

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

**CDFA
2800 Gateway Oaks Drive
Sacramento, CA 95833
(916) 900-5022**

**March 26, 2019
9:00 – 12:00 PM**

MINUTES

MEMBERS

Doug Stabelfeld
John Walth, Chair
Marit Arana, Vice Chair
Michael Koewler
Paul Parreira
Shay Rambur
Tim Riordan
Tom Prokop

MEMBERS ABSENT

Dan Rice

CDFA STAFF

Adriana Avalos
Amadou Ba
Angelia Johnson
Barzin Moradi
Brittnie Sabalbro
Dinesh Chand
Jenna Leal
Maryam Khosravifard
Natalie Krout-Greenberg
Rachelle Kennedy
Samantha Moran-Defty
Stacy Aylesworth
Valerie Brott

INTERESTED PARTIES

Chris Zanobini
David Meeker
Jeremy Banducci
Jon Handy
Tad Bell

INTRODUCTIONS AND ANNOUNCEMENTS

John Walth, Chair, called the meeting to order at 9:02 a.m. Chair Walth informed the interested parties that per the Bagley-Keene Open Meeting Act, they are not required to sign in or identify themselves. Self-introductions were made, and a quorum was established. Dan Rice was absent.

Dr. Amadou Ba extended special recognition to Chair Walth, Tom Prokop, and Doug Stabelfeld for their years of dedicated service as members on the board, to the Department and Feed program.

APPROVE JANUARY 15, 2019 MEETING MINUTES

Chair Walth requested the board review the minutes of the January 15, 2019 FIAB meeting.

MOTION: Michael Koewler moved to approve the meeting minutes; Dr. Marit Arana seconded. The motion passed unanimously with a vote by all board members present of 8 - 0.

DEPARTMENT / DIVISION / BRANCH UPDATE

Natalie Krout-Greenberg announced that the Department's Produce Safety program continues to carry out the Food and Safety Modernization Act (FSMA) mandate by focusing on inspection and compliance.

The Department is still engaged with the Leafy Greens Food Safety Task Force to assess issues with the E. coli outbreak linked to romaine lettuce. The Leafy Green Marketing Agreement members are also looking at how the safety of agricultural water can be improved.

Krout-Greenberg announced the Department's new Agency Information Officer, Jennifer Chan, who will oversee the Office of Information Technology Services. The content on the Department's website must now be in portable document format and Americans with Disabilities Act (ADA) compliant.

Krout-Greenberg shared the passing of Nate Dechoretz, former Division Director for Inspection Services from 2004-2010. Dechoretz worked in the Plant Health and Pest Prevention Services and became deputy secretary in the Department's Executive Office.

Dr. Ba reported that the secretary approved the board recommendation to increase tonnage tax from 10 cents to 12 cents per ton, effective July 1, 2019. The Eggman bill, regarding the feed license fee and the Safe Animal Feed Education (SAFE) sunset, did not include the recent board recommendation of the tonnage tax ceiling increase from 15 to 25 cents per ton and extension of the sunset provision from 2020 to 2025.

Assembly Bill (AB) 217, introduced by Assembly Member Eduardo Garcia, includes language associated with agricultural funds. This bill requires licensees pay a fertilizer safe drinking water fee of six mills (\$0.006) per dollar of sales for all sales of fertilizing materials. If AB 217 passes, the Fertilizer program would bring in approximately \$16-17 million annually in mill assessment.

Senate Bill (SB) 627, introduced by Senator Galgiani, repeals the provision prohibiting a licensed veterinarian from dispensing or administering cannabis or cannabis products to an animal patient. The Department's Animal Health and Food Safety Services (AHFSS) is the primary division addressing SB 627 alongside Inspection Services input and analysis.

Dr. Ba also reported the Fertilizing Materials Inspection Program (FMIP) has accumulated \$10-11 million in reserves. The current mill assessment rate for the FMIP is at two mills (\$0.002) for all fertilizing materials. The Fertilizer Inspection Advisory Board (Board) made a projection that the FMIP's revenue would decrease over the years; however, it has not. Therefore, the Board made a recommendation to the secretary to lower the mill assessment to one and a half mills (\$0.0015) per dollar of sales; a net decrease of \$1.57 million per year. Dr. Ba stated that it will take approximately five years before the FMIP will be required to promulgate new regulations to adjust the mill. To increase or decrease the mill assessment, regulations are required because the FMIP mill assessment is not exempt from the Administrative Procedure Act.

The Feed and Fertilizer field program staff continue to assist the Animal Health Branch (AHB) with the virulent Newcastle Disease (vND) that was originally detected in southern California in May 2018. The field program staff's effort and time spent with the vND outbreak will be paid for by the AHB.

BOARD VACANCIES

Chair Walth asked that the board review the four board vacancy applicants: David Eisenberg, David Meeker, Jeremy Banducci, and Jon Handly.

MOTION: Tom Prokop moved to approve recommendations of David Meeker, Jeremy Banducci, and Jon Handly for the board vacancies to the secretary; Tim Riordan seconded. The motion passed unanimously with a vote by all board members present of 8 - 0.

FUND CONDITION / TONNAGE REPORTING

Jenna Leal reported, as of July 1, 2018, total funds for Feed and SAFE were \$4.7 million. Revenue was \$2.0 million; expenditures \$867,873; and encumbrances \$64,243. The adjusted balances for Feed and SAFE were \$5.8 million with year to date Animal Feed Regulatory Program Standards (AFRPS) recoveries of \$43,979.

Leal presented the feed tonnage and reported that the Feed program reconciled the anomaly of the December tonnage report data mentioned at the last FIAB meeting. The Feed program corrected the tonnage which is now reflected on the current tonnage breakdown of 10.5 million tons reported.

Leal announced the appointments of Environmental Scientists Valerie Brott and Alejandro Ramirez for the Feed and Antimicrobial Use and Stewardship (AUS) program.

Leal gave a field program update and reported that the Oregon Department of Agriculture (ODA) contacted the Department regarding a complaint of cement in feed.

The Department identified an issue where a firm hit a cement barricade with a front-end loader resulting in small cement pieces found in bags of feed. The firm addressed this issue and is now required to include this in their food safety plan as concrete poses a physical hazard risk. A document of findings and complaint follow-up were reported to the ODA. Additionally, it was reported that Vitamin D was found in rabbit feed bound for Utah. It was in Utah that deceased rabbits implicated vitamin D toxicity, that investigation is ongoing.

The Feed program is working closely with the California Governor's Office of Emergency Services (Cal OES) in response to the adverse weather in the mid-west and the lack of commodity availability coming into California (CA) from the railroads. Additionally, the Feed program has identified and is working with feed mills in the vND quarantine zones ensuring that feedmills are able to fulfill their contract loads. This effort is in collaboration with the California Grain and Feed Association (CGFA). The Feed program is also working with the AHB's incident command posts to disseminate outreach documents to industry ensuring feed licensees are aware of the emergency situation pertaining to vND and to ensure licensees can continue to operate as normal as possible. A notice to industry including quarantine compliance requirements will be sent out to the feed industry.

STRATEGIC PLAN FOLLOW UP / LAB UPDATE

The Feed program hosted a Strategic Plan Workgroup webinar meeting on March 7, 2019 in Sacramento, CA. An overview of the tonnage tax and license funding structures for different states were part of the meeting discussion. Most other states include pet food, lower license fees, and a sliding scale for tonnage reporting on high moisture products. The Feed program will look at revenue and program structure for the major states, and final sale products versus the program's current tonnage tax model, before making recommendations to the board.

Auditing tonnage that firms report to the program was also a topic of discussion at the meeting. The workgroup members requested information on the costs of audits, which will help determine if audits should be conducted by the Department's Audit Office or another mechanism. The workgroup expressed the importance of increasing the amount of tonnage audits that are performed and that audits should be performed every 3-5 years. The cost and benefits of firm auditing is a topic that will be discussed at the next workgroup meeting.

Chris Zanobini, of CGFA, commented that firm audits should be a regular activity of the Feed program and be completed on an annual basis.

Paul Parreira advised looking at the amount of years the program can go back to perform an audit. Leal stated the program's record retention is five years.

The cadence of board meetings and draft board by-laws were briefly discussed. Leal stated that board by-laws will document and memorialize the expectation of board service terms, cadence of board meetings, etc.

Leal held a discussion on tonnage reporting about species and the Feed program's current tonnage reporting structure. The Department's engagement with CalRecycle on SB 1383, regarding short-lived climate pollutants, and CalRecycle's waste characterization study has prompted the Feed program to decide if it is necessary to draft regulations formalizing the tonnage reporting structure where firms report species, tonnage, and commodity. The workgroup stated no action should be taken at this time and that the program not draft regulations. The workgroup stated that the program may consider looking at existing funds from external agencies only if available but should not spend funds on resources to gather tonnage data.

Krout-Greenberg stated Inspection Services has been engaged with CalRecycle for a better understanding of animal feed associated with the regulations for SB 1383. CalRecycle references the Feed law in the regulations which allows opportunity for the board to advise the Feed program to be proactive and share detailed data with CalRecycle, or wait for the study to release and identify the gaps in the study. Krout-Greenberg suggested that the Feed program may also consider reports that detail the amount for animal feed and other uses through a voluntary survey. Krout-Greenberg asked for board advice on how to report things with the animal feed industry through our communications contract.

Tad Bell, of CGFA, suggested that it will be a worthwhile investment to fund a survey that captures data and asked if the board wants the Feed program to have a similar structure and requirements with that of waste facilities. Bell further commented on the tonnage reporting structure and reiterated that there must be a purpose of collecting tonnage report data.

Michael Koewler stated the rendering industry had a survey to compile tonnage data. The survey ended after 3-4 years due to board member concern of information disclosed to the public. To resolve this, the Rendering program began to report the data a year after but together with current facts and data. Koewler emphasized the importance of becoming proactive through messaging and advised that the survey be amended for CGFA members to share with Krout-Greenberg or the secretary to make the case when meeting with CalRecycle.

Parreira suggested the program work with trade organizations.

Bell suggested that the Feed program come up with a proposal for a survey and its costs to be presented at the next FIAB meeting.

Koewler advised the Feed program to be mindful of sharing sensitive materials when preparing a survey conducted for the feed industry. The Rendering program used an independent entity to compile data and share the data with the Department.

Chair Walth suggested the workgroup present a recommendation to the board to fund the gathering of information for commodity and tonnage to setup a license and tonnage structure for future years. Krout-Greenberg stated that this will be a priority at the next workgroup meeting where she will facilitate the discussion.

Parreira suggested a meeting structure be a full day meeting. The board would meet, and the workgroup break off and meet as needed to discuss and make appropriate recommendations to the board meeting.

Koewler stated that the program be mindful of the Bagley-Keene Open Meeting Act stating that there might be constraints with the recommendations and approvals within preparation of the agenda.

Leal stated that the Feed program will invite the Department's Center for Analytical Chemistry (CAC) lab at a future strategic planning committee workgroup meeting to discuss future lab needs such as the lab equipment replacement schedule. Bell asked that the workgroup also discuss database notifications to industry, CAC's timeline process on almond hulls, the development of metrics for each test to determine the amount of days it takes for a sample to go through, and the movement of tests to Near-infrared (NIR).

Rachelle Kennedy reported that AUS continues to focus on veterinary feed directive (VFD) data collection. AUS is analyzing data and plans to get a VFD data summary report out by July 1, 2019. AUS is working closely with the Department's Legal Office to develop a confidentiality statement about data protection and aggregation of data to include in AUS reports using resources such as the Food and Drug Administration's (FDA) confidentiality report statement. AUS continues quarterly VFD meetings with the Veterinary Medical Board, AHFSS, and FDA.

Samantha Moran-Defty presented the SAFE program's 2018 sampling summary illustrating food safety and label compliance, including a breakdown of commodities and violations. Moran-Defty reported out-of-state corn samples came primarily from Nebraska and Iowa; and out-of-country and out-of-state feed samples of 25 locations came primarily from Canada, China, Malaysia, Mexico, and Ukraine; Alabama, Iowa, Nebraska, Texas, and Wisconsin.

SAFE completed nine current Good Manufacturing Practices (CGMP) inspections under the FDA contract. All Feed program staff have completed the initial CGMP training inspection to perform CGMPs; a joint FDA/Department Preventive Control (PC)

inspection was performed; and four inspectors completed the FDA PC regulator training in February 2019.

SAFE continues to perform FSMA Food Safety Plan consultations with firms on a one-on-one basis. An AFRPS annual meeting with the Office of Partnerships is scheduled for April 2019. The training standard is completed, and curriculums were developed and utilized by all field program staff. The auditing of sample collection reports and feed inspection reports were also performed; both reports were deemed acceptable. The Planning and Resources standard have been completed and are now implemented.

Dr. Arana gave feedback asking for consistency in the implementation of FDA visits and that the visits be announced at least two hours before arrival time in order for the firm to have the appropriate firm representative present and available to answer questions and construct a food safety plan. Leal stated the Feed program encourages industry feedback and will relay the comments to Jessica Kimbrough, FDA Liaison. However, with the programs contract, the inspections are supposed to be “unannounced”.

Maryam Khosravifard reported the CAC lab received a total of 988 samples; 26 percent increase in rush samples; and 28 percent increase in rush assays. CAC reported that 78 percent of samples met the 15 to 21-day turnaround time. Khosravifard restated CAC’s modernization goals, mentioned in previous FIAB meetings, are attainable by consolidating methods with advanced technology, replacing and upgrading equipment, improving processes, and cross training staff to enhance analysis capacity.

Khosravifard announced newly appointed CAC staff, Senior Environmental Scientist (Supervisor), Stacy Aylesworth, and Scientific Aid, Mayumi Umagat. CAC is actively seeking a potential candidate to fill the vacant Environmental Scientist and Laboratory Technician position.

Khosravifard gave an update on CAC’s workload data from 2018, highlighting the number of samples decreased and the number of rush assays increased compared to 2016. Technical issues with instruments and staff retirements also affected the 15 to 21-day sample turnaround time.

The Inductively Coupled Plasma Optical Emission Spectrometry (ICP-OES) and ICP-Mass Spectrometry (MS), instruments procured in fiscal year (FY) 2017-18, are installed and method transfer for minerals and heavy metals are completed. The Liquid Chromatography (LC-MS-MS) is also installed, and method transfer for mycotoxin is completed. CAC staff training on the ICP-OES, ICP-MS, and LCP-MS-MS is in progress. The Ion Chromatography Mass Spectrometry (IC-MS-MS), procured in FY 2018-19 and partially funded by the Feed program, is awaiting installation and method transfer for ammonium, water insoluble nitrogen, nitrate, sulfate, and chloride, and staff training.

Khosravifard recapped on the NIR equipment stating that almond hull samples run on NIR for crude fiber, Neutral Detergent Fiber (NDF), and moisture; NIR NDF results are reported as information. NIR crude fiber greater than 15 percent is confirmed with ANKOM crude fiber. CAC is building more data points on NDF using NIR and ANKOM. CAC tested 61 samples by NIR, initially analyzed by ANKOM, for crude fiber and vacuum oven for moisture; crude fiber by NIR is 0.55 percent higher than cruder fiber by ANKOM. The number of samples above the regulatory tolerance is 22 for crude fiber by ANKOM; and 30 by NIR. CAC's next step is to enhance the lab's efficiency by automating procedures, cross-training, maintaining facilities and equipment, and streamlining operations.

LEGISLATIVE UPDATE

Natalie Krout-Greenberg mentioned a bill that the board should be aware of, AB 419. This bill, introduced by Committee on Agriculture, pertains to a sunset extension for the industry-funded standardization program from 2020 to 2025.

CALIFORNIA GRAIN AND FEED ASSOCIATION / ALMOND ALLIANCE UPDATE

Bell shared that the CGFA Board of Directors are in support of the legislative sunset and 25 cent tonnage tax increase, that they were pleased with the Department's Inspection Services and Feed program's quick response to addressing Cal OES and vND concerns.

Bell stated that the Almond Hull alliance meeting discussing the Almond Hull definition concluded that the nutritionists, marketers, and dairy industry are seeking a new modern standard of NDF. An agreement was made to take additional samples on what the firm produces and sells, and screen samples on crude fiber and other standards.

Bell mentioned additional comments made in the workgroup meeting was that the program draw split samples, due to the almond hull industry concern with the timeframe of when the sample is collected and returned. The workgroup discussed timely notifications of information sent to the parties involved.

Parreira commented stating that the Almond Alliance, has partnered with J&L Laboratories to complete the lab work portion, and is taking lead on sample collection. Almond Alliance will have an intern collect samples following the Department's sampling protocol. The group will meet before August to make a recommendation on what the new standard will be and to have in place for 2020 to allow time for it to go through a regular rulemaking process.

PUBLIC COMMENT

No public comments were made.

AGENDA ITEMS FOR FUTURE MEETINGS

Chair Walth asked the board for agenda items for the next meeting.

Riordan asked for an update on the internal financial audit and if the program can provide a summary of the audit report. Krout-Greenberg stated that the Department's Audit Office recommended that Financial Services Branch streamline their internal processes with collection of funds and split the incoming funds of Livestock Drugs and AUS.

Riordan also asked about a summer intern for the program. Leal stated a program intern will be most beneficial within the SAFE program to assist in an industry survey involving tonnage, and outreach and education.

Riordan asked that workgroup recommendations be sent to the board in advance to allow time to process and prepare for an interactive meeting.

Chair Walth stated that the current agenda be the same as the next FIAB meeting's agenda except that the board vacancies be changed to board appointments. The board agreed to keep agenda items for strategic planning and CGFA/Almond Alliance updates. Krout-Greenberg suggested that there be a committee update for the regulatory process and strategic planning. Krout-Greenberg stated that the Feed program will try to construct a separate agenda for the committee meeting on the same day as the next FIAB meeting.

Michael Koewler suggested a board member introductory orientation for new incoming members stating that it would be beneficial to keep the new members up to date so that they can add value once their board term service begins. Leal stated that the Feed program has prepared an internal board member onboarding packet to provide for new members and agreed stating that an orientation is a great idea and is something the program will consider.

Chair Walth suggested that the Feed program prepare a synopsis of previous strategic plans prior to hosting an orientation so that the new board members have information to reference.

NEXT MEETING

Chair Walth proposed that the next meeting be held in June of 2019. Members will be polled to select a date.

MOTION: Prokop moved to adjourn the meeting; Stabelfeld seconded. The motion passed unanimously with a vote by all board members present of 8 - 0.

ADJOURN

The meeting was adjourned at 11:47 a.m. by Chair Walth.

Respectfully Submitted By

ORIGINAL SIGNED BY JENNA LEAL

03/26/19

Jenna Leal, Feed Program Manager
Feed, Fertilizer, and Livestock Drugs Regulatory Services

Date