INTRODUCTIONS AND ANNOUNCEMENTS

Dr. Marit Arana, Chair, called the meeting to order at 9:03 a.m. Self-introductions were made, and a quorum was established. Jeremy Banducci was absent.

APPROVE JULY 18, 2019 MEETING MINUTES

Chair Arana requested the board review the minutes of the July 18, 2019 FIAB meeting.

MOTION: Michael Koewler moved to approve the meeting minutes; Tim Riordan seconded. The motion passed unanimously with a vote by all board members present of 8 - 0.
DEPARTMENT / DIVISION / BRANCH UPDATE

Dr. Amadou Ba reported that Natalie Krout-Greenberg is currently attending the California Organic Products Advisory Committee meeting in Sonoma, California.

Dr. Ba announced that after 30 years of state service, Gary Castro, Research Data Specialist II, is retiring on December 1, 2019. Castro started his career in state service with 22 years in the Division of Measurement Standards and ends his career with the Division of Inspection Service’s Feed, Fertilizer, and Livestock Drugs Regulatory Services Branch. Adrian Jasper, Management Services Technician I, promoted to a Staff Services Analyst with the Division of Plant Health and Pest Prevention Services.

Dr. Ba reported that at the June 26, 2019, Fertilizer Inspection Advisory Board meeting, the board recommended the Department send two Fertilizer program scientific staff to the 4th Biostimulants World Congress in Barcelona, Spain, which would allow for the Fertilizer Program to engage with other scientists and regulators regarding biostimulants. The international trip has been approved by the Governor’s Office.

Assembly Bill (AB) 657, signed by the Governor’s Office and filed by the Secretary of State, designates the inspection tonnage tax revenue from January 1, 2020 to January 1, 2025, and establishes the maximum rate of inspection tonnage tax to 25 cents in statute. AB 434 requires every state agency or entity’s website to be in compliance with the Americans with Disabilities Act (ADA) standards. The Branch has been working diligently on converting documents to meet ADA requirements by the end of the year.

The virulent Newcastle Disease (vND) quarantine area from Southern California led to a recent detection of the disease in San Diego County. The Department and United States Department of Agriculture (USDA) vND response team have effectively contained the virus to a small area and will continue their work in the delimitation area to stop the spread of the virus, and eradicate the disease.

Dr. Ba explained that the purpose of the survey for the Farmer Equity Report, mandated by AB 1348 pertaining to the Farmer Equity Act, that was recently sent to the Department’s boards and committees, including the Fertilizer Inspection Advisory Board is to help the Department better understand who serves on the Department’s boards and committees and to develop outreach strategies for new board members.

The Division of Citrus Pest and Disease Prevention has been created within the Department by the Governor, to provide support and protection for the state citrus industry, specifically pertaining to Huanglongbing (HLB) a bacterial disease of citrus trees vectored by the Asian citrus psyllid. HLB has impacted the citrus industry in California and the Department is working diligently with the University of California, officials from the citrus industry, and the USDA to fight the disease’s spread.

Dr. Ba gave an update on Department grants. The Dairy Digester Research and Development Program received a $100 million grant proposing new technology for manure management; a request for proposal (RFP) was developed to fund up to 96
proposals. The Specialty Crop Block Grant Program received $22.9 million for funding and is now accepting proposals for the 2020 cycle. The Office of Farm to Fork released a second RFP for the Health Stores Refrigeration Grant Program.

Secretary Karen Ross was a keynote speaker at the Rockefeller University in New York discussing the future of food during the climate crisis. Secretary Ross heads to Mexico in October with Lieutenant Governor Eleni Kounalakis for the launching of California trade opportunities and increasing partnership with Mexico.

**FUND CONDITION / TONNAGE REPORTING**

Jenna Leal announced that there are two fund condition reports included in the meeting materials due to the new Fi$cal system’s incomplete close out of financial reports; one reported as of March 31, 2019 and the other as of June 30, 2019. Leal stated the numbers are subject to change. The total funds from the fund condition report as of June 30, 2019 for the Feed Program and Safe Animal Feed Education Program (SAFE) was about $4.7 million; revenue was about $3.3 million; expenditures were about $3.1 million; encumbrances were $80,339 with an adjusted balance of about $4.8 million.

Leal stated the feed tonnage reporting was steady with 23 million tons reported for the year.

**BUDGETS – FEED, SAFE (LIVESTOCK DRUGS, AUS)**

Dr. Barzin Moradi presented the Feed Program’s lab budget and reported that the difference between the fiscal year (FY) 19/20 board approved budget and the FY 19/20 revised budget is the salary increases for multiple classification and additional temporary staff hired to assist with the backlog. Included in the lab proposed budget for FY 20/21 is a total amount of $95,000 to purchase a mercury analyzer and nitrogen analyzer.

Chair Arana requested that the lab identify the type of animal feed samples that require mercury analysis before the board votes on approval of the lab budget. Tim Riordan asked the lab to provide a breakdown of distribution between feed and fertilizer analyses. Dr. Moradi stated that the lab would provide the information requested by Chair Arana and Riordan.

Ashwin Pal, Environmental Scientist for the lab, commented that the program has asked for mercury in feed samples and stated that the lab had tested animal feed samples for heavy metals including mercury. Mike Davidson, Supervising Special Investigator I for the Feed Program, stated that the feed laws and regulations list heavy metals that are prohibited such as arsenic, lead, mercury, and cadmium.

Samantha Moran-Defty, Environmental Scientist for the Feed Program, stated that the Feed Program can provide a sample ratio of animal feed samples versus fertilizing materials samples requested for mercury to determine if a mercury analysis is necessary for the Feed Program. Dr. Moradi stated the lab can remove the equipment
item from the lab budget if the Feed Program and Board decide not to continue mercury analyses.

Chair Arana expressed concern of the lab’s backlog and delay of sample turnaround time and requested that the lab provide information on the timeline of equipment purchased and replaced, personnel program status, and the amount of sample analysis applied to the Feed Program versus the Fertilizer Program to ensure staff are qualified to run the new equipment.

Dr. Moradi responded stating the sample turnaround time is the biggest challenge faced by the lab. The lab’s internal processes from past to present and goals in future years, including sample turnaround time is comprehensively addressed by the lab and will be discussed in the Strategic Plan Workgroup (SPWG) meeting. Dr. Moradi stated that the lab’s presentation prepared for the SPWG meeting can be presented now to help the board better understand the lab’s needs for the FY 19/20 proposed budget.

Chair Arana requested that the board table the lab budget for discussion in the afternoon’s SPWG meeting to decide if it is appropriate to approve the lab’s proposed budget. The board had no objection to tabling the lab budget until the SPWG meeting.

Leal presented the Feed and SAFE Program’s FY 20/21 proposed budget, a ‘status quo budget’ that does not include the lab budget which was tabled to be discussed later in the SPWG meeting. Changes to the proposed budget would be made after the board makes its recommendations and/or approvals. Leal highlighted that salary and wages are consistent with previous years and the significant change in facilities operations and equipment reflect the new Food Safety Modernization Act (FSMA) positions received through a Budget Change Proposal FY 18/19. The distributed costs, including the indirect charges for administration, executive, and Office of Information Technology Services (IT), have increased. Indirect IT costs include laptops, office equipment, and system support. Leal reported that IT is undergoing significant changes noting that IT has been underfunded for several years; the Feed Program anticipates overarching increased IT costs Department wide.

Riordan inquired about the Feed Program’s ability to have an external source perform an IT audit. Carla Sanchez, Special Assistant for the Division of Inspection Services, agreed and stated that the Program could look at an IT audit with a formal board recommendation. Sanchez stated as IT undergoes significant changes noting that IT has been underfunded for several years; the Feed Program anticipates overarching increased IT costs Department wide.

Dr. Ba recommended that the Board invite IT to attend the next FIAB meeting and engage with the board, stating it would be beneficial to have IT explain their funding models.

**MOTION:** Tim Riordan moved that IT attend the next FIAB meeting and to also have several companies available to choose from along with dollar value for the evaluation costs; Shay Rambur seconded. The motion was stayed for further discussion. Riordan asked that IT share information on the current IT design, provide an explanation of the
direct and indirect costs, and have an external source evaluate the Department’s needs within the IT. Riordan further added to his request that the board be given information on what is available for the board to evaluate the direction of the board and program to streamline processes.

Sanchez stated there is an internal process including formal bidding associated with having an external source provide a more efficient and cost-effective service but was unsure if the Department has the authority to do so. However, she expressed ITs attendance at the next FIAB meeting to present the Enterprise Architecture framework and explain what it means holistically for the Department in years to come would be beneficial in determining what the next step is to move forward.

MOTION: Tim Riordan amended his motion to approve ITs attendance at the next FIAB meeting to provide an update on where they stand, and the costs needed to enable the board to better understand where IT stands and provide a timeline of IT with regards to Board/Program needs; Shay Rambur seconded. The motion passed unanimously with a vote by all board members present of 8 - 0.

Chair Arana asked for board approval to disregard Riordan’s original motion as it included more than the board could ask and asked for the motion to be disapproved. The motion passed unanimously with a vote by all board members present of 8 - 0.

Michael Koewler asked for clarification on the Food and Drug Administration (FDA) reimbursement highlighting a significant decrease between the Feed and SAFE Program’s FY 16/17 actual expenses of $2.6 million and FY 20/21 proposed budget of about $5.1 million. Leal responded that the decrease is related to the Animal Feed Regulatory Program Standards (AFRPS) contract highlighting that a large percent of program staff’s time was being charged to the Antimicrobial Use and Stewardship (AUS) Program which was included in the FY 16/17 actual expenses; hence the increase in the Feed and SAFE Program’s reserve.

Leal reported that there would be an AFRPS maintenance contract released in spring of 2020 where the Feed Program will be requesting RFP dollars for FSMA work. FDA has a five-year partnership with the National Association of State Departments of Agriculture (NASDA). NASDA is building a FSMA implementation curriculum for states by using California as a model. Leal stated that the budget would change once the Program received the AFRPS maintenance contract.

Paul Parreira asked the Feed Program how much must be generated by tonnage tax from the Feed and SAFE FY 20/21 proposed budget of $5.1 million. Leal stated 2.5 million dollars. Leal reported that there were no significant increases with the SAFE FY 20/21 proposed budget of $391,782.

Parreira asked what would happen if the federal contracts are less than what the program anticipated. Leal stated the FY 19/20 federal contract work is about $100,000; however, cooperative agreements and contracts are different.
Dr. Ba asked the board if there were any expense items of concern that the board would like the program to revise. If there was no issue, the board can vote on the Program’s FY 20/21 proposed budget. He noted that the lab budget would be discussed later in the SPWG meeting as requested by the Chair to determine if equipment items would be approved or removed from the budget.

**MOTION**: Michael Koewler moved to approve the FY 20/21 proposed budget with a qualifying statement on the submission of the budget as it relates to the recoveries and other item expenses that the program would need to change subject to approving the lab budget; Paul Parreira seconded. The motion passed unanimously with a vote by all board members present of 8 - 0.

**PROGRAM UPDATE / STRATEGIC PLAN FOLLOW UP / LAB UPDATE**

Leal stated that most of the recommendations made in the last FIAB SPWG meeting focused on the SAFE Program and Technical Advisory Subcommittee (TASC). Leal gave an overview of the recommendations regarding SAFE, highlighting that priority efforts would be on research and that SAFE would work in tandem with TASC on several projects. Projects would include surveys and studies to gather baseline data of animal food processing by-products and to increase diversion to animal food from food processing generators, and a pilot infrastructure program for SAFE to identify current food recyclers and determine if recyclers have the capacity to utilize organic waste. The outreach and education component of SAFE would include collaborating with other agencies on outreach and education, and workshops for the diversion of organic waste using highest and best use practices via the California livestock industry.

Leal reported that the recommendations regarding TASC included re-establishing the subcommittee, refreshing and updating TASC by-laws, and focusing TASC to be on animal food nutrition and safety, efficacy data review, and research project oversight. The SPWG recognized that it would be a three- to five-year long-term goal to award competitive grants to California feed manufacturers and recyclers that utilize new technologies. To start the research funding, the SPWG identified six potential funding research project areas related to identifying by-product nutritional baselines, human food waste research, funding facilities with the ability to expand their capacity for human food waste, researching organic products from green waste, utilization of organic waste as a growth medium for insects, and utilization of organic waste to grow beneficial bacteria.

Koewler suggested modifying the verbiage in the recommendation to fund proposals for facilities that could expand their capacity for bakery waste by-product processors, to account for the Environmental Protection Agency hierarchy but to reaffirm highest and best use. Leal agreed stating that the term ‘bakery waste by-product processors’ will be changed to ‘human food waste.’

Leal reported that the SPWG recommendations for regulation development include, adopting FSMA current Good Manufacturing Practices (cGMPs) by reference, Code of
Federal Regulations 507 Subparts A, B, and F only pertaining to general provisions, cGMPs, requirements applying to records that must be established and maintained, and lot number requirements for all formula feed products.

The Feed Program is proposing to restructure the SAFE and Environmental Planning Program by including organic material in landfills, safety and efficacy for human food waste, protein utilization in commercial feed, TASC, certificate of free sale and label review, reduction in FSMA outreach and education, and proposed legislation review.

With the program restructure, the Feed Program proposes one Environmental Scientist for FSMA and Compliance, one Senior Environmental Scientist (SES) Supervisor and one SES Specialist for SAFE and Environmental issues.

Dan Rice asked for clarification regarding TASC funding of proposals. Leal stated SAFE houses the funds through research dollars and TASC then determines the amount of funds to be awarded for each type of project.

Chair Arana called for a board vote to approve the SPWG recommendations for TASC. The motion passed unanimously with a vote by all board members present of 8 - 0.

Leal stated TASC currently needs four more members to fill the vacant seats and suggested a press release advertising the vacancies would allow the industry to apply for a membership on TASC. Chair Arana stated the value of having members with the background and expertise in the technology of remaking edible by-products would be a great addition to TASC.

**MOTION**: Shay Rambur moved to approve advertising the vacancies for TASC; Michael Koewler seconded. The motion passed unanimously with a vote by all board members present of 8 - 0.

Moran-Defty reported that the SAFE Program has performed 10 Food Safety Plan consultation visits at facilities throughout the state. SAFE is compiling the findings from the FY 18/19 contract work to develop a notice of the common issues found during Preventive Controls and cGMP inspections to provide firms with more information to assist them with the review of their Food Safety Systems.

Leal gave an AUS update, reporting that the Veterinary Feed Directive (VFD) report is currently under Executive Office review for approval by the Secretary. AUS has developed a data confidentiality brochure detailing the VFD data and aggregation of the data to ensure confidentiality. AUS continues to conduct compliance visits to retailers planning to sell prescription drugs in addition to providing online compliance of California prescription drug sales.

Leal announced that FDA released a draft voluntary guidance for industry #263, pertaining to medically important antimicrobial drugs (MIADs), to make over-the-counter MIADs prescription. FDA is working with drug manufacturers to relabel drug products.
The Livestock Drugs (LD) Program continues to focus enforcement efforts on products containing cannabidiol (CBD), hemp, and cannabis products. Additionally, the LD Program is working with the lab to develop CBD methodology for cannabis and hemp products. The lab already has a tetrahydrocannabinol (THC) method in place, however THC is only one of at least 113 cannabinoids identified in cannabis.

The Feed Program is modifying samples obtained in quarter four to help reduce the backlog; field staff will only be collecting samples to meet AFRPS quarterly sample requirements.

Parreira commented back to the budget, advising the Feed Program to develop a marketing plan during license renewal time to help licensees better understand where the money goes. Leal agreed stating that the Feed Program currently works with Donna Boggs, Associate Director of the California Grain and Feed Association (CGFA), to convey Program information, but that the Program would start a monthly or quarterly newsletter of program updates to send to feed licensees via the database in addition to the Program’s conveyor.

Stacy Aylesworth presented the lab’s implementation plan to transfer methodologies to the new instruments. Aylesworth provided a layout and timeline for the new instruments from the vendor selection date, the purchase order submittal and approval date, the instrument receiving and installation date, to the method transfer and verification, sample analysis, and validation completion dates. Aylesworth presented a table illustrating a comparison of the old method versus the new, highlighting the most recent method transfers of phosphorus pentoxide (P2O5) and potassium oxide (K2O) analysis by the inductively coupled plasma optical emission spectrometry, and mineral analysis.

Aylesworth provided a spreadsheet of samples picked randomly to study the backlog and amount of time to analyze and complete a sample. She noted that the realities at the lab include staff retirements that result in time-consuming recruitment, long lead times for instrument installation and training, and disruption of work due to the modernization of lab benches. Even with those issues, the backlog of samples has decreased and sample analyses have improved, as the lab is starting to see the benefits of the new technologies. The lab continues to focus on receiving and preparing the samples, including creating a data sheet, hiring additional staff to assist with the sample preparation, and looking into the Laboratory Information Management System (LIMS) to streamline the process.

In response to Riordan’s inquiry about almond hull samples at the last FIAB meeting, Aylesworth reported that almond hull samples are run by near-infrared (NIR) for crude fiber, neutral detergent fiber, and moisture. Samples with NIR crude fiber at greater than 16.2% investigational allowance are run by ANKOM. The lab has received a total of 95 almond hull samples; 27 were rerun by ANKOM (28%). The average variation between NIR and ANKOM was an absolute value of 1.65%.
Riordan asked if the Feed Program had established a sample procedure recommendation on processing and subsampling for a proposed rulemaking including current NIR processes and procedures done by external labs in the state. Parreira stated the Almond Alliance uses J&L Laboratories, LLC, as they have converted several old results into NDF.

Riordan suggested the Program possibly consider J&L, a major sample processor in state, if external lab services are available for purchase through the state.

**CALIFORNIA GRAIN AND FEED ASSOCIATION / ALMOND ALLIANCE UPDATE**

Chair Arana stated that because Tad Bell and Chris Zanobini are absent, there would be no update.

**PUBLIC COMMENT**

No public comments were made.

**AGENDA ITEMS FOR FUTURE MEETINGS**

Chair Arana asked the board for agenda items for the next meeting. Shay Rambur asked that an IT overview and a TASC applicant update be added as separate agenda items.

**NEXT MEETING**

Chair Arana proposed that the next meeting be held in conjunction with the CGFA’s Grain & Feed Industry Conference in Monterey, California on January 14-16, 2020. Leal stated that she would coordinate with Donna Boggs on hotel accommodation.

Koewler suggested that the following meeting in spring of 2020 be held at the Department’s lab site, stating that it would be beneficial for the newly appointed board members. Leal agreed stating that the lab’s location could be used for the FIAB meeting in spring of 2020 in addition to a tour of the lab.

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

**ADJOURN**

The meeting was adjourned at 12:22 p.m. by Chair Arana.

Respectfully Submitted By

**ORIGINAL SIGNED BY JENNA LEAL** 09/26/19

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