MINUTES

**MEMBERS**
- Dan Rice
- David Meeker
- Jeremy Banducci
- Jon Handly
- Marit Arana, Chair
- Michael Koewler
- Shay Rambur
- Tim Riordan

**CDFA STAFF**
- Alejandro Ramirez
- Amadou Ba
- Angelia Johnson
- Ashley James
- Barzin Moradi
- Brittnie Sabalbro
- Casey Dykier
- Cathryn McCandless
- Chris Hansen

**INTERESTED PARTIES**
- Alejandro Hernandez
- Tad Bell
- Erika Lewis-Ortega
- Jenna Leal
- Jennifer Chan
- Jessica Lugo
- Kelsey Stevens
- Maryam Khosravifard
- Mike Davidson
- Natalie Krout-Greenberg
- Rachelle Kennedy
- Stacy Aylesworth
- Valerie Brott

**MEMBERS ABSENT**
- Paul Parreira, Vice Chair
- Paul Parreira

**INTRODUCTIONS AND ANNOUNCEMENTS**

Dr. Marit Arana, Chair, called the meeting to order at 1:04 p.m. Chair Arana informed the interested parties that per the Bagley-Keene Open Meeting Act, they are not required to sign in or identify themselves. Self-introductions were made, and a quorum was established. Paul Parreira was absent.

**APPROVE SEPTEMBER 26, 2019 MEETING MINUTES**

Chair Arana requested the board review the minutes of the September 26, 2019 FIAB meeting.
**MOTION:** Michael Koewler moved to approve the meeting minutes; Tim Riordan seconded. The motion passed unanimously with a vote by all board members present of 8 - 0.

**DEPARTMENT / DIVISION / BRANCH UPDATE**

Natalie Krout-Greenberg reported that the Governor’s proposed Budget for fiscal year (FY) 2020/21, released on January 10, 2020, reflects an augmentation of $188,000 for the Department to help provide dedicated resources to assist with CalRecycle regulations in minimizing food waste and finding processes for food waste to be resourced for feed products. A proposal for $10 million in FY 2020/21 for the Farm to School Program focuses on creating a pilot model for change in the school food system throughout the state.

Krouw-Greenberg stated that the food safety outbreaks which occurred last fall continue to consume a considerable amount of staff time from the Inspection and Compliance (I&C) Branch. I&C is working with the United States Food and Drug Administration (FDA) to perform investigations. The Centers for Disease Control and Prevention (CDC) and the FDA will release an update on case counts and the next steps for the investigation, as indicated by the statement issued by the Deputy Commissioner. Food safety work continues to be a significant priority for the Department and the California Department of Public Health (CDPH). The Department will hold a townhall meeting in Salinas, California on February 4, 2020, for growers to discuss cohort research addressing ways in which the Department could carry out a multi-year longitudinal environmental study.

Krouw-Greenberg stated that the CalCannabis program resides in three agencies: the CDPH, the Department of Consumer Affairs, and the Department; the cultivation licensing portion of CalCannabis resides in the Department. There has been discussion concerning the proposal to combine CalCannabis into one department to consolidate activities and gain efficiencies. The Department plans to monitor the impact of the proposal on Division staffing.

Dr. Amadou Ba announced the press release for board terms expiring April 30, 2020; two board members and one public member.

Dr. Ba stated that the Department has been working diligently to ensure all online documents are brought into compliance with the Americans with Disabilities Act (ADA). A contractor is assisting the Division with completing the ADA compliance project.

Dr. Ba provided a program update stating that the Fertilizer Program is getting two food safety positions. The duties of these positions would be to inspect fertilizer and compost products. The Fertilizer program has advertised the two positions and plans to hire in February.
Dr. Ba stated the Fertilizer Research and Education Program (FREP) has $1.5 million to fund for seven research projects. Two are compost centered projects that focus on mineralization and immobilization in the central coast region due to the Agricultural Order 4.0. Another project funded is through the University of California (UC), Davis regarding Certified Crop Adviser (CCA) online training. A special request for proposal (RFP) was submitted to researchers to address nitrogen issues in the central coast region, specifically the amount of nitrogen applied to the field, the amount removed from the soil, and the amount of residual nitrogen that remains in soil.

Dr. Ba reported that a new working group was established to study the environmental issues of on-farm composting. The working group, which includes CalRecycle, the California Environmental Protection Agency (Cal EPA), the Federal EPA, the Department, the US Department of Agriculture (USDA) and the Natural Resources Conservation Service (NRCS), was created to find ways for on-site farm compost to mitigate environmental issues caused by manure.

**FUND CONDITION / TONNAGE REPORTING**

Jenna Leal announced that the Fi$Cal system continues to make progress. As of June 30, 2019, the program can now validate from Fi$Cal with the former Management Automated Reporting System (MARS) for more accurate reporting numbers. The beginning balance from July 1, 2018 for Feed and the Safe Animal Feed Education program (SAFE) was about $4.7 million; total revenue was about $3.3 million; expenditures were about $3.6 million; encumbrances were $203,723; and the adjusted balance for Feed and SAFE were about $4.1 million. Leal reported that there were over 23 million tons reported for the end of FY 2018/19.

**BUDGETS – FEED, SAFE, LAB, LIVESTOCK DRUGS, AUS**

Cathryn McCandless, Environmental Scientist (ES) for SAFE, gave an update on SAFE program priorities for board direction, reporting that knowledge of hemp is a top priority for the feed industry in California.

McCandless stated that SAFE has partnered with UC Davis to conduct research pertaining to cannabidiol (CBD) and hemp products. With limited data available, SAFE is seeking to learn more about hemp by-products as a feed ingredient. SAFE has identified two by-products, CBD press and biomass, and will study the effects as they relate to nutrient qualities and their potential as feed ingredient.

SAFE has partnered with UC Davis researchers. The researchers plan to feed these by-products to goats to study the effects on their metabolites, identify potential residual tetrahydrocannabinol (THC) or CBD, and learn more about CBD press and biomass.
Leal informed the board that the CBD oil by-product research project is a priority, and under her direction the program has been working with UC Davis’ Ed DePeters, Ph.D. and Dan Putnam, Cooperative Extension Specialist, due to its priority and order from the Secretary. McCandless presented the research project to inform the board about the $75,000 SAFE budget line item and what the program has earmarked for an ongoing project.

Leal reported that at the last FIAB meeting, the budget was approved except for program recoveries and the lab line item. Leal gave an update on recoveries, stating that the program has a Cooperative Agreement (CA) with FDA for Judicious Drug Use, formerly known as the Tissue Residue, which is a recovery for the Livestock Drugs (LD) program. The Feed Contract, which is also a recovery, allows the program to carry out inspections for the Food and Safety Modernization Act (FSMA), Current Good Manufacturing Practices (cGMP), Bovine Spongiform Encephalopathy (BSE), and Preventive Controls (PC).

Leal informed the board that the program will always have to have a separate and distinctive animal feed contract in California because the program has not adopted the PC rule for animal food by reference in its entirety until the program becomes FDA equivalent.

The CA for the Animal Feed Regulatory Program Standards (AFRPS) is coming to an end. FDA will issue and release a five-year maintenance CA for states that have fully implemented AFRPS and want to continue maintenance work on the standards. Leal reported that the CA funding is categorized in tiers by the current contract workload inventory. The Feed program’s inventory held in California is far greater than FDA’s inventory and FDA’S lower numbers negatively impact the Feed Program. Leal is working with FDA to ensure the program is placed in the correct funding tier. The program is focused on aligning its workload with FDA and addressed the issue with FDA during the work planning meeting.

Leal stated the RFP for the AFRPS CA will be released and available for the program to apply in February-March; the start date for a five-year contract of a minimum of $525,000 will be September 1, 2020. SAFE will be utilizing the $75,000 allotted in last years approved budget for the hemp research project. Leal advised the board to be aware that the program might want to look at other research aside from hemp, and possibly increasing the line item for FY 2020/21 proposed budget.

Tad Bell, California Grain and Feed Association (CGFA), suggested that the program determine the next phase and release a proposal to the public.

PROGRAM UPDATE / STRATEGIC PLAN FOLLOW UP / LAB UPDATE
Leal reported personnel updates, announcing that a Feed Program ES moved to the Fertilizer Program and the program has advertised to fill the Feed vacancy. The duties of this position are to work with SAFE and on environmental issues. The two ES positions and one program support staff position, which were acquired for FSMA work, will not be filled until board approval is received. Leal introduced Kelsey Stevens, Agricultural Technician I, a new hire for the San Bernardino county area. Stevens will be performing duties for the Feed and Antimicrobial Use and Stewardship (AUS) program, including retailer visits, Veterinary Feed Directive (VFD) follow ups, LD issues, and other Feed Program work.

Leal reported that there were several action items and recommendations made during the FIAB Strategic Plan Workgroup (SPWG) meeting. Based on the Department’s Center for Analytical Chemistry’s (CAC) new business model, the Feed program will be looking into:

1. Contracting out all assays versus partial assays and the costs associated (especially protein, fat, fiber, ash, and moisture)
2. Screening samples, including violative samples via the Near Infrared (NIR) equipment followed by further and detailed analyses from CAC
3. Identifying a backup plan for critical analyses
4. Splitting all samples for a minimum of 30 days to private lab to ensure continuity and compliance with AFRPS
5. Brainstorming potential law and regulation changes to occur
6. Proposing a one-week sample turnaround time
7. Foreseeing the budget with the addition of protein, fat, fiber, ash, and moisture in CAC’s new business model

The SPWG recommends that the board consider the proposed budget of $1.346 million plus the additional cost of $137,000 to continue label compliance assays for this fiscal year until further analyses are provided. It also recommends that the CAC budget line item remain on the FIAB agenda until issues are completely resolved.

Bell advised that the Feed program consult and obtain CAC’s recommendations on a Quality Control (QC) plan versus a split for discussion at the next FIAB meeting.

**MOTION:** Michael Koewler moved to approve the SPWG action items’ recommendations mentioned above for CAC’s new business model as it relates to the lab’s line item budget and the proposed budget of $1.346 million plus the additional cost of $137,000; Shay Rambur seconded. The motion passed unanimously with a vote by all board members present of 8 - 0.

Rachelle Kennedy reported that at the last FIAB meeting, the board requested an internal audit on the Feed program’s tonnage reporting. Kennedy presented a table illustrating the top 30 reporting firms over a five-year period, including the amount of
those who did and did not report and the amount of tonnage; Kennedy noted tonnage reporting has been quite consistent over the years.

Leal stated that the Feed program was also tasked to look at the program’s out-of-state feed pricing survey which could be on the agenda for the next SPWG meeting. The program felt it was appropriate to give a report to the board as everyone took part in or responded to the survey for out-of-state retail store packaged products. Kennedy presented the survey, which included reports from about 33 different states; the program had recorded price, type of product, size of package, converted tons, and dollar amounts. Leal stated that after conducting this month-long survey, the program felt that tonnage reporting should be a topic of discussion for the next SPWG and FIAB meetings.

Dan Rice agreed with the tonnage data analyses and suggested that the program identify firms not reporting tonnage and prepare a letter to send directly to those firms. Leal agreed stating that the program would draft a letter to send to the 550 non-reporting firms.

Bell commented that about 30 companies brought their concerns to the CGFA Board of Directors about the number of licenses required for out-of-state grain elevators. Bell asked if there is a way to identify types of licenses and if there is a possibility of exempting the out-of-state firms from California licensing requirements; if so, what is the expected loss to the program’s revenue. Bell requested that the program look at the issue and provide data for the next meeting. Leal stated that this issue has been discussed and that the program would present information at the next SPWG meeting.

Leal announced that the program has completed four of 22 FSMA inspections and that support staff has drafted the FSMA cGMP regulations.

The Feed program continues to focus on enforcement efforts on products containing CDB, hemp, and cannabis products, including whole corn and cottonseed and an isolated incident of botulism. The program has urged industry to cover their commodities to prevent weather damage issues.

Leal also announced that the program has published the first newsletter, which will be issued on a quarterly basis, to keep industry apprised of program accomplishments and activities. Board members will be added to the Feed ListServ, an email list the program uses to interface with industry, to receive the quarterly newsletter updates. Kennedy added that the program is open to any suggestions from the board on topics they would like to see in future newsletters.

Maryam Khosravifard reported that the sample turnaround time has improved, and backlog has cleared, as the CAC is implementing more of the new technologies. In 2019 Q1-Q3, only 40 percent of samples were analyzed within 15 days. While in 2019
Q4, 79 percent of the samples were analyzed within 15 days. Khosravifard presented the assay turnaround time report, highlighting that a small number of assays are contributing to a large sample turnaround time. CAC performed a total of 912 assays within a seven-day turnaround time.

OFFICE OF INFORMATION TECHNOLOGY SERVICES (IT) UPDATE

Jennifer Chan, Agency Information Officer of IT, gave an overview of the California IT organizational structure.

Chan presented the Department’s Office of Information Technology Services (OITS) authority; Government Code Sections 11545 and 11546 establish State IT Governance. OITS is responsible for ensuring compliance with the state information technology policy, maintenance and support of over 430 IT systems, implementation of new systems, new functionality and enhancements, and safety and security of the Department’s information and information assets.

Currently, OITS staff, which makes up 2.2 percent of the Department’s employees, serves 100 locations throughout the state, provides services for over 2,000 employees. Approximately 380, about 89 percent, of the previously mentioned IT systems are in-house custom-built applications (such as the Inspection Service’s database); with these applications, the chances are greater for fundamental design issues, susceptibility to failures, and deficient and/or non-existent documentation, and other issues.

OITS has released a strategic plan for FY 2020-25 with a mission to support the Department’s mission by providing strategic IT vision and delivering secure, reliable, accessible, and innovative enterprise services and solutions. OITS’s focus is to move toward one standard user access portal to access any business services throughout the Department in a single system.

OITS is primarily funded by indirect funds, which must be split among the executive office, legal, administration, and IT. The ag fund indirect cap of five percent further limits the funding available for IT, leaving OITS significantly underfunded by the Department for personnel services and operating expenses and equipment (OE&E).

OITS indirect costs include personnel services such as salaries and benefits, general expense to support IT staff and some enterprise costs. The Department is authorized for 75 IT positions but does not have funding to support those positions. The direct costs (i.e., Microsoft Office 365, new enhancements/functionality, etc.) are not part of the OITS baseline budget and must be directly billed to the programs.

The OITS baseline budget is about $8.1 million; of that, about $7 million is personnel services and general IT overhead and less than $1 million is enterprise OE&E. As a result, OITS must use direct billing to cover those costs not funded under indirect costs. OITS is working with management to address, prioritize, and develop a funding model for FY 2020/21 which will help determine what can be directly billed.
The Department’s programs have grown in complexity, authority and responsibility with no equal growth in OITS to support the needs of the growing programs. OITS has submitted over 50 budget change proposals (BCPs) and has not had a significant BCP approved. As a result, OITS does not have the IT framework and infrastructure to support business operations and critical business functions and regularly maintain critical system patches. Further, OITS has been out of compliance with State policy in the number of outages, and the severe backlog of incidents and service requests.

Tim Riordan asked how OITS plans to generate more money from the legislature. Chan responded that its request for general funds for an enterprise refresh cost for the Department in BCP FY 2019/20 was cut significantly, about 50 percent, by the Department of Finance. The Department has appealed, requesting to split general and special funds recognizing that OITS has access to only half of the funds.

Chan stated OITS has a delegation of $1 million to go through Stage 1 Business Analysis with California Department of Technology (CDT) approval. If a project is below the $1 million threshold, OITS can continue the project without CDT oversight; projects above the threshold, must get approval and request that CDT delegate authority for the project. OITS must find funding for the projects. The premise behind Stage 1 Business Analysis is to do more upfront planning, which includes identifying the business scope so that there is less scope change in the future, and less dollar and schedule change. This project planning can take six to nine months.

Chan established a mandatory IT work intake process; criteria for programs includes completing and submitting the SO-233 IT work intake form. Based on the submitted form, OITS works with the program to evaluate whether the work can be done internally and, if so, to identify timeframes based on OITS existing workload, and provide an estimate to the program to assist in deciding which direction to go. If a program submits a BCP that is mandate-related, OITS considers if there would a significant risk to the Department based on resources and provides recommendations to program management to decide where the program wants to be within the Department’s overall enterprise portfolio.

Riordan asked if the Feed program is on the priority list, what is the direction on where to move forward, and whether that plan is feasible or is it superseded by other demands?

Krout-Greenberg responded that there is a priority list, but only two of them are on the table for the IT governance committee. None of these are related to Feed Program. Krout-Greenberg stated that issues the program continues to talk about are: a) an inspection system that will allow the program to push reports to industry more efficiently, and b) a Laboratory Information Management Systems to interface with the inspection database. Krout-Greenberg reiterated the importance of preparing the upfront planning/costs to have a clear-cut vision for the commitment of time and resources.
Bell commented that as OITS pushes confidential BCPs through, it should consider how the monies are going to be allocated to the programs, emphasizing the importance of early communication about the proposed business model. Bell further stated that there must be transparency on the five percent indirect cap and suggested not using the five percent indirect cap as the reason the Department is unable to fund IT. Bell advised that the program start planning allocations, determining a proposed budget for next FY, and identifying a line item for it as needed.

TECHNICAL ADVISORY SUBCOMMITTEE (TASC) APPLICANTS

Leal announced that the press release to advertise four vacancies on TASC was issued on November 25, 2019 with a deadline due date of December 20, 2019; the program received two applications, Xixi Chen and Carl Old.

Chair Arana reported on the applicants, stating that Xixi Chen, a recent Ph.D. graduate, is relatively new to the feed industry. Chen has strong ties with manufacturing and ingredient suppliers in China with a swine nutritionist background and would bring in specific ingredients to the US livestock market. Chair Arana stated that she has known Carl Old for about 30 years. Carl Old has a strong ruminant background and Xixi Chen has a non-ruminant background, which is not well represented within TASC.

MOTION: Jeremy Banducci moved to approve the two applicants for TASC; David Meeker seconded. The motion passed unanimously with a vote by all board members present of 8 - 0.

Leal stated that the program will contact the two applicants to schedule a meeting and will re-advertise for two more TASC vacancies.

CALIFORNIA GRAIN AND FEED ASSOCIATION / ALMOND ALLIANCE UPDATE

Bell stated that he had already covered the licensing for out-of-state grain elevators and the progress on hemp analyzing the feed ingredient and labs.

PUBLIC COMMENT

No public comments were made.

AGENDA ITEMS FOR FUTURE MEETINGS

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

NEXT MEETING
Chair Arana proposed that the next meeting be held in the first two weeks in April of 2020 and stated members will be polled to select a date.

**MOTION:** Shay Rambur moved to adjourn the meeting; David Meeker seconded. The motion passed unanimously with a vote by all board members present of 8 - 0.

**ADJOURN**

The meeting was adjourned at 3:31 p.m. by Chair Arana.

Respectfully Submitted By

ORIGINAL SIGNED BY JENNA LEAL  
1/14/2020  
Date

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