

CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (Department)

**FEED INSPECTION ADVISORY BOARD (FIAB)
STANISLAUS COUNTY AG COMMISSIONERS' OFFICE / HYBRID**

**AUGUST 10, 2022
9:00 AM – 12:00 PM**

MINUTES

BOARD MEMBERS

Alejandro Hernandez
Dan Rice
Jed Asmus
Jeremy Banducci
Kate Horstmann
Marit Arana, Chair
Paul Parreira
Shay Rambur

ABSENT

Michael Koewler

CDFA STAFF

Adriana Avalos
Brittnie Williams
Cathryn McCandless
Elizabeth Moseby
Erika Lewis
Jenna Leal
Maria Tenorio Alfred
Mike Davidson
Rachelle Kennedy
Samantha Moran-Defty
Valerie Brott

INTERESTED PARTIES

Mike Filigenzi
Rani Youngman
Tad Bell

INTRODUCTIONS AND ANNOUNCEMENTS

Dr. Marit Arana, Chair, called the meeting to order at 9:04 a.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.

APPROVE APRIL 13, 2022, MEETING MINUTES

Chair Arana requested the Board review the minutes from the April 13, 2022, FIAB meeting.

MOTION: Shay Rambur moved to approve the April 13, 2022 minutes as presented; Dan Rice seconded. The motion passed unanimously by all present with a vote of 8 - 0.

DEPARTMENT / DIVISION / BRANCH UPDATES

Jenna Leal gave Department updates. Kayla Ungar is the newly appointed Special Advisor for Climate, Water and Drought for the Department. Ungar previously served as an Assistant Cabinet Deputy in the Governor's Office. Virginia Jameson has been appointed as Deputy Secretary for Climate and Working Lands for the Department and is on the work group for climate goals that came out of Senate Bill (SB) 1383.

The Legislature reconvened from Summer Recess on August 1, 2022. The last day for each house to pass bills is August 31, 2022. Feed related bills such as Assembly Bill

(AB) 1885, pertaining to the use of cannabis in animals, uses the Department's definition of "livestock".

Leal provided Division and Branch updates. Steve Patton, the Department's Inspections Services Division (ISD), Inspection and Compliance Branch (ICB) Chief, is retiring at the end of the year. Marcee Yount is the newly appointed Branch Chief for ICB. Yount has been with the Department's ICB for more than 30 years, starting her career as a seasonal produce inspector. Yount's tenure with the Department has allowed her the opportunity to work closely with the agriculture industry, thus gaining extensive knowledge of food production and distribution systems. Teri Turnquist, Executive Assistant for ISD, is retiring at the end of August. Lilia Hy is the newly appointed Executive Assistant to ISD's Admin Unit. Hy previously served as the Executive Secretary II to Richard Parrott, Director of CalCannabis.

Leal welcomed newly appointed board member, Alejandro Hernandez from Penny Newman Grain Company, and reappointed board members Jeremy Banducci from Imperial Western Products and Kate Horstmann from Foster Farms.

FUND CONDITION / TONNAGE REPORTING

Leal reported as of July 1, 2021, the beginning balance for Feed was \$3,386,124 and the Safe Animal Feed Education Program (SAFE) was \$797,111. Total combined beginning funds for Feed and SAFE totaled \$4,183,235. Revenue was \$2,978,849 for Feed and \$343,374 for SAFE with a combined revenue for Feed and SAFE of \$3,322,223. Expenditures totaled \$3,777,429 for Feed and \$528,174 for SAFE with a combined total of \$4,305,603. Encumbrances totaled \$943,591 for Feed and \$117,022 for SAFE with a combined total of \$1,060,613. The ending adjusted balance for Feed was \$1,643,953. The ending adjusted balance for SAFE was \$495,289. Total adjusted ending balance as of May 31, 2022, for Feed and SAFE totaled \$2,139,242. Recoveries from Animal Feed Regulatory Program Standards (AFRPS) to date totaled \$414,727.

Leal stated the Antimicrobial Use and Stewardship (AUS) program, a general fund program, and the Livestock Drugs (LD) Program expenditures are simply for information only purposes to track staff time and activities. Board approval is not required for the AUS and LD programs.

Leal reported \$211,948 was spent by the University of California, Davis (UCD) Analytical (AN) lab and \$740,088 was spent by the California Animal Health & Food Safety Lab System (CAHFS) for fiscal year (FY) 2021/22. The CAHFS lab charges include approximately \$500,000 of equipment that was purchased.

Kate Horstmann asked about the status of the equipment that the Feed Program purchased while using the Center for Analytical Chemistry's (CAC) lab services. Horstmann requested the Feed Program provide an inventory list of instruments and the value of the equipment to determine its usage, ability to sell or an overall plan of the instrument, especially unused equipment.

Leal stated the Feed Program will gather a comprehensive list of remaining Feed lab equipment formerly used at the CAC and noted that several pieces of equipment are shared with the Fertilizer Program.

Chair Arana requested a motion from the board.

MOTION: Kate Horstmann moved to request that the Feed Program work with the CAC to prepare a list of assets purchased by the Feed Program for evaluation of disposition; Paul Parreira seconded. The motion passed unanimously by all present with a vote of 7-0.

Jed Asmus inquired about standard operating procedures (SOP) for sales of state property. Leal responded, stating the Feed Program will inquire about the sale of state equipment and SOP's.

Mike Davidson, Supervising Special Investigator for the Feed Program, informed the board that if the equipment is transferred to UCD AN lab, it will become their property.

Lab equipment recently purchased is specifically for UCD's CAHFS and AN labs. The Feed Program has utilized the \$150,000 of federal funds through the AFRPS cooperative agreement to purchase other pieces of lab equipment for both labs to be efficient.

Feed tonnage revenue rates and tons were reported. The tonnage revenue for FY 2021/22 at a \$0.10 per ton to-date was \$2,263,738, for a reported tonnage of 22,637,380.

FEED PROGRAM UPDATES

Leal noted that the printed material for the sampling summary slide is incorrect. The percentage data for the list of products was taken directly from database. The Feed Program continues a 60/40 food safety to label compliance ratio.

Davidson reported field inspection updates from January to August of 2022. During this period, 18 Preventive Controls Current Good Manufacturing Practices inspections and two inspector audits were completed. Seven feed related complaints were received. Complaints included hay toxicity with animal deaths, foxtail in hay blinding goats, almond hull which resulted in a firm quarantine, pesticide in whole wheat and barley, and excessive almond shell in a bakery product.

Davidson reported that eight Notice of Warnings were issued for adulteration. There were 159 violations out of 510 samples. The Feed Program collected 100 Federal Emergency Response Network (FERN) samples for feed safety analysis, primarily looking at mycotoxins in corn products. The Feed Program plans to visit every feed licensee in California and food facilities with feed byproducts; 216 of 326 food facility inspections have been completed.

The Program focuses on routine inspections in the third quarter of the year to avoid a firm receiving both a Food and Drug Administration (FDA) inspection and state inspection in the same time period when possible. Davidson reported 360 of 734 restricted livestock drugs inspections were complete.

FEDERAL CONTRACT UPDATES

Samantha Moran-Defty, Senior Environmental Scientist (SES) (Specialist) for the Feed Program, provided the federal contract update. As of August 2022, 18 Food Safety Modernization Act (FSMA) inspections and one veterinary feed directive/bovine spongiform encephalopathy (BSE) inspection were completed. The FSMA \$150,000 fee-for-service contract for FY 2022/23 was sent to FDA for their review and approval. Leal commented that the future adoption of FSMA requirements within the Department's Feed laws and regulations would benefit the program in having authority needed to assist firms gain compliance.

SAFE AND TECHNICAL ADVISORY SUBCOMMITTEE (TASC) UPDATES

Cathryn McCandless, SES (Specialist) for SAFE, announced the SAFE Program will host a grants workshop in collaboration with the California Grain and Feed Association (CGFA) at Imperial Western Products. The goal is to gather federal and state resources available in a workshop platform to educate the industry on how to find, prepare, and apply for various types of grant funding.

SAFE is in collaboration with the Department's Office of Environmental Farming and Innovation (OEFI) on developing formal comments to California Air Resources Board (CARB) scoping plan. Research priorities for the department based on that scoping have also been discussed. \$10 million funding was granted to OEFI for specific research parameters mandated by legislature - some parameters overlap with SAFE research and were also identified in the CARB scoping plan. OEFI requests for SAFE to act as the subject matter experts in reviewing the safety of feed additives for the intended purpose of methane reduction.

CARB's scoping plan is an equity focused path to carbon neutrality by 2045 or earlier. TASC's research priorities from the CARB scoping plan are as follows: by-product work with a methane emission component, a lifecycle analysis of by-products, to go into the current funded project with additional funding and revised scope of work. Feed additives research to reduce methane emissions, agricultural biomass for Feed (waste products from harvest historically not utilized for feed), prescribed grazing - supplements to improve usability of invasive or less palatable, less nutritious forage and browse in the context of reducing fuel for wildfires. SAFE presented the research ideas identified from the scoping plan to the FIAB's TASC. TASC recommended a request for proposal (RFP) for each area of research.

Leal stated the Feed Program is helping OEFI develop the RFP language ensuring all four areas of research priorities are included in the scope of work. External funding sources to support the research projects should be provided at the next FIAB meeting. Leal requested a motion from the board in support of the TASC research priorities

identified above.

MOTION: Jed Asmus moved to approve the four research priority areas identified from the CARB Scoping Plan put forth by TASC; Paul Parreira seconded. The motion passed unanimously by all present with a vote of 8 - 0.

Leal stated while research is vital, a framework that will allow the end users for CARB offset type credits and be an accepted nationally similar to the Low Carbon Fuel Standard Program (LCSF) model is critical next steps. Leal stated a RFP might be necessary for a contractor, or hiring additional staff to piece together this framework.

Asmus mentioned, Elanco, a company that is striving for federal approval progress in the area of methane reduction feed additives, is working on how to track carbon credit acquisition through usage. The company's model is attempting to capture a carbon credit value to the producer and dairymen. Asmus offered to share contact information and more details to the program.

Tad Bell, CGFA, commented on the importance of keeping animal agriculture sustainable and the advantage of these efforts for ranchers, dairymen and farmers, suggesting the inclusion of the Dairy Council and further discussion of RFPs is necessary.

McCandless announced a press release will be issued announcing two upcoming TASC vacancies. TASC consists of seven members with Dr. Arana as Chairperson and John Martin as Vice Chair. In addition to the CARB scoping plan priorities, TASC has reviewed and recommended the following research projects and funding to the FIAB: goat hemp research and red seaweed dairy cattle trial for FY 2020/21 and cattle hemp research and byproducts capacity planning baselines project for FY 2022/23. A technical review of guidance documents regarding flush verification and drug carry-over guidance will be presented at the next FIAB meeting.

Leal reported CGFA's Environmental Committee meeting, that was held in July, resulted in an edit request from industry on the requirements of a one-page outreach document titled, Organic Waste Diversion to Animal Feed. The outreach document will include language for industry to utilize as a reminder that it is not illegal for byproducts to be diverted to feed. In many cases human food processing plants and other facilities that are diverting human food waste to animal feed "are not subject to franchise requirements under Public Resources Code, Section 400529.4 (b)(5)."

LIVESTOCK DRUGS UPDATES

Two products were granted a provisional registration through the LD Program. Labels were approved; however, the provisional status is due to the product containing ingredients not approved by FDA. Leal reported once the red seaweed product was provisionally approved, the Program anticipated an influx of interest of companies seeking Department review and approval. The LD Program has requested those firms submit safety data for review. Another company has an approved flavoring agent

product now claiming methane reduction. The Program directed the company to work with CARB on the approach to the labeling of methane reducing products.

The Feed Program's regulations for Human Food By-Product Diversion Incentives became effective March 29, 2022. A total of 400,000 tons of by-products were reported; the Feed Program will provide a breakdown of specific by-products at the next FIAB meeting. Public comment period for the regulations regarding FSMA incorporation, BSE clean-up and lot number requirements for formula feed began July 1 and ends August 15, 2022. In response to AB 1885, another regulations packet pertaining to LD product registration for sales from out-of-state has been prepared and is currently routing through the Department. The development of regulations for feed administrative penalties are pending a pre-review by the Department's Legal Office. The Feed Program may request a review by the Feed Board's Regulatory Subcommittee prior to presenting the feed penalty regulations for board approval at the next FIAB meeting. Leal stated Paul Parreira, Shay Rambur and David Meeker were members on the Feed Board Regulatory Subcommittee, and requested a board member volunteer to replace former member David Meeker's seat on the Subcommittee. Alejandro Hernandez volunteered to fill the remaining seat. The last regulation packet underway is regarding a cleanup of feed ingredients.

Rice commented, stating Idaho released a letter in July regarding all hemp products not being recognized as a feed ingredient. McCandless stated the Hemp Feed Coalition is trying to get approval of hemp in animal feed. Discussion with agencies and feed regulatory officials have occurred; however, a complete safety packet regarding hemp has not been submitted to FDA.

UNIVERSITY OF CALIFORNIA DAVIS LABS UPDATE

Leal gave an overview of UCD regulatory lab's responsibilities. The AN lab is responsible for sample preparation and proximate analysis, CAHFS lab handles feed and food safety assays, and the Office of the Texas State Chemist is the programs designated referee lab.

Mike Filigenzi, CAHFS, reported the method development for Vitamin A is validated and complete. Method development for vitamins D and E are in progress and nearly complete. Filigenzi announced CAHFS' new protein analyzer for crude protein should be up and running soon.

Rani Youngman, AN lab, announced the hire of three new lab assistants to process samples. The AN lab is implementing new procedures required for certification with the International Organization for Standardization. The AN lab is hopeful to have the new procedures completed by the end of this year. Youngman announced the AN lab's carbon protein analyzer is up and running.

Leal reported the AFRPS Maintenance and Preventive Controls (PC) Option Cooperative Agreement for year three became effective July 1 through June 30, 2023. The new FDA funding award includes \$225,000 to support AFRPS maintenance and

\$300,000 to support FSMA incorporation and PC program development. Funding will be available annually for a total of five years. FDA awarded AFRPS Standard 11 Sampling Program \$100,000 to support sampling and enforcement for CAHFS' Laboratory Flexible Funding Model Compliance and Enforcement Expansion Supplement Cooperative Agreement. The Feed Program received \$100,000 for all investigative work to obtain samples, effective July 1, 2022.

The Feed Program continues to utilize a dashboard portal to receive weekly information regarding rail issues. The dashboard also allows the program to obtain information from firms and relay to the Surface Transportation Board (STB). Information/data obtained from the dashboard could be used if the Feed Program deems necessary to draft a letter to STB explaining the criticality of the situation.

Discussion ensued regarding rail issues and the program's internal dashboard.

Rice encouraged the Department to continue dialogue with those involved in rail issue discussions.

CALIFORNIA GRAIN AND FEED ASSOCIATION UPDATES

Bell commented, stating a bill to reauthorize STB was introduced this past week. Chris Zanobini and CGFA Board of Directors are working closely with the National Grain and Feed Association to address rail issues.

PUBLIC COMMENTS

No public comments were made.

AGENDA ITEMS FOR FUTURE MEETINGS

Paul Parreira expressed the importance of succession planning for future board terms ensuring involvement of prospective individuals seeking appointment in the future.

Chair Arana expressed the challenges of reporting tonnage to the ExtraView database system with the newly added categories. Difficulties with viewing the entire sheet or screen, retyping information, glitches with autofill and no place to enter tonnage for almond hulls in the system is cumbersome and not intuitive.

Leal agreed, stating the ExtraView database was created primarily for licensing and accounting, not for detailed tonnage reporting. The primary focus will be to update the tonnage reporting system and potentially reevaluate user guide by changing the educational approach on how to fill in tonnage reporting in the database. Leal mentioned CARB's reporting system, stating the importance of interfacing with CARB and CalRecycle in the future.

Jed Asmus inquired about the process of implementing a new Program database.

Maria Tenorio Alfred, the Branch's ExtraView database coordinator, reported the Branch has been working with the Department's Office of Information Technology

(OITS) to update software, increase memory and purge historical data. A contract is in place with ExtraView to assist with database issues that are unable to be resolved by OITS. The first step in building a new database is to complete a Stage 1 Business Analysis. It is a lengthy document that requires Department of Information Technology and Department approval. The Department is exploring one system that could potentially be used department-wide for licensing, but this is not an immediate solution.

Bell suggested discussion occur between the Division Director and the Department's Executive Office regarding this project. Bell further advised the Feed Program to look at the business assessment of the \$4 million Request For Proposal (RFP) to see if other agencies requirements can be consolidated for growers and ranchers.

Discussion ensued regarding various databases including the success of the Low Carbon Fuel Standard system and how it was eventually adopted at the national level. The desire is to have a similar type of model for the feed industry.

Leal stated continued discussion regarding database resolution be an agenda item for next meeting.

NEXT MEETING

The FIAB meeting will be scheduled for November 9 or 10, 2022, in Sacramento, California. The meeting space to be determined.

ADJOURNMENT

MOTION: Jed Asmus moved to adjourn the meeting; Alejandro Hernandez seconded. The motion was approved unanimously by all present with a vote of 8 - 0.

The meeting was adjourned at 11:04 a.m.

ORIGINAL SIGNED BY JENNA LEAL

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

08/10/2022

Date