

**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (Department)
FEED INSPECTION ADVISORY BOARD (FIAB) WEB CONFERENCE MEETING**

**November 12, 2020
9:00 – 12:00 PM**

MINUTES

MEMBERS

Dan Rice
David Meeker
Jed Asmus
Jeremy Banducci
Kate Horstmann
Marit Arana, Chair
Paul Parreira, Vice Chair
Shay Rambur
Michael Koewler

CDFA STAFF

Adriana Avalos
Amadou Ba
Angelia Johnson
Ashley James
Brittnie Williams
Carla Sanchez
Casey Dykier
Jenna Leal
Maryam Khosravifard
Mike Davidson
Natalie Krout-Greenberg
Rachelle Kennedy
Samantha Moran-Defty
Valerie Brott

INTERESTED PARTIES

Chris Zanobini
Ed Depeters
Kate Swanson
Tad Bell

INTRODUCTIONS AND ANNOUNCEMENTS

Dr. Marit Arana, Chair, called the meeting to order at 9:03 a.m. A quorum was established.

APPROVE AUGUST 6, 2020 MEETING MINUTES

Jenna Leal requested the board review the minutes of the August 6, 2020 FIAB meeting.

MOTION: Paul Parreira moved to approve the meeting minutes; Shay Rambur seconded. The motion passed unanimously with a vote by all board members present of 9 to 0.

DEPARTMENT / DIVISION / BRANCH UPDATE

Natalie Krout-Greenberg provided new board members an overview of the Department's broad mission and the Division of Inspection Services' (Division) work, including that with the United States Food and Drug Administration (FDA), the United States Department of Agriculture (USDA), and several other programs, including those that assist in bridging the gap for food security.

Krout-Greenberg reported the Division's Office of Farm to Fork's (F2F) Program hired staff to implement the recent budget change proposal (BCP) for CDFA's Farm to School program. The staff are organizing a task force meeting, led by the Department, focused on nutrition and schools and the importance of procuring local, CA grown products for schools. F2F plans to launch the grant program and assist schools in implementing changes to expand their infrastructure and create purchasing power for these products.

Krout-Greenberg announced the Division has launched a food recovery webpage accessible to the public. The webpage focuses on what the agriculture industry does to contribute towards food upcycling within agriculture.

Krout-Greenberg reported the Division has been working on the Food Safety Modernization Act (FSMA) Produce Safety Rule and food borne illness outbreaks including the Salmonella outbreak linked to onions. The Division is also focused on three E. coli O157:H7 outbreaks; one suspected as a leafy greens carrier food product and the others are pending traceback from the Center for Disease Control and Prevention. In addition to this work, there is a longitudinal research study underway that focuses on pathogens and pathogen movement in the environment to determine why the outbreaks continue to occur and how to enhance preventive control measures.

Dr. Amadou Ba announced new hires Kayla (Frankie) Aguilar as an Office Technician and Julia Garcia as an Agricultural Technician I under the Branch Office Support Staff Unit. Jennifer Harmon, former staff for the Livestock Drugs (LD) program, promoted to an Associate Governmental Program Analyst with the Fertilizer Research and Education Program (FREP). The Branch advertised the Environmental Program Manager I for the Fertilizing Materials Inspection Program and received applications to fill the position soon.

Dr. Ba announced the Central Valley Regional Water Quality Control Board's stipulation in their order giving the Department authority to host Certified Crop Advisers (CCAs) and Growers training for managing nitrogen in the field. FREP has hosted in-person CCAs training the past seven years; however, there are plans for the program to transition to a specialization within the CCA certification administered by the American Society of Agronomy with educational support provided by the University of California Agriculture and Natural Resources (UCANR). FREP typically works with the California Association of Pest Control Advisers and the UCANR for Nitrogen Management training. Next year, FREP will continue to coordinate the program internally while still collaborating with the water quality coalitions. FREP has directed growers training in the Central Valley and Ventura county through a grant; Sacramento county is next. This has allowed FREP to work with growers and coalitions in fully implementing the nitrogen management training program on the grower's side. FREP has accumulated scientific data on nitrogen management and plans to reach out to growers and provide scientist advice to growers, another undertaking that FREP will assist with in the growers training efforts.

Dr. Ba reported the Department's Emergency Management Coordination contacted the Division and Branch requesting assistance in sheltering animals in Butte county during the recent fire seasons.

Dr. Ba announced eradication of the virulent Newcastle disease (vND) acknowledging the Animal Health and Safety Services Division staff and Branch staff who have been helpful with vND efforts.

FUND CONDITION / TONNAGE REPORTING / BUDGETS

Jenna Leal reported that as of June 30, 2020, the beginning balance combined total for Feed and Safe Animal Feed Education program (SAFE) was about \$4.3 million; total revenue was about \$3.9 million; expenditures were about \$3.8 million; encumbrances were \$55,769; and the adjusted total balance for Feed and SAFE was about \$4.4 million. The Feed program tonnage falls in line with previous years.

Per Chair Arana's request, the Feed program prepared a three-year projection of revenue and budgeted expenditures if the board were to reduce the feed tonnage tax from 12 to 10 cents beginning January 1, 2021. The three-year projection displays program reserves at 22 million tons and does not account for recoveries as it is purely based on revenue and expenditure of the Feed program's budget. The projection also does not represent the high-moisture and byproducts. Chair Arana suggested the board consider reducing the feed tonnage tax.

Paul Parreira agreed with Chair Arana and advised further board discussion before making a motion to lower the feed tonnage tax.

Leal explained the purpose of the reserve, and explained that Feed program currently has a 100 percent program budget reserve and must have a 25-50 percent in reserve to allow the program the ability to shut down appropriately and move staff to different programs or payout retirements in the event the program would cease.

MOTION: Jeremy Banducci moved to approve reducing the feed tonnage tax from 12 to 10 cents effective January 1, 2021; Jed Asmus seconded. The motion passed unanimously with a vote by all board members present of 9 to 0.

Leal presented the Feed program revised fiscal year (FY) 20/21 budget. The Feed program revised the current FY 20/21 budget to include the University of California Davis' (UCD) California Animal Health and Food Safety Laboratory System (CAHFS) and UCD Analytical Laboratory (AnLab) contracts, which required the Department's Center for Analytical Chemistry (CAC) lab to revise their budget. Leal reported that due to COVID-19, there was some delays with Animal Feed Regulatory Program Standards (AFRPS) maintenance cooperative agreement (CA) grant, however the Program was awarded the five-year grant.

Leal gave a summary of changes in the revised FY 20/21 budget. She reported the lab contract line items for UCD CAHFS of \$493,000 and AnLab of \$214,532, both fee for services contracts, will now be under the operating expenses and equipment section of the revised FY 20/21 budget. Leal stated that at the last FIAB meeting there was a request to see the transition budget for CAC for ramped down services. Under the distributed costs section, CAC removed the chemistry lab equipment line item and revised lab budget line item of \$803,026. The pro rata decreased and the AFRPS maintenance grant is reflected under recoveries.

Leal presented the CAC transition budget, highlighting the total Feed program costs of \$678,512 and limited term service for almond hull of \$124,514 through June 30, 2021.

Dr. Barzin Moradi reported CAC is going through the transition process of removing the Feed lab services except for the limited term service for almond hulls through the end of FY 20/21. Dr. Moradi stated CAC staff is shared within both the Feed and Fertilizer programs and staff analyzing feed samples are being transferred and absorbed into other programs within the lab which is reflected in the revised FY 20/21 budget. CAC was analyzing feed samples for the first three months of FY until UCD lab contracts were put in place. Once feed samples stopped CAC has decoupled the programs by continuing to train staff for other program service needs. Dr. Moradi stated CAC is proposing about \$370,000 for salary and benefits FY 20/21, highlighting one staff retirement and vacation cash out impact to CAC. CAC has two staff that are likely to retire in March or April of 2021.

Chair Arana asked for an explanation on the Feed transition budget, specifically the board's obligation towards the budget as the Feed program works through the lab transition.

Krout-Greenberg responded that there was a delay in the budget approval from the Board last fall, therefore in January's FIAB meeting upon discussions regarding outsourcing and gained efficiencies, the board approved the Department's lab budget to continue services with CAC, ultimately establishing the ability for the CAC staff dedicated to the Feed program to remain whole in providing the industry and program with modified but complete services. Further discussion in May 2020 concluded external lab services is most cost beneficial and moving in the direction to secure UCD lab services would require the Feed program to ramp down services at CAC. Krout-Greenberg stated the lab transition started to take place in October. The revised FY 20/21 budget is CAC's current standpoint and reflective of best costs estimates including payout retirements and obligations tied to the agriculture supply and services contract in making the final transition away from CAC. Krout-Greenberg highlighted that the board is advisory to the secretary; it is the Feed program's obligation to carry out the statutory mandate of the program with input based on board recommendations.

Dan Rice asked the CAC to provide the board with a more detailed accounting of salary, wages, and benefit estimates to get a better understanding of the wind down.

Krout-Greenberg stated the CAC would provide the cost account including any announced retirements to the board at the next FIAB meeting in January 2021.

Leal presented the Feed program proposed FY 21/22 budget, reporting that a five percent budget reduction government mandate is reflected in the budget. The lab budget for FY 21/22 is itemized in the operating expenses section for the UCD CAHFS and AnLab contracts. The \$500,000 line item is a one-time cost for an AB SCIEX QTRAP autosampler, approved by the board at the May FIAB meeting, to ensure sample turnaround time and efficiencies. The CAC chem lab budget line item is at zero dollars for FY 21/22. The proposed FY 21/22 budget total net program cost is \$3,603,727.

Dr. Ba commented that salary decreases reflect the current five percent salary reductions of Personal Leave Program and Merit Salary Adjustments. Leal stated salary reductions will continue through 2022.

Leal reported the SAFE program proposed FY 21/22 budget includes vehicle operations of \$10,000; indirect IT of \$24,384; personnel services of \$266,803; total operating expenses of \$124,600 with a total net program cost of \$479,427. The combined total for Feed and SAFE personnel services is about \$2.3 million; operating expenses of about \$1.8 million for a total net program cost of about \$4.0 million, a reduction from previous years.

MOTION: Jed Asmus moved to approve the Feed and SAFE program's proposed FY 21/22 budget; Paul Parreira seconded. The motion passed unanimously with a vote by all board members present of 9 to 0.

Leal presented the LD program's FY 21/22 proposed budget, announcing that the change in salary and benefits is due to a vacant position. The LD program decided it was not necessary to backfill the position as Shelly King, Special Investigator of the Feed program in Southern California focuses on LD work and will be able to absorb these duties. There are no recoveries reflected in the LD's proposed FY 21/22 budget as the Tissue Residue CA has ended. The Antimicrobial Use and Stewardship (AUS) program has one dedicated staff that is 100 percent assigned solely to AUS and two other staff that are assigned 50/50 between the Feed and AUS program. Leal reported the AUS proposed FY 21/22 budget, highlighting total personnel services of \$480,004 with a total net program of \$831,496 and a combined total for LD and AUS of about \$1.1 million.

PROGRAM UPDATE

Mike Davidson provided a field activity update stating that the Feed program revamped the routine inspection checklist, complaint forms, violation follow up forms, and standard operating procedures to enhance them for COVID-19 issues. Davidson reported two almond hullers were issued a notice of warning due to repeat crude fiber violations. Davidson stated there have been no feed safety related complaints or incidents at this time.

Leal gave a federal FSMA contract update reporting 12 inspections were de-obligated and moved to the FY 20/21 contract. The Feed program is underway with the new FY 20/21 contract: 24 Animal Food Preventive Controls (PCAF) inspections, 507 current good manufacturing practices (cGMP) PC inspections, 10 PCAF 507 cGMP inspections, five licensed medicated feed with 225 cGMP/507 cGMP inspections, and nine visits to firms where the compliance categories are unknown.

Rachelle Kennedy reported an 87 percent compliance rate for hemp online enforcement. King has started California prescription drugs online enforcement with 250 websites and 3,500 products identified selling veterinary feed directive (VFD) Type A drugs and Type B feed. Overall, there is a 50 percent compliance rate. Kennedy announced that the Drug Residue Prevention CA ends June of 2021. The Feed program received all tissue residue assignments; 59 in total were completed for 2020.

Leal reported that the U.S. Customs and Border Protection seized a vehicle attempting to cross the border in possession of large amounts of chlortetracycline and contacted the program for direction. Special Investigator King immediately responded and assisted with the incident. King has since established communication with the southern Border Patrol station and has provided outreach and education materials on LD law so that Border Patrol will have a plan in place in the future.

Kennedy added that the LD and AUS Programs will also be performing VFD compliance visits for distributors and manufacturers based on VFD collection.

Leal presented two industry-initiated projects for board recommendations. Justin Oldfield, Executive Director of California Cattle Council (CCC), contacted the Feed program proposing a plan to grow corn in Imperial Valley using aspergillus flavus 36 (AF36). AF36 has reduced aflatoxin loads in the field. The plan will be to have a set land in Imperial Valley with CCC's oversight in testing methodologies and analyses. The Feed program's involvement with sampling will be to ensure accuracy, record audits, and will verify that the appropriate measures are taken to ensure its only being fed to beef cattle. Leal asked for a board recommendation to allow the project to move forward.

Chair Arana asked the Feed program how much would be charged to the program budget and if it would be considered a SAFE research project. Leal stated the Feed program can track the financials, noting the sampling cost would be minimal because it

would only be a few samples to validate quick test results. Ultimately, it would just be King's time in collecting the samples and performing the spot check. Leal stated that the project would fall in line with the Feed program, not SAFE. CCC proposes 1,000 acres using quick tests while adhering to the Grain Inspection, Packers and Stockyards Administration guidelines.

Discussion ensued regarding the AF36 product.

Leal asked for board approval for the Feed program to move forward with the pilot project and to reevaluate the project after one year.

MOTION: David Meeker moved to approve the Imperial Valley corn project; Paul Parreira seconded. The motion passed unanimously with a vote by all board members present of 9 to 0.

Leal presented the second industry-initiated project of a seaweed feed ingredient trial. Straus Organic Farms and Blue Ocean Barns contacted the Feed program proposing a feeding trial on seaweed products for lactating cattle to assist in the reduction of methane production. Straus Organic Farms' goal is to be methane neutral by 2022. The project plan would focus on feeding 25 lactating dairy cattle on Straus Organic Farms and evaluate methane levels from the cattle. Straus has been working with USDA, National Organic Standards Board and is requesting Feed programs involvement with the feeding trial. Leal stated a significant amount of research shows the seaweed feed product has reduced methane production with several research projects and the efficacy data and research that already exists. Blue Ocean Barns is seeking a feed ingredients definition approval for this type of seaweed. Leal suggested the Technical Advisory Subcommittee (TASC) review safety and efficacy data and determine whether a trial usage would be granted for the purpose of the seaweed trail at Straus Family Farms.

Chair Arana advised the seaweed feed ingredient trial to be a TASC discussion.

Leal stated the Feed program met with Straus Organic Farms and Blue Ocean Barns previously and informed them they would need to petition FDA for a self-determination of Generally Recognized as Safe (GRAS) for this unapproved feed ingredient. The program further advised both entities that all activities must go through the Department's advisory board and TASC for approval.

Chair Arana agreed with Leal stating that this topic be a discussion for the next TASC meeting to determine TASC recommendations to the secretary.

Samantha Moran-Defty gave a training update stating the SAFE program will be hosting two Food Safety Preventive Controls Alliance (FSPCA) Preventive Controls Qualified Individual virtual trainings in December. Medicated feed label training will be reviewed

on a firm by firm basis to ensure firm's issues are addressed and corrected. A general label guidance will be published on the SAFE webpage.

Moran-Defty reported the original AFRPS-CA is complete; an audit is scheduled for fall of 2021 and reiterated that the five-year AFRPS Maintenance CA application has been accepted by FDA.

Moran-Defty gave a summary on the hemp residue feeding trial at UCD. The research was performed using lipid-extracted hemp residue from cannabidiol (CBD) extraction. The hemp product was reviewed for composition, cannabinoid, mycotoxin, heavy metals, and pesticides. The hemp product was fed to lactating goats with various amounts of molasses to determine the palatability. No pesticides or mycotoxin were detected; 0.838 percent of CBD detected, no detectable tetrahydrocannabinol. The product was 13 percent crude protein and 25 percent neutral detergent fiber with 33 percent fat, concluding a good source of energy and fiber. Moran-Defty reported that three different diets (controlled, low and high diet) with four goats per diet were each fed for 28 days. Body weight, urine, feces, and blood were collected weekly and adipose tissue was collected on day 28. All collected samples are awaiting analysis for various cannabinoid concentrations.

Leal reported the FIAB regulatory subcommittee met twice in September and October and made recommendations to the board regarding education and outreach, data collection and reporting, and market analysis. The regulatory subcommittee will utilize the Association of American Feed Controls Officials' feed ingredient definition for food byproducts in three overarching categories: 1) food processing waste, 2) restaurant food waste and 3) recovered retail food.

Leal stated that the subcommittee recommended that byproducts be charged a lower tonnage tax rate to incentivize reporting where tonnage will be assessed at 50 percent of the current tonnage tax rate for all other feed. A flat fee will be assessed for firms reporting low tonnage and a license fee will be \$100. Firms will not pay tonnage but will be required to report tonnage up to \$100. Tonnage reported up to \$100 will be absorbed into the license fee. The regulatory subcommittee also recommended that the Department continue its collaboration with CalRecycle in establishing an accurate data accounting baseline for organic recycling taking place outside of the waste stream through agricultural activities. Reporting requirements should be developed by the Department in consultation with Ashlee Yee, Senior Environmental Scientist (SES) (Specialist) from CalRecycle, to meet the compliance with greenhouse gas reductions mandates. Leal expressed the importance of not double reporting and that the Feed program would like to be involved with the CalRecycle reporting to ensure consistency.

Lastly, the subcommittee recommended CalRecycle and the Department conduct a market analysis with the input of stakeholders (California Grain and Feed Association, dairy, cattle, California Farm Bureau Federation, Agricultural Council of California, Dairy

Council of California, American Registry of Professional Animal Scientists). The subcommittee recommended the Feed program utilize the 2018 BCP to guide program expenditures and Feed program activities. The budgetary impact to the program will include one SES Specialist, an existing vacant position.

MOTION: Michael Koewler moved to approve the FIAB regulatory subcommittee recommendations; Jeremy Banducci seconded. The motion passed unanimously with a vote by all board members present of 9 to 0.

Leal presented a lab transition update. The Feed program started working through the process of submitting samples back in September. There are two executed agreements with UCD labs. The Feed program has met with the UCD labs to discuss the process of sample submission and reporting, and potentially moving away from the program's internal INSPECT database, finding another data organization tool to improve efficiencies and sample turnaround times. The Feed program has started to build this tool to input data from UCD, and organize and obtain the data from sample data sheets from the field staff to generate a lab report for industry. Sample data sheets from the field will automatically prepopulate with the only requirement to enter the results from the lab coordinators desk. Entered results will already have predetermined analytical variations which will allow staff to generate lab reports for program to review and approve online. The Feed program is also planning to email lab reports instead of sending by mail to licensed firms and reminded industry to ensure the appropriate contact person is on file through the Extraview Database.

CENTER FOR ANALYTICAL CHEMISTRY (CAC) LAB UPDATE

Maryam Khosravifard reported that as of September 2020, CAC received a total of 153 samples; 99 percent were completed. CAC completed a total of 575 assays with a 3.4 percent average number of assays per sample. Khosravifard provided a breakdown of assays completed from July 1 through September 30, 2020, highlighting an average nine-day sample turnaround time.

CALIFORNIA GRAIN AND FEED ASSOCIATION (CGFA) / ALMOND ALLIANCE UPDATE

No update was made.

PUBLIC COMMENT

No public comments were made.

AGENDA ITEMS FOR FUTURE MEETINGS

Chair Arana asked the board for agenda items for the next meeting.

Leal stated the program will include the lab revised budget.

Tad Bell asked that the California's Secure Food Supply program update be an agenda item.

NEXT MEETING

Leal proposed that the next FIAB meeting be held in mid-January of 2021. Members will be polled to select a date for January 12, 13, 14.

MOTION: Shay Rambur moved to adjourn the meeting; Dan Rice seconded. The motion passed unanimously with a vote by all board members present of 9 - 0.

ADJOURN

The meeting was adjourned at 12:10 p.m. by Chair Arana.

Respectfully Submitted By

ORIGINAL SIGNED BY JENNA LEAL

11/12/2020
Date

Jenna Leal, Feed Program Manager
Feed, Fertilizer, and Livestock Drugs Regulatory Services