



QUARTERLY FEED UPDATE

Issue 11 | Summer 2022

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Rail Services Issues Affecting Agriculture

Beginning in late March 2022, California feed mills began experiencing grain shortages due to significant disruptions to interstate rail service. Commercial feed licensees have endured three-week delays in receiving unit trains – a stark contrast to the typical three- to four-day delivery schedule – resulting in unprecedented rolling mill shutdowns throughout the state. Unloaded, empty unit trains are clogging lines at licensed facilities while industry continues to pay considerable fuel surcharges and demurrage fees.

These significant disruptions not only pose major risks to the agricultural economy and domestic meat, milk, and egg production supply, but more importantly pose real threats to animal health and welfare. California is an 85 percent grain-deficit state and relies heavily on the rail system to fulfill its feed supply needs. Drought is further compounding the seriousness of these disruptions, as the agricultural industry must cope with reduced water allocations and mandatory fallowing of acreage that would ordinarily be used to grow feed commodities.

Over the past several months, the California Department of Food and Agriculture (CDFA) has collaborated with state and federal government officials, industry groups, and railroad representatives to find a path forward. CDFA Secretary Karen Ross issued a letter urging the Surface Transportation Board, the federal agency charged with regulating freight rail, to address the reduced frequency and regularity of rail service, investigate increased costs to customers, and prioritize supplies of food and feed. In addition, representatives from the U.S. Department of

By Products Bridging the Gap

*Recent events have highlighted the importance of locally produced feed grain alternatives, such as agricultural and human food by-products. The diversion of by-products to commercial feed is not only an important contribution to statewide organic waste reduction goals, but also a potential lifeline for our vulnerable livestock population during this critical supply shortage. CFRP is working to protect and expand the use of by-products as a vital source of livestock nutrition. Read **Organic Waste Reporting in ExtraView** on page 3 to learn more about how you can help.*

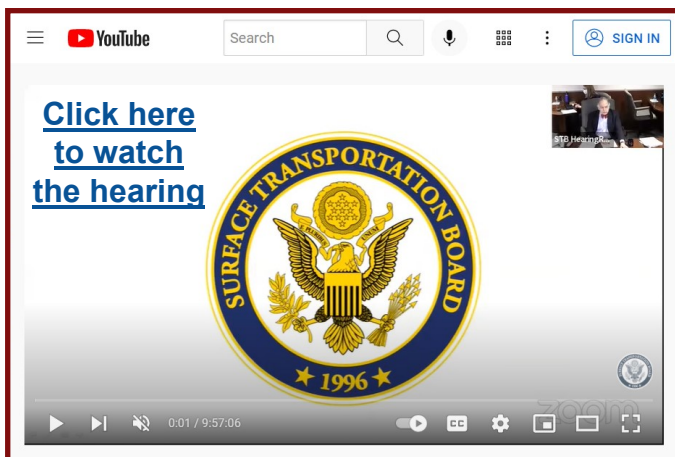
See **Rail** on page 2

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Rail, from page 1

Agriculture, National Grain and Feed Association, American Farm Bureau Federation, Cargill, and others testified at a hearing to describe how recent service disruptions are impacting agriculture. The Commercial Feed Regulatory Program (CFRP) is maintaining regular communication with feed mills throughout the state to monitor grain supplies and will continue to share updates with industry on this evolving issue.



Click the link above to watch a recording of the Surface Transportation Board's Public Hearing on Urgent Issues in Freight Rail Service.

Join Our Email Lists

Join the Commercial Feed Regulatory Program (CFRP) and Safe Animal Feed Education (SAFE) Program email lists to stay current with industry updates and receive the Quarterly Feed Update delivered to your inbox. Sign up at cdfa.ca.gov/subscriptions/ or email feed_lvstk@cdfa.ca.gov or safe@cdfa.ca.gov

Quality Assurance Plans for Almond Hulls

As the almond harvest is underway, it is important for hullers to utilize quality assurance programs to ensure that almond hull piles are mapped to meet fiber guarantees when offered for sale. Testing almond hull piles as they are built allows for better mapping of crude fiber levels and less delay in distribution of the product. A PowerPoint presentation on almond hull quality assurance plans is available on the Safe Animal Feed Education (SAFE) web page at https://www.cdfa.ca.gov/is/ffldrs/SAFE_IndustryOutreachSeminars.html.

At the bottom of the web page linked above, there is a section labeled "Almond Hullers Educational Seminar-July 2015;" click to expand the "Presentations" section to view links to available materials. The "Almond Hull Quality Assurance Sample Procedure" and the "Processor Quality Control" PowerPoint presentations have information on how almond hull mapping can work and some of the methods that can be used.

For more information and resources, please contact the SAFE Program at 916-900-5022 or safe@cdfa.ca.gov, or visit <http://www.cdfa.ca.gov/is/ffldrs/safe.html>.



Almond hulls.

Organic Waste Reporting in ExtraView

As we face another historic drought year coupled with continued supply chain volatility, it is more apparent than ever how crucial by-products are to the California feed industry. The Commercial Feed Regulatory Program (CFRP) is working to support and promote the continued and further use of by-products as a vital source of nutrients for livestock rather than a waste product for compost or landfill. However, CFRP needs help from the feed industry to ensure the full scope of by-product use is counted the organic waste diversion goals established by Senate Bill (SB) 1383, Chapter 395, Statutes of 2016.

Changes implemented in ExtraView last year allow CFRP to quantify the diversion of by-products sold as commercial feed in California as part of regular tonnage tax reporting. However, there is a significant amount of by-product diversion that is not subject to regular tonnage tax reporting, such as:

- Tons of by-products added to mixed and formula feeds prior to reaching the end-user.
- Tons of wet by-products dried prior to reaching the end-user (i.e., “shrink”).
- Tons of by-products diverted to one’s own animals, to pet food, and/or to a location outside of California.
- Tons of by-products donated or given away at no cost.

To ensure this additional by-product diversion data is quantified, CFRP has added the following question in ExtraView: “Do you want to voluntarily report your total diversion of organic waste to animal feed to be collected for

diversion goals set forth by SB 1383?”

Participating firms should select yes and enter the requested information for any additional tons of by-products not counted in regular tonnage tax reporting. Please note that this new question is optional, and the information reported is NOT subject to any tonnage tax fees.

CFRP encourages and appreciates your participation in this effort. The data gathered will enable CFRP to highlight the California feed industry’s significant contribution to SB 1383 organic waste diversion goals and help ensure this important feed source remains available in the future.

To learn more about SB 1383, visit <https://calrecycle.ca.gov/organics/slcp/education/>.

For questions about organic waste diversion to animal feed, please contact the Safe Animal Feed Education Program at safe@cdfa.ca.gov.

For questions about tonnage reporting, please contact CFRP at feed_lvstk@cdfa.ca.gov.

What is Organic Waste?

“Organic waste” is a broad term used in SB 1383 to describe discarded plant and animal material and includes what the feed industry commonly refers to as **“by-products.”** Traditional by-products used in feed, such as almond hulls and rice bran, as well as non-traditional by-products, such as recovered retail food and restaurant food waste, are all considered organic waste for SB 1383 reporting purposes.

Blue Ocean Barns Digestive Aid Product Now Registered as Livestock Drug

On March 29, 2022, the California Department of Food and Agriculture (CDFA) Livestock Drugs Program (LDP) issued a letter of no objection to Blue Ocean Barns selling *Asparagopsis taxiformis* (red seaweed) digestive aid products, Brominata D and Brominata O, as a livestock drug for cattle. As such, LDP has determined there is no current objection to the sale or use of Blue Ocean Barns' Brominata D and Brominata O that contains *Asparagopsis taxiformis* with the levels of bromoform and iodine purported by the label guarantees, which are levels that are in accordance with the U.S. Environmental Protection Agency's tolerance for drinking water.

To analyze the Blue Ocean Barns product for safety, the CDFA Feed Inspection Advisory Board (FIAB) and the FIAB Technical Advisory Subcommittee approved a proposal from Blue Ocean Barns to conduct a 40-day feeding trial with technical assistance and regulatory oversight from CDFA's Commercial Feed Regulatory Program and CDFA's Safe Animal Feed Education Program to sample and analyze the project for safety in a commercial setting. Blue Ocean Barns also submitted a thorough safety data packet to CDFA for review. This commercial trial was not funded by CDFA. After review of all the proprietary information provided by Blue Ocean Barns both prior to and during the trial, including a self-determination of GRAS*, CDFA was able to make the determination of no negative affect on animal health or milk production. CDFA only reviewed the product for product safety as a livestock drug and did not accept the self-determination of GRAS as a feed additive at

* GRAS is an acronym for the phrase "Generally Recognized As Safe."

this time. The product cannot be sold as a feed ingredient in California and has not been evaluated by CDFA for reduced methane emissions.

Blue Ocean Barns must abide by all the LDP requirements pursuant to Food and Agricultural Code (FAC) Sections 14200-14390. LDP will continue to sample, inspect and monitor this livestock drug digestive aid product closely and will take immediate regulatory action if animal health, or food and feed safety standards are not met.

This label registration is not an approval for use of all red seaweed as a livestock drug digestive aid, only the Blue Ocean Barns product that was analyzed for safety. The LDP only reviews applications based on company product submissions. This company has proven its product is safe – and is only approved for use in California as a livestock drug. Blue Ocean Barns is currently the only company that can sell this digestive aid in California. Other companies requesting to sell any red seaweed products in California must go through the same process that Blue Ocean Barns went through to prove safety of their product. Please contact Blue Ocean Barns for any questions about their research related to methane reduction.



Asparagopsis taxiformis (red seaweed).

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Veterinary Feed Directive Summary Report

The Antimicrobial Use and Stewardship (AUS) Program has released a report summarizing veterinary feed directive (VFD) information collected for 2020 and 2021. The VFD Summary Report illustrates VFD feed manufacturing and distribution in California and highlights efforts to ensure compliance with state and federal VFD order mandates.

In collaboration with the Commercial Feed Regulatory Program (CFRP), AUS collects VFD information on a quarterly basis from manufacturers and distributors on the U.S. Food and Drug Administration's VFD intent list. All information collected is held confidential in accordance with Food and Agricultural Code Section 14407. Data presented in the VFD Summary Report has been aggregated to maintain confidentiality and prevent the identification of an individual farm or business.

In addition, it is important to note that due to the nature of VFD orders, the information presented in the VFD Summary Report is not indicative of use trends. The AUS program will continue to produce a VFD Summary Report annually.

Read the full report: https://www.cdffa.ca.gov/is/ffldrs/pdfs/aus_vfd_summary_report_20-21.pdf



Upcoming Public Meetings

The Feed Inspection Advisory Board (FIAB) meets several times each year to make recommendations on all matters pertaining to the Commercial Feed Regulatory Program (CFRP), including inspection, enforcement, budget, fees, and regulations. The Technical Advisory Subcommittee (TASC) advises the FIAB on feed/food safety issues and research projects funded by the Safe Animal Feed Education (SAFE) Program.

All FIAB and TASC meetings are public meetings; upcoming meeting dates are listed below. An agenda and meeting materials will be posted to the Inspection Services Division's [meetings webpage](#) 10 days prior to the scheduled meeting date.

July 12, 2022 - Technical Advisory Subcommittee Meeting

August 10, 2022 - Feed Inspection Advisory Board Meeting

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FSMA Incorporation Regulations Released for Public Comment

Upon recommendation of the Feed Inspection Advisory Board, the Commercial Feed Regulatory Program has drafted regulations to adopt provisions of the federal Food Safety Modernization Act (FSMA) into the California Code of Regulations.

The proposed regulations would:

- Incorporate Code of Federal Regulations Title 21, Part 507, Subparts A, B, C, E, and F by reference.
- Incorporate Code of Federal Regulations Title 21, Part 589.2001 by reference.
- Require batch or production run identification to be listed on formula feed labels.

A 45-day public comment period for the proposed regulations began July 1, 2022, and ends August 15, 2022. Any interested person may submit written comments on the proposed regulatory action to:

Erika Lewis, Research Data Specialist II
Commercial Feed Regulatory Program
California Department of Food and Agriculture
1220 N Street, Sacramento, CA 95814
E-mail: feed_lvstk@cdfa.ca.gov

To read the notice of proposed action, proposed regulation text, and initial statement of reasons, visit the Inspection Services Division's regulations webpage: <http://www.cdfa.ca.gov/is/regulations.html>.

AAFCO and NIHC Hemp Webinar

Why Isn't Hemp in Animal Feed? A Discussion on Overcoming Challenges and Gaining Approval

Webinar Presented by the Association of American Feed Control Officials (AAFCO) and the National Industrial Hemp Council (NIHC)

August 9, 2022 09:00 AM Pacific Time

Fifteen leading experts from feed manufacturing, hemp production, scientific research and regulatory oversight will come together for a three-part panel discussion, Q&A and complex conversation around:

- Scientific research and data
- Ingredient review and approval
- Interests and concerns everyone is facing

The goal is to connect with industry peers and share meaningful dialog around overcoming the challenges and moving forward together so hemp can become a safe and beneficial feed ingredient. Register for the webinar at: <https://us02web.zoom.us/join/91234567890>

Webpage Updates

Staff have continued working to update and improve the Commercial Feed Regulatory Program (CFRP), Safe Animal Feed Education (SAFE) Program, and Livestock Drug Program webpages.

Recent updates to the CFRP webpage include:

- New [Commercial Feed Label Guide](#) providing examples and requirements
- Updated [Frequently Asked Questions \(FAQs\)](#)
- Updated educational materials regarding [Human Food By-Product Diversion](#)

New and revised educational resources on the SAFE webpage include:

- [Flushing and Scheduling Sequence](#)
- [Flush Verification](#)
- [Flush Verification Form](#)
- [Flush Verification Form Example](#)

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Commercial Feed License Renewals

All commercial feed licenses expire on June 30 each year. Licenses can be renewed beginning July 1 and will remain valid until June 30 of the following year.

The standard commercial feed license fee is \$500. A reduced fee of \$100 is available for firms solely engaged in the diversion of eligible human food by-products* to commercial feed without further manufacturing/processing**. Firms claiming the reduced license fee will be subject to verification.

Renew your license online today by visiting inspect.cdfa.ca.gov/evj/ExtraView or by calling our office at (916) 900-5022.

Be sure to renew your license by July 31, 2022, to avoid the \$100 delinquent payment penalty.

***Eligible Human Food By-Products:**

*Wet Food Processing Waste,
Restaurant Food Waste,
Recovered Retail Food,
Cull Fruit or Vegetables,
Wet Apple Pomace,
Wet Beet Pulp,
Brewers Wet Grains,
Condensed Whey-Product,
Whey,
Condensed Whey Permeate,
Condensed Delactosed Whey Permeate,
Dairy Food By-Products,
Wet Citrus Pulp,
Cereal Food Fines,
and Dried Bakery Product*

[California Code of Regulations
Title 3, Section 2804](#)

Is your company eligible for the reduced commercial feed license fee?

Do you divert by-products to feed?

YES

NO

NOT ELIGIBLE

Are the by-products you divert listed under California Code of Regulations Title 3, Section 2804*? (i.e., eligible human food by-products)

YES

NO

NOT ELIGIBLE

Do you further manufacture/process** the by-products beyond what is stated in the ingredient definition? (e.g., mixing with another ingredient)

YES

NO

NOT ELIGIBLE

Do you have other feed manufacturing activities in addition to human food by-product diversion?

YES

NO

NOT ELIGIBLE

ELIGIBLE

****Manufacturing/Processing:**

Making animal food from one or more ingredients, or synthesizing, preparing, treating, modifying, or manipulating animal food, including food crops or ingredients.

[California Code of Regulations Title 3, Section 2675\(k\)](#)

CONTACT US



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