

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

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

**July 18, 2019
9:00 – 12:00 PM**

MINUTES

MEMBERS

Dan Rice
Jeremy Banducci
Jon Handly
Marit Arana, Vice Chair
Michael Koewler
Paul Parreira
Tim Riordan

MEMBERS ABSENT

David Meeker
Shay Rambur

CDFA STAFF

Adriana Avalos
Amadou Ba
Angelia Johnson
Ashley James
Barzin Moradi
Brittnie Sabalbro
Carla Sanchez
Erika Lewis-Ortega
Jenna Leal
Killeen Sanders
Maryam Khosravifard
Mike Davidson
Minal Patel
Natalie Krout-Greenberg
Rachelle Kennedy
Sadia Naseem
Samantha Moran-Defty
Stacy Aylesworth
Valerie Brott

INTERESTED PARTIES

Alejandro Hernandez
Chris Zanobini
Clay Stamper
Tad Bell

INTRODUCTIONS AND ANNOUNCEMENTS

Dr. Marit Arana, Interim Chair, called the meeting to order at 9:04 a.m. Interim 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. David Meeker and Shay Rambur were absent.

Jenna Leal asked for board recommendations to nominate a Chair.

MOTION: Tim Riordan moved to approve Dr. Marit Arana as Chair; Michael Koewler seconded. The motion passed unanimously with a vote by all board members present of 7 - 0.

APPROVE MARCH 26, 2019 MEETING MINUTES

Chair Arana requested the board review the minutes of the March 26, 2019 FIAB meeting.

MOTION: Michael Koewler moved to approve the meeting minutes; Paul Parreira seconded. The motion passed unanimously with a vote by all board members present of 7 - 0.

DEPARTMENT / DIVISION / BRANCH UPDATE

Natalie Krout-Greenberg announced the Executive Office appointments of Rachel O'Brien as Deputy Secretary; Jenny Lester Moffitt as Undersecretary; and Arturo Barajas as Deputy Secretary.

The Department has partnered with CalRecycle to host a tour of California's produce industry with Frank Yiannas, Food and Drug Administration (FDA) Deputy Commissioner, to understand the dynamics of the growing operations and what is in place for California as a post response to the 2018 outbreaks. The Leafy Green Marketing Agreement, Western Growers, and industry are also involved in the effort to tighten up some of the metrics with what is in place for California. FDA's focus is water use in the state, varying water rights throughout the states, and management of water sources. The Department seeks flexibility in the water rights to allow for growers to implement their existing practices.

Krout-Greenberg participated in the National Association of State Departments of Agriculture (NASDA) in Washington, D.C. for a follow up discussion on food safety. The discussion included enhancing communication with the FDA, Centers for Disease Control and Prevention (CDC) and the state to act quicker when outbreaks occur, learning from trends and early warning signs and translating those actions to actual practices on the ground. With NASDA's change in leadership of animal feed activities, FDA has contacted the Department's Feed Program to lead implementation of animal feed standards in alignment with the Food Safety Modernization Act (FSMA).

Krout-Greenberg announced the Department's Inspection Services Division's (ISD) new Public Information Officer II, Joshua Bingham. Among his other duties with the executive office, Joshua will also maintain and oversee the ISD's social media presence via Facebook and Instagram, a useful resource to better communicate with the industry, including information on all work performed within ISD.

Dr. Amadou Ba reported that the Safe Drinking Water fees associated with Assembly Bill (AB) 217, that would have impacted the fertilizer, dairy, and animal feed industries, are no longer proposed. Legislators found another funding mechanism and the idea of a tax assessment (one dollar per month tax on every household in the state) have been dropped; the Association of California Water Agencies opposed the funding mechanism. Instead, the budget, which Governor Newsom signed on June 27, 2019, establishes the Safe and Affordable Drinking Water Fund to provide \$130 million for safe drinking water for Californians lacking access to clean water. The budget allocates \$100 million from

the Greenhouse Gas Reduction Fund (GGRF) and \$30 million from the General Fund for the current fiscal year. Senate Bill (SB) 200, which the Governor is expected to sign, will provide \$130 million per year from the GGRF for safe drinking water for future years until 2030. SB 200 passed in the budget via cap and trade money backed up by general funds.

Three field program staff continue to assist the Animal Health and Food Safety Services Division in the effort to help manage the quarantine area in southern California where the virulent Newcastle Disease (vND) was originally detected in May 2018; the efforts encompass 10 poultry farms, 1,500 backyard poultry; and 1.2 million depopulated birds.

Dr. Ba presented the financial audit report that was requested by Tim Riordan at the last FIAB meeting. The auditors recommended that the revenue of the Feed and Livestock Drugs (LD) Programs not be comingled. The Feed, Fertilizer, and Livestock Drugs Branch (Branch) continues in the effort to streamline the process of handling revenue through the Department's Financial Services Branch including the new eCheck process to help mitigate some financial accounting issues.

Dr. Ba reported that at the June 26, 2019, Fertilizer Inspection Advisory Board meeting the board recommended that the Department send two Fertilizer program scientific staff to the 4th Biostimulants World Congress in Barcelona, Spain. A biostimulant working group was created during the last Fertilizer Board meeting to address the biostimulant issue. The board expressed the opinion that Europe is 10 years ahead in developing "biostimulants", so having the Fertilizer program scientists attend would allow for the program to engage with other scientists and regulators in this emerging field of crop management. It was noted that the international trip must be approved by the Governor's Office.

Dr. Ba announced one of the Branch's new hire, Dr. Emad Jahanzad, Senior Environmental Scientist (SES) (Specialist), for the Fertilizer Research and Education Program (FREP). Dr. Jahanzad graduated from the University of Massachusetts, was an Environmental Scientist with the Office of Environmental Farming and Innovation and was a post doctorate at the University of California, Davis (UCD).

BOARD APPOINTMENTS

Chair Arana introduced new board members present, Jeremy Banducci and Jon Handy; the third new board member, David Meeker, was not in attendance. Krout-Greenberg invited the new board members to provide critical feedback, as it is the Feed program's commitment to work with the industry to find the best solutions in protecting California agriculture.

Chair Arana asked for board recommendations to nominate a Vice Chair.

MOTION: Tim Riordan moved to approve Paul Parreira as Vice Chair; Michael Koewler seconded. The motion passed unanimously with a vote by all board members present of 7 - 0.

FUND CONDITION / TONNAGE REPORTING

Jenna Leal announced that the fund condition would be reported as of March 31, 2019, due to the new fiscal system which has caused significant delays in the reporting system to date. The beginning balance from July 1, 2018 for Feed was about \$4.2 million and \$487,037 for the Safe Animal Feed Education Program (SAFE). As of March 31, 2019, total funds for Feed and SAFE were about \$4.7 million; revenue was about \$2.6 million; expenditures were about \$2.2 million; encumbrances were \$51,766; and the adjusted balances were about \$5 million. Leal stated that there were minimal to no recoveries due to the fiscal system delay. Leal reported the billing amounts for the Animal Feed Regulatory Program Standards (AFRPS), Judicious Drug Use Cooperative Agreement, and the Feed contract. Leal stated the feed tonnage reporting is steady.

PROGRAM UPDATE / STRATEGIC PLAN FOLLOW UP / LAB UPDATE

Leal announced that the latest compilation of commercial feed laws and regulations now include the additions from SB 668, which provided the Feed program authority to issue administrative penalties and develop an internal Feed penalty matrix. The revision date will be added as a footnote in the commercial feed laws and regulations packet.

Leal announced the appointments of Associate Governmental Program Analysts, Ashley James and Erika Lewis-Ortega for the Feed and Antimicrobial Use and Stewardship (AUS) Programs. Ashley graduated from the California State University, Monterey Bay and worked in the private industry with fertilizer compliance. Erika, who is a long-time CDFA employee, will help build the Feed program's administrative penalties matrix and maintain the AFRPS contract.

Leal stated that the Strategic Plan Work Group (SPWG) discussions were centered towards environmental issues, CalRecycle's diversion goals, and feed industry involvement. The Feed program's funding structure will be discussed, as well as board by-laws to document and memorialize the expectation of board service terms, the cadence of board meetings, etc.; and tonnage auditing must be formalized. Meeting topics to be discussed in future SPWG meetings include SAFE and Technical Advisory Subcommittee (TASC) program coordination, research on environmental or new technology, and the Center for Analytical Chemistry (CAC) lab.

Leal reported an influx of almond hull violations. A notice to industry was issued regarding almond hull label compliance and Feed program staff are taking enforcement on a firm by firm basis. A toxicity case involving urea in a free choice supplement intended for cattle resulted in multiple cattle deaths. Feed program staff are working

with the firm to resolve the issue. Feed products containing hemp and cannabis were quarantined throughout California.

Paul Parreira expressed the importance of taking a progressive disciplinary action on almond hull violations. Leal agreed stating that the Feed program now has the authority to establish an administrative penalty matrix defining the disciplinary actions that can be taken against firms that continue to not comply. Currently, the strongest authority that the program has is quarantine authority and stopping the firm's ability to sell.

Tad Bell, California Grain and Feed Association (CGFA), asked if the Feed Program could negotiate a settlement with the Department's Legal Office (Legal) where a firm could not ship almond hull for a certain amount of time and have hull and shell as an option.

Parreira recommended that the Feed program create a defined protocol on how to work with firms out of compliance and work with the Almond Alliance to get the word out.

Bell stated a discussion occurred at the CGFA Board of Directors meeting regarding the delay of a commercial feed report delivery to the huller sheller, marketer, and dairymen and the complication of the delivery thread between the buyer and the huller/sheller. Bell said that CGFA requested criteria in which an official complaint is acted upon and if the criteria are not met, an implementation of some type of regulatory requirements be created by the program to prevent a buyer/seller disagreement from being inflamed.

Discussion ensued regarding the handling of almond hull complaints and the delay of feed reports.

Krout-Greenberg reiterated that the Feed program will focus on the problems in the almond hull and shell industry that require attention by the Department by solely focusing on documented work with Legal. The Feed Program will prioritize its penalty matrix compartmentalizing sections to assist with quarantine and penalty authority as well as review the entire sampling process and how samples are collected, processed, and reported.

Bell asked that the Feed Program create a definition for an 'official sample' when a complaint is received and develop a criteria about what constitutes an 'official sample'. Mike Davidson stated that the Feed Program already has such a plan in place.

Elaine Trevino, President of Almond Alliance of California (AAC), suggested that the Feed Program include graphics when illustrating violation trends in the notice to industry. Trevino explained the importance of collaborating and building a partnership with the CAC lab, developing a plan and educating the industry in terms of trends. Trevino advised that the Feed Program set a realistic timeline in releasing notices to industry quicker. Trevino stated that the Feed Program could go through the marketing

order and offered to help by going to each individual farm bureau to hullers and growers.

Chris Zanobini, CGFA, suggested having a means of communication to announce that a firm has been quarantined such as press release. Trevino stated that before announcements are released, the Feed Program should have split samples that illustrate the standard deviation differences between private labs and the Department's lab for transparency purposes.

Tim Riordan asked Dr. Barzin Moradi for the percentage of hulls processed through Near Infrared (NIR) before transferring to the wet chemistry analysis. Dr. Moradi responded stating all samples are processed through NIR and violative samples are also processed via wet chemistry.

Michael Koewler stated that with the adoption of the penalty matrix established by the Rendering Program, the Department posts violators on the Rendering Enforcement Program website. Dr. Ba stated the Feed Program can visit with Legal for feedback on posting violators due to it being a market equity issue.

Leal continued with program updates and reported that the Feed Program's four vacant positions, acquired to prepare for FSMA contract work, are intended to be filled on an as needed basis and approval by the board. To date, the Feed Program has completed 80 percent of FSMA contract work, which puts the Feed Program on track with the federal contract work.

SB 627, introduced by Senator Galgiani, pertains to medical cannabis and medicinal cannabis products in veterinary medicine related to animals. A bill analysis was submitted opposing unless amended due to the definition of "livestock" which does not consider equines to be livestock. The definition is taken from the Business and Professions Code which conflicts with the Department's livestock definition. If SB 627 passes, the LD Program would be in a difficult position; it would not be able to register LD products that are not approved by the FDA and would be sold in the channels of trade, presenting a conflict with LD authority.

AB 657, introduced by Assembly Member Eggman, pertains to agricultural commercial feed and would raise Feed's tonnage tax ceiling from 0.15 to 0.25 cents per ton and extend the SAFE program sunset date to 2025. The new license fee requirement would take effect from 2020 to 2025.

Jeremy Banducci asked for an update on AB 228 pertaining to industrial hemp. Zanobini responded stating that the AB 228 is in the Senate Appropriations Committee.

Bell stated that the CGFA Board of Directors is interested in seeing the Department layout of addressing hemp approved in feed ingredients. Krout-Greenberg stated that

AB 228 would be addressed at the next monthly meeting with the Department's Plant Health and Pest Prevention Services, Cannabis Cultivation Licensing, and Inspection Services divisions.

Leal gave an AUS update reporting that the Veterinary Feed Directive (VFD) report, an aggregated data report to ensure the program works within the scope of FAC Section 14407, is currently under Legal review. AUS has been working on developing and disseminating VFD outreach materials including a data confidentiality brochure for transparency purposes. The LD Program issued a notice to industry regarding LD products containing cannabidiol, hemp and cannabis products; several products were quarantined throughout California.

SAFE continues to perform Food Safety Plan consultation visits at facilities throughout California. All SAFE documents on the Department's website were required to meet Americans with Disabilities Act (ADA) compliant standards by June 30, 2019; most documents were changed; however, SAFE was unable to provide the templates online. SAFE is working on another portal which would make the documents available upon request or via ListServ.

Leal introduced Clay Samper, American Registry of Professional Animal Scientists (ARPAS), who gave a brief update on a project with UCD and ARPAS pertaining to the economic and environmental impacts of by-products on California's feeding system. The project scope included defining by-product and determining the number of by-products to be evaluated to obtain accurate data of what is being utilized. Samper expressed the importance of ARPAS collaborating with FIAB to obtain feed tonnage resources and avoid duplicating efforts with the project. Samper inquired about having Denise Mullinacks from the California Dairy Research Foundation present at the next FIAB meeting or that the project be later discussed at the afternoon session of the SPWG meeting. It had been planned for Mullinacks to give the update; however, Mullinacks was unable to attend due to unforeseen circumstances.

Dr. Moradi reported that the CAC is behind on its goal to transfer 85 percent of the lab methods to the new technologies. The amount of time needed from procurement to installation, to establish a working relationship with each company and manufacturer involved in the installation process, and to reduce the sample turnaround time from 21 to 10 days was underestimated. CAC has made tremendous progress with a few of the new technologies; the Inductively Coupled Plasma Optical Emission Spectrometry and Ion Chromatography Mass Spectrometry are both validated and operational; and all assays (mycotoxin, aflatoxin, and fumonisin) are now combined into one assay and in the final phases of quality assurance.

Dr. Moradi stated that there are two main factors contributing to the lack of sample turnaround time: a sample containing multiple assays can cause delay as there may be an assay that is not transferred to a new technology, and staff retirements. CAC anticipates staff retiring within the next year which will affect the ability of staff to run

samples. Within the next two months, CAC plans to monitor and separately track the sample turnaround time for the technologies that have been transferred already and give a report at the next FIAB meeting. A progress report with the different phases of implementation will also include installation, method of transfer, and training.

Riordan inquired about how many of the almond hull samples are quality control (QC) issues versus exceeding label guarantees. Maryam Khosravifard responded that CAC will investigate the numbers; Khosravifard highlighted that part of CAC's process improvements involves a project that consists of studying the re-run to identify QC failures and violative samples; to calculate the variance between them and determine the need for a re-run.

Riordan asked if CAC is willing to share NIR database and methodology with private labs and to incorporate it with what is being used for processing equipment and the methodology behind it. Dr. Moradi responded that CAC's data could be shared.

Bell stated the AAC's goal is to recommend to its members processes and procedures for almond hulls which will align with what CAC recommends from sample collection to preparation. Dr. Moradi agreed and stated that the NIR process is similar.

Bell asked what it would take for the Feed Program to approve the NIR regulatory standard. Krout-Greenberg stated CAC will continue with the re-run study to determine if it is a quality assurance or QC issue, whether additional training for new staff is needed, or if violative samples need to be re-run due to them being outside of regulatory parameters. Krout-Greenberg stated that collecting this data will allow for comparison of curves and intervals for wet chemistry and NIR to determine if NIR functions seamlessly and can take place of the regulatory standard.

TASC

Leal reported that the Feed Program is fully committed to reinvigorating the TASC to be more involved in environmental issues and SAFE Program research projects pertaining to unapproved feed ingredients. TASC will be discussed in the afternoon's SPWG session.

CALIFORNIA GRAIN AND FEED ASSOCIATION / ALMOND ALLIANCE UPDATE

Bell expressed the importance of the Branch staff for staying engaged with Animal Health and Food Safety Services Division (AHFSS) in the after action of the vND outbreak solution and with the expectation required of the Department to implement biosecurity if an animal disease occurs. CGFA will also continue to be engaged with Dr. Annette Jones, State Veterinarian and Director of AHFSS.

PUBLIC COMMENT

Trevino commented that, in collaboration with the Department, AAC noticed there were potential affects with equipment use and size of probes used on the method of sampling hulls. AAC coordinated with two Feed Program field staff to perform a side by side collection comparing probes that industry uses with a kernel probe. This was to ensure the best variation of samples and address any discrepancy issues in order to make a recommendation for best practices in sample collection and preparation. Mike Davidson reported that the Feed Program has contacted the manufacturer of the probes and noted that individual hullers and the Alliance should use the same probes as the Feed program.

Riordan asked Trevino to incorporate the two different probes and compare with CAC so that AAC could make a recommendation for probes along with the recommendations for lab preparation and sampling processes.

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 at the end of September or early October of 2019. Members will be polled to select a date.

MOTION: Jon Handly moved to adjourn the meeting; Tim Riordan seconded. The motion passed unanimously with a vote by all board members present of 7 - 0.

ADJOURN

The meeting was adjourned at 12:00 p.m. by Chair Arana.

Respectfully Submitted By

ORIGINAL SIGNED BY JENNA LEAL

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

07/18/19

Date