transition or grace period for the implementation of Organic Input Materials (OIM) registration. Dr. Maan presented the enforcement issues as identified by the subcommittee, by priority: compost labeling and nutrient guarantees; OIM label review and registration of blends; site / facility / inspection protocols; out-of-state inspections; clarifying the scope of OIM with no claims; civil penalty matrix; and review of label registration fees.

The Compost Working Group met on June 21, 2010 to review and discuss compost lab analysis from 3 sources for variability over time. There was a variation noticed that could be addressed through investigational allowance. Minimum guarantees were discussed along with license and label registration. The group formulated the following recommendations for the subcommittee: Compost for organic production to be licensed and label registered; label minimum guarantees have to be met for nutrients; registered label may be published on composter's website; composters provide registered label to the customer instead of lab analysis; CDFA to adopt AAPFCO investigational allowances for compost nutrient guarantee compliance; CDFA to develop process for complaints / violations, including AAPFCO investigational allowances; and CDFA outreach to composting industry and the farming community.

The second subcommittee meeting was on July 13, 2010 where recommendations were reviewed and approved. The custom blends issue was discussed and a working group was established. CDFA presented draft regulations of a civil penalty matrix for label registration and on-site inspections, CDFA presented an overview of the OIM site inspections

The Custom Blend Working Group (CBWG) met on August 2, 2010 and discussed: registering ingredients used in blends; reduced label registration fees for blends; and issuing a blender's license. The limitations identified were: authority to register ingredients,

ingredients not directly applied, liquid fertilizer processing; reactivity of ingredients; and meeting NOP standards. The working group recommended: registration of fertilizing materials instead of ingredients used in blends; registration of ingredients that can be directly applied without any further processing; CDFA develops a form for processing blends; notification of blend labels to CDFA showing derivation information with nutrient guarantees (if claimed) for fast track processing and incorporating NOP list by reference; FIAB will set blend label registration / processing fees; and workshop for blenders (blender's training).

CBWG recommendations were presented to the subcommittee on August 3, 2010 and were approved. CDFA presented the scope of the OIM definition and label registration at that meeting. Second drafts of the regulations were presented and more verbiage changes were suggested. A revised civil penalty matrix was presented as well. Mr. Nick Young presented an inspection protocol with changes and a checklist to be used at facility inspections. A Checklist Working group was formed. The next meeting for the Checklist working group is on September 14, 2010 and the subcommittee meetings will be September 15, 2010 and October 21, 2010.

Dr. Maan informed the board that a few members of the composting industry have asked that non-reactive ingredient materials blended be exempt from registration, or have a separate blend registration fee. Mr. Nick Lapis noted that blending a truckload of gypsum or lime mixed in with compost, should not require an additional \$25 fee because the lime or gypsum will already have been registered for \$500. Mr. John Salmonson noted that a blanket statement cannot be made because composts do react differently. Mr. John Peterson suggested that brackets be set to allow for certain percentages and then register those labels and only blend those. Discussion ensued about specific situations where this would apply. Mr. Salmonson noted that the point of the regulations is to provide oversight over the industry for safety issues. These regulations are designed to cover the majority. Once implemented, if they pose a hardship, this issue can be revisited and adjustments can be made accordingly. This is a minimum fee for a full two year period.

MOTION: A motion was made by Mr. John Peterson to accept the AB 856 Subcommittee Compost Working Group recommendations as presented. Mr. Thomas Beardsley seconds the motion. The motion passed unanimously.

MOTION: A motion was made by Mr. Steve Spangler to accept the AB 856 Subcommittee Custom Blends Working Group recommendations as presented. Mr. David McEuen seconded the motion. The motion passed unanimously.

FREP RESEARCH PROJECT PROPOSALS

Mr. Peterson informed the group that the Technical Advisory Subcommittee (TASC) had asked Mr. Harter to provide a more thorough plan for his research proposal. Mr. Harter noted that he will be researching dairy issues. Mr. Yost noted he was going to use the state tonnage tax report which is county based and not thoroughly accurate. TASC agreed to recommend funding of the proposal to the board, noting the imperfections of the

tonnage reports, and proposing to the board for the designation of a tonnage report task force.

MOTION: A motion was made by Mr. John Peterson to fund Dr. Thomas Harter's research proposal under the FREP Program for groundwater. Mr. David McEuen seconded the motion. The motion passed unanimously.

Mr. Edward Hard presented the project proposals to the board. He reviewed the status of completed projects and summarized the current projects and proposals. There are seven projects in addition to Dr. Harter's that were recommended by the TASC. Discussion ensued about the projects.

MOTION: A motion was made by Mr. Steve Spangler to accept the project proposals as recommended by TASC for FREP funding. Mr. Tim McGahey seconded the motion. The motion passed unanimously.

ADDITIONAL ITEMS / NEXT MEETING

Mr. Yost noted that there is a board vacancy coming up that will be filled at the next meeting.

Mr. Hard informed the group that the FREP and WPHA joint annual conference will be held on November 17 and 18, 2010 in Fresno at the Holiday Inn, Downtown Convention Center.

The next Fertilizer Inspection Advisory Board meeting will be on November 16, 2010 at 1:00 p.m. at the California Cotton Ginners and Grower's Association in Fresno, California.

MOTION: A motion was made by Mr. Tim McGahey to adjourn the meeting. Mr. John Peterson seconded the motion. The motion passed unanimously. The meeting was adjourned at 10:51 a.m.

Respectfully submitted by:



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

11/8/10

Date