

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

**2800 Gateway Oaks Drive
Sacramento, CA 95833
(916) 900-5022**

**September 18, 2013
9:00 AM to 12:00 PM
MINUTES**

MEMBERS

John Kauffmann
John Walth
Marit Arana
Thomas Geary
Thomas Prokop
Tim Riordan

CDFA

Asif Maan
Elaine Wong
Gary Castro
Jenna Areias
Maria Hicks
Mike Davidson
Nirmal Saini
Rick Jensen

INTERESTED PARTIES

Justin Oldfield
Kelly Covello
Tad Bell

INTRODUCTIONS AND ANNOUNCEMENTS

The board meeting was called to order at 9:00 a.m. by Chairperson, Mr. John Walth. Self-introductions were made and a quorum was established.

Dr. Asif Maan informed the board that Ms. Jenna Areias is now acting Branch Chief of the Feed and Livestock Drugs program. The program is going through the exam process to fill the position permanently.

APPROVE JUNE 26, 2013 MEETING MINUTES

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

MOTION: Mr. Tim Riordan moved to approve the June 26, 2013 meeting minutes as submitted. Mr. Thomas Prokop seconded; the motion passed unanimously.

DEPARTMENT / DIVISION / BRANCH UPDATES

Mr. Rick Jensen informed the board that Secretary Karen Ross is in China this week.

Mr. Jensen informed the board Mr. Nate Dechoretz, Deputy Secretary of Finance, has announced his retirement at the end of September 2013. The Department will be looking to fill that position.

Mr. Jensen stated Commissioner Margaret Hamburg and Mr. Mike Taylor from the Food and Drug Administration (FDA) toured rice fields in California to look into the issue of arsenic in rice. The Department met with Commissioner Hamburg and Mr. Taylor to discuss the Food Safety Modernization Act (FSMA) and its impacts. The majority of the conversation revolved around the proposed Produce Rule. Mr. Jensen asked FDA on behalf of the Feed program and the industry the timeline of when the proposed Feed Controls rule will be released. The Department was informed that there is a court order stipulating the rule has to be released by mid-November, but the goal is to have the rule out sooner.

Dr. Maan informed the board that Recommendation 11 from the State Water Resources Control Board (SWRCB) required the Department to form the Nitrogen Tracking and Reporting System (NTRS) task force, comprised of various stakeholders, agricultural community, and academia to address nitrate in groundwater. The Department held several meetings and is currently in the process of writing the final recommendation.

PROGRAM UPDATES/FIELD ACTIVITIES REPORT

Mr. Mike Davidson provided updates for field activities. The special investigators are reviewing unapproved feed ingredients, food processing waste and feed licensees, and almond hull inventory quarantines. The Feed program has developed a California process verification inspection checklist for firms that manufacture medicated feed using type A drugs, and/or use selenium premixes over 600 parts per million (PPM). Regulatory action will be taken for almond hull violations when firms do not have a quality assurance plan in place that tests for fiber at the huller.

Mr. Davidson informed the board a notice was sent to private labs informing them aflatoxin results must be included on Certificate of Movements and informing them two samples per year must be sent to the Center for Analytical Chemistry (CAC) for aflatoxin analysis for cottonseed products to ensure their results are comparable. All aflatoxin levels should be below 20 parts per billion (ppb).

Ms. Jenna Areias stated that the Feed program will now be conducting 20 Good Manufacturing Practice (GMP) inspections in addition to the routine Bovine Spongiform Encephalopathy (BSE) inspections the program is contracted to do for the FDA.

Mr. Tad Bell asked if the twenty GMP inspections will be announced. Mr. Davidson stated the 20 GMP inspections are for unlicensed facilities and will not be announced. The FDA believes there are 6,000 unlicensed firms throughout the country, and this will assist the FDA on getting a handle of the facilities that are operating. Mr. Bell requested outreach be done to inform the industry of these inspections since this is the first year they are being conducted. Ms. Areias stated that the program can work with California

Grain and Feed Association (CGFA) to publish an article in the Conveyer to inform industry.

Mr. Bell also requested the program inform the dairy industry of high level of tissue residue inspections, and inform the Dairy Food Branch's advisory group what industry practices need to be changed. Mr. Davidson stated the program is currently working with the Animal Health Branch on the livestock identification issue and the program hands out informational guidance documents with every tissue residue inspection completed.

Mr. Riordan requested Dr. Maan work with Dr. Stephen Beam from Animal Health on these issues. Mr. Davidson stated FDA's quarterly meetings discuss foodborne illnesses and food and feed safety issues. Dr. Annette Whiteford Jones, Animal Health's veterinarian, and Dr. Richard Breitmeyer attend the quarterly meetings. Ms. Areias commented Dr. Beam will be a member of the board's technical advisory subcommittee to review unapproved/new/undefined feed ingredients.

Mr. Justin Oldfield commented the program should look at areas where tissue residue violations are being found due to public awareness on this issue. He stated California should be involved; it should be discussed above and beyond informal communication. The California Cattleman's Association (CCA) is getting very frustrated with this issue, and at some point will make a recommendation on this issue. Mr. John Walth asked if the board can count on CCA to assist in increasing the fines by pushing legislation through. Mr. Oldfield stated he is not going to comment on that.

Ms. Samantha Moran provided information regarding her American Registry of Professional Animal Scientists and California Grain and Feed Association (ARPAS/CGFA) internship. She informed the board she drafted a hazard analysis form to see risks associated with the hazard. If there are risks associated with the hazard, you move to preventive control. She went over standard operating procedures (SOP) on how to perform tasks related to hazards and risks. The plan also included how to write an SOP. She provided the board with an example of whole/flaked barley and how to complete the preventative control measure sheet that she established.

UPDATE OF WORKING GROUP RECOMMENDATIONS

Ms. Areias provided a working group update. She stated the program drafted by-laws for the technical advisory subcommittee of the board. They need to be approved by the board before the committee can be assembled. The program would like to hold the first meeting by the end of 2013.

MOTION : Mr. Tim Riordan moved to approve the by-laws of the technical advisory subcommittee of the Feed Inspection Advisory Board. Mr. John Kauffmann seconded; the motion passed unanimously.

MOTION: Mr. Tom Prokop moved to accept the individuals below as subcommittee members. Mr. Thomas Geary seconded; the motion passed unanimously.

1. Dr. Steve Beam, Branch Chief, Milk and Dairy Branch, CDFA
2. Dr. Robert Poppenga, CAHFS, Veterinarian, Toxicologist
3. Dr. Marit Arana, A.L. Gilbert Company, Board Member
4. Mr. Tim Riordan, Nutri-Systems, Incorporated, Board Member
5. Ms. Natalie Krout-Greenberg, CDFA, Subject Matter Expert
6. CDFA, Animal Health Branch, Veterinarian

The Cooperative Agricultural Support Services (CASS) contract has been approved by the Department and CASS. CASS has advertised for an inspector for the Tulare/Fresno area. Mr. Ted Bert, currently a CDFA seasonal employee, may be transferred into a CASS position. The second inspector position will not be filled right away.

Ms. Areias stated Assembly Bill (AB) 1132 raised the livestock drug license fee from \$25 to \$50. However, the sliding scale of restricted livestock drug registration was not included in AB 1132 by the author.

Ms. Areias informed the board the program had an all-staff meeting August 14-17, 2013. During the meeting, program structure and duties were reviewed. Additionally, program goals were set and special investigator duties were realigned. Program staff will attend a minimum of two of FDA's free federal trainings this year. Database training was held by Mr. Gary Castro, to implement new database procedures. The new program policies and goals will gain efficiency and cohesiveness of: chain of custody, complaint/inquiry procedures, process verification inspections, and federal contract work.

FUND CONDITION/2014/15 BUDGET APPROVAL

Ms. Areias provided an explanation of the fund condition to the board. She highlighted as of July 1, 2012, the program had a combined total of \$1,088,269 in the CDFA account and \$848,688 in the Bank of America account, totaling \$1,936,957. There was \$2,338,434 in revenue, and \$2,825,258 in expenditures. As of June 30, 2013, the ending CDFA account balance was \$655,483; the Bank of America ending account balance was \$794,650. The ending combined balance was \$1,450,133.

Ms. Areias went over the budget spreadsheet, and showed the board encumbrances and the CASS contract has been added to the budget sheet as new line items. Total program costs for the proposed Fiscal Year (FY) 2014/15 budget for Feed will be \$3,236,645 and the proposed FY 2014/15 SAFE budget will be \$225,704. The combined total proposed budget for FY 2014/15 is \$3,462,349. Ms. Areias informed the board total program costs do not include reimbursements of the gas tax or FDA TR and BSE contracts.

Ms. Areias reviewed the projected FY 2014/15 revenue and expenditures, including the lab equipment fund. At the current tonnage rate of \$0.12 per ton, the program will continue diminishing the reserve; projections show after FY 2014/15, the net reserve will be \$604,325 (including the lab equipment fund). Ms. Elaine Wong stated that the CAC still has contracts that have not been paid, so the reserve for FY 2012/13 may be reduced. The FY 2011/12 reserve is more accurate because that fiscal year has officially closed.

Mr. Tim Riordan asked if the remaining funds for FY 2012/13 will be used to replace the protein analyzer. Mr. Nirmal Saini stated the CAC will be placing an order within the next week.

Discussion ensued regarding the reserve continually being depleted and how to either decrease expenditures or increase revenues.

MOTION: Mr. Thomas Prokop moved to approve the combined proposed FY 2014/15 budget in the amount of \$3,462,349. Mr. Thomas Geary seconded; the motion passed unanimously.

Chairperson Walth encouraged discussion to increase the feed license fee from \$400 to \$500, and informed the board a motion would be needed today since the Office of Administrative Law only makes new regulations effective on a quarterly basis.

Discussion ensued regarding the Livestock Drugs program not being self-sufficient and the reserve continuing to decrease.

MOTION: Mr. John Kauffmann moved to increase the feed license fee from \$400 to \$500 effective July 1, 2014. Dr. Marit Arana seconded; the motion passed three to two with one abstention.

Mr. Tad Bell commented the board constantly discusses revenue and should address expenditures equally. Chairperson Walth encouraged the board to address specific areas the program can cut expenditures. He commented the industry requests a large quantity of work be done, but often does not want to fund the program. There will be more work for the program when FSMA regulations become effective.

Mr. Geary iterated budget items fall into three categories: expenses that are mandatory by the state, actual expenses, and shared expenses between programs. Previously, the board has reviewed the percentage split between feed and fertilizer; this has not been done in approximately five years. Dr. Maan stated that feed and fertilizer used to be one program, but they are now separate programs and do not share a budget.

- A break was taken from 10:45 a.m. to 11:00 a.m.

IMPERIAL VALLEY WORK PLAN REPORT AND PROPOSAL

Mr. Justin Oldfield presented to the board the Imperial Valley Work Plan's 2-year pilot program. He highlighted the program objective was to provide a safe, secure, and verifiable method for growing and feeding corn to beef feedlot cattle in Imperial Valley. Mr. Oldfield stated the FDA approves the feeding of corn to beef feeder cattle with total aflatoxin levels below 300 ppb. In the pilot program, corn that tested greater than 20 ppb was disposed of, or treated. All participants were required to follow the work plan, sign an agreement, and any movement of affected corn was required to be reported under a Certificate of Movement. Mr. Oldfield highlighted past challenges, including the Neogen Accuscan quick test method. Feedlot staff were trained by CDFA staff and to ensure Grain Inspection, Packers, and Stockyards Administration (GIPSA) guidelines were met. Sample comparisons between field tests and High Performance Liquid Chromatography (HPLC) methods were unacceptable. Therefore, each load had to undergo HPLC tests; this created storage issues at feedlots. Solutions were realized and all loads were diverted to a single testing facility in Brawley. Mr. Oldfield confirmed all split sample test results, with the exception of one, were consistent. Four split samples exceeded the >100 ppb; one was disposed of immediately, and the other three were not >100 after being tested by the private lab.

Mr. Oldfield requested the board extend the work plan for an additional two years. The first twenty samples would have an HPLC comparison. The Department of Pesticide Regulation (DPR) has approved the use of (*Aspergillus Flavus*) AF 36 in Imperial County for the treatment of feed corn. There is large interest from farmers and program set to grow in 2014. This year, there was approximately 7,000 tons.

Dr. Maan stated CDFA incurred costs due to CCA's program. Costs include an inspector's time spent on the project and samples that were sent to the lab. Ms. Wong stated approximately 40 samples were tested by the CAC the first year, and over 20 samples were tested by CAC the second year. Mr. Oldfield stated there was not any agreement to cover CDFA costs. Dr. Maan stated in the motion when the board approved this pilot program, it stated there should be no additional costs to the program. Mr. Oldfield stated he needs to report to his feeders before committing to picking up any costs. Chairperson Walth stated not having additional work to the program was discussed in the meeting at San Luis Obispo when the pilot program was approved.

Discussion ensued regarding costs to CDFA. Chairperson Walth stated the board has the option to make a motion to approve an additional two years of the pilot program.

MOTION: Mr. Tim Riordan moved to approve another two year pilot work plan with the caveat that California Cattlemen's Association sends as few samples as possible to the Center for Analytical Chemistry to reduce potential program costs to CDFA. Mr. John Kauffman seconded; the motion passed unanimously.

ADDITIONAL ITEMS / NEXT MEETING

The next meeting will be held on December 10, 2013 in Modesto at the Stanislaus County Farm Bureau at 9:30 a.m.

MOTION: Dr. Marit Arana moved to end the meeting at 11:30 a.m. Mr. John Kauffman seconded; the motion passed unanimously.

Respectfully submitted by:

Jenna Areias, Acting Branch Chief
Feed, Fertilizer and Livestock Drugs Regulatory Services

9/18/13
Date