

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

**CDFA, Inspection Services Division
2800 Gateway Oaks Drive, Room 101
Sacramento, CA 95833**

**September 13, 2011
MINUTES**

MEMBERS

Frederick Frost
John Walth
Michael Koewler
Richard Hoch, Chair
Thomas Daly
Thomas Prokop
Tim Riordan

CDFA

Adriana Avalos
Asif Maan
Christina Elliott
Elaine Wong
Gary Castro
Jenna Areias
Kent Kitade
Killeen Sanders
Lisa Gonzales
Maria Hicks
Mike Davidson
Natalie Krout-Greenberg
Nirmal Saini
Rick Jensen

INTERESTED PARTIES

Billy Gatlin
Chris Zanobini
Justin Oldfield
Kelly Covello
Paul Cameron
Paul Parreira
Tad Bell

INTRODUCTIONS AND ANNOUNCEMENTS

The meeting was called to order at 9:03 a.m. by Chairperson, Mr. Richard Hoch. Self-introductions were made and a quorum was established. Mr. Thomas Geary and Mr. Rob Gilbert were unable to attend the meeting.

MINUTES OF THE LAST BOARD MEETING

Chairperson Hoch requested the board review the February 23, 2011 meeting minutes.

MOTION: Mr. Michael Koewler moved to approve the February 23, 2011 meeting minutes as presented; Mr. Thomas Prokop seconded. The motion passed unanimously.

DEPARTMENT / DIVISION / BRANCH UPDATE

Dr. Asif Maan introduced Mr. Rick Jensen as the Director of Inspection Services. Mr. Jensen thanked the board for attending the meeting. He provided the board with updates at the Executive Office, highlighting that Ms. Karen Ross was appointed as Secretary of the Department, Ms. Sandra Schubert as Undersecretary, and Mr. Jim Houston as Deputy Secretary of legislation. Mr. Jensen provided the board with a brief history of his 30-year

career with CDFA. He iterated that CDFA believes advisory boards are a very important part of the Department, and will continue to be valued.

Dr. Maan provided the board with updates at the Branch level. He stated Mr. Dale Rice will be retiring at the end of 2011, and Ms. Lisa Gonzales will be replacing him as the Agricultural Program Supervisor of the support staff. Ms. Christina Elliott, previously with the Division of Fairs and Expositions, has joined the Branch as an Associate Governmental Program Analyst. Mr. Gary Castro, previously with the Division of Measurement Standards, has replaced Ms. Natalie Krout-Greenberg as the Branch Chief of the Feed and Livestock Drugs Program; Ms. Krout-Greenberg is now working as the Special Assistant at the Division of Inspection Services.

Chairperson Hoch wished Mr. Rice well in his retirement.

PROGRAM FUND CONDITION

Dr. Maan provided the board with an overview of the Feed, Livestock Drugs, and Safe Animal Feed Education Program (SAFE) expenditures and fund condition for Fiscal Year (FY) 2010/11. The combined beginning balance for the Program on July 1, 2010 was \$2,320,722. The revenue from July 1, 2010 through June 30, 2011 was \$2,341,209 and the expenditures were \$2,455,206. As of June 30, 2011, the ending balance was \$2,116,725; of this, \$878,507 was in CDFA's account and \$1,238,218 was in the Bank of America account.

Dr. Maan reported that tonnage tax was reduced from \$0.10 to \$0.09 per ton, at the recommendation of the board. At the February 23, 2011 meeting, the board recommended further reducing the tonnage tax from \$0.09 to \$0.08 per ton, effective July 1, 2011. This reduction is primarily designed to reduce the reserve; however, Dr. Maan cautioned that the Program should not deplete the reserve too quickly. The Program will continue monitoring the revenue, expenditures and reserve, and will provide an update at the next meeting.

Dr. Maan explained the feed tonnage reporting breakdown by FY. In 2009/10, there was a shortfall of almost 4 million tons, compared to over 20 million tons reported in the previous year. This may partially be due to reporting on the new database. However, 19.9 million tons were reported for 2010/11, and 2011/12 looks promising.

FISCAL YEAR 2012/2013 BUDGET

Dr. Maan presented the proposed Feed and SAFE budget to the board, highlighting that the Program's expenditures have historically been within the approved budgets. For FY 2012/13, the Program is proposing \$2,942,156 for Feed and \$201,973 for the SAFE Program. This proposal includes the Program being fully staffed, without furloughs. The combined budget for the Feed/Livestock Drugs and SAFE Programs is \$3,144,122. Discussion ensued regarding the proposed combined budget. The board requested that indirect and direct charges be separate line items at the next budget meeting.

MOTION: Mr. Thomas Daly moved to approve the combined SAFE and Feed budget for \$3,144,129 for FY 2012/13; Mr. Frederick Frost seconded; the motion passed unanimously.

PROGRAM UPDATE

Mr. Castro introduced himself to the board and summarized his 22-year career with CDFA.

Mr. Castro provided the board with program updates, stating in 2011 there were 1,090 livestock drugs registered and 1,421 feed licenses issued. The Feed Program has started working towards ensuring proper labeling of railcars, which has been an educational process for staff and the industry.

There were 68 tissue residue inspections completed for the United States Food and Drug Administration (FDA) contract. The contract required 60, with the option for 15 provisional inspections. For bovine spongiform encephalopathy (BSE), the contract allowed up to 125 inspections; staff is on-track to complete 100.

The tissue residue contract for next year increased from 60 to 125 inspections, at \$1,093 per inspection. BSE inspections decreased from 125 to 100 at \$1,008 per inspection. The FDA is expected to approve the new contract by the end of September 2011.

Mr. Castro reported that CDFA was approached by the California Energy Commission (CEC) regarding by-products of specific types of fuels. The CEC is looking to develop alternative fuel sources, such as algae, that can also be used as feed. Additional information will be provided when it becomes available.

The Program received a \$35,000 Homeland Security grant to update the inspector manual. The manual addresses professionalism, standard operating procedures, emergency response procedures, and sampling techniques. It also includes an appendix with definitions, inspection forms, and more. The manual is expected to be completed by December 31, 2011.

Mr. Mike Davidson provided the board with Feed Program updates. He reported that in January 2011, horse feed manufactured at a California feed mill was contaminated with Monensin; the entire product was recalled. Regular sampling now confirms there has not been any additional Monensin contamination in horse feed. Mr. Davidson reviewed the current status of label enforcement, stating that when a statewide review of rail car labeling was conducted, many firms were not in compliance and a number of unlicensed firms were identified. A label review of out-of-country minerals was completed; some firms were unlicensed with incomplete labels. Fat products containing tallow must be labeled with <0.15% insoluble or must be accompanied with a caution statement.

Mr. Davidson explained that there have been several complaints due high moisture and high fiber in almond hulls, yet less than 20,000 tons were quarantined to-date in 2011. As tonnage continues to rise, the new crop will be monitored statewide. Mr. Davidson explained the process of California Good Manufacturing Practices (Cal-GMP) inspections for firms that use Type A drugs; 10 firms in California have had inspections. The livestock drugs 3-Nitro and Histostat were banned by the FDA; they both contain arsenic. Samples will be taken for the 2011 corn crop survey at all locations that bring unit trains into California; they will be tested for six different mycotoxins, including aflatoxins.

SAFE ANIMAL FEED EDUCATION UPDATE

Ms. Jenna Areias reported that the Program is on track to meet the quality assurance audit goal of five. Five on-farm mixer studies and four feed mill mixer profiles have been completed. Cal-GMP inspections have been conducted on firms that use Type A drugs in California, and are subject to a Cal-GMP inspections. Ms. Areias provided the board with updates for SAFE outreach and education, highlighting that SAFE assists firms in developing process controls for manufacturing facilities, is certified to audit HACCP plans, works with feed mills to gain compliance with Federal and State regulations, and assists feed mills in verification and validation of prerequisite programs for process controls. SAFE will release binders that detail firms with high violation rates at the end of 2011; they will be a compilation of assay and label violations in 2011. The SAFE workshop will be on September 27, 2011 at Harvest Hall in Modesto, California from 9:00 a.m. to 3:00 p.m. Presenters are Dr. Daniel G. McChesney, Director of the Office of Surveillance and Compliance of the FDA Center for Veterinary Medicine, and David Fairfield, Director of Feed Services at National Grain and Feed Association.

LABORATORY UPDATE

Ms. Elaine Wong provided the board with a laboratory update highlighting that from January through August 2011, there were a total of 808 samples received. There were 517 routine samples taken, 34 priority samples, 45 partial rush samples, and 212 rush samples. There were 725 samples completed; 83 were not completed. The majority of samples had a turn-around time of less than 21 days. Ms. Wong reported that the Center for Analytical Chemistry purchased an attachment to one of their machines that will assist with manganese accuracy for feed samples.

A break was taken from 10:17 a.m. to 10:30 a.m.

AFLATOXIN ISSUES IN THE IMPERIAL VALLEY

Mr. Paul Cameron, California Cattlemen's Association (CCA), stated he is proposing growing corn in Imperial County and raising the aflatoxin level to the federal standards. Mr. Cameron proposed a closely monitored, two-year pilot program. He stated that with the board's and CDFA's input, CCA is hoping to put together a successful and safe pilot program.

Mr. Justin Oldfield stated CCA wants transparency and trust to what they are proposing. They sought California Grain and Feed Association and CDFA's advice. Mr. Oldfield stated there is no regulatory language at this point, but defined the intent for the board, because of the need for feed alternatives. The general principles include a defined control area and a two-year pilot project to measure effectiveness. The program would be limited to the Imperial Valley and it would not change state aflatoxin standards. Corn between 20 ppb and 300 ppb will be quarantined and eligible for disposition at approved feed lots. There would be a formal standing agreement with CDFA, the farmer, and the feed lot. He described the testing protocols, transportation, and the board's approval of a conceptual program and control measures.

Chairperson Hoch asked how many bushels CCA anticipates growing. Mr. Oldfield stated that it is difficult to predict because it is competing with other crops, including Sudan grass, but approximately 1,000 to 3,000 bushels will be grown the first year. It will increase the following years because many farmers want to expand if the aflatoxin level is raised above 20. Seeds are planted in February and harvested in July.

There will be a formal standing agreement that specifies feed lots cannot process any grain for dairies as long as they have a formal agreement with CDFA, and are under this program.

Mr. Tad Bell stated the Grain and Feed board initially had discussion last year and decided to work with CCA on developing the process. It was discussed again in July 2011, and there were concerns regarding feed and food safety. This process has addressed all of the concerns; the idea is to give flexibility to the cattle industry. Mr. Chris Zanobini iterated that corn will not be brought in from Arizona or other states; this proposal is only for corn grown in Imperial Valley and for Imperial Valley feed lots. He thanked CCA for being transparent in this process.

Mr. Nirmal Saini commented that from a testing protocol point of view, CDFA does not have legal jurisdiction to approve the labs. Mr. Saini stated that the Department of Public Health may be able to approve the labs. Mr. Oldfield clarified that CCA would like CDFA to recognize the labs, not officially approve them.

Mr. Frost asked if testing will be done from every field during harvest since the proposal is to test 25 tons. Mr. Oldfield stated CCA originally discussed analyzing initial samples in the lab, but after speaking with staff, it became apparent that for the 0-20 ppm there are field tests available that give quick results, and tests can be done onsite. For the 20-300 ppm, there is some question about what the number might be, so the samples would be split and sent to an approved lab. Onsite tests would match the actual lab analysis results.

Mr. John Walth asked what prompts samples to be taken for aflatoxin and if there is a dollar amount that the industry should be concerned about since more samples will now be sent to the lab. Mr. Davidson stated that most samples are taken for aflatoxin.

Mr. Oldfield stated that CCA initially discussed using a CDFA lab, but turn-around time will not be sufficient. That is why CCA wants CDFA to approve the private lab.

Mr. Prokop asked if CDFA is confident that the quick test for corn is adequate. Mr. Davidson stated that the only time there can be issues is when the aflatoxin is high. Quick tests are designed to find very low levels, and are very accurate from 0-100 ppm.

Chairperson Hoch commented that quick tests work well, but not when doing a field sample in the field. There are a number of steps that have to be done, and if the test is being done in a busy place, it is very easy to miss a step. The actual analysis may have to be conducted at the feed yard.

Mr. Saini reported that with quick tests, there are a high percentage of false negatives. Ms. Natalie Krout-Greenberg encouraged Mr. Oldfield to contact Dr. Whittaker for further details regarding the quick test and the analysis of the false negatives.

MOTION: Mr. Tim Riordan moved that a composite group of CDFA, CGFA, the board, and CCA be formed so information can be passed along and show merit to the program and establish a subcommittee. Mr. Frederick Frost seconded; the motion passed unanimously.

Chairperson Hoch suggested that a small committee of CGFA and CDFA compile a proposal to the board and request approval. The subcommittee will consist of Mr. Riordan, Mr. Prokop, Chairperson Hoch, Mr. Paul Cameron, Mr. Oldfield, a farmer, and a non-feeder.

ADDITIONAL ITEMS / NEXT MEETING

Mr. Dale Rice stated that there will be two vacancies on the board in April 2012 and four vacancies in 2013; a press release will be out soon for the upcoming vacancies. Mr. Rice stated that the original make up of the board had staggered terms, with three expiring each year in order to always have a fluid board. For a variety of reasons, it has morphed into having too many vacancies expiring at one time. The board needs to get back to the intent of the law, so future appointments be modified to re-stagger the terms. Mr. Jensen stated that the board is in conflict with the code and it will take work and flexibility with board to correct it. It needs to be corrected, and the program will come forward with a proposal in the near future.

The next Feed Inspection Advisory Board meeting will be on Thursday, January 12, 2011 in San Luis Obispo, possibly at the Embassy Suites.

MOTION: Mr. Michael Koewler moved to adjourn the meeting at 11:36 a.m.; Mr. John Walth seconded. The motion passed unanimously.

Respectfully submitted by:



Asif A. Maan, Ph.D., Chief
Feed, Fertilizer and Livestock Drugs Regulatory Services

9/13/11
Date