INTRODUCTIONS AND ANNOUNCEMENTS

Mr. John Walth, Chair, called the meeting to order at 9:00 a.m. He 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. Ms. Shay Rambur was absent.

APPROVE APRIL 5, 2018 MEETING MINUTES

Chair Walth requested the board review the minutes of the April 5, 2018 FIAB meeting.

MOTION: Mr. Michael Koewler moved to approve the meeting minutes; Mr. Doug Stabelfeld seconded. The motion passed unanimously with a vote by all board members present of 8 - 0.
BOARD APPOINTMENTS

Ms. Jenna Leal, Environmental Program Manager I (EPM I), announced that the secretary re-appointed Dr. Marit Arana, Mr. Paul Parreira, and Ms. Shay Rambur to serve three-year terms on the board. Mr. John Silva resigned from the board; a press release to fill the vacancy will be posted with an application deadline of August 3, 2018.

FUND CONDITION / TONNAGE REPORTING

Ms. Leal reported the total combined funds for the Feed and Safe Animal Feed and Education (SAFE) program, as of July 1, 2017, were $4,118,359. Revenue was $3,767,586; encumbrances were $321,424; and the total ending adjusted balance was $5,001,358. Ms. Leal presented the tonnage breakdown for fiscal year (FY) 2017-18; the program projected approximately a total of 23 million tons would be reported.

Ms. Leal stated the board had requested approximate costs for an internal financial audit at the last meeting. The Feed program has worked with the Audit Office and Executive Office on the scope of an internal audit, however, there is not yet an approximate cost to report. Ms. Natalie Krout-Greenberg, Division Director, said the audit request should be made to the Department’s Audit Office because audit services through the Department of Finance are more costly. She has also contacted the Department’s Marketing Branch’s Director about working with its audit team.

Mr. Chris Zanobini, Chief Executive Officer of the California Grain and Feed Association (CGFA), asked if the board would make a recommendation for the program to use an external audit firm. He also requested a maximum program budget be set for an external audit firm, if an internal audit is not done timely by the Department. Ms. Krout-Greenberg explained that Government Code Section 19130 prevents the program from using an external firm if state staff are available who can perform those duties. The board could recommend a program budget amount for an external audit firm while the Department continues its internal dealings. She asked the board for clarification on a whether it wanted a full audit or more focus on a defined scope. Chair Walth recommended the program perform a full audit.

MOTION: Mr. Michael Koewler moved to recommend a program budget authority of $25,000 to perform a full audit by the end of the year; Mr. Paul Parreira seconded. The motion passed unanimously with a vote by all board members present of 8 - 0.

FEED, LIVESTOCK DRUGS, AUS, SAFE PROGRAM UPDATES

Ms. Leal reported the Feed program is working with the Department’s State Organic Program (SOP) on the organic genetically modified organism (GMO) sampling project. A sampling plan was created and crops were identified for sample collection, including soybean, corn, and alfalfa. Ms. Leal reported on an ongoing investigation at a California
dairy in Central Valley involving cattle deaths. The lab performed blood samples, but the investigation was inconclusive because the analysis could not determine a cause of death.

The Tissue Residue contract will end in August. A Request for Proposal (RFP) was due June 8, 2018, for the Animal Food Safety Inspection contract, previously the Feed contract. Within the RFP, there are eight electives for a combination of inspections such as licensed medicated inspections with Food Safety Modernization Act Good Manufacturing Practices (FSMA-GMP) inspections, and non-licensed medication inspections with FSMA-GMP inspections. The Preventive Controls audits and Bovine Spongiform Encephalopathy (BSE) inspections will be carried out in conjunction with other audits. The program did not select veterinary feed directive (VFD) work in the RFP due to the Judicious Drug Use (JDU) cooperative agreement (CA). A work plan proposal for year one of the JDU CA was sent to the Food and Drug Administration (FDA). The work plan includes Antimicrobial Use and Stewardship Program (AUS) assignments and VFD onsite assessments. A Budget Change Proposal (BCP) for FY 2017-18 was approved July 1, 2018 for three field staff and one office staff to complete the animal feed safety and JDU work.

AUS is working with the Office of Administrative Law on revisions to the proposed AUS regulations. A 15-day notice will be released which will delay implementation. Qualified Individual (QI) training will be offered by the program in conjunction with the notification of the revised regulations. QI training is required for any person or retailer selling California prescription livestock drugs (LD). AUS is working with the University of California, Davis to develop QI training curriculum.

Mr. Tim Riordan asked for an update on the National Association of State Departments of Agriculture’s (NASDA) plan for states to accomplish the 11 Animal Feed Regulatory Program Standards (AFRPS). Ms. Krout-Greenberg stated NASDA set AFRPS as an addendum to select FSMA-related work as an option. She stated that the program applied for the funding.

Mr. Mike Davidson, Supervising Special Investigator I, reported that FDA notified the program of incoming cottonseed high in Aflatoxin from Mexico. The program is in contact with the FDA staff in Southern California, who have agreed to track and report samples for the program.

Ms. Rachelle Kennedy, Senior Environmental Scientist (SES) (Specialist), reported the program is collecting data from all VFDs issued from October 1, 2017 to March 31, 2018, that are produced and sold by manufacturers and distributors. She gave an overview on the outreach letters, and manufacturer and distributor reports. Program staff will perform quarterly data collections from all VFD manufacturers and distributors; annual visits are planned to firms who submitted an FDA VFD letter of intent to not manufacture or distribute VFD feed.
Ms. Samantha Moran-Defty, Environmental Scientist, announced that the 2017 annual report data is posted on the SAFE website. SAFE will host the Preventive Controls QI training in October for new staff and industry members. She stated that SAFE continues to prepare for Current Good Manufacturing Practices (cGMP) readiness inspections and assist industry on meeting the QI training requirements, i.e., personnel recordkeeping and general housekeeping of the facility. A joint audit with FDA revealed SAFE’s readiness inspections to be in alignment with FDA’s enforcement inspections.

Ms. Leal stated that SAFE will change close out visits for readiness inspections, by making suggestions on a voluntary basis to gain compliance. To ensure a higher level of support, SAFE plans to send a letter to the firm’s president informing them of the suggested changes for the firm. Chair Walth advised SAFE not to send a letter to the president of a firm. Mr. Davidson stated the program has had success with upper level management using additional resources to ensure company compliance.

Mr. Tad Bell, CGFA, suggested SAFE staff provide a compliance plan template to focus on QI’s, the responsible party for applying the change, and an outreach plan accompanying the audits versus the readiness inspections. He asked the program to provide CGFA with a generic report for discussion at the board level, to assist in getting the information out. He noted this is especially valuable for those who have not had experience with the FDA on the compliance plan. Ms. Krout-Greenberg said she sees outreach to firms as a system, consisting of resources, support, the QI, and the manager; therefore, whatever goes to the QI should be copied to the manager. Mr. Tad Bell suggested that CGFA talk to upper management advising them of the need to put more effort into compliance before the program sends any letters to them.

Ms. Krout-Greenberg provided a CalRecycle update. The Department has coordinated extensively with CalRecycle staff regarding Senate Bill (SB) 1383, which established methane emissions reduction targets to address short-lived climate pollutants. The program wanted to ensure that references in the CalRecycle regulations were appropriate to the roles of the Department’s feed and rendering programs, and mentioned our feed ingredient definitions, Food and Agriculture Code (FAC) statues, and license requirements. The rendering program has laws requiring product to be taken to render, however the feed program does not. It is difficult to simply persuade someone to recycle their product into feed, because they would require a feed license.

Ms. Krout-Greenberg asked if the feed program and industry should ensure that CalRecycle regulations are appropriately addressing the feed laws and the feed program, and whether further regulations need to be adopted by the Feed program. She noted this is a policy area and she would like the board’s input, especially when advising the Secretary and the Undersecretary, and working with CalRecycle, the California Air Resources Board (CARB), and CGFA. She is meeting with CalRecycle and CARB to report on the Department interaction with CalRecycle.
Ms. Krout-Greenberg reported that the framework laid out now will be lasting, therefore, it is important that it is built well from the beginning to ensure the feed industry is included and all the repurposing done for co-products in the feed industry are counted as part of the solution. CalRecycle is preparing a study on waste characterization and the Department has had discussions on how tonnage reports might be included in that. Tonnage reports are not very detailed and fleshing those out for this purpose may need to be included in the strategic plan, and by doing so it will require more work for industry to complete a more detailed report.

Mr. Bell stated CalRecycle’s system is a solid waste system, so it only looks at digestion and composting. Animal feed is not in the CalRecycle system and does not get tracked. Local jurisdictions only consider digestion and composting as part of their plan, because they cannot get credit for animal feed. Feed is pushed out by the digesters and composters due to the existing rules. CDFA and industry need to provide a structure that would allow an animal feed manufacturer that wants to be part of the solution for reducing landfill to report the amount and kinds of things received to CalRecycle’s local jurisdiction, which is not done now because they cannot get credit.

Mr. Bell stated local jurisdictions are required to provide an outreach piece to all the generators within their county stating all the ways to dispose of organics, but animal feed is not required in the current CalRecycle program, so generators are unaware that some of their organics could go to feed. Animal feed is also not included in the current planning that requires a report of how much organics are generated and the location of the processing facility. Going forward, animal feed needs to be part of the state’s solution to reduce landfill alongside digestion and composting. CalRecycle needs to provide similar requirements for animal feed as for other organics at a CalRecycle facility, and give the Feed program the authority for animal feed recycle to be done under its jurisdiction, instead of at a solid waste disposal facility.

Ms. Krout-Greenberg informed the board that if they feel the Department needs to be involved and to move forward on animal feed recycle, they need to be aware it will be a long-term process that will require scientific resources and boots on the ground, as well as time and energy for meetings, discussion, and reports. She highlighted there would be a need for continuous high-level involvement with CalRecycle and CARB. She asked the board for clear direction whether to move forward. Chair Walth stated the board requires further information and education from the Department and CGFA. He also suggested including feed recycle research in the strategic plan. Ms. Krout-Greenberg suggested forming a small working group (WG) to consider it.

**CENTER FOR ANALYTICAL CHEMISTRY (CAC) LAB REPORT UPDATES**

Chair Walth expressed the board’s concerns about the Near-Infrared (NIR) equipment. The NIR had been funded in hopes of speeding up turnaround times on label
compliance, especially almond hulls. A lot of complaints and frustrations have been voiced from both the supply side and sales side of industry on the slow turnaround times. He asked for a status update of the Neutral Detergent Fiber (NDF) analysis, the outside labs, and whether the NIR could be used for crude fiber. Mr. Stan Kobata, SES (Supervisory) of CAC, replied that the NIR could be used for analysis on crude fiber, but the direction CAC had received was for NDF analysis. CAC ran sixty NDF almond hull samples to validate the NIR and is now ready to run NDF analysis.

Dr. Arana stated because the law currently requires crude fiber analysis, that CAC will run NDF along with crude fiber analysis so that the end user could get used to seeing the two results together. Ms. Leal noted that for the time being, NDF analysis would be done for informational purposes only, and it would be designated as such on the lab report if that is the direction the board wanted to go. Chairman Walth asked if it would be faster to do a crude analysis on the NIR compared to the Ankom method. Mr. Kobata replied that it would be faster. Mr. Parreira stated that he had understood that the NIR would be used for the first test to achieve rapid reporting; and if there was a violation, it would then go to the Ankom for analysis, because the Department cannot regulate with an NDF analysis. Dr. Barzin Moradi, EPM II of CAC, asked for confirmation that NIR would be used as the primary method, with the Ankom as the method for regulatory purposes. Mr. Parreira said that was correct because it is the law — crude fiber is still the legal measure of fiber in feed in accordance with both AAFCO and California feed laws and regulations.

Ms. Krout-Greenburg asked if the direction the board wanted to take now was to run both NDF and crude fiber analysis on the NIR for speed, and use the Ankom method to enforce the law. Dr. Arana explained that the board had previously said that outside labs, which have years of analytical data, had offered to share their spectrum of data for the NIR with CAC for it to compare with its own analysis. This would provide a database of thousands of samples - not just data on NDF, but also on ADF, crude fiber, minerals, and protein - on which to validate the NIR. The NIR could be used for the first pass on anything to quickly determine if something was out of alignment, which could then be referred to the Ankom, improving the turnaround time of all the lab’s regulatory samples. Mr. Bell suggested inviting Ms. Elaine Trevino to meet with CAC and discuss how to move forward with the collaboration of external labs.

Mr. Riordan advised CAC to work with external labs to learn about difficulties associated with the NIR. CAC needs to provide its pre-process and processing protocols so that outside labs can align with CAC. Dr. Moradi stated he will make it a priority to connect with the external labs and provide an update to the board at the next meeting. Mr. Riordan asked CAC to create processes and procedures for analyses to share with external labs within the state for continuity purposes. Ms. Maryam Khosravifard, EPM I of CAC, responded that the processes and procedures for analyses will be available.
Chair Walth stated a regulatory WG was formed at the last meeting for the feed penalty matrix. If the board and industry decides to move to NDF rather than crude fiber analysis as a state, he noted it would have to be done through regulations and suggested the regulatory WG also work on those changes. Ms. Krout-Greenberg stated the regulatory WG was formed to compare ADF, NDF, and crude fiber. She asked the board if its intent now is to develop new regulatory standards to allow NDF analysis to be a legal measure of fiber in feed. Chairman Walth stated the board needed to decide if that is what they want to do. He emphasized the WG has determined the new standard will not be ADF. Dr. Arana stated the board needs to determine, in the range of NDF values, what is hull, what is hull and shell, and what is shell; and, if there are more categories than these three in terms of commerce, what is the definition for those.

Ms. Krout-Greenberg repeated for clarification that the WG has determined it is not ADF, but NDF analysis they want as a standard, but the categories of hull, hull and shell, and shell have not yet been parsed out and still needed to be done. Dr. Arana stated the task force talked about it quite a bit but could not complete the categories without needed data on how NDF analysis compared to crude fiber at the same time on the same sample. Ms. Krout-Greenburg stated what she is hearing is, to provide data for the WG, CAC needs to be running the samples in tandem, rather than on the NIR first and then on the Ankom for any anomalies. Dr. Arana stated the NIR can run NDF and crude fiber at the same time, and the data will not need secondary testing. The two numbers from the NIR analysis are enough for the WG. Dr. Walth noted the only reason to go to the Ankom would be for regulatory purposes, such as for mislabeling.

Mr. Bell stated the task force would convert the ADF and crude fiber data set to NDF data and evaluate it; then they would discuss developing regulations around that data. Ms. Krout-Greenberg advised that the decision on whether to develop regulations for NDF analysis or other analysis beside crude fiber should stay specific to the program’s partnership with the industry, Almond Alliance of California, and CAC; she emphasized that those are the experts that need to take lead on this project. She recommended that the regulatory WG stay strictly focused on the feed penalties and matrix to ensure that those regulations keep moving. Chair Walth recommended that Dr. Arana, Mr. Parreira, and Mr. Riordan remain on the regulatory WG; Mr. Parreira stated that Mr. Duane Lindsay would replace Ms. Kelly Covello, who is no longer with the Almond Alliance.

Chair Walth recommended that NDF and crude fiber analysis from the NIR machine be included on every lab report going forward so that everyone would get used to seeing the correlation of NDF with crude fiber, and so the program could formulate regulations as necessary. He requested that CAC prioritize samples that would fit best with the NIR and stated that the board would like as many samples as they could get without overwhelming the CAC. Ms. Krout-Greenberg noted that Dr. Moradi is doing strategic planning work and that the CAC should complete that work first. Dr. Moradi reported that the CAC is working on succession planning in addition to strategic plan work.
Dr. Moradi highlighted that CAC’s goal is to integrate new technology that is scientifically sound and reliable, and reduce the sample turnaround time to improve efficiency. He reported Ms. Khosravifard has been working on the Inductively Coupled Plasma Optical Emission Spectrometry (ICP-OES) for heavy metal analyses and some other new instrumentation. In the next two years, CAC will acquire new staff and he will ensure staff are trained with the newest technology and instrumentation in place.

Ms. Khosravifard presented the lab updates. CAC received a total of 346 samples; 26 percent were rush samples. CAC has met 82.9 percent of samples, meeting the 15-to-21-day turnaround time. The lab procured the ICP-OES equipment and received the Liquid Chromatography Mass Spectrometry (LCMS) triple quadrupole which is ready for installation. The lab has overcome the challenges of electrical requirements with the new technology and is now in the process of modernizing the methodologies for wet chemistry analysis and new instrumentation, and automating sample preparation.

Break 11:07 to 11:17 a.m.

**STRATEGIC PLAN**

Ms. Leal stated the majority of the 2006 strategic plan was implemented by the program. She presented the 2013 strategic plan results, highlighting that the program had revisited the formation of the Technical Advisory Subcommittee (TASC). The program continues to participate in the FDA alliance and provide SAFE outreach and education. A lab equipment line item had been added to the program’s budget. She reported on the change in fee structure for LD licensing and registration, and noted regulations for LD registration requirements were not implemented due to SB 27 and the LD law.

Ms. Leal provided an overview of the program’s mission under FAC Section 14901. This law authorizes the board to identify topics regarding legislation, contract work, industry trends, program structure and funding, including SAFE, TASC, and AUS, to determine and prioritize future program goals and needs. The strategic plan’s main priority is to set program objectives, narrow the timeline, identifying those involved, and determining a time frame for the program to meet those objectives. Ms. Krout-Greenberg stated the strategic plan is also for addressing the environmental pressures of laws and regulations, and all program work under FSMA.

Chair Walth asked if the board should select TASC members. Ms. Leal responded that the current TASC bylaws state that the program identifies the seven TASC members. Currently, the only members on the TASC are Mr. Riordan, Dr. Arana, and Dr. Robert Poppenga; the others were judged to have a conflict of interest due to their CDFA employment and may not serve on the TASC. Ms. Krout-Greenberg asked if the program needed to broaden TASC’s purpose in research priorities and other areas. Chair Walth stated the purpose of TASC is for new feed byproduct analysis and to advise the board of four essential priorities for the strategic plan committee. Mr. Bell suggested facilitating a conversation to identify strengths, weaknesses, opportunities,
and threats, the program's mission and objective, and measurable outcomes. Reviewing performance measures to evaluate the program since 2013, will display program areas to improve and work on for TASC from that standpoint.

Ms. Carla Sanchez, Special Assistant, asked if there are ways to utilize TASC to engage in legislation or research opportunities regarding nutrition or more. Dr. Arana stated there are opportunities with the educational materials provided to TASC, including feeds to be recognized, or sold, and defined in California. Ms. Leal stated the program submitted a Legal Referral Form regarding unidentified feed ingredients. The Legal Office response was that the program needs to write regulations for its feed ingredient approval process or risk losing TASC. There is no program authority for provisional license approval of feed ingredients in California. Ms. Krout-Greenberg stated the program needs to identify weaknesses, opportunities or threats such as CalRecycle and SB 27. She asked the board for ideas for the program to report at the next meeting.

Mr. Bell asked if the program is fully meeting the essential functions and activities to achieve the Department’s mission. Ms. Leal stated the program is prioritizing staff time and efforts alongside addressing the TASC conflict of interest issue. The legislation, contract work, and industry trends are external; the program restructure and funding, current resources, and the SAFE, TASC, and AUS programs are Feed program functions. The program’s essential function and primary focus is preparing industry for FSMA readiness inspections.

Dr. Arana requested the strategic plan committee have three or more board members. The regulatory subcommittee must come from the direction of the strategic plan and TASC. She stated there needs to be improvement in a succession plan by educating board members to ensure all members are provided with the up-to-date information. Ms. Leal asked for suggestions to better educate the board, such as more materials on restrictions the program faces to provide the board with the information necessary to comment on the best outcome for situations the program faces. Mr. Paul Parreira suggested holding interim board meetings specific to agenda items. He further suggested that the strategic plan committee involve full board participation. Ms. Krout-Greenberg suggested holding meetings that focus strictly on TASC or SAFE, and also taking a regional approach. Chair Walth suggested the strategic plan committee educate the board on CalRecycle using CGFA as a resource to move forward in the proper direction.

Mr. Koewler suggested looking at threats coming from air, water, and landfills, to the agricultural programs within the state. He recommended selling sustainability in animal agriculture in California through outreach to members. He said that tonnage taxpayers would help focus on the feed industry’s role in California to increase public awareness. He stressed that industry representatives are more effective in communicating their
benefit not only to California agriculture, but also to the preservation of California’s air, water, and landfill.

Mr. Riordan asked for a tonnage breakdown identifying human waste products and suggested the tonnage breakdown could be used as a leverage tool with CalRecycle. Ms. Leal stated the tonnage report is a widely underutilized tool, however most do not report tonnage as it is currently voluntary. The program is deciding whether to develop regulations for tonnage reporting or to keep as voluntary, but change the report to be more specific to the types of commodities versus byproducts. Currently, many leave the categories blank and just report total tonnage. Mr. Koewler stated that is due to not wanting to disclose that information for competitive purposes.

Ms. Krout-Greenberg reported the Division has contracted with a communications contractor for the Department’s State Organic Program and Produce Safety Program to see the effectiveness of messaging from a state regulatory body. The Division can take a similar approach to strengthen messages in CDFA’s web presentation via social media. A communications contractor may be beneficial for the program to share its messages.

Ms. Sanchez asked for a timeline of the strategic plan to be accomplished, who is going to be involved, and how to use the strategic plan to better inform TASC, such as better educating board members on program operation and educating new members in succession planning, and helping board members understand the challenges CDFA faces. Mr. Parreira asked if there can be interim board meetings and can tonnage reports be a mechanism to ensure the program is sustainable. Because of that, what are our blind spots or weaknesses and how can we leverage the resources to ensure the board, program, and industry remains sustainable. Mr. Bell asked the program to align existing programs to meet challenges of sustainability and determine the statutory authority, including costs in the strategic plan.

Ms. Krout-Greenberg stated since the issues are broad and diverse the strategic plan committee may require the expertise of each board member. She asked the board for direction on how to structure the strategic plan committee as well as the frequency of the meetings and the timeline of the strategic plan. Chair Walth asked that the program staff explain issues that arise for the board to help the program function properly. Dr. Arana and Mr. Bell suggested web-based strategic plan committee meetings. Ms. Krout-Greenberg stated the meetings must be noticed to allow for public comment and suggested that it be after a board meeting, which would allow time for the board to decide how the strategic plan committee be structured between now and next spring.

Chair Walth asked for an August strategic plan committee meeting to allow program staff to parse three or four items for the board to focus on. Dr. Arana asked to facilitate a timeline at the end of July and possibly a secondary strategic plan committee meeting as needed before the next board meeting. Ms. Krout-Greenberg suggested an end of
July and a beginning of September strategic plan committee meeting, before the next board meeting in October. She asked the board to appoint a few or all board members for the strategic plan working group. Mr. Tom Prokop, Vice President of Imperial Western Products Company, recommended all board members attend and participate; Mr. Stabelfeld stated it would be beneficial for all board members to attend and participate in the first strategic plan meeting.

**AGENDA ITEMS FOR FUTURE MEETINGS**

Chair Walth asked the board for agenda items for the next meeting. Chair Walth asked for an update on CalRecycle and the Almond Hull Committee. Ms. Krout-Greenberg advised that CalRecycle will be a long-term goal in the strategic plan.

**NEXT MEETING**

Chair Walth stated the next meeting will be held in October 2018. Members will be polled to select a date.

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

The meeting was adjourned at 12:37 p.m. by Chair Walth.

Respectfully Submitted By

**ORIGINAL SIGNED BY JENNA LEAL**

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<th>Jenna Leal, Feed Program Manager</th>
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