

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

**CDFA
2800 Gateway Oaks Drive
Sacramento, CA 95833
Room 101
(916) 900-5022**

**June 14, 2017
9:00 AM**

MINUTES

MEMBERS

John Walth, Chair
Doug Stabelfeld
Marit Arana
Michael Koewler
Paul Parreira
Thomas Prokop

MEMBERS ABSENT

John Silva
Shay Rambur
Tim Riordan

CDFA STAFF

Adriana Avalos
Amadou Ba
Angelia Johnson
Brittnie Sabalbro
Carla Sanchez
Elaine Wong
Erika Lewis
Gabrielle McNamara
Jenna Areias
Jennifer Goucher
Max Meyer
Mike Davidson
Minal Patel
Natalie Krout-Greenberg
Nirmal Saini
Rachelle Kennedy
Samantha Moran

INTERESTED PARTIES

Kelly Covello
Tad Bell

INTRODUCTIONS AND ANNOUNCEMENTS

Mr. John Walth, Chair, called the meeting to order at 9:03 a.m. He informed the interested parties they are not required to sign in or identify themselves, per the Bagley-Keene Open Meeting Act. Self-introductions were made and a quorum was established.

APPROVE APRIL 11th, 2017 MEETING MINUTES

Chair Walth requested the board review the minutes of the April 11th, 2017 FIAB meeting. Ms. Jenna Areias requested, the term "CGFA" be corrected to "Almond Alliance of California" under the lab report update.

MOTION: Mr. Michael Koewler moved to approve the meeting minutes as amended; Mr. Thomas Prokop seconded. The motion passed unanimously with a vote by all board members present of 6 - 0.

DEPARTMENT / DIVISION / BRANCH UPDATE

Ms. Natalie Krout-Greenberg, Division Director, reported the Department has several rulemaking packets that are open for public comment. The Department's CalCannabis Cultivation Licensing program (CalCannabis) has held a number of public hearings. The final hearing and deadline for submitting written comments on the proposed Medical Cannabis Cultivation regulations is June 14th, 2017 in Sacramento, California.

On April 27th, 2017, the Department issued a revised Notice of Preparation of a draft Program Environmental Impact Report (PEIR) for CalCannabis, which is the first step in preparing a PEIR as required by the California Environmental Quality Act. Issuing the notice released a public comment period to allow agencies and interested parties the opportunity to provide input on the scope and content of the environmental analysis.

The division is actively working on a study of Genetically Modified Organisms (GMO) to identify how GMO's will interface with the animal feed industry, focusing more on the State Organic Program (SOP).

Ms. Krout-Greenberg announced, after 42 years with the Department, Mr. Nirmal Saini, Environmental Program Manager II for the Center for Analytical Chemistry (CAC) Lab, will retire in mid July. She then introduced Mr. Max Meyer and Ms. Gabrielle McNamara, interns for the Department's Internship Program. The program will provide interns with the opportunity to work on assigned branch specific projects within the Department and to gain a better understanding of agriculture in California.

Mr. Paul Parreira arrived at 9:08 a.m.

Dr. Amadou Ba provided Branch updates and reported the Fertilizer Research and Education Program (FREP) hired an Agricultural Aide, Ms. Nicole Crouch to assist with outreach activities. The Fertilizing Materials Inspection Program (Fertilizer) hired a Senior Environmental Scientist (SES) (Supervisor), Dr. Martin Burger. The Branch Office Support Staff Unit hired an Associate Governmental Program Analyst (AGPA), Ms. Adriana Avalos; and Mr. Jason Cho, previously with the Department's Pest Detection and Emergency Projects Branch, was hired as an Office Technician. The Feed and Livestock Drugs Inspection Program (Feed) hired a SES (Specialist), Ms. Rachele Kennedy. Dr. Ba announced Ms. Areias' Training and Development Assignment as SES (Supervisor) ends in August, resulting in a change in classification within the Feed program.

The Department sent Budget Change Proposal Concepts (BCP) to request positions for the Antimicrobial Use and Stewardship (AUS) and Fertilizer programs; if approved, the BCPs will impact both Feed and Fertilizer.

Dr. Ba stated Assembly Bill (AB) 1713, which will financially impact the Fertilizer program, requires that every licensee is inspected at the farm level. This bill will require the program to collect 1,000 new samples at the manufacturer and farm level. The Fertilizer program is analyzing the bill to determine the impact to the program, identify necessary resources, and evaluate a possible change in mill assessment rates.

Senate Bill (SB) 623 would establish the Safe and Affordable Drinking Water Fund. The goal of SB 623 is to have a comprehensive plan to address impacted drinking water systems. Environmental justice groups and administrative staff are meeting to come to an agreement on a solution; agricultural communities are working on a tax or a fee to provide the infrastructure for a program for clean and safe drinking water.

ELECTION OF VICE CHAIR

Ms. Areias announced Ms. Shay Rambur, J.D. Heiskell and Company, was approved by the Secretary to become a newly appointed board member. Chair Walth requested the board recommend a Vice Chair; Mr. Thomas Prokop recommended Dr. Marit Arana as Vice Chair.

MOTION: Mr. Michael Koewler moved to approve the recommendation of Vice Chair; Mr. Doug Stabelfeld seconded; Dr. Marit Arana abstained. The motion passed with a vote of 5 Yes, 0 No, and 1 Abstain.

FUND CONDITION / TONNAGE REPORTING

Ms. Areias reported as of April 30th, 2017, total combined funds for the Feed and Safe Animal Feed and Education (SAFE) programs were \$2,504,172; revenue was \$3,388,095; expenditures were \$2,378,389; and encumbrances were \$72,505; the total ending adjusted balance was \$3,441,373. The total adjusted balance for the Livestock Drugs (LD) program was \$246,571 and AUS program was \$351,349.

Ms. Areias reported the feed tonnage for FY 16/17 was 18,586,308 tons with tonnage revenue of \$2.2 million. The Feed program anticipates tonnage at approximately 21 million tons for the year.

Chair Walth requested the Feed program run an analysis of tons per species such as dairy, poultry, etc. Ms. Areias stated the Feed program will complete a historical breakdown of species.

Ms. Areias presented the five-year projection report, highlighting projections of revenue, expenditures, and total funds for FY 16/17 and 17/18. The projected revenue for FY 16/17 is based on 21 million tons and includes the \$526,500 civil penalty. The beginning funds for FY 16/17 is \$2,470,489; projected revenue is \$3,601,000, which reflect license fees and a SAFE program transfer of 15% of the tonnage tax. Expenditures are projected to be \$3,279,907, which include recoveries contingent upon

the availability of federal contract work and funds; total funds available are projected to be \$2,791,582.

Chair Walth asked when the board could make a recommendation to increase the tonnage fee for FY 18/19. Ms. Krout-Greenberg informed the board that the Feed Bovine Spongiform Encephalopathy (BSE) recovery does not include potential future federal work. The board can make a recommendation for July FY 18/19 by revisiting the tonnage fee at the next meeting. Dr. Ba added the board can increase the tonnage tax without the rulemaking process; tonnage tax changes would take effect the following quarter. Changes to the license fee require the Department to go through the rulemaking process.

Discussion ensued regarding the tonnage fees.

Chair Walth suggested an increase in license fee parallel to tonnage fee for 2018 be discussed and the possibility of reassessing the program's 2013 strategic plan as needed, at the next FIAB meeting.

FEED, LIVESTOCK DRUGS, SAFE, AUS PROGRAM UPDATE

Ms. Areias introduced two new hires for the AUS program, Ms. Erika Lewis-Ortega, AGPA, and Ms. Kennedy (previously introduced by Dr. Ba). Ms. Lewis-Ortega holds a Master of Information Science from San Jose State University. She worked with the Department for 11 years in the Fairs and Exposition Branch, FREP, and the Office of Grants Administration. Ms. Lewis-Ortega will collect data and manage regulations. She developed a rulemaking packet for the Livestock Drugs and AUS laws to clarify SB 27. Ms. Kennedy came from the Department's CalCannabis Cultivation Licensing program. Ms. Kennedy holds a Master of Animal Science from University of California (UC), Davis. She worked with the Department for 11 years in the Animal Health Division. Ms. Kennedy will be support staff to Ms. Areias, lead on AUS activities, and work closely with Ms. Lewis-Ortega.

Ms. Areias provided program updates. She and Ms. Krout-Greenberg attended the California Grain and Feed Association's (CGFA) Feed Manufacturers study group meeting regarding GMO's. GMO study work will impact the Feed program and field activities.

An audit from the Food and Drug Administration (FDA) regarding the Animal Feed Regulatory Program Standards (AFRPS) is scheduled for July 10th – 14th, 2017 with the Office of Budgets.

The Technical Advisory Subcommittee (TASC) meeting will be August 14th, 2017. Feed must develop regulations to clarify and define new and undefined feed ingredients, and food additives. TASC has been developing hazard analysis templates and examples for all approved feed ingredients.

Ms. Jennifer Goucher, Research Analyst I, and Ms. Samantha Moran, Environmental Scientist, completed a website refresh and logo design project. The new Feed, Livestock Drugs, and SAFE website is up-to-date and user friendly for industry to access materials. Industry can find their field representative by referring to the Department's Feed webpage which illustrates the program's Field Staff Territory Map, highlighting areas assigned to each inspector.

FEED AND LIVESTOCK DRUGS FIELD ACTIVITIES

Mr. Mike Davidson, Supervising Special Investigator I, provided an update of field activities. Feed continues to prioritize firms for the mandatory Food Safety Modernization Act (FSMA) Good Manufacturing Practices (GMP) readiness inspections.

The LD program visited 100 Restricted Livestock Drug (RLD) licensees throughout California to ensure they are keeping logs. The licensees were surveyed to see how many would handle California 'only' prescription drugs; only 10 to 15 percent plan to sell prescription antibiotics to livestock producers, which will be a huge impact on the small and backyard producers.

Mr. Davidson delivered a federal contract update. The Feed program anticipates the FDA Tissue Residue contract will be reduced significantly, due to less residue present. Ms. Areias reported that FDA changed the BSE contract to one umbrella Feed contract for BSE, GMP, and FSMA inspections. FDA's contract proposal for FY 17/18 includes ten Veterinary Feed Directive (VFD) inspections to be completed in conjunction with BSE inspections, and ten FSMA GMP inspections. The program is on track with federal contract work.

Mr. Tad Bell, CGFA, advised the program involve CGFA with a feed manufacturing study group to discuss the results and projected outcome of compliance with readiness inspections. He suggested Feed should provide outreach on a veterinary level to clarify new VFD requirements and recommended it use CGFA and the Farm Bureau to relay the message to industry. Also, Feed should pass on the probable effects from the VFD issues to small producers, so they can be ready.

Ms. Areias reported a complaint on alleged Monensin contamination in horse feed is causing illness in some horses; the death of two horses went viral on social media. Feed immediately began enforcement activities on the complaint. After thorough investigation, there was no detection of Monensin in the horse feed; and no violative observations at the feedmill. The program concluded horse death may occur without cause.

Ms. Kelly Covello, Almond Alliance of California (AAC), commented on how significant it is that individual companies have their own crisis management plan to monitor social media. She suggested Feed develop an example of a crisis management plan for industry to include as part of the food safety plan.

Feed will continue mycotoxin testing on whole corn products to see if the products would be considered a possible hazard, in addition to performing mixer studies and flush verification studies at firms manufacturing medicated feed.

All Feed staff attended the FSMA Food Safety Preventive Controls Alliance (FSPCA) Qualified Individual (QI) training; four field staff attended the California Animal Nutrition Conference in Fresno, California.

Ms. Areias provided an update on the LD program, highlighting that the number of RLD licensees will change significantly as over 150 unlicensed firms have been identified. LD field staff's primary focus is to visit all RLD licensees to gather sales data, fill out informational surveys regarding future sales of medically important antimicrobial drugs, and provide outreach for the 2018 AUS requirements.

Public hearings will be held for the AUS program initial proposed rulemaking in Northern and Southern California. The hearing dates will be announced when AUS submits the rulemaking packet to the Office of Administrative Law.

Ms. Areias reported she and Ms. Krout-Greenberg attended an industry stakeholder meeting for AUS on June 12th, 2017. Consumer advocacy groups, agriculture stakeholders, the Farm Bureau, the California Cattlemen's Association, the Veterinary Medical Board, UC Davis, and the Natural Resources Defense Council were in attendance. Feed will deliver outreach on patterns of regular use and non-preventive use of medically important antimicrobial drugs, and collect usage data in correlation to sales data where it applies.

Ms. Krout-Greenberg stated the AUS regulations focus on the scope of the Department's authority for LD, and on data collection for RLD retailers and VFDs.

SAFE and AFRPS

Ms. Samantha Moran, FSPCA Lead Instructor, stated the SAFE program will host a FSPCA QI training course for industry members only on July 17th -19th, 2017 in Modesto, California.

Ms. Moran provided a VFD outreach and education update. A total of 126 firms sent a letter of intent to sell, distribute, or manufacture feed containing VFDs to FDA. SAFE staff visited 85 firms; 48 of those firms intend to distribute VFD medicated feed, and 12 firms intend to manufacture VFD medicated feed. Firm visits allow SAFE to identify, and focus on outreach and guidance to firms.

The questions gathered from industry regarding VFDs were submitted to the FDA; the questions and the FDA's responses will be posted to the SAFE website and FDA's Technical Assistance Network.

Ms. Moran provided outreach at Cal Poly San Luis Obispo and Sierra College to inform college students of the Department's Feed program and to provide qualified students an opportunity to work for the Department and learn about agriculture in California through its internship program.

The AFRPS Mid-year Report, submitted March 31st, 2017, has been approved. The AFRPS audit as reported by Ms. Areias, is scheduled for July 10th - 14th, 2017.

GMO STUDY

Ms. Krout-Greenberg provided an overview of the SOP GMO sampling project. The Department's SOP enforces the federal Organic Food Production Act of 1990 and the California Organic Products Act of 2003. Enforcement activities are coordinated with the United States Department of Agriculture (USDA) and California County Agricultural Commissioners; the Department's SOP is industry funded. Farmers and processors hold an organic system plan which defines the function of their operation and the management of GMO's. USDA's National Organic Program oversees the certifiers that work directly with producers.

In 2015, the Department's SOP began sampling organic products for GMO's in a double blind pilot study that analyzed 23 samples; seven samples showed the presence of GMO's. A Notice to Industry was released on May 3rd, 2017 to announce that the study will no longer be blind and 60 samples will be collected over the next year. Several samples were related to animal feed during the SOP pilot study; of the 60 samples to be collected in the coming year, half will be obtained from animal feed and the other half from raw agricultural products. Certifiers will receive notification for further investigation and appropriate action. SOP will collaborate with the California Organic Products Advisory Committee during the study.

CAC LAB REPORT UPDATE

Ms. Elaine Wong reported the lab met the 21-day turnaround goal for 96 percent of samples.

The Near Infrared (NIR) equipment is installed and operational; however, lab staff are not yet fully trained. A NIR Specialist will train lab staff on June 20th – 21st, 2017. The lab will gather Neutral Detergent Fiber analysis for the NIR Specialist to determine the proper wavelength and fiber content for the NIR.

CGFA UPDATE

Mr. Bell reported animal related budget items in the BCP include the approval of general funds to construct a new veterinary lab in Stanislaus County. CGFA continues to see a diversion of meat products away from the traditional license rendering plants, to food waste projects for compost. Mr. Bell suggested the branch invite the newly appointed

Branch Chief of the Meat, Poultry, and Egg Safety Branch, to the next FIAB meeting. He advised the program to focus on Cal Recycle projects for diverting food waste and animal feed. He advised that the Feed program focus on a SAFE recall and a crisis management plan; CGFA will assist with building a component of the recall plan.

AGENDA ITEMS FOR FUTURE MEETINGS

Chair Walth asked the board for agenda items for the next meeting. Dr. Marit Arana stated to continue with the budget.

NEXT MEETING

Chair Walth stated the next meeting will be in September 2017. The board members will be polled to select a date.

MOTION: Mr. Doug Stabelfeld moved to adjourn the meeting; Mr. Michael Koewler seconded. The motion passed unanimously with a vote by all board members present of 6 - 0.

The meeting was adjourned at 11:22 a.m. by Chair Walth.

Respectfully Submitted By

ORIGINAL SIGNED BY JENNA AREIAS

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

06/14/2017
Date