

Seed Advisory Board Meeting
CDFA Gateway Oaks Facility
2800 Gateway Oaks Drive
Sacramento, CA 95833

8:15 AM, Thursday Nov. 5, 2015

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1. Call to Order – Introductions – Roll Call - Oaths - Housekeeping

Chairman McShane called the meeting to order at 8:26am. The following members and guests were present:

Kelly Keithly*	Greg Orsetti*	Jane Townsend
Robert Simas*	Susan DiTomaso	Joshua Kress
John McShane*	John Palmer	Greg Cassel
Joe Baglietto*	John Heaton	Deborah Meyer
Bill White*	Erin Lovig	
Carl Hill*	Cathy Vue	

* Denotes a Seed Advisory Board Member.

Heaton noted the attendance of John Palmer, Director of the California Crop Improvement Association (CCIA). He informed the Board of the CCIA's recent publication titled Seed Notes. Heaton commented that it provides excellent background information of CCIA activities. He expressed gratitude for Palmer's attendance and was optimistic about CCIA's continued assistance in providing an orderly market for seed sales.

2. Review/accept Minutes of May 13, 2015 Meeting

Member Kelly Keithly motioned for approval of the minutes as presented. Greg Orsetti seconded the motion. Motion carried with the following votes.

Kelly Keithly <u>Yes</u>	Joe Baglietto <u>Yes</u>	Greg Orsetti <u>Yes</u>
Robert Simas <u>Yes</u>	Bill White <u>Yes</u>	
John McShane <u>Yes</u>	Carl Hill <u>Yes</u>	

3. Seed Biotechnology Center (SBC) Report

Chairman McShane reminded the Board that during the last meeting, the Board recommended CDFA initiate another three year grant for \$200,000 per year, starting in July 2016. Per the terms of the current grant Chairman McShane requested Susan DiTomaso to present a brief summary of recent activities conducted by the SBC.

Some key areas of SBC outreach and research were:

- An Annual Report Publication for 2014 celebrating 15 years of SBC
- Update on establishment of an endowment for the SBC
- Update on efforts for compliance to a request for 14 senior scientists at four universities to turn over 3 years of email correspondence as part of a formal request under the Freedom of Information Act (FoIA)
- Successful offerings of several seed related courses and events since May
- The SBC will host the following new events:
 - 2016 Sol Genomics – Sept. 12-16, 2016
 - 2017 National Plant Breeders
 - 2017 International Society for Seed Science
 - 2018 Cucurbit Conference
- Plant Breeding Academy continues
 - Over 170 participants from over 90 plant breeding organizations in 44 different countries have been trained.
- Upcoming courses
 - Seed Business 101 Field Crops - Dec. 4-8, 2015 in Chicago
 - Seed Business 101 Horticultural Crops - Dec 7-11, 2015 in Davis
 - Seed Production (New Course) – Feb. 2-5, 2016 in Davis
 - Breeding and Genomics – Feb. 16-18, 2016 in Davis
 - Seed Business 101 in Asia – Feb. 22-26, 2016 in Thailand
- Sponsors Seed Central/Food Central presentations the 2nd Thursday of every month. Next topics include experts speaking on:
 - Linking research to emerging policy and regulation on new plant breeding techniques

- Showcasing Intellectual Property Protection
- Application of IP systems at a seed company
 - What companies do for IP and some best practices.
- Economic Espionage
- Integrating experimental molecular biology and bioinformatics to understand intron-mediated enhancement
- Along with Seed Central and Food Central, the SBC is promoting:
 - The Corporate Affiliates Partnership Program
 - The Collaborative Research (CoRe) Lab
 - The Collaboration for Plant Pathogen Strain Identification (CPPSI)
 - Development of an Associate Degree for seed technicians
 - A forum for Vegetable Research and Development
 - Numerous student outreach programs
- Research Projects on

○ Coffee	○ Lettuce	○ Carrot
○ Spinach	○ Eggplant	○ Tomato
○ Cotton	○ Pepper	○ Drying beads
- Continued collaboration with the Plant Breeding Center. Recent developments at the Plant Breeding Center include:
 - Dr. Charlie Brummer hired as director
 - Dr. Allen Van Deynze appointed as Associate Director
 - Amanda Pietras serving as Program Representative
 - Recruitment underway for a Woody Crops Breeder
- Over 6,700 participants have benefitted from previous SBC outreach and educational efforts through participation in various courses, workshops, seminars, conferences and symposia.

Chairman McShane requested a motion to accept the report on SBC activities as presented by Sue DiTomaso. Member Carl Hill motioned for approval. The motion was seconded by Bill White. Motion carried with the following votes.

Kelly Keithly <u>Yes</u>	Joe Baglietto <u>Yes</u>	Greg Orsetti <u>Yes</u>
Robert Simas <u>Yes</u>	Bill White <u>Yes</u>	
John McShane <u>Yes</u>	Carl Hill <u>Yes</u>	

4. Recent Activities by the Seed Services Program

John Heaton provided the following summaries of recent activities in the Seed Services Program.

a) Summary of Seed Sampling by CDFA in FY2014-15

Heaton provided a handout titled “Summary of Seed Sampling by CDFA in FY 2014 (attachment 1). He noted that CDFA inspectors only collected 505 seed samples instead of the normal 600. He explained that two inspectors were on medical leave, which prevented them from collecting the normal amount of samples. Heaton noted that the Seed Services Program has only one full time inspector. The rest of the

employees who collect seed samples have additional responsibilities in the Nursery Program. Since the Nursery Program had many time-critical issues in 2014-15, it was difficult for the employees to allocate adequate time for seed sampling.

Heaton informed the Board the overall failure rate for official samples of agricultural and vegetable seeds was 11.10%. Despite an individual failure rate of 18.5% for agricultural seeds, Heaton was not too alarmed since most of the failures were for test values that were slightly out of tolerance to labeled values. He suggested the slight variations were mostly attributed to purity and inert material reported in agricultural seeds. Heaton explained that results for lower than normal germinations were mainly from grass seed samples and probably resulted from inventory becoming old due to the lack of sales during the drought.

Heaton reminded the Board that the Seed Services Program and County Agricultural Commissioners have previously agreed to maintain a minimum compliance rate of 85%. He noted that 88.9% of the official seed samples were in compliance. Although CDFA did not hit the goal of 600 official seed samples, the counties did report that they performed 2304 label evaluations at labeler warehouses and another 3280 label evaluations associated with incoming shipments of seed (attachment 2).

Heaton suggested that the combination of seed sampling by CDFA staff and label evaluations by county inspectors, is providing an effective compliance monitoring program (attachment 3).

b) Seed Sampler Issues for the Seed Industry (AASCO audit)

Heaton reported that in recent years there have been many discussions about inconsistent results for tests from different labs. Inevitably the discussion about inconsistencies of results comes back to inconsistencies of methods to sample seeds. Consequently Heaton worked closely with the Association of the American Seed Control Officials (AASCO) to develop a program to accredit seed sampler trainers. The AASCO Accredited Seed Sampler Trainer Program was initiated in California about three years ago. During that time, one individual obtained accreditation to train seed samplers. This employee at the CCIA has trained over 100 private and county seed samplers.

Heaton stressed the importance of making the AASCO Accredited Seed Sampler Program a strong and robust program because it offers alternative strategies for the delivery of services to the seed industry. He noted alternative strategies need to be mindful of requirements for agents and inspectors under the Code of Federal Regulations. He provided the Board with a handout listing the requirements in the Title 7 Section 353.6 of the Code of Federal Regulations (attachment 4).

As part of AASCO's effort to strengthen the Accredited Seed Sampler Trainer Program, Heaton initiated an audit last July of the one accredited seed sampler trainer in California. He noted the CCIA trainer is currently renewing his accreditation and assisting Heaton with an audit of the seed samplers certified over the last three years. Heaton provided the Board a copy of the audit letter, the description of sample forms,

and labeled sample bags (attachment 5) that he sent to all certified seed samplers. Although the deadline for samples is December 31, 2015, Heaton already received more than twenty seed samples at CDFA headquarters. While many of the description of sample forms were found to have one or more deficiencies, Heaton was optimistic that a newly designed description of sample form will greatly reduce the number of errors, thus improving the collection of seed samples. The duplicate seed samples will also increase the number of samples sent to the CDFA lab, thereby reducing some of the shortage caused by a lack of official seed samples from CDFA inspectors statewide.

c) Seed Complaints

Heaton noted that incorrectly labeled seeds can lead to seed complaints. Currently he is investigating the labeling of two seed lots; one lot contained orchardgrass sold in Shasta county and one lot had onion seed sold in Imperial county. For both cases, Heaton utilized district biologists (inspectors) to obtain details of the transactions and scope of the problem. Since information is still being gathered, Heaton did not want to speculate if the buyers will actually file formal complaints and request the alternative dispute resolution process. Heaton noted that seed complaints take a tremendous amount of resources so he is hopeful that the issues will be resolved when he summarizes the information from the initial investigations.

Chairman McShane acknowledged the importance of the AASCO's outreach for teaching seed sampling. He asked if there was anything the Board could do to help in the promotion of the Accredited Seed Sampler Trainer Program.

Heaton replied that it is very important for him to continue his participation at AASCO's annual meeting and sometimes it is difficult to get approval to attend.

Deborah Meyer noted that sometimes staff of the seed lab also experience difficulty getting approval to travel to the AOSA meetings.

Member Bill White shared that Registered Seed Technologists in private seed labs have communicated to him how important it is for CDFA staff to attend these kinds of meetings because they bring so much expertise to the meetings.

Member Keithly made a motion for the Board to support continued participation by CDFA staff at professional meetings such as AASCO and AOSA.

Carl Hill seconded the motion. Motion carried with the following votes.

Kelly Keithly <u>Yes</u>	Joe Baglietto <u>Yes</u>	Greg Orsetti <u>Yes</u>
Robert Simas <u>Yes</u>	Bill White <u>Yes</u>	
John McShane <u>Yes</u>	Carl Hill <u>Yes</u>	

Chairman McShane requested any public comment. There were no requests.

5. Recent Activities by the CDFA Seed Lab

Chairman McShane requested the Deborah Meyer provide a brief summary of activities at the seed lab and progress toward accreditation.

a) Status of Accreditation Efforts

Deborah Meyer reminded the Board that in May of 2014, the Board decided to support efforts for the lab to obtain accreditation. The Board recommended the lab seek USDA accreditation first and then consider ISTA accreditation at a later date.

She reported that in May 2015 she attended a workshop called USA Accredited Seed Lab Program at the USDA Federal Seed Lab in Gastonia, North Carolina. The lab provided participants information about the requirements for obtaining accreditation. She is currently in the process of documenting and describing all activities at the lab. The process is quite broad but for this particular accreditation the scope of the analysis is for purity analysis, noxious weed seed examinations and germination testing. Other activities by the lab are outside of the scope of the USA Accredited Seed Lab Program.

Deborah Meyer noted that the Association of Official Seed Analysts (AOSA) and the Society of Commercial Seed Technologists (SCST) are encouraging laboratories to become accredited. The hope is that accreditation will help with issues of uniformity for seed testing.

Deborah reported the cost of the initial desk audit is \$400. Once that is approved a lab audit is scheduled at a cost of about \$5,000 every three years. In addition, the laboratory must be a member in good standing with AOSA and must have at least one certified seed analyst or registered seed technologist.

Although she is currently acting as Branch Chief for the Plant Diagnostic Center, Deborah was hopeful that she can complete the necessary documentation for accreditation as a USA Accredited Seed Lab by the first of the year, or shortly thereafter. She stated she is currently participating in a different effort to accredit all of the laboratories at the Plant Diagnostic Center by the National Plants Diagnostic Network, which is recognized by USDA and funded via Farm Bill grants. This accreditation is designed for government and university diagnostic laboratories. Deborah attended a quality management workshop in Ames, Iowa in January 2015 and a workshop at the University of New Mexico for ISO17025 in February 2015. She stated it was very informative to participate in these workshops, particularly the gap audit of the NM Plant Diagnostic Center. She also attended auditor training in September at the Oregon Department of Agriculture Plant Health Diagnostics Lab.

Deborah explained that all of the workshops and training she attended were very useful and should help her setup a program that meets the requirements of accreditation. Her goal is to setup a program that meets the accreditation requirements but is not so overwhelming that it cannot be maintained. She was optimistic that the seed lab would meet the requirements for accreditation by both the National Plants

Diagnostic Network and the USDA Accredited Seed Lab Program. Deborah reiterated that accreditation by the National Plants Diagnostic Network is important for CDFA to continue its ability to test and clear seed when a phytosanitary certificate is required for export.

Chairman McShane requested comments from the Board and public. None were given.

6. Status of Renewals for Authorization to Sell Seeds in FY2015

Chairman McShane requested Heaton to provide an update on reported sales per a request by member Derek Winn at the last meeting of the Seed Advisory Board meeting.

a) Analysis of Reported Sales and Collections Versus Prior Year Expenditures

Heaton provided a handout titled “2 Year Comparison of Reported Seed Sales by Category” (attachment 6). He noted that the value of seed sales in California increased about 5% annually since 1993 until 2013. In 2013 sales did not increase and dropped about one-half of a percent from the prior year (2012). Although the drought continued through 2015, the reported seed sales in FY2014-15 actually increased about 0.7% over the prior year. Heaton noted however, that reported sales in 2013-14 and 2014-15 make two years in a row that California did not see the average annual increase of about 5%. This means that the reported sales are currently about 10% lower than the level predicted three years ago.

A more detailed analysis of the handout revealed that the slight increase in sales was caused by an increase in the value of vegetable seed sales of approximately 7.1 percent. The reported sales for grass seed sales and agricultural seed sales were down 10.1% and 6.6% respectively. Heaton suggested that these percentages reflect the effect of the California’s ongoing drought.

A second handout (attachment 7) provided two pie charts that analyzed the payment of assessment collections based on reported seed sales.

Heaton noted that assessment collections are an indication of reported seed sales in California. He summarized that 14 firms collected 47% of the assessments. If less stringent criteria are applied, 64 firms are responsible for 83% of assessment collections. The remaining 353 firms collected 17% of assessments.

Since the assessment rate is fixed for all reported sales, those firms that had greater sales forwarded more assessment collections to CDFA. The second pie chart grouped firms by ranges of assessment amounts collected. Heaton did not elaborate on the number of firms in each range except to note that 265 firms or 64% of the firms collected less than \$1,000 in assessments. The average payment to CDFA by these 265 firms was approximately \$230.

The report of seed sales and analysis of assessment collections warranted a brief analysis of the Seed Program’s financial status. Heaton directed the Board’s attention

to the handout titled Seed Program Analysis per September 2015 (attachment 8), which posed two questions:

- 1.) Did collections in FY2014 cover expenditures?
- 2.) Will the collections at renewal in July 2015, cover expenditures of FY2015?

The handout provided figures that showed expenditures in FY2014-15 were approximately \$150,369 greater than assessment collections from sales in the prior year. In addition, Heaton estimated that if expenditures remain approximately the same, assessment collections will also be short of expenditures in FY 2015-16, by about \$135,000. He reminded the Board that it was the Board's previous strategy to run a deficit in order to reduce the Program's reserve of about one million dollars.

Heaton commented that he believes the analysis and supports that Board's recent recommendation for the Secretary to increase the assessment rate on reported sales made in FY2015-16.

Chairman McShane requested comments from the Board and public for the present agenda topic. No comments were made.

7. Status of Regulatory Changes: Assessment Rate and Restricted Weed Seeds

Chairman McShane requested Heaton to provide an update to the Board about the progress of any regulatory changes relevant to the seed law.

Heaton provided the Board a column graph depicting the assessment rate since 1991. He noted that when he started in 2005, the rate was thirty-two cents per \$100 of reported seed sales in CA. Through various efficiencies recommended by the Board and implemented by the Seed Services Program and Seed Lab, the Secretary was able to reduce the assessment rate to twenty-five cents by 2011. This reduction brought significant savings to the industry. The cuts in general funds and various increases in costs by CDFA and UC SBC created the situation where the Board found it necessary to recommend an assessment rate increase for sales in FY2015-16. Heaton reported to the Board that he initiated the regulatory process immediately after the last Board meeting. He informed the Board that the regulatory change is currently posted and subject to comment through November 30, 2015. He does not anticipate any delays in getting the assessment rate increased to thirty cents per \$100 of seed sales.

Heaton reported that if sales in FY2015-16 are comparable to reported sales of \$637,265,200 in FY2014, the assessment and fee collections should be approximately \$1,908,000 in July 2016. He noted that the Board previously recommended a budget of approximately \$2,131,620 for FY2016-17. He is not too concerned about the shortage of collections for the recommended budget because he is optimistic the drought will end and reported seed sales will actually be higher than the sales for the last two year, thus resulting in higher collections. If the gap is not closed by increased sales, it might be necessary for the Board to consider another increase in the assessment rate during subsequent years.

Heaton then reported the effort to categorize noxious weeds as either prohibited or restricted weed seeds in the seed law is currently stalled. He reminded the Board that when a previous proposal for categorization of noxious weeds listed in section 4500 of the California Code of Regulations was reviewed by industry representatives, no significant concerns were identified. The Department is presently waiting for final determination by the state's Primary Botanist about whether certain noxious weed seeds will be designated as restricted or prohibited in the seed law. Once all of the noxious weed species are categorized, the plan is to remove the restricted list from the seed law and alternatively reference a list of noxious weeds in section 4500 of the California Code of Regulation. A subset list of prohibited noxious weed seeds will be maintained in the seed law.

Chairman McShane requested comments from the Board and public for the present agenda topic. No comments were made.

8. Status of Requests for Offers of a Business Needs Analysis

After several months of development, the scope of work for the business needs analysis was approved and is ready for consideration by vendors. Heaton reported there is a mandatory meeting scheduled for November 18, 2015 for potential vendors. The meeting will be attended by CDFA representatives and John McShane so vendors can ask questions about the terms of the contract.

Vendors are required to submit their proposals by December 31, 2015. A meeting to evaluate vendor proposals is tentatively scheduled for January 14, 2016. The evaluation committee is composed of the following:

- two Board members
- one representative from the California Seed Association
- one representative from the California Association of County Agricultural Commissioners (CACASA).
- the CDFA Plant Division Director or representative
- John Heaton

The task of the evaluation committee will be to rank the proposals under some very specific guidelines. After a review of the proposals, the plan is to give the Board an update about the status of the process. Ultimately the hope is to make a determination about awarding the contract by January 31, 2016.

Chairman McShane requested comments from the Board and public for the present agenda topic. No comments were made.

9. Legislative Report

Heaton reported that AB264 was signed by the Governor and should address the concerns of the Board regarding the requirement in the Food and Agricultural code for seed dealers to obtain a produce dealer's license. He commented that the passage of AB264 is an example of how industry should utilize the skills of its trade association to address issues of law that are a concern. Heaton stated that

representatives of the California Seed Association worked diligently to represent the concerns of their members about this important issue.

One major concern AB264 addressed, was the concern about resolving disputes for payment to farmers who produce seed crops for seed companies. Heaton reported that AB264 assigned those types of disputes to the already existing dispute resolution process in the seed law. He was hopeful he could report the changes to the seed law in more detail after the law has been chaptered and he incorporates those changes into the seed law handbook.

Chairman McShane requested comments from the Board and public for the present agenda topic. No comments were made.

10. Nominating Committee

Chairman McShane requested a report from member Greg Orsetti regarding recommendations for appointment of members to the Seed Advisory Board.

The Nominating Committee recommended the following individuals for appointment to the Board.

- Doug Sumpter to be appointed to complete the term for the seat vacated by George Hansen.
- Kelly Keithly to be reappointed as a representative for southern California vegetable seed labelers.
- Meir Peretz to replace Marc Meyer as a representative of central/southern California agricultural seed labelers.
- Greg Cassel to replace Derek Winn as a representative for northern California agricultural seed labelers.

Member Keithly motioned the slate of candidates be recommended for appointment. Carl Hill seconded the motion. Motion carried with the following votes:

Kelly Keithly <u>Yes</u>	Joe Baglietto <u>Yes</u>	Greg Orsetti <u>Yes</u>
Robert Simas <u>Yes</u>	Bill White <u>Yes</u>	
John McShane <u>Yes</u>	Carl Hill <u>Yes</u>	

Heaton reminded the Board there is no guarantee the candidates they recommend will be appointed. He stated The Board's recommendations are always important and considered by the Secretary but he must provide her all letters of interest and qualifications from individuals willing to serve. Ultimately the Secretary makes the final decisions of appointments.

11. Closed Executive Session Pursuant to G.C. Section 11126(if prior request)

A closed executive session meeting was not requested prior to the present meeting. This agenda item was dismissed without any action.

12. Reconvene Public Meeting

This agenda item was not necessary as the prior agenda item was dismissed. This agenda item was also dismissed.

13. Public Comment Period

Even though opportunities for public comment were provided at the end of each agenda item, Chairman McShane offered a three minute period for anyone wishing to make a public comment. None were made.

14. Other Items - Next Meeting

Chairman McShane set Wednesday May 11, 2016 as the date for the next Seed Advisory Board meeting. The location for the meeting was requested to be at the CDFA Gateway Oaks facility.

15. Adjournment

Chairman McShane adjourned the meeting at 11:00 am.

16. Attachments 1 through 8

Respectfully Submitted

John Heaton

Senior Environmental Scientist

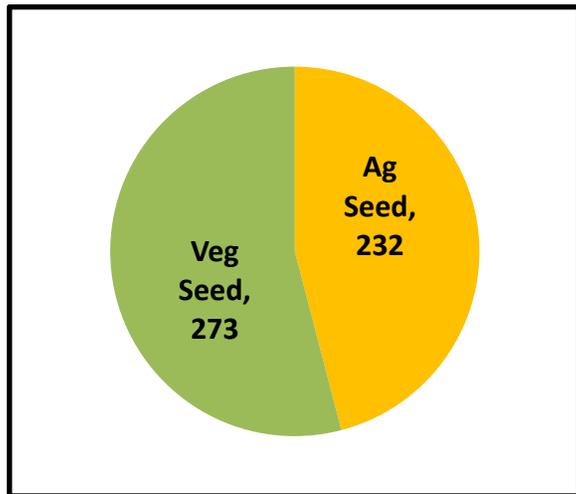
CDFA Seed Services Program

Approved by the California Seed Advisory Board on May 11, 2016

Summary of Seed Sampling by CDFA in FY 2014

District	Approximate number of Samples to be collected monthly by District	Samples received by the CDFA Seed Laboratory for June 2015	Samples received in June 2015 that are on hold for errors	Samples released to the CDFA Seed Laboratory in June 2015	Number of samples released to the CDFA Seed Lab YTD	Number of samples needed to be collected for 2014-2015 fiscal year	Number of Samples that should have been collected YTD	Number of samples successfully collected so far	Percentage of completion for collecting required samples YTD	Percentage of completion for collecting required samples for entire year
Redding	6	5	0	5	72	72	72	72	100.0	100.0
Sacramento	9.5	0	0	0	62	114	114	62	54.4	54.4
Fresno	22.5	67	0	67	284	270	270	284	105.2	105.2
Riverside	12	15	0	15	88	144	144	88	61.1	61.1
Totals	50	87	0	87	499	600	600	506	83.2	83.2

Six investigative samples were also pulled, bringing total to 505



	Ag Seed	Veg Seed	Total
Total	232	273	505
Failed	43	13	56
% Failure Rate	18.5%	6.70%	11.10%
Pure Seed Error	39	-	
% Germination Error	7	3	
Kind of Seed Error	3	2	
Label NE 100%	2	-	
Nox. Weed Error	2	2	
Multiple errors	23	-	
Labeler Address	-	4	
Treated	-	2	

SEED INSPECTION REPORT
REPORT NUMBER 6

Report work online at

<https://secure.cdffa.ca.gov/egov/crs/login.aspx>

648 Total Months Reported

Date Printed: 10/27/2015

Summary across all Counties for Fiscal Year 2014

1. ENFORCEMENT OF THE CALIFORNIA SEED LAW

ACTIVITY							NUMBER	HOURS
PREMISES INSPECTED							686	625.1
LOTS/UNIQUE LABELS INSPECTED PER THE UNITS OF ACTIVITY LIST							2304	631.25
STOP-SALE ORDERS ISSUED							22	38.2
LBS. OF SEED ISSUED STOP-SALE	VEG	0	AG	95200	GRASS	176000		
STOP-SALE ORDERS RELEASED							17	21.7
LBS. OF SEED RELEASED	VEG	0	AG	63200	GRASS	175550		
UNREGISTERED LABELERS IDENTIFIED OR NOTIFIED TO REGISTER							2	1
OFFICIAL SAMPLES DRAWN							17	10
SEED COMPLAINTS							5	5.5
LABELS OF SEED SHIPMENTS AND/OR 008 REPORTS EVALUATED							3280	1021.95
LEGAL ACTION								
HEARINGS			COURT ACTION					
OFFICE	DIST. ATTY.		CITATIONS	CONVICTIONS				
5	0		0	0				
TOTAL HOURS OF SEED LAW ENFORCEMENT								2354.7

2. SEED CERTIFICATION

ACTIVITY							NUMBER	HOURS
SAMPLES DRAWN							186	64.55
CERTIFIED MILSS INSPECTED							72	141.75
HARVESTERS AND FIELD EQUIPMENT INSPECTED							1377	704.4
INTERCOUNTY PERMITS ISSUED							682	320.2
INTERSTATE PERMITS ISSUED							227	61.4
TOTAL HOURS FOR SEED CERTIFICATION								1292.3

3. MISCELLANEOUS ACTIVITY

ACTIVITY							NUMBER	HOURS
SAMPLES DRAWN, SERVICE							579	341.1
SAMPLES DRAWN, US CUSTOMS							24	0.25
ADMINISTRATIVE SUPPORT								1095.83
TOTAL HOURS FOR MISCELLANEOUS ACTIVITY								1437.18

\$120,000 / [2355 hours + (1096/2)] = \$41.34 / hour statewide

Analysis of CDFA's Compliance Monitoring Program for Seed Lots Offered for Sale in FY 2014.

By John Heaton, Sr. Environmental Scientist Nov. 4, 2015

During July 2015, 271 of 618 firms seeking renewal, voluntarily reported the approximate number of seed lots they offered for sale in fiscal year 2014. The total number of seed lots reported by these 217 firms was 8,286. This figure represents a voluntary reporting rate of $(217/618) \times 100 = 44\%$ by firms authorized to sell seeds in California.

If one uses this reporting rate, it is possible to extrapolate an estimated total number of seed lots offered for sale in California during fiscal year 2014. The question becomes if 8,286 seed lots were offered for sale by 44% of firms, how many seed lots might have been offered for sale by 100% of firms?

$8,286 / .44 = 18,832$ seed lots (or roughly 19,000 seed lots).

So the Seed Services Program has a rough estimate of approximately 19,000 seed lots in the marketplace in fiscal year 2014.

What % of the seed lots in the marketplace were tested by CDFA?

The Seed Services Program collected 500 seed samples in fiscal year 2014.

$(500/19,000) \times 100 = 2.6\%$

However 2014 was not a typical year. The normal target for Seed Services is 600 samples but was not attained due to staff illnesses. When 600 samples are collected, the Seed Services Program is evaluating approximately 3.2% of seed lots in the marketplace. While 3.2 % is less than the desired 10% for a compliance monitoring program, it should be noted that county agricultural inspectors also evaluated labels on another 3,280 seed lots shipments of seed and 686 seed lots in warehouses.

Although there may be some overlap between county inspectors and CDFA inspectors, the figures above mean that approximately 24% $[(3,280 + 686 + 500)/19,000] \times 100$ of labels on seed lots in the marketplace were evaluated in fiscal year 2014 and 3% were randomly sampled and tested.

From Code of Federal Regulations – Who is eligible to do Seed Sampling?

Title 7: Agriculture Subtitle B, Chapter III
PART 353—EXPORT CERTIFICATION

§353.6 Inspection.

Inspections shall be performed by agents, by inspectors, or by employees of a State plant protection agency who are authorized by the agency to perform field inspections in accordance with this part and who have successfully completed training in accordance with paragraph (a)(2)(iii) of this section.

Employees of a State plant protection agency who are not agents may perform field inspections only under the supervision of an inspector.

(a) *Agent.* (1) Agents may conduct phytosanitary field inspections of seed crops in cooperation with and on behalf of those State plant regulatory agencies electing to use agents and maintaining a Memorandum of Understanding with the Animal and Plant Health Inspection Service in accordance with the regulations. The Memorandum of Understanding must state that agents shall be used in accordance with the regulations in this part. Agents are not authorized to issue Federal phytosanitary certificates, but are only authorized to conduct the field inspections of seed crops required as a basis for determining phytosanitary condition prior to the issuance of a phytosanitary certificate for the crops.

(2) To be eligible for designation as an agent, an individual must:

(i) Have the ability to recognize, in the crops he or she is responsible for inspecting, plant pests, including symptoms and/or signs of disease-causing organisms, of concern to importing countries.

(ii) Have a bachelor's degree in the biological sciences, and a minimum of 1 year's experience in identifying plant pests endemic to crops of commercial importance within the cooperating State, or a combination of higher education in the biological sciences and experience in identifying such plant pests, as follows:

0 years education and 5 years experience;

1 year education and 4 years experience;

2 years education and 3 years experience;

3 years education and 2 years experience; or

4 years education and 1 year experience.

The years of education and experience do not have to be acquired consecutively.

(iii) Successfully complete annual training provided by the State plant regulatory agency. The required training must include instruction in inspection procedures, identification of plant pests of quarantine importance to importing countries, methods of collection and submission of specimens (organisms and/or plants or plant parts) for identification, and preparation and submission of inspection report forms approved by the State plant regulatory agency.

(iv) Have access to Federal or State laboratories for the positive identification of plants pests detected.

(3) No agents shall inspect any plants or plant products in which they or a member of their family are directly or indirectly financially interested.

(b) *Inspector.* (1) An employee of the Animal and Plant Health Inspection Service, or a State or county regulatory official designated by the Secretary of Agriculture to inspect and certify to shippers and other interested parties, as to the phytosanitary condition of plants and plant products inspected under the Act.

(2) To be eligible for designation as an inspector, a State or county plant regulatory official must:

(i) Have a bachelor's degree in the biological sciences, and a minimum of 1 year's experience in Federal, State or county plant regulatory activities, or a combination of higher education in the biological sciences and experience in State plant regulatory activities, as follows:

0 years education and 5 years experience;

1 year education and 4 years experience;

2 years education and 3 years experience;

3 years education and 2 years experience; or

4 years education and 1 year experience.

The years of education and experience do not have to be acquired consecutively.

(ii) Successfully complete, as indicated by receipt of a passing grade, the Animal and Plant Health Inspection Service training course on phytosanitary certification.

(3) No inspectors shall inspect any plants or plant products in which they or a member of their family are directly or indirectly financially interested.

(c) *Applicant responsibility.* (1) When the services of an agent or an inspector are requested, the applicant shall make the plant or plant product accessible for inspection and identification and so place the plant or plant product to permit physical inspection of the lot for plant pests.

(2) The applicant must furnish all labor involved in the inspection, including the moving, opening, and closing of containers.

(3) Certificates may be refused for failure to comply with any of the foregoing provisions.



July 1, 2015

Calexico, CA 92231

Dear Gabriel,

The Association of American Seed Control Officials (AASCO) has contacted me as the Seed Control Official for California and requests your cooperation in an effort to audit the accredited seed sampler trainer who certified you as an AASCO Certified Seed Sampler.

On 4/18/2013 you received training for the proper methods to sample seed lots from Alex Mkandawire of the California Crop Improvement Association. Your successful completion of the training led to you being designated as an AASCO Certified Seed Sampler with the assigned sampler certification number of CAAM01-109. The purpose of the training was to teach you the methods of seed sampling that are used by seed law enforcement officials. The expectation is that when private samplers and government inspectors use the same methods to obtain random seed samples, the laboratory results will be more consistent. Through representative seed sampling and comparison of test results, AASCO and CDFA hope to improve the characterization of seeds offered for sale in California and the United States, leading to fewer enforcement actions and greater confidence in test results used by labelers and buyers.

The AASCO Accredited Seed Sampler Trainer Program can only be successful with your assistance as a Certified Seed Sampler. The audit process approved by AASCO authorizes state Seed Control Officials to request duplicate seed samples from samplers trained and certified by an accredited seed sampler trainer. ***Since you are an AASCO Certified Seed Sampler, I am requesting that in the near future you collect a duplicate seed sample for submission to the CDFA Seed Services Program.*** After a review of the paperwork accompanying your sample, as well as a review of the general condition of your sample, I will make an initial determination regarding adherence to the sampling methods in the AASCO Handbook on Seed Sampling.

Your duplicate sample may then be submitted to the CDFA Seed Laboratory for more detailed analysis if resources permit. ***Since your duplicate sample is not an official seed sample, the results cannot be used for enforcement of the seed law by CDFA.*** If the CDFA seed laboratory finds anything unexpected, your company will be notified so that corrections can be made and customer satisfaction maintained.

To complete the audit process, it will be important for your company to forward laboratory results received for the initial sample you submitted to your regular seed testing laboratory. I will then compare the results of the initial sample tested by your primary seed testing lab to the results of the duplicate seed sample determined by the CDFA seed lab. If significant differences are found, the differences will be discussed with all parties concerned so that we can work together to address possible errors in sampling or testing. ***Only through comparison of results is it possible for AASCO and CDFA to make a determination if standard methods for sampling and testing seeds are being utilized.***





July 1, 2015
Page 2.

This monitoring strategy is necessary for continuance of the AASCO accreditation program, which provides all parties involved reasonable alternatives and significant cost savings. By CDFA reviewing your sampling methods and the laboratory analyses obtained, we can continue the accreditation program for seed sampler trainers with AASCO.

To assist you with this request, I am providing a modified copy of the description of sample form from the AASCO Handbook on Seed Sampling. It is not required that you use this form but it is highly recommended. I am also providing two sizes of sample bags for your sample. You only need to use one bag. Place your duplicate sample in the most appropriate size sample bag and seal it with the sticker provided. Then send your duplicate sample and a completed description of sample form to me at the address below. I have also provided a printed mailing label for attachment to the small box used for sending the sample. Please mail your duplicate sample to:

CDFA Seed Services Program
Attn: John Heaton
1220 N Street Rm 344
Sacramento, CA 95814

You may find it useful to review the methods for seed sampling since several months have passed since you received your training. Please use the documents you were provided at training as your first resource. If you still have questions, you may contact your trainer, Alex Mkandawire at the California Crop Improvement Association (530 752-6868), or the CDFA Environmental Scientist assigned to sample seeds in your area. A map with contact information is provided.

Please mail your duplicate seed sample to me within the next six months. I want to thank you in advance for your cooperation and efforts to maintain the AASCO accreditation program.

Sincerely,

John Heaton
Sr. Environmental Scientist – CA Seed Control Official
916 403-6715
John.heaton@cdfa.ca.gov

Enclosure

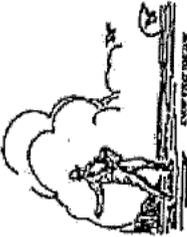
cc: Steve Malone, AASCO President
Alex Mkandawire, Certified Seed Program Representative
California Crop Improvement Association (CCIA)
CDFA District Environmental Scientist for the Seed Services Program



Laser / Inkjet Labels
Compatible with Avery® 5163® Template

Feed Paper

**THIS SEED HAS BEEN
SAMPLED BY AN AASCO
CERTIFIED SEED SAMPLER**



Place signature on this bag seal

California Dept. of Food and Agriculture
Seed Services Program - Attn John Heaton
1220 N Street, Room 344
Sacramento, CA 95814

Attachment 5 cont.



Duplicate Sample

Date Sampled:

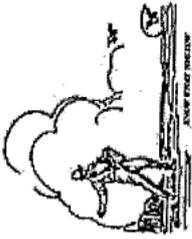
CAAM01-109-

Inspector's Sample No.:

Company

Kind of Seed:

**THIS SEED HAS BEEN
SAMPLED BY AN AASCO
CERTIFIED SEED SAMPLER**



Place signature on this bag seal

California Dept. of Food and Agriculture
Seed Services Program - Attn John Heaton
1220 N Street, Room 344
Sacramento, CA 95814



Duplicate Sample

Date Sampled: _____

CAAM01-109- _____

Inspector's Sample No.: _____

Company _____

Kind of Seed: _____

Lot Identification: _____

TREATED SEED: Yes

No

Treatment Material(s): _____

Seed Services Program Districts Map

CDFA Seed Services Program (Headquarters)
 John Heaton (916) 403-6715
 AASCO Accredited Seed Sampler Trainer
 Alex Mkandawire @ CCIA (530) 752-6868

Northern CDFA District (Redding)
 530.224.2425

Sacramento CDFA District (Meadowview)
 916.262.1100
 Chris Banzhof

Central CDFA District (Fresno)
 559.294.6715
 Marko Sladovich

Southern CDFA District (Riverside)
 Ruben Arias 760.776.8208
 Leo Cortez 951.897.7915



CALIFORNIA DEPARTMENT OF
 FOOD & AGRICULTURE

2 YEAR COMPARISON OF REPORTED SEED SALES BY CATEGORY**Seed Sales in CA during FY2013; Reported in FY2014**

Location of Firm	# of Firms	2013 Reported Ag Seed Sales	2013 Reported Veg Seed Sales	2013 Reported Lawn Seed Sales	2013 Total Reported Seed Sales
OS	257	\$ 105,202,097	\$ 137,718,151	\$ 47,834,982	\$ 290,755,230
CA	336	\$ 109,360,217	\$ 208,879,402	\$ 15,523,890	\$ 333,763,509
Total	593	\$ 214,562,314	\$ 346,597,553	\$ 63,358,872	\$ 624,518,739

Seed Sales in CA during FY2014; Reported in FY2015

Location of Firm	# of Firms	2014 Reported Ag Seed Sales	2014 Reported Veg Seed Sales	2014 Reported Lawn Seed Sales	2014 Total Reported Seed Sales
OS	248	\$ 93,414,853	\$ 150,354,352	\$ 40,183,012	\$ 283,952,217
CA	334	\$ 107,088,649	\$ 220,871,997	\$ 16,787,399	\$ 344,748,045
Total	582	\$ 200,503,502	\$ 371,226,349	\$ 56,970,411	\$ 628,700,262

2 Year Comparison (FY2013 vs FY2014) of Reported Seed Sales in CA

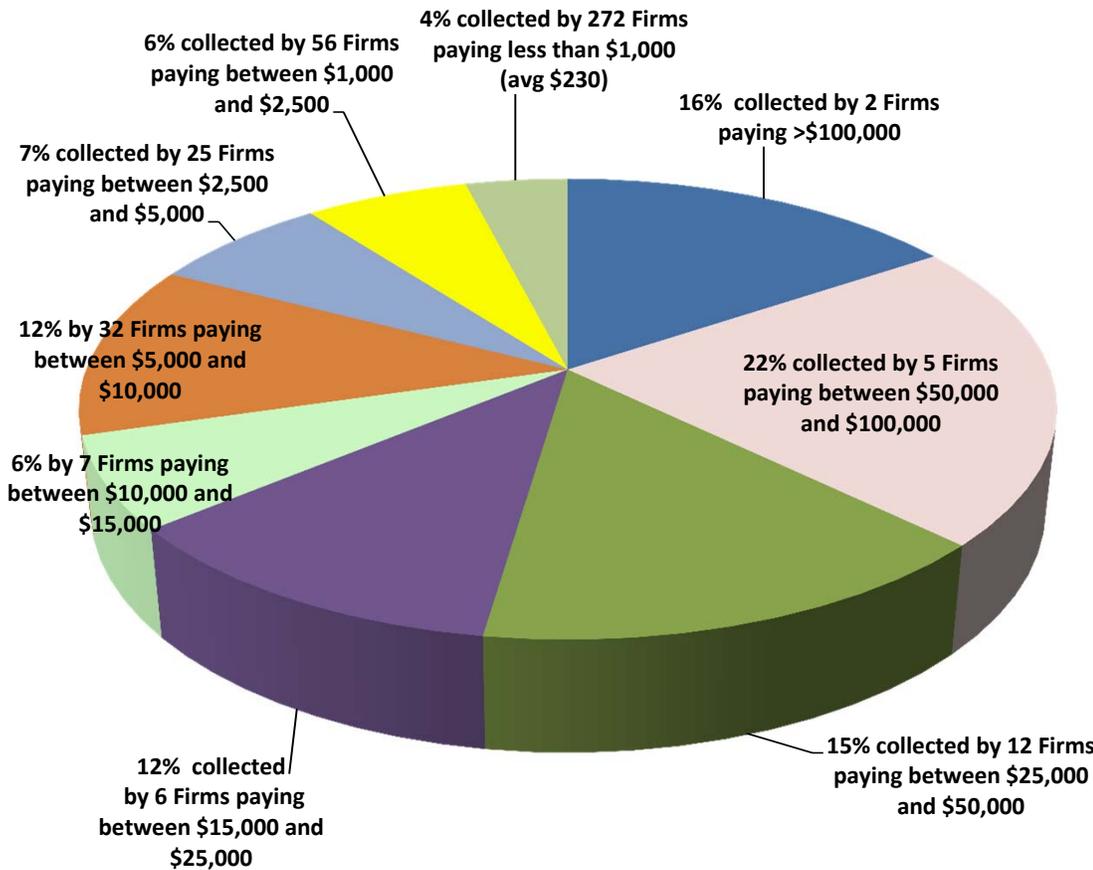
Location of Firm	# of Firms	CY vs PY Reported Ag Seed Sales	CY vs PY Reported Veg Seed Sales	CY vs PY Reported Lawn Seed Sales	CY vs PY Total Reported Seed Sales
OS	-3.5%	-11.2%	9.2%	-16.0%	-2.3%
CA	-0.6%	-2.1%	5.7%	8.1%	3.3%
Total	-1.9%	-6.6%	7.1%	-10.1%	0.7%

Comparisons:

Seed Sales in CA dropped 0.7 % in FY2014 instead of the average 5 (+) % annual increase that has been reported for CA seed sales since 1993.

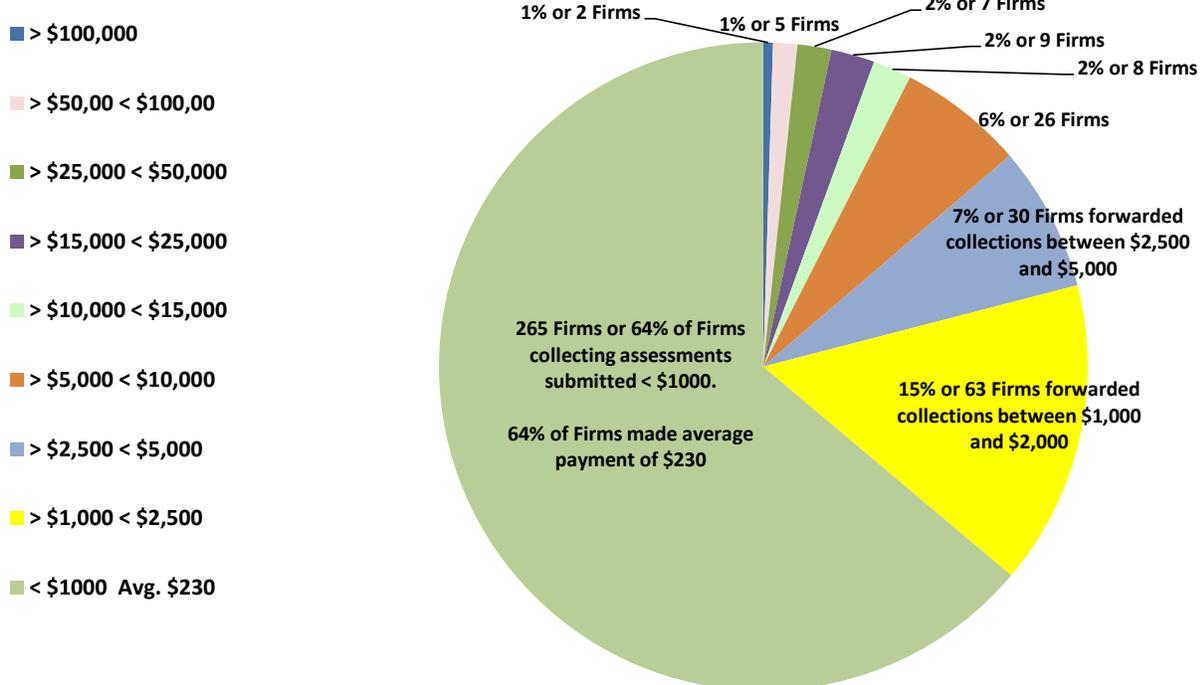
Not surprisingly the biggest drop occurred in OS lawn seed sales. Undoubtedly some of this is due to the extended drought but much of the drop may be attributed to a large firm that no longer reports sales they previously reported by firms that supplied them.

Percentages of Assessment Collections on Seed Sales in FY2014 Submitted by Firms in FY2015



Some Conclusions
 14 Firms collected 47% of the assessments on seed sales in CA. Same as PY.
 64 Firms collected 83% of the assessments on seed sales in CA.
 353 Firms collected the

Number of Firms that Submitted Assessments from CA Seed Sales in 2014 - Grouped by Ranges of Amounts Collected



SEED PROGRAM ANALYSIS PER SEPT 2015

Did collection in FY2014 cover expenditures? NO

From SUS \$1,577,983.27 Total Revenue.

From FY2014 MARS BUDGET Report

\$1,605,293 + \$53 .00+ \$3,005.89 + \$120,000 = \$1,728,352 Expenditures in FY2014.

\$150,369 short to cover expenditures in FY2014.

Will collections in current year (FY2015) cover expected expenditures in FY2015? NO

CY(2015-16) YTD Collections for PCA 15551 = \$1,593,163 per 9/23/2015 Program data

(# of firms = 548 subset of about 424 paid assessments totaling \$1,563,163)

This equates to reported sales of ~ \$625,265,200 in FY2014.

PSP (Target for collections) = \$1,930,596

Short about \$337,433 if we spend to level of PSP.

Instead of comparing to PSP, compare to PY Expenditures.

Collections are currently \$1,593,163 and PY Expenses were ~ \$1,728,352.

Short about \$135,000 before in increases in CY expenditures.

Assessment rate increase is definitely needed to avoid drawing another \$135,000(+) from reserve. However there are adequate funds in the reserve.

Analysis of Reg Change for assessment rate increase to 30 cents/\$100 sales using 2014 sales reported in FY2015..

If same reported sales \$637,265,200 in FY2015, expect approx. \$1,875,796 in assessment collections. Add in \$22,000 for reg fees + 10K for late fees to get approx. \$1,908,000 in collections July 2016.

Next Year

Proposed and Board approved budget for FY 2016-17 is \$2,131,620

Seed Lab Portion is \$571,492