

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

**Stanislaus County Farm Bureau
1201 L Street
Modesto, CA 95553
(209) 522-7278**

**December 10, 2013
9:00 AM to 12:00 PM
MINUTES**

MEMBERS

John Kauffmann
John Walth
Marit Arana
Michael Koewler
Paul Parreira
Thomas Daly
Thomas Geary
Thomas Prokop
Tim Riordan

CDFA

Elaine Wong
Gary Castro
Jenna Areias
Maria Tenorio
Mike Davidson
Nirmal Saini
Rick Jensen

INTERESTED PARTIES

Kelly Covello
Tad Bell

INTRODUCTIONS AND ANNOUNCEMENTS

The board meeting was called to order at 9:10 a.m. by Chairperson, Mr. John Walth. Self-introductions were made and a quorum was established.

Mr. Nirmal Saini stated Mr. Nick Condos has been appointed as the Director of the Plant Health Division, and Ms. Karri Morrow has been appointed as Director of the Administrative Services Division.

Ms. Jenna Areias informed the board Ms. Irene Vera, Office Technician for the Feed program, recently accepted an Executive Assistant position at the Division of Inspection Services, working for Mr. Rick Jensen.

APPROVE SEPTEMBER 18, 2013 MEETING MINUTES

Mr. Walth requested the board review the meeting minutes from the previous board meeting.

MOTION: Mr. Michael Koewler moved to approve the September 18, 2013 meeting minutes as submitted. Mr. John Kauffmann seconded; the motion passed unanimously.

DEPARTMENT / DIVISION / BRANCH UPDATES

Mr. Jensen stated at the Division level, a teleconference was held with the United States Department of Agriculture (USDA). There is a long standing issue with the Inspection and Compliance branch's fresh side of agriculture, which if implemented by USDA, would impose cost increases to the almond industry.

Mr. Jensen stated from a Branch perspective, an advertisement is out to fill a Branch Chief position in the Feed and Livestock Drugs program, and to fill an Environmental Program Manager II (EPM II) position in the Feed and Fertilizer Branch. Additionally, Mr. Jensen requested representation from the feed and fertilizer industry to review the EPM II applicants; there is currently a 10 business day job posting.

The board determined that Mr. Koewler and Mr. Walth will assist Mr. Jensen in screening candidates for the EPM II position.

FUND CONDITION

Ms. Areias informed the board at the previous meeting, the board voted to increase the feed license fee from \$400 to \$500. Due to the limited board representation at the time of the meeting, and the narrow passage, the Department returned the recommendation to the board for further review.

Ms. Areias stated as of July 1, 2013, the combined total of the CDFA account and the Bank of America account was \$1,450,133. Revenue was \$1,006,263; expenditures were \$989,124. As of October 31, 2013, the ending combined balance was \$1,467,272.

Ms. Areias stated for October 2013, there were 1,313,562 tons of feed sales reported. Mr. Walth stated the Division's policy is to have a 50 percent reserve, which is about \$1.6 million. The law requires the program maintain a 25 percent reserve; there is currently approximately a thirty three percent reserve.

Mr. Thomas Prokop commented feed tons look low for October. Mr. Kauffmann indicated the industry may be getting accustomed to the assessment fee of \$0.12.

Mr. Walth informed the board the maximum amount the license fee can be is \$600; the tonnage tax can only be raised to \$0.15.

Mr. Jensen stated the program reserve needs to be stabilized.

The board reviewed budget projections for fiscal year 2014/15. They reviewed the revenue to decide if the tonnage tax and/or the license fee needs to be raised.

Discussion ensued regarding the reported tonnage for October and increasing the feed license fee.

MOTION: Mr. Michael Koewler moved to increase the feed license fee from \$400 to \$500, effective July 1, 2014; Mr. John Kauffman seconded. The board voted: seven yeas, one nay, and one abstention; the motion passed.

FEED PROGRAM UPDATES

Ms. Areias informed the board that the Feed program has contracted with Cooperative Agricultural Support Services (CASS) to provide support, particularly in preparation of the Food Safety Modernization Act (FSMA). Two Feed, Fertilizer, and Livestock Drugs inspectors have been hired through CASS: Mr. Ted Bert and Ms. Samantha Moran. Ms. Moran was an intern and is now a CASS employee. She has been assisting the Safe Animal Feed Education program in preparing for the FSMA regulations. She is also assisting the program in building a matrix based upon areas of importance related to animal feed safety, and will be working in coordination with the California Grain and Feed Association to provide resources/outreach to the California feed industry.

Ms. Areias stated the proposed feed rule was released. The program divided the regulation document into several sections, and reviewed it as a team. Each field staff reviewed 15 pages; as a team the program developed comments to be submitted to the Food and Drug Administration (FDA). In addition, the FDA held a comment session last week and the program identified areas of concern.

Mr. Mike Davidson observed in one section of the regulation, the FDA asserts there is no need to separate animal feed from pet food because they share common equipment and ingredients; the program disagrees. The American Association of Feed Control Officials (AAFCO) has separate regulations and so do all state agencies. The FDA will clarify the regulations through guidance documents. The program believed it is better to clarify through regulations, not through guidance documents.

Mr. Kauffmann commented he agrees with the program.

Ms. Kelly Covello commented that in the produce safety rule, the FDA allows for variances to their requirement if there are similar assurances; the feed rule does not have that allowance for variance. Their rules are based on a risk-assessment the FDA prepared.

Discussion ensued regarding the proposed feed rule; February 26, 2014 is the end of the comment period.

Mr. Jensen informed the board that Mr. Davidson and Ms. Areias will be attending AAFCO's mid-year meeting on January 8-11, 2014. Mr. Davidson is on the National Food Alliance and the National Feed Alliance committees and Ms. Areias is on the National Good Manufacturing Practice Alliance committee.

Mr. Tad Bell asked if AAFCO plans to make a formal comment to the proposed feed rule. Mr. Davidson stated he does not know; he further stated that Mr. Tim Dardin, from New Mexico, is going to step down January 1, 2014. It is important AAFCO take a position on these rules.

Ms. Areias informed the board that the Feed program requested the Livestock Drugs program be audited internally to examine revenue and expenditures. The auditors agreed the Livestock Drugs program is being subsidized by the Feed program; it should be separated and have its own Program Cost Account code. The program recently started tracking field activities separately. Additionally, CASS staff are being trained on how to inspect livestock drugs; renewals are January 1, 2014.

Mr. Walth observed an overlap between tissue residue and livestock drugs; the majority of the tissue residue contract work is injectables for treatment. He requested the program bring the board a detailed cost breakdown of revenue and expenditures for the Livestock Drugs program. Ms. Areias remarked the program did not get the sliding scale fee increase, so the program must work within its means.

Mr. Tim Riordan asked why Assembly Bill 1132 did not include the sliding scale fee increase for livestock drugs. Mr. Jensen stated he did not personally interact with the sponsor of the bill, but it seems that manufacturers and distributors did not agree with the sliding scale fee increase.

Ms. Areias stated she has been working with Ms. Elaine Wong at the Center for Analytical Chemistry (CAC). They have been in discussion regarding the way routine and label compliance samples are being run; they will be implementing a new schedule which will reprioritize assays. It will be based on food and feed safety and risk. The current Memorandum of Understanding (MOU) will be revised to incorporate the changes.

Ms. Kelly Covello asked if routine almond hull samples will still be done in a 30-day turn-around time. Ms. Areias stated feed and food safety will be the priority, and label compliance will be secondary.

Ms. Areias informed the board the program met with Mr. Saini and Ms. Wong to look for gained efficiencies and process improvements as a result of prioritization and sample batching. Personnel reductions were achieved by having one person handle the feed and fertilizer samples, instead of two. Another efficiency gained by reducing one Chemist from full-time to part-time. Other efficiencies include reducing the amount of solvents and supplies by \$10,000 annually. The CAC also agreed to decrease the equipment fund from fiscal year 2010/11 by approximately \$35,000. The Feed program and the CAC will review the feasibility of additional gained efficiencies after March 2014.

FIELD ACTIVITIES REPORT

Mr. Bell commented if the CAC does not take samples for quality control anymore, and if regulatory samples are going to the CAC, industry should be notified if they can pay the CAC to test their samples to ensure calibration of equipment.

Ms. Areias stated the program is pursuing almond hull violations to go to the District Attorney's office because it is a persistent issue.

Ms. Covello asked if the CAC can run ADF, lignin, and total sugar as invert so samples can be split. Additionally, Ms. Covello requested regulatory samples and almond hull samples be split and given to four labs to assist the industry in ensuring the four most common labs are being used for check and balance.

Ms. Areias stated she and Ms. Wong have had discussion regarding splitting almond hull samples; the CAC will now start splitting samples.

Ms. Wong stated the lab is having issues running lignin.

Mr. Davidson informed the board antibiotic positive milk was discovered; it was diverted to calf ranches as feed by a licensee, under CDFA protocol, with joint resolution with Milk and Dairy Foods Branch. All diversion of food must be done by a firm with a current CDFA license.

Mr. Davidson informed the board the Feed Program will to continue preparing for FSMA. Process verification inspections are being conducted at high-risk feed manufacturers. The inspections are not regulatory, but an evaluation of compliance with FSMA feed regulations and prerequisite programs.

Mr. Davidson informed Notice of Warning's are being issued for labels not being legible.

LAB REPORT/UPDATES

Ms. Wong reported from January through October 2013, there were 1,096 samples sent to the lab. There were 658 routine samples, 59 priority samples, 53 partial rush samples, and 326 rush samples. The average number of assays completed per sample was 5.51. The bulk of samples were done in 14 days or less.

Mr. Thomas Geary asked the program to determine how many of the 1,096 samples were investigational versus regulatory. Ms. Areias stated the program can run a query to determine that.

ADDITIONAL ITEMS / NEXT MEETING

Ms. Covello provided the board with an update of the ongoing efforts with the Almond Hullers Task Force. Additional samples are being run (approximately 300 samples) and

the results will be shared with the American Registry of Professional Animal Scientists nutritionists. There may be another meeting in January 2014.

Mr. Walth informed the board three members terms will expire on April 2014; the nominating working group will review applicants. One of the vacancies is for a public member. The nominating working group consists of Mr. Thomas Daly, Mr. Paul Parreira, and Mr. Kauffmann.

The next board meeting will be in Modesto, at the Stanislaus County Farm Bureau, on March 4, 2014, with a start time of 9:00 a.m.

MOTION: Mr. Michael Koewler moved to adjourn the meeting at 12:15 p.m.; Dr. Marit Arana seconded. The meeting was adjourned by Mr. John Walth.

Respectfully submitted by:



Jenna Areias, Feed Program Supervisor
Feed, Fertilizer and Livestock Drugs Regulatory Services

12/10/13
Date