



March 3, 2023

NOTICE TO COMMERCIAL FEED INDUSTRY

The Commercial Feed Regulatory Program (CFRP) periodically conducts audits of licensed firms and individuals to ensure that all licensees are accurately paying their quarterly Feed Inspection Tonnage Tax. The CFRP will be performing detailed audits of quarterly tonnage reported to CFRP by licensees during the last three years. Selections for auditing will be random, and no licensees will be exempt from an audit regardless of the number of tons reported. Audits will be inclusive of manufacturers, brokers, and distributors of all tonnage types.

Anyone who sells, distributes, or manufactures commercial feed must obtain a California Commercial Feed License at all locations. They may also be subject to an audit of the reportable feed tonnage at that location.

Tonnage reporting is required by any licensee that is the last person in a sale of commercial feed to a consumer-buyer, or if purchased to be fed to his or her own animals. Since retail stores are exempt from licensing, the inspection tonnage tax for packaged feeds sold in retail stores is paid by the licensee named on the commercial feed label.

All Human food by-products firms are exempt from paying the first one thousand (1000) tons of human food by-products diverted to animal feed per Title 3 of the California Code of Regulations (CCR), Section 2750(e). Firms reporting this tonnage exemption should be reporting from each licensed location from where the diversion occurs.

Licensees must be prepared to provide up to three years of prior tonnage reporting for review by CFRP (Title 3 of the CCR, Section 2750).

§2750. Tax Payment.

(a) Each commercial feed licensee whose name appears on a commercial feed label shall pay the inspection tonnage tax as required in section 15062 of the Food and Agricultural Code.

(b) Reports of taxable sales shall be made quarterly to the director not later than one calendar month after March 31, June 30, September 30, and December 31 on a form furnished by the director. Quarterly reports and payments become delinquent on May 1, August 1, November 1, and February 1, for the respective preceding quarter.

(c) A completed tax report must be filed for each quarter whether or not taxable sales have been made in that period.

(d) Each licensee shall keep accurate records of sales of commercial feed which



shall be available for examination by the director and shall include the date of sale, to whom sold, the name and net weight of the product sold. The records shall be maintained to support the reports for the previous three (3) years.

(e) Human food by-products as defined under Section 2804 that are diverted to animal feed without further manufacturing/processing beyond what is stated in the ingredient definition are subject to reduced inspection tonnage tax set by the Secretary. Firms shall be exempt from paying inspection tonnage tax on the first one thousand (1,000) tons of human food by-products diverted to animal feed during the license period as defined in Section 15054 of the Food and Agricultural Code.

For more information regarding tonnage tax reporting, and/or to determine if you should be reporting tonnage tax, please see the Feed Facts FAQ on the CFRP website, located here: <https://www.cdfa.ca.gov/is/docs/FFLDRSFeedFacts.pdf>. For additional information or questions please contact CFRP at (916) 900-5022 or email at feed_lvstk@cdfa.ca.gov.

Sincerely,

ORIGINAL SIGNED BY JENNA M. LEAL

Jenna M. Leal
Environmental Program Manager I