

**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (Department)**

**FEED INSPECTION ADVISORY BOARD (FIAB)  
CALIFORNIA FARM BUREAU - SACRAMENTO**

**November 1, 2023  
9:00 AM – 12:00 PM**

**MINUTES**

**Board Members**

Marit Arana  
Jed Asmus  
Jeremy Banducci  
Michael DeGroot  
Alejandro Hernandez  
Michael Koewler  
Paul Parreira  
Shay Rambur  
Dan Rice

**CDFA Staff**

Brandi Alston  
Amadou Ba  
Ted Bert  
Mike Davidson  
KC Gutenberger  
Angelia Johnson  
Rachelle Kennedy  
Natalie Krout-Greenberg  
Jenna Leal  
Jessica Lugo  
Samantha Moran-Defty  
Elizabeth Moseby  
Carla Sanchez  
Lindsey Smith  
Maria Tenorio Alfred  
Valerie White

**Interested Parties**

Tad Bell  
Kelly Gardner  
Jim Langston  
Jessica Lawrence  
Rani Youngman  
Chris Zanobini  
David Isen

**INTRODUCTIONS AND ANNOUNCEMENTS**

Dr. Marit Arana called the meeting to order at 9:11 AM and established a quorum. Introductions were made and Dr. Arana explained the Bagley-Keene Open Meeting Act requirements. Dr. Arana explained that the majority members of the board must be present in one location for a quorum to be established, beginning January 1, 2024.

**APPROVE AUGUST 29, 2023 MEETING MINUTES**

**MOTION:** Michael Koewler moved to approve the August 29, 2023 minutes as presented; Jed Asmus seconded. The motion passed unanimously by all members present with a vote of 9 - 0.

**DEPARTMENT / DIVISION / BRANCH UPDATES**

Natalie Krout-Greenberg, Inspection Services Director, provided an update on Department activities. The United States Food and Drug Administration's (FDA) Deputy Commissioner, Jim Jones, who was newly appointed to the Human Foods Program (Foods Program) visited California. Department representatives met with Jones to

discuss FDA's reorganization and the emphasis on the Foods Programs that included human food and animal feed. Funding in five-year increments for the Food Safety Modernization Act (FSMA) contract was discussed. This time frame allows for longevity for hiring staff and standing up and maintaining programs to meet FDA requirements.

Farm tours were conducted in the Salinas Valley. Jones joined the Department's representatives for a field tour on the first day of the Produce Safety workshop that was held with producers in the Salinas Valley. Carla Sanchez, Inspection Services Assistant Director, attended the Farm to School Conference in Southern California, which had 300 attendees. Discussion ensued regarding grant opportunities to build out the infrastructure and to move California crops into the institutional feeding programs. The next \$60-million installment of the Farm to School grant is set for release. There will be a public comment period opening soon.

Dr. Annette Jones, State Veterinarian Director, Animal Health and Food Safety Services (AHFSS), distributed a letter regarding Avian Influenza being detected. The disease was discovered in Merced County in a non-commercial flock and was likely transmitted from a wild bird population. This has resulted in enhanced biosecurity measures being put in place, not just for the Feed Program, but for the Fertilizer, Certified Farmers' Market, and State Organic programs as well. The State Organic Program notified industry that birds must be kept indoors as part of the biosecurity management protocols to avoid contributing to additional spread.

Krout-Greenberg stated that Andy Cline, Environmental Program Manager II, Plant Health and Pest Prevention Services (PHPPS), shared that there are currently eight active quarantines for the Fruit Fly in California. There have been 10 quarantines so far during the 2023 calendar year. The fruit flies are being attributed to countries that are new to exporting to California. Genetic mapping is being conducted to determine the origin. There are 208 square miles in the San Bernadino County where the fruit fly has been detected. There is a multi-million-dollar crop harvest on the horizon. Therefore, harvesting measures will need to include mitigated efforts to keep the larva and fly from being transported. Juicing is one option, burying the fruit is another, and culled fruit will need to stay within the quarantine area and cannot be transported to outside markets, as it could have devastating effects on the Central Valley. The Inspection Services Division is working along with AHFSS to assist the PHPPS in its pest eradication efforts.

Dr. Amadou Ba presented on Bagley-Keene law changes. The transition on January 1, 2024, will require the majority of the board members to be present in one single location for the meeting. If a quorum is not established, a meeting can still be held but action items cannot be introduced for vote.

In the past, industry has expressed difficulties paying for their firm's licenses and fees online through the ExtraView database. The Department has been working diligently to implement e-Check as a payment method. The Feed, Fertilizer, and Livestock Drugs Regulatory Services Branch (FFLDRS) is moving forward to make this payment option viable. Testing on the production side is currently scheduled.

Staffing updates included Adriana Avalos, FFLDRS Budget Analyst with the Branch Office Support Staff (BOSS) moved to the Office of Farm to Fork and Cathryn McCandless, Senior Environmental Scientist (SES) with the Safe Animal Feed Safety (SAFE) Program, moved to the Office of Environmental Farming and Innovation (OEFI). Dr. Ba noted that while it is good to assist other programs, staff movement necessitates finding personnel to fill the vacated positions.

Gabriella Carreras, Environmental Scientist with FFLDRS Fertilizer registration staff has been working in one of two full-time, limited-term positions. The positions were authorized to help with the backlog of processing registrations. At the last Fertilizer Board meeting, the Board voted to approve the two limited-term positions to become full-time, permanent.

The Fertilizer Research and Education Program (FREP) has been submitting proposals for federal grants. One grant that has been applied for is the Regional Conservation and Partnership Program offered by the United States Department of Agriculture (USDA). There is an ask of \$25 million and it is hoped that the money will be made available to work with academia and assist California growers in their farming operations. Previously, a Conservation Innovation Grant (CIG) and a Specialty Crop Block Grant (SCBG) were awarded and are providing funding for FREP activities.

Dr. Martin Burger attended the National Organic Standards Board (NOSB) meeting in Rhode Island. The highlight of the NOSB meeting was the announcement by the USDA Undersecretary for Marketing and Regulatory Programs of the publication of the Organic Livestock and Poultry Standards final rule. This process took nearly 20 years of work. The issue of ammonia extract was not addressed, and the Department's Fertilizer Material Inspection Program will continue to accept AE products for registration.

The FREP conference will be held November 8-9, 2023, in Modesto, California, where an anticipated 200 attendees will participate, most of which are certified crop advisors.

FFLDRS held its annual All Staff Meeting in Seaside, California October 3-6, 2023. FFLDRS held breakout sessions for FREP, BOSS, Fertilizer, Feed, and Livestock Drugs staff to map out priorities for 2024.

The SAFE Program sunsets every five years; the next sunset date is January 1, 2025. Legislative action is required to maintain the program.

The Fertilizer Program is planning to adjust product registration cycle payments to a four-year cycle instead of a two-year cycle. This will assist with efficiency in reviewing and processing over 30,000 labels and the payment processing time. Discussion ensued about mill assessment amounts and providing flexibility. The assessment amounts are guided by staffing needs, the business cycle, and budgetary demands.

## **PROGRAM UPDATES**

Jenna Leal gave updates on the Feed Program (Program).

Leal welcomed Dr. Jed Asmus and Dr. Michael DeGroot and thanked everyone for attending. Leal presented a brief review of the Feed Board's input on key topics and directives for 2023.

Questions that arose during strategic planning meetings were discussed. There were several questions about the various activities and involvement of the Program and Department in the area of enteric methane reduction including the Department's and California Air Resource Board's (CARB) roles in the research and efforts to reduce enteric methane. Specific questions were posed and answered.

Who will pay for the Program to be involved? The goal is for the Program to seek funding, including Federal funding opportunities. This will ensure Industry will not bear the sole weight of financial obligations.

What will be the role of nutritionists? How would training and licensing look? The participants in the strategic planning meetings decided that nutritionists' training should begin with outreach for education. Data needs to be gathered, but how a framework will look and creating the framework is still under discussion.

What will be the Program's involvement? Will there be an effort to scrutinize the Board's allocations and spending? The Board's directives were reiterated, and the key take away was the Department should have explicit oversight for environmental claims made by producers of animal feed. The Department will help California Grain and Feed Association (CGFA) in its efforts. All feed and drugs with environmental claims should be under the Department's authority. When Senate Bill (SB) 780 was signed into law by the governor, it gave authority over feeds and drugs with environmental claims.

Should the Department proceed on its own instead of waiting for Federal guidelines since their actions take longer? The Department will move forward in lieu of waiting for Federal guidelines because of the permissions granted in Senate Bill (SB) 780.

Leal went on to discuss the outdated method of reporting tonnage and the difficulties users face when using the ExtraView database. At this time, a new and better database is too expensive, so KC Gutenberger has designed educational videos and made them available on the Department website. These videos are an effort to help Industry users with their reporting.

Integrators who do not pay tonnage push a lot of tonnage through California. It isn't an equitable practice for Industry to pay for the integrators. Discussion resulted in acknowledging integrators should pay something. The amount has not been determined.

### **FUND CONDITION / TONNAGE / BUDGET**

The balance for the fiscal year (FY) beginning July 1, 2023 for Feed was \$3,268,081 and \$516,143 for SAFE. The combined balance for the Feed and SAFE programs on July 1, 2023 was \$3,784,224. These figures include funds from the Department accounts, Bank of America, and General Funds accounts. Revenue for the Feed Program was \$1,378,716; revenue for SAFE was \$116,503. After expenditures of \$732,022 and encumbrances based on multiple contracts of \$1,103,458 for the Feed Program, and expenditures of \$103,974 and encumbrances of \$75,401 for SAFE, the ending adjusted balance for the Feed Program was \$2,811,317 and \$353,271 for SAFE. The final combined adjusted balance for Feed and SAFE on September 30, 2023, was \$3,264,588.

Leal explained that encumbrances are based on contracts, which include the University of California (UC), Davis laboratory services. Those services are payable when the laboratories submit invoices for services rendered.

The issues with the Department's Financial Services Branch that caused money being directed to wrong accounts have been resolved. The money for the FSMA contract work and other contract amounts have now been redirected to the correct accounts.

Tonnage by FY from 2019/2020 through 2023/2024 with a modified \$0.10/0.12 rate through 2023-24 FY with a \$0.12 rate was presented. The 2022-23 FY ended with \$2,448,498 revenue, based on 24,484,982 tons. Tonnage has decreased by about one million tons. Leal stated that about two million tons are now being reported as byproducts and that was reflected in this report.

Leal discussed that when putting together this budget, the FIAB's desire for a lean budget, that is fiscally responsible was considered, to maintain a responsible reserve. Current program staffing has 19 full-time employees. Eleven and a half of the full-time employees are assigned to the Feed Program; two are assigned to SAFE; five are assigned to the Antimicrobial Use and Stewardship Program (AUS), and Livestock Drugs is assigned one half-time position.

The Feed Program's Animal Feed Regulatory Program Standards (AFRPS) recoveries over the past nine years have brought in \$525,000 per year. Last year there was an additional \$100,000 added to the AFRPS grant to pay for lab enhancements paid to the California Animal Health and Food Safety (CAHFS) laboratory for Lab Flexible Funding Model (LFFM) contract with FDA. The LFFM was a one-time opportunity for the Feed Program. The AFRPS cooperative agreement is set to end June 30, 2025. Separately, the FSMA inspections are negotiated yearly and run from October 1 through September 30.

Since the AFRPS contract will be ending, the Feed Program is looking for other funding opportunities. The program applied for two USDA grants in the areas of food diversion outreach and education, but neither were received because these Federal programs

were looking for developing new programs whereas the Department's Feed and SAFE programs are well-developed and already robust.

On October 25, 2023, the Feed Program applied for a USDA National Resources Conservation Service (NRCS) CIG \$5,000,000 grant opportunity in conjunction with UC Davis's Clear Center. The Clear Center will provide technical assistance, the Feed Program will provide outreach and education on-farm to producers to use enteric reducing products. The Feed Program's focus is to bridge the gap with products that are currently being used in the market. While these products are safe for use, they have not had studies conducted on reduction quantifications, so this funding and data collection will hopefully allow the department to obtain some metrics and data for reductions and support current practices. \$1.8 million is proposed as direct producer incentives.

Matt Harrison and Dan Weller, CARB, are aware the Feed Program applied for the grant. There is open communication and shared discussions between the Feed Program and the SB 1383 CARB team. Leal said the desire is for the Program's work and data acquisition is to be shared to help with SB 1383 targets.

A question was asked about quantifying the Program's time that is being spent on AFRPS. Leal said no additional personnel were hired when taking on the AFRPS work and has been embedded in current assignments being done by existing staff. The AFRPS money has truly benefitted the work, defensibility, and structure of the Feed Program in the past nine years.

Jenna Leal explained that the five full-time positions in AUS have offset costs to the Feed Program since 2017, which has been approximately \$1.3 million annually.

There are currently three positions in SAFE; however, one of the positions has been vacated and SAFE does not intend to fill the vacancy at this time. This will assist in keeping the SAFE Program within its legislatively mandated budget. Chris Hansen, Special Investigator, out of the Fresno office will be retiring in September of 2024 and the retirement is reflected in the 2024-25 FY proposed budget. SAFE did not anticipate on backfilling the position vacated by Hansen. There is a current vacant position that continues to go unfilled. There will be savings in the budget due to these three anticipated vacancies.

Leal spoke about the Environmental Scientist (ES) salary negotiations. There is a possible step increase in salaries coming for the ES series employees within the Department. Of the 19 Feed Program staff, 12 employees are in the ES series, and there are talks of up to a 30 percent increase in salaries; however, negotiations are still underway at this time and the Department does not know where or when the negotiations will end.

Leal said Tawny Mata, OEFI, was invited to speak on the Enteric Methane Reduction Incentive Program later in the meeting. OEFI will be the lead over that program. Leal delivered some background information on how the funds were allocated. The Governor

assigned \$25 million to the Department, and the funds have been assigned to the OEFI within the Department to develop and provide incentives through a grant program. Eight percent of the \$25 million funding is earmarked for administrative costs for the Department. An annual amount of \$666,000 will be applied to indirect costs for three years. All administrative money from this allocation will go to OFEI. The Feed Program will be involved with the development of the Request for Proposals for the Enteric Methane Reduction Incentive Program to ensure that all products are approved for use.

The FIAB asked to hear about the revenue projections. It was clarified why reserves are held at 25 and 50 percent. Krout-Greenberg said it is a suggestion in the event a program has to be disassembled and staff reassigned.

Before discussing actual numbers, Leal assured the FIAB that if the Feed Program continues the status quo with no big cuts, maintains current proposed staffing, and tonnage numbers remain consistent, the Feed Program should be okay at 0.12 cents per ton even with no extra recoveries. With the reduction in staff numbers and a lean budget, there would be a slower decline in the reserves.

The presentation of the \$0.14 per ton rate beginning in the 2024-25 FY showed the financial numbers leveling off and steadying.

The revenue projections presentation compared the current \$0.12 per ton rate based on 23 million tons and revenue projections at a \$0.14 per ton rate based on 23 million tons. The date range was for 2024-25 through the 2027-28 FY. With the tonnage rate increased to \$0.14 there would be \$391,000 more for FY 2024-25; \$782,020 more for FY 2025-26; \$1,173,000 more for FY 2026-27; and \$1,564,000 more for FY 2027-28.

It was pointed out that the total expenditures shown for FY 2022-23 were actual amounts spent and significantly under the previously approved budget.

Krout-Greenberg explained that additional funds will not be seen in anticipated recoveries from the federal government. The federal commitments are \$120 million but only have an allocation for food safety for \$80 million. Federal sources were using positions vacancies as cost savings and reallocating it to grants for states to implement programs. Because the California Feed Program is already fully implemented, FSMA will likely no longer be a funding source. There may be some small amounts, but not much.

Krout-Greenberg asked if the Program's work changed for the Feed team since FSMA was adopted (i.e., did the entities change, and did it change how Integrators are regulated by the Program). Leal replied that it did change the workload and oversight. Integrators are treated just like every other firm in the State and allocated as such on the work plan for staff time and inspection frequency. The recent FDA work planning meeting led Leal to believe that the Feed Program's inspections can likely count as the federal inspections in the future, and the Feed Program and FDA will share inspection outcomes through a mutual reliance agreement. Krout-Greenberg said in FY 2025-26

when the AFRPS agreement is gone, funds from the Feed Program's tonnage and licensing collection will be used for that work, or the federal government will have to go back into those facilities. This is important as far as decision making goes for program funding and resource availability.

Leal noted that the Feed Program has been actively engaged in auditing firms for delinquent licensing and tonnage reporting, and it has been successful. The Program has discovered that firms who are selling tonnage to Integrators are currently not reporting tonnage, as a result those numbers are not being captured by the Program. To clarify, it was stated that if a firm is selling feed to an Integrator, the firm selling the feed is not reporting that tonnage, and the Integrator is not reporting it either since they are considered a farm. Those are significant lost funds that are not reported or accounted for to the Feed Program. Immediate outreach is needed to address this in early 2024.

Pivoting back to the budget document, Leal asked the FIAB to focus on the columns for the actual 2022-23 FY budget, the revised 2023-24 budget, and the proposed 2024-25. Personnel costs in the revised column accounts for movement of personnel. An upcoming retirement will be funded from the AUS budget and an AUS staff member will be moved back to Feed. The actuals consider a position that is not backfilled, and that money will not be spent unless the FIAB makes a request for the position to be filled.

The 2022-23 FY general expenses were low, and the program plans to keep them in line with the prior year's actuals. Professional services were \$103,000. Most of this money was to modify the ExtraView database so byproducts reporting by Industry could be more accurately captured and easier to utilize for the regulated industry. The database needed upgrades and programs written to handle the more robust and detailed use by Feed licensees. Those expenses were above the regular Information Technology services expenses.

The Pest Exclusion Memorandum of Understanding (MOU) was for the border station monitoring commodities coming into California; after this contract expires in June of 2024, it will not be renewed.

Laboratory expenditures have not come close to spending their full allotments in the budget. There are minimum expenses that are needed to maintain operations. The contracts have been reduced going forward for a more realistic depiction of field activities. This in turn will reduce the budget. Total distributed costs are dictated to the Program. The Indirect Charge Recovery is the Federal Funds recovery. It was included in the budget document because it is in the Governor's budget.

The revised budget for 2023-24 FY for the Feed Program is projected at \$3,433,442. The revised 2023-24 budget for SAFE is \$480,565. The proposed 2024-25 Feed budget is \$3,225,170 and \$406,138 for SAFE. The combined Feed and SAFE revised budget for 2023-24 is \$3,914,007. The combined Feed and SAFE proposed 2024-25 budget are \$3,631,308.



Leal concluded with sharing information for the AUS and Livestock Drugs budgets. Dr. Ba explained the actuals in relation to salaries in the AUS budget and how Feed salaries are linked with them. Dr. Ba concluded by saying salaries in Feed can be lower by using funds in AUS. Actuals show the offset costs.

**MOTION:** Michael Koewler moved to approve the revised 2023-24 FY budget and the proposed 2024-25 budget; Jed Asmus seconded. The motion was approved unanimously by all members present with a vote of 9 – 0.

Leal shared that the budget would continue to be monitored and relevant tonnage reporting updates will be presented at the next meeting in January 2024. Part of the update will share data using tonnage reports with an estimated decrease to 22 million tons. Leal provided a short summary of the fluctuation of tonnage rates since the 1990s. The range was from \$0.09 per ton to \$0.14 per ton. It was agreed that keeping a stable tonnage rate helped with Industry and stakeholders being able to create sustainable budgets.

Ted Bert and Samantha Moran-Defty reported on tonnage auditing and inspections.

Bert's report was on the tonnage report auditing and current information was based on final information available on October 25, 2023. The audit was conducted at the request of the FIAB.

In July 2023, 456 letters were sent out via email and through the United States Postal Service. Out-of-state firms who did not respond were sent a 10-day final notice. The majority of non-responsive firms had gone out of business.

As of October 25, 2023, \$120,900 was recouped from expired licenses, \$61,018 was recouped from delinquent tonnage reports, 260 licenses were brought current, and 132 locations had been discontinued. There were 108 firms that remain non-compliant and that reflects information from July 1, 2023, to present. As of October 27, 2023, non-compliant notices of warnings have been sent. Those who do not reply, and are in California, will receive a visit from one of the inspection staff. Firms that are out of state will receive a Notice of Warning letter.

One of the audit results was finding out that there were companies who were not reporting even when the amount was zero. Every company is required to report even if it is zero. Moving forward there is staff training and working to develop standard operating procedures (SOP) to improve efficiency and effectiveness. There is also a new matrix to help guide staff.

Moran-Defty reported on field inspections that were up to date as of the week of October 30, 2023. These were modified from the document that was provided prior to the current FIAB meeting. Moran-Defty noted there were 229 contact sheets and 193 remained. There were 55 routine inspections and 10 remain. The FDA Preventive

Controls (PC) contract had 20 inspections and there were 10 inspections for Veterinary Feed Directive (VFD) and bovine spongiform encephalopathy (BSE) inspections.

There were 630 samples taken to date, 628 were routine and 2 were from complaints. There was a 21% violation rate of the samples taken. Out of these samples, 64% were food safety and 36% were for label compliance. Official samples made up 96% and the other 4% were investigative. The mixer study was conducted on 10 samples and three were through flush verification. Types of products sampled included 162 formula, 274 single ingredient, 42 grain/grain mix, 105 vitamin/mineral, 22 liquid feed, and 25 were classified "other". Most of the single ingredient samples were corn samples run for mycotoxins, those run by CAHFS, and many were paid for by federal contract.

There were 120 violation follow-ups. Ninety-five of these were for label compliance and are regulatory in nature and not violations, six were for feed complaints, seven were for inspector call reports that were issued. There were 70 Notices of Warning issued. Bert said this was mostly because of the requested tonnage audit. There were four quarantines.

Leal presented updates on regulations. Administrative penalty tiers for late tonnage are currently set at \$50, \$100, and \$500 and the proposed regulations are set to increase penalty amounts to \$1,250, \$2,500, and \$5,000. There is a desired April 1, 2024, promulgation date. There were no public comments received during the public comment period.

The Article 14 changes would incorporate updating and adopting most feed ingredient terms and definitions to align with AAFCO (American Feed Control Officials) publication. The Zootechnical Food Substance is under review for consideration and with the Legal Department to seek guidance on whether it would be appropriate for the Feed Program to move forward with adoption. The Livestock Drugs regulations presented at the August 2023 meeting are now effective.

Gutenberger provided updates for the SAFE Program. There will be a new industry survey to determine education needs; it will be similar to the one sent out in 2023. There are six How-to videos on the website for using the ExtraView database. The SAFE webpage has Feed and Feed Ingredient links to sites that include AAFCO sites and approved livestock drugs. There will be updates on links to various sites as the enteric methane emissions evolves; the information on the site will evolve in line with the research. Gutenberger gave a SAFE presentation titled "Evolution of the SAFE Program" at the Basic Inspector Training in September 2023. AAFCO asked Gutenberger to present this information at their January 2024 meeting.

The data from the adipose tissue for the hemp feeding goat trial has been returned. Dr. Katie Swanson will have a full project report at the January 2024 FIAB meeting. Dr. Swanson will also report on the other two research projects.

Leal was asked about cooperation and coordination with the California safe food supply and the Animal Health Branch biosecurity team. Amanda Murray oversees the Animal Health Branch now and Leal stated she needed to reach out to Dr. Murray for updates. OEFI and the Feed Program have been partnering in the Livestock Enteric Methane Emission Reduction Research Program (LEMER-RP). Two members from the Feed Technical Advisory Sub-Committee (TASC) will review information on pre-proposals that were due on November 1, 2023. There were 19 that were previously approved to move into Phase 2. All approved pre-proposals originated inside the State of California. The research funds will be directed towards the dairy and livestock sectors for projects that scientifically demonstrate feed additives or feed strategies that result in the reduction of methane emissions. Xixi Chen and Dave Isen, Feed TASC, are the two members who have agreed to be part of the data reviewing team. In addition, Dr. Poppenga has also offered to review any proposals that have toxicology issues as an alternate. It is hopeful the projects will commence by April 2024.

On October 13, 2023, CARB, OEFI, and the Department's representatives visited Val Martins' Dairy in Modesto. Asmus was instrumental in setting this up. Touring from the Department representatives included Mata, Virginia Jameson, Executive Office, and Krout-Greenberg, Roberta Franco, OEFI, and Jenna Leal. On-site visits included an education on how formulations are developed by the nutritionist, various complexities in diets, inclusion rates, tracking micro-ingredients and drugs through the manufacturing process, label requirements, inspection, and verification, and more. In the afternoon, Matt Swanson and team from Associated Feed and Supply in Turlock, California, hosted a very informative discussion and tour of their medicated feed manufacturing facility. The tour focused on medicated feed traceability and how formulations and documentation are followed all the way through processing at the manufacturers. Relevant medicated feed and VFD addendums were included as examples of what similar data is collected by the Feed Program.

Mata presented an overview of the OEFI Program. There are about thirty people on staff. OEFI runs a suite of incentive programs and has received around \$900-\$950 million in the past 10 years. The Governor's budget allocated \$25 million for the department to stand up an incentive program for enteric reduction strategies. OEFI is planning to hold public comment periods and focus groups with real time feedback from the people.

OEFI's top priority is to develop a solid draft so the public can give feedback. The next goal is to address the structure and use of the funds. Mata explained that funding that is directed specifically for greenhouse gas reductions (GGR) has a lot of very strict parameters. The challenge for OEFI is creating a lasting program to incentivize targeted stakeholders. It is anticipated that January 2024 will be a good time to have meetings with producers and others.

Jeremy Banducci recommended tapping into the people outside the department that can help guide the decision-making process when developing the incentive program. Banducci stated there is already a lot of private sector work being done and the

professionals are knowledgeable in these areas. This can be a big asset to the Department. Mata agreed the information shared was very good while stressing the responsibility of the Department ensuring there are no conflicts of interest.

David Isen asked if the department was considering the long-term strategies for building out a program with a solid foundation and framework that can create a market for the industry rather than the short-term block grant structure. Isen mentioned that this has already been done successfully with the Low Carbo Fuel Standard Program (PCFS) program. Isen also asked how the department is planning to monitor program success and make sure there are achievable goals.

Mata said it is challenging because producers work on a daily schedule that is quite different than a ten- or twelve-year goal. The goal for the money is that producers see this is safe, doable, doesn't interfere with their operations and makes sure that the different parts of the state that have different needs will have their particular needs met.

There is a discussion about how to distribute money. Mata noted that it is desirable to administer money in a similar manner to the way money would be distributed if GGR funding becomes available. If GGR funding is acquired in the future, the GGR Funding must be distributed as a block grant. No one has been designated as eligible for block grants yet. At this time local and trusted organizations, like co-ops, will receive the funds for distribution. It is still an incentive program and will not be CDFA directly writing the check. A third party will be designated to fund the grantees. An example of this format was the Healthy Soils SWEEP program and the way \$90 million was redirected to be managed by block grant programs to give producers a better experience in getting their funding.

### **UNIVERSITY OF CALIFORNIA DAVIS LABS UPDATE**

Ranjani Youngman shared highlights for the UC Davis Analytical Laboratory (AnLab). Final International Organization for Standardization (ISO) accreditation was granted May 3, 2023. Kelly Gardener was thanked for doing the hard work to get that accomplished.

Updates for the CAHFS were presented by Jim Langston. From January to September 2023 mineral assay and metal assay turnaround times averaged five days. Monensin in medicated feed averaged seven-day turnaround time. Vitamins A and E turnaround times were eight and fifteen days respectively. Times should be even shorter in the future. There were no chloride assays run during this time. Vitamin D assays should be coming online by the end of 2023.

A Retsch Sample Divider was purchased and that helped to establish a procedure for obtaining representative fractions. The Bunn Commercial Coffee Mill purchased helped the lab achieve a finer grind for better sample assays.

Understaffing for the lab continues to be a challenge. Some people retired while others changed jobs and the lab is currently down by three personnel. Additional challenges

were introducing different and complex matrices in feed. Aflatoxin in horse feed led to development of an optional clean-up method. There were higher vitamin A levels, so a dual detection method was developed and added. Cross-testing with referee laboratories helped with Monensin assays and troubleshooting. Those labs confirmed CAHFS results. It was noted the referee labs will also benefit in other instances if needed.

### **STATE OF THE SCIENCE REPORT**

In collaboration with UC Davis Dean Dillard's office and the UC Davis Clear Center, the Department published a state of the science summit report in October 2023. The focus on next year's summit will take a more global approach to enteric methane reductions. The Department's OEFI team is lead on planning efforts. The next summit is planned for May 21-22, 2024, and will be held at UC Davis.

### **ALMOND ALLIANCE UPDATES**

Paul Parreira shared information on the Almond Alliance. There is collaborative work with the Almond Board of California, Western United Dairies, and CGFA on the grants and research projects UC Davis is doing with almond hulls surrounding enteric research. Grants have been applied for within the Department's LEMER program for research on fermenting almond hulls. There is hope that two projects will be funded.

### **CALIFORNIA GRAIN AND FEED ASSOCIATION UPDATES**

Tad Bell said the Department of Health is asking for some of the hullers to be licensed. This had been dropped in the past. Bell asked Leal to look into doing outreach to find out what brought this requirement back.

There was a lot of concern about damaged products this year, but there was a lot of outreach efforts to growers for mitigating damage in crops.

Banducci said a broad base of California growers asked for \$4.3 billion for damages. President Biden came to California and countered with \$2.3 billion. USDA said it appears there should be \$8.5 billion in disaster relief. The money for 2022 disaster relief money just became available and there is concern delayed funding will have an impact to CA producers. Damages were attributed to weather, floods, facility damage, dairy cattle having to be moved to safer locations, and results of a hurricane.

### **PUBLIC COMMENTS**

Shay Rambur mentioned the California Environmental Protection Agency (CalEPA) hierarchy has changed. Michael Koewler said animal food is still on the hierarchy and feedstuffs created from diverting materials from landfill is lowering methane emissions. The industrial uses section was left off of the chart. Removing rendering as the solution could have larger implications and needs to be addressed at the federal level. It is imperative that CalEPA recognizes rendering and that will keep leverage on the Federal level. The industrial use being taken off the chart needs to be remedied for the rendering industry. Leal shared information about recent CARB airplane flyovers. Flyovers may be for data collection. Krout-Greenberg said they were told CARB's

reasons were for research on large-scale digestors and fuels. It is important to communicate when the flyovers are happening and how the data will be used. Bell said these flyovers are not new. The data has been there. There was an additional comment that wastewater treatments plants are being observed on a regular basis. It has been found that they are leaking methane.

**AGENDA ITEMS FOR FUTURE MEETINGS**

- UC Davis Goat Hemp Feeding Project
- Budget projections based on 22 tons and variable tonnage rates
- Four banned food ingredients and brominated products effects on seaweed
- Coordination of the California safe food supply and the Animal Health Branch Biosecurity Team

**NEXT MEETING**

A Doodle Poll will be sent out to determine date of the next meeting in January 2024. The location will be the Stanislaus County Farm Bureau in Modesto.

**ADJOURNMENT**

**MOTION:** Shay Rambur moved to adjourn the meeting; Michael Koewler seconded. The meeting was adjourned at 12:02 PM.

**ORIGINAL SIGNED BY JENNA LEAL**

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

11/01/2023

Date