



September 25, 2013

California Commercial Feed Licensing and Tonnage Tax Fact Sheet

Who is required to obtain a commercial feed license? Each person shall obtain a license from the secretary for each location where commercial feed is manufactured, distributed, sold, or stored for later sale. Persons who do not have a permanent place of business, but who otherwise manufacture, sell, or store feed shall also obtain a license from the California Department of Food and Agriculture. *Food and Agricultural Code (FAC) Section 15051*

Are there any exemptions to the licensing requirement? Yes, retail stores selling bagged or packaged commercial feed labeled by a licensee or persons that manufacture feed; and those persons that manufacture commercial feed exclusively for feeding his or her own animals are exempt from the licensing requirements. *FAC Section 15051*

Are grain elevators required to obtain a commercial feed license? Yes, the licensing requirements apply to every location within California as well as the location of origin from which product is imported into California. If you wish, you may license the location for the grain elevator operator. *FAC Section 15051*

How much is the fee for the commercial feed license? The annual license fee is \$400.00 for each licensed location. All licenses shall be renewed on July 1 of each year and shall be valid until June 30 of the following year. Each application for renewal shall be accompanied by a fee in the amount of three hundred dollars (\$400.00) payable to, "Cashier FLD".

What products are considered "Commercial Feed?" "Commercial Feed" includes all materials intended for use as feed or for mixing in feed except preparations manufactured and distributed for feeding to domestic pets, such as dogs, cats, and birds. *FAC Section 14925*

"Commercial Feed" includes all feed ingredients such as processed grains, hay cubes or pellets, silage, oil meals, fats and oils, almond hulls, whole cottonseed, minerals, and vitamins, as well as formula feed supplements and complete feeds.

Who is required to pay the inspection tonnage tax? The last licensee distributing commercial feed to a consumer-buyer in the state is required to pay the inspection tonnage tax. The distributor shall also pay an inspection tonnage tax for purchased commercial feed fed to his or her own animals. *FAC Section 15061*

Distributors of food processing waste or by-products, such as tomato pomace, wet citrus pulp, wet brewer's grain, and grape pomace, if diverted to commercial feed and fed to livestock, are also subject to the licensing and inspection tonnage tax. The requirement applies even if there is no actual sale of these products but is being used as a feed ingredient.



When is the inspection tonnage tax required to be paid? Reports and payment of the inspection tonnage tax shall be made quarterly; a completed tax report must be filed whether or not taxable sales have been made in that period.

What is the current inspection tonnage tax rate? The inspection tonnage tax rate is currently set at twelve cents (\$0.12) per ton.

Who can I contact for further clarification? The Feed, Fertilizer, and Livestock Drugs Regulatory Services (FFLDRS) Branch may be contacted by calling (916) 900-5022 or by checking the FFLDRS Branch website at: <http://www.cdfa.ca.gov/is/ffldrs/feedlvstkdrugs.html>