

**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)
FEED INSPECTION ADVISORY BOARD MEETING
Sacramento, California
February 15, 2007**

MINUTES

MEMBERS

Thomas Geary
Frederick Frost
Rob Gilbert
Kurt Hertlein
Michael Koewler
Thomas Prokop
Jon Tollenaar
John Walth

CDFA

Nate Dechoretz
Asif A. Maan
Kent Kitade
Mike Davidson
Natalie Krout
Stan Kobata
Nirmal Saini
Elaine Wong
Maryam Khosravifard
Jenna Dibble
Charmaine Canlas

INTERESTED PARTIES

Rich Matteis, California Grain
and Feed Association
Tim Riordan, Nutri-Systems
Rich Hoch, NuWest Milling LLC

CALL TO ORDER

Due to the late arrival of Chairman Thomas Geary, Branch Chief Asif A. Maan suggested the Feed Inspection Advisory Board (FIAB) vote on a temporary Vice Chairman to begin the meeting.

MOTION: A motion was made by Mr. Jon Tollenaar to nominate Mr. Rob Gilbert as Vice Chairman to the FIAB. Mr. John Walth seconded the motion. The motion passed unanimously.

Mr. Gilbert called the meeting to order at 9:00 a.m.; a quorum was established. Board member Paul Parreira was not present at the meeting.

INTRODUCTIONS AND ANNOUNCEMENTS

Mr. Gilbert welcomed everyone to the meeting. Self-introductions were made.

APPROVAL OF MINUTES

Mr. Gilbert asked the FIAB members to review the minutes of the October 19, 2006 meeting.

MOTION: A motion was made by Mr. Michael Koewler to accept the minutes as presented. Mr. John Walth seconded the motion. The motion passed unanimously.

DIVISION/BRANCH UPDATES

Division Director Nate Dechoretz informed the FIAB of the reorganization of the Information Technology Department. The division is in good financial shape. However, the department has not paid a fair amount of attention to the maintenance needs of the Center for Analytical Chemistry (CAC) lab. Mr. Dechoretz also reported on the marketing agreement on the verification program process for the leafy green E-Coli situation.

Dr. Maan provided the FIAB with an update of vacancies due to upcoming retirements and personnel changes. Due to the approaching retirement of Special Investigator Agyeman Danquah, Mr. Marshall Stoddard has been appointed as a Feed, Fertilizer, and Livestock Drug (FFLD) Inspector for the Northern California region. Dr. Maan introduced Ms. Jenna Dibble, a newly hired FFLD Inspector for the Fresno area. The FFLD Inspector vacancy in Modesto is still in the process of being filled. An Accounting Technician has been hired, and there are a few office support staff vacancies in the process of being filled.

CASH STATUS

Dr. Maan directed the FIAB to Attachment #4, which illustrates fund conditions as of December 31, 2006. A combined financial summary was provided for the Commercial Feed Program and the Safe Animal Feed and Education (SAFE) Program, showing a total reserve of \$807,745.

NOTE: At this time, Chairman Thomas Geary joined the quorum and assumed his responsibilities as chairman for the FIAB meeting.

STRATEGIC PLAN IMPLEMENTATION UPDATE

Program Supervisor Kent Kitade presented an Excel spreadsheet to the board detailing the Branch's plan to implement the recommendations from the board's recent "tactical" planning. The recommendations are based upon best utilization of existing resources, changing emphasis from sample taking to monitoring manufacturing processes. Additional resources, personnel and equipment were recommended to become more effective. The spreadsheet, attached herewith, includes each of the goals from the recommendations and strategies to achieve the goals and time lines.

LICENSE FEE INCREASE & CASH FLOW

Mr. Geary directed the FIAB to Attachment #6, illustrating the Commercial Feed Program's cash flow for projected license fees and tonnage tax. Dr. Maan asked the FIAB to consider which license fee and tonnage tax combination would provide the best cash flow for the program. Mr. Geary recommended the licensing fee be increased to \$300 per year and the tonnage tax be reduced to \$0.12, allowing approximately \$2,550,000 of revenue.

MOTION: A motion was made by Mr. Koewler to recommend to the Secretary to set the license fee per year at \$300, effective as of July 1, 2007. Mr. Gilbert seconded the motion. The motion passed unanimously.

MOTION: A motion was made by Mr. Gilbert to recommend to the Secretary to set the tonnage tax to \$0.12 per ton, effective as of July 1, 2007. Mr. Walth seconded the motion. The motion passed unanimously.

ASSOCIATION OF AMERICAN FEED CONTROL OFFICIALS (AAFCO) UPDATE

The AAFCO Official Publication was distributed to the members of the board. Mr. Kitade explained the U.S. Food and Drug Administration is considering signing a memorandum of understanding with AAFCO to officially recognize the ingredients definition list and the approval process. Mr. Kitade informed the board the ingredient definitions committee removed chromium methionine from the ingredients definition list due to its suspected toxicity; AAFCO is moving forward with its feed manufacturing regulations for on-farm feed mixers; and AAFCO, as an organization, will be making every effort to stay relevant and effective.

ORGANIC FEED CERTIFICATION

Program Specialist Mike Davidson reported the CDFA Feed Inspection Program has been asked by some members of the industry to consider being a certifying body for organic feed production. Some concerns from the industry include the unavailability of on-site facility inspections and lack of uniformity in the inspection/certification process.

Mr. Geary recommended Mr. Hertlein and Mr. Davidson work together to further explore the issue and gather more information regarding organic feed certification by the CDFA Feed Inspection Program, which is to be discussed at the next meeting.

REGULATORY UPDATE

Mr. Kitade described several recent incidents where Aflatoxin exceeding the allowable limit was found in a feed ingredient. A railcar of whole cottonseed and a railcar of hominy were found to contain total Aflatoxin greater than the 20 ppb allowed. Mr. Kitade also led a discussion of the possibility of feeding corn grown in the Imperial Valley and Arizona. He reminded the board of the incident several years ago where more than 1,200 tons of corn was quarantined because it was found to be above the allowable limits for Aflatoxin. Mr. Kitade informed the board that the CDFA Feed Inspection Program is planning to devote more resources to growing animal supplement and livestock drug sectors of the industry.

SAFE ANIMAL FEED EDUCATION UPDATE

SAFE Program Specialist Natalie Krout reported efforts are being made to ensure inspectors are fully supplied with proper equipment when obtaining samples out in the field. The Mycotoxin Study, tested by the California Animal Health and Food Safety Laboratory System, will be presented at the California Animal Nutrition Conference in May 2007. Preliminary results from the study have shown action must be taken on Fumonisin concerns. Ms. Krout stated on-farm mixing efficiency will be evaluated by nutritionists in order to look at levels of drugs in certain mixes. Livestock Drug registration is improving with a turnaround time of about two weeks.

LABORATORY UPDATE

Chemistry Laboratory Supervisor Stan Kobata presented a handout comparing the old and new procedures of sample receiving and analysis. Mr. Kobata noted under the new procedure, inspectors now include all assay requests with the samples to the lab rather than waiting for the branch laboratory coordinator to submit assay requests, saving about five days of turnaround time. A reduction in the number of routine assays has also helped improve turnaround time. He expressed the laboratory's goal is to complete most sample analysis within 15 working days.

BOARD VACANCIES

Mr. Geary announced there are four board vacancies. Both Mr. Hertlein and Mr. Parreira, with terms expiring on April 15, 2007, have declined to serve another term and have indicated resignation, leaving two open positions. Mr. Thomas Prokop's term has expired and has expressed interest in reappointment to the Board. Mr. Walth's term is due to expire on April 15, 2007, and has also expressed interest in serving another term.

Dr. Maan stated four applications were received after the two board vacancies were advertised through a CDFA press release and the California Grain and Feed Association newsletter. Dr. Maan asked the FIAB to review the applications and make recommendations to the Secretary for appointment to the two vacancies.

MOTION: A motion was made by Mr. Koewler to recommend to the Secretary that the two existing board members, Mr. Walth and Mr. Prokop, be appointed to serve another term of duty for the Feed Inspection Advisory Board. Mr. Fred Frost seconded the motion. The motion passed unanimously.

MOTION: A motion was made by Mr. Gilbert to recommend to the Secretary that candidates, Rich Hoch and Thomas Daly, be appointed to serve a term on the Feed Inspection Advisory Board. Mr. Koewler seconded the motion. The motion passed unanimously.

ADDITIONAL ITEMS/NEXT MEETING

The next board meeting is scheduled for 9:00 a.m. on June 21, 2007 in Sacramento.

ADJOURNMENT

MOTION: A motion was made by Mr. Walth to adjourn the meeting. Mr. Hertlein seconded the motion. The motion passed unanimously. The meeting was adjourned at 11:45 a.m. followed by a tour of the Center for Analytical Chemistry laboratory.

Respectfully submitted by:

Asif A. Maan, Ph.D., Branch Chief
Feed, Fertilizer, and Livestock Drugs Regulatory Services
Inspection Services

Date

AAM/cc/ds