

DEPARTMENT OF FOOD AND AGRICULTURE

A.G. KAWAMURA, Secretary



August 17, 2007

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, persons that make only retail sales of commercial feed labeled by a licensee or persons that manufacture feed exclusively for feeding his or her own animals are exempt from the licensing requirement. *FAC Section 15051*

How much is the fee for the commercial feed license? Beginning January 1, 2007, the minimum license fee shall be \$100 for each location and the maximum license fee for each location shall not exceed \$600. Currently, the license fee is set at \$100 per year. *FAC Section 15053*

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, grape pomace, and salvaged pet food, if diverted to commercial feed and fed to livestock, are also subject to licensing and inspection tonnage tax even if there is no actual sale of these products.

When is the inspection tonnage tax paid? Reports and payment of Inspection tonnage tax shall be made quarterly. Forms are mailed to licensees for every quarter and 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 fourteen cents (\$0.14) per ton. Effective October 1, 2007, the inspection tonnage tax shall be thirteen cents (\$0.13) per ton.

Who can I contact for further clarification? Feed, Fertilizer, Livestock Drugs and Egg Regulatory Services Branch (FFLDERS) (916) 445-0444 or website at: <http://www.cdfa.ca.gov/is/acrs/docs/FeedLaw&Regulations.pdf>