

**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)  
FEED INSPECTION ADVISORY BOARD (FIAB) MEETING**

**Holiday Inn Express**  
1800 Monterey Street  
San Luis Obispo CA, 93401  
(805) 544-8600

**January 12, 2012  
MINUTES**

**MEMBERS**

Frederick Frost  
John Walth  
Richard Hoch, Chair  
Thomas Daly  
Thomas Geary  
Thomas Prokop  
Tim Riordan

**CDFA**

Asif Maan  
Chris Hansen  
Elaine Wong  
Gary Castro  
Jenna Areias  
Maria Hicks  
Mike Davidson  
Nirmal Saini

**INTERESTED PARTIES**

Chris Zanobini, CGFA  
Justin Oldfield, CCA  
Tad Bell, CGFA  
John Kauffman, J.D. Heiskell

**INTRODUCTIONS AND ANNOUNCEMENTS**

Chairperson Richard Hoch called the meeting to order at 9:00 a.m. A quorum was established and self-introductions were made. Mr. Michael Koewler and Mr. Rob Gilbert were unable to attend today's meeting.

**MINUTES OF THE LAST BOARD MEETING**

Chairperson Hoch requested the board review the September 13, 2011 meeting minutes.

**MOTION:** Mr. John Walth moved to approve the September 13, 2011 meeting minutes as presented. Mr. Tim Riordan seconded; the motion passed unanimously.

**DEPARTMENT / DIVISION / BRANCH UPDATE**

Dr. Asif Maan informed the board that Mr. Rick Jensen was unable to attend the meeting. Dr. Maan provided the board with a brief overview of updates within the Department, the Division, and the Branch.

### **PROGRAM FUND CONDITION**

Mr. Gary Castro explained the fund condition to the board stating that the beginning balance for the Feed Program in July 2011 was \$2,127,170. There was \$785,206 in revenue, and \$1,193,403 in expenditures. The ending balance as of November 30, 2011 was \$1,718,973. Due to the program having a negative cash flow, the Program will continue to monitor the revenue and expenditures. If necessary, the Program will recommend raising the tonnage tax to ensure sufficient funds for the Program.

The Safe Animal Feed Education (SAFE) Program's balance in July 2011 was \$-10,445 due to the Department's Financial Services Branch not making the annual \$200,000 transfer from the Feed Program to the SAFE Program in a timely manner. There was \$400,000 in revenue and \$93,443 in expenditures. The ending balance as of November 30, 2011 was \$296,112.

Mr. Thomas Geary requested that the Program present the board with a more detailed breakdown of the fund condition that compares the actual balance against the prior year's actual balance. The board requested that the Program use the detailed template that is used at the annual budget meeting.

### **PROGRAM UPDATE**

Mr. Castro stated that in 2011, there were 1,958 feed licenses, 1,326 livestock drugs registered, and 474 restricted livestock drug licenses.

Mr. Castro stated that Mr. Killeen Sanders was promoted from Inspector to Special Investigator. An increase in the number of dairies and cattle in Mr. Sanders district (San Joaquin and Sacramento Valley) resulted in more feed related inspections and investigations. Mr. Sanders also saw a marked increase in the number of FDA tissue residue (TR) and bovine spongiform encephalopathy (BSE) assignments for his district. Mr. Castro further stated that the Food and Drug Administration (FDA) sent CDFA a letter commending Ms. Shelly Moore for her assistance in training new FDA staff on tissue residue (TR) and bovine spongiform encephalopathy (BSE) inspections.

Mr. Castro stated that for Fiscal Year (FY) 2010/11 there were 126 BSE inspections completed and 36 TR investigations. Thus far, for FY 2011/12, staff has conducted 64 BSE inspections and 37 TR investigations. For FY 2012/13, CDFA is contracted to complete 100 BSE and 100 TR investigations, with the option to complete 25 additional TR investigations. The Program receives approximately \$900 for each BSE inspection and \$950 for each TR inspection completed.

Mr. Castro presented the board with FDA personnel updates stating that Mr. Jim Henry, Fresno Post Supervisor retired; Mr. Matt Wallburger is the new supervisor. Additionally, Ms. Jennifer King has been appointed as FDA State Liaison Supervisor and is located in the Sacramento Post.

Mr. Geary asked if the Feed Program is fully staffed. Mr. Castro stated the Feed Program is fully staffed; there are no vacancies.

Mr. Mike Davidson highlighted regulatory enforcement updates. He stated that feed railcar labeling continues to be an ongoing issue and that the Program is working with the industry to gain compliance. Additionally, two ships arrived at the Port of Stockton from Australia with whole cottonseed; the product was tested for aflatoxins and there were no issues associated with the cottonseed.

Field staff quarantined products labeled as industrial grade minerals found being used for feed. The minerals were not properly labeled as commercial feed and a number of the manufacturers did not have a license to sell animal feed. In some cases these industrial grade minerals have been found to contain heavy metals in excess of allowable tolerances.

Staff is performing California Good Manufacturing Practice inspections on firms that manufacture medicated feed using Type A drugs in their premixes and on firms where selenium premixes exceed 600 parts per million. Staff applied the federal Good Manufacturing Practices (GMP) regulations as referenced in the California Code of Regulations.

Mr. Davidson stated that a California feed company voluntarily recalled one brand of horse feed that tested positive for monensin. Monensin is very toxic to horses. All horse feed on site was placed on hold until it was found non-detected for the presence of monensin. Field staff and the Safe Animal Feed Education Program (SAFE) worked with the firm to develop process controls to ensure that horse feed produced at the plant would not be adulterated with monensin in the future.

The Milk and Dairy Foods Branch of CDFA found salmonella in some non-fat dried milk. The non-fat dried milk was re-pasteurized and dried, retested and was found negative for salmonella. The firm agreed to only use it as animal feed. The Feed Inspection Program confirmed that the product was released as an animal feed ingredient.

The Program will increase the number of contracted Tissue Residue investigations performed for the US FDA. Repeat violators can be cited under state authority and will have their milk sampled and tested for multiple drugs by the US FDA.

The Program received a number of complaints regarding firms deleting or substituting ingredients in formula feed. Upon investigation, some complaints were substantiated and resolved. Investigations on some medicated feed found that the feed did not contain the drug that was guaranteed on the label. The Program will continue these investigation and inspections to ensure label guarantees are met and the listing of ingredients is correct.

Mr. Davidson stated that due to the feed licensing issue policy being adopted at the September 13, 2011 FIAB meeting, all grain elevators that distribute feed in or into

California and all commercial food processors that divert food to feed are required to be licensed. Retail stores and restaurants that have a licensed feed company pick up their food waste will not be required to be licensed.

Chairperson Hoch asked if SAFE will be having another workshop to assist firms. Ms. Jenna Areias stated that a training workshop may be held around September 2012. The workshop will focus on helping industry in becoming compliant with FSMA and California feed laws. Many firms want to become compliant, but do not know where to start.

Mr. Tad Bell stated that at the next California Grain and Feed Association (CGFA) board meeting, it should be decided which national organization will be partnering with California and the Department on these workshops and templates. Everyone should be working together, not just SAFE.

Mr. Bell stated that since the feed licensing issue policy was adopted, the Feed Program should reach out to industry and educate them the need to be licensed and on the upcoming FSMA requirements. He stated that several entities are unaware that they need to be licensed. The by-product entities need to be educated on FSMA. The majority of the industry is used to regulation, but people who are being licensed for the first time may be challenged.

Mr. Bell stated that at the last FIAB meeting, marketing inedible kitchen grease was discussed. Is there any progress with the Meat and Poultry Branch or Shell Egg? Mr. Davidson stated he discussed this issue with Dr. Maan; standards can be established by definition of ingredients to ensure they are safe and that industrial oils and fats are not converted to animal feed. The issue is that the program does not have authority to require someone to comply if it is not feed; the Meat and Poultry Branch can. Mr. Bell stated he thinks at the Division level, the Chief's should sit down and discuss who will address this issue.

### **SAFE PROGRAM UPDATE**

Ms. Areias provided the board with an overview of SAFE's program activities. CA GMP inspections are done for Category 2, Type A drugs. Moving forward, the Program will have a three tiered approach to systematically gain regulatory compliance through an evaluation of hazards and process controls approach to food/feed safety. Tier 1 is CA GMP inspections, Tier 2 is SAFE feed quality assurance audits, and Tier 3 is the SAFE hazard analysis and prevention controls audit.

The yearly binder that is compiled by the program, which identifies firms with high violation rates, was completed; there was a significant decrease in violators. The Branch has been working on an Inspector Manual; the feed chapter of the manual is complete; it is over 50 pages. It explains everything from sampling techniques to follow-ups. There were 94 industry attendees for the workshop. Ms. Areias thanked CGFA for their assistance, stating that the workshop was a success. SAFE will be evaluating the

2011 corn crop for six mycotoxins, including railcars and local corn. The results will be published by the program.

### **LABORATORY UPDATE**

Ms. Elaine Wong stated there were 1,042 feed samples received at the lab from January to November 2011. There was 694 routine samples, 46 priority samples, 62 partial rush samples, and 240 rush samples. There were 4,422 assays requested; 3,460 were routine and 962 were rush. The average number of assays per sample was 4.2.

### **UPDATE ON AFLATOXIN ISSUES IN THE IMPERIAL VALLEY [COUNTY]**

Mr. Justin Oldfield from California Cattlemen's Association (CCA) presented a work plan entitled, Disposition of Quarantined Corn Grown in the Imperial Valley [County]. The work plan was developed by an FIAB approved subcommittee that was formed at the September 2011 FIAB meeting in Sacramento. The subcommittee, which included members from industry and regulatory personnel was asked to develop a work plan to allow beef cattle operations to use locally grown corn that may exceed the 20 ppb total aflatoxin regulatory limit, but is less than the 300 ppb federal action level for feeding beef cattle. The purpose of the work plan is to provide a local feed source for Imperial County livestock producers. Currently, corn with aflatoxin levels above 20 ppb must be disposed of. With this program, it could be used at a beef cattle feedlot in Imperial County. If approved by the CDFA Secretary the Beef Cattle Program Agreement would expire after two years.

During Mr. Oldfield's presentation a question regarding false negatives and/or false positives that can occur with quick tests was asked. Mr. Oldfield stated that if a quick test shows results over 100 ppb, it will be analyzed using a High Performance Liquid Chromatography (HPLC) lab for more in-depth testing. Mr. Oldfield stated that the CCA will create a database that will track the results of the program.

Mr. Geary commented that this is the fourth time this proposal has come to the board. The agreement draft is positive with the corn not being sold to a dairy; he commended the CCA for their intent. He stated he believes a sunset date is appropriate for this program. Mr. Oldfield stated that having a sunset date is not an issue.

Chairperson Hoch recommended to the board that they accept the proposed 2-year pilot program as recommended by Mr. Oldfield, and that CCA provide progress reports at board meetings; including quick tests versus HPLC and violations, and that there be no additional costs to CDFA for testing or database development.

The work plan will be forwarded to the CDFA Secretary for approval.

**MOTION:** Mr. Thomas Daly moved to recommend to the Secretary to accept CCA's proposal as Chairperson Hoch recommended. Mr. Tim Riordan seconded; the motion passed unanimously.

- A break was taken from 10:55 a.m. to 11:06 a.m.

### **LEGISLATIVE UPDATE**

Mr. Bell provided the board with a legislative update highlighting the proposed FY 2012/13 budget, stating \$12,000,000 will be cut from CDFA. The cuts will include \$4.38 million from border stations, \$953,000 from Light Brown Apple Moth (LBAM) program, \$701,000 from the BioControl program, \$366,000 in Plant Pest Diagnostics and Seed laboratories, \$350,000 from the Agricultural Security and Emergency Response program, \$245,000 in Animal Health program staff, \$425,000 in Meat and Poultry program inspection frequency, and \$2.4 million in additional cuts that is still being discussed. This will affect the special funded programs because they will pay additional overhead costs. Additionally, travel and purchasing may be cut; these cuts do not work well in agricultural funded programs. Other major proposals in the Governor's Budget include reducing greenhouse gas emissions, building a high-speed rail, meeting water needs, and implementing a temporary tax increase.

### **BOARD VACANCIES**

Chairperson Hoch called a closed session to discuss the two upcoming board vacancies.

Chairperson Hoch reopened the meeting to the public. He stated that during the closed session, the board discussed leaving the vacancies open until the September 2012 meeting to encourage a more diverse group of individuals to apply.

### **ADDITIONAL ITEMS / NEXT MEETING**

The next meeting is scheduled for September 6, 2012 in Sacramento, California at the Center for Analytical Chemistry.

Chairperson Hoch called the meeting to an end at 11:42 a.m.

Respectfully submitted by:



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

1/12/12  
Date