

CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (Department)

**FEED INSPECTION ADVISORY BOARD (FIAB)
STANISLAUS COUNTY AGRICULTURAL CENTER - MODESTO
3800 CORNUCOPIA WAY #B 95358 / HYBRID**

**September 23, 2025
9:00 AM – 12:00 PM**

MINUTES

BOARD MEMBERS

Alejandro Hernandez
Dan Rice
Eric Benziger
Jed Asmus
Jeremy Banducci
Marit Arana, Chair
Michael DeGroot
Michael Koewler*

MEMBERS ABSENT

Shay Rambur, Vice Chair

CDFA STAFF

Alejandro Ramirez
Amanda Staudinger
Amber Hayter
Angelia Johnson
Ashley James
Brandi Alston
Erika Lewis-Ortega
Frankie Aguilar
Jenna Leal
Justin Jacobson
KC Gutenberger
Lindsey Collier
Maria Tenorio
Mike Davidson
Rachelle Kennedy
Ryan Kyeremeh
Samantha Moran-Defty
Ted Bert
Valerie White

INTERESTED PARTIES

Amy Housman
Tad Bell
Chris Zanobini

INTRODUCTIONS AND ANNOUNCEMENTS

Dr. Marit Arana, Chair, called the meeting to order at 9:00 AM. Self-introductions were made.

ROLL CALL – ESTABLISH QUORUM

Roll was called and a quorum was established.

APPROVE JULY 29, 2025 MEETING MINUTES

Chair, Dr. Arana requested the FIAB review the July 29, 2025 meeting minutes.

MOTION: Michael Degroot moved to approve the July 29, 2025, minutes as presented. Dan Rice seconded; the motion passed unanimously by all members present with a vote of 7 to 0.

**Michael Koewler arrived at 9:20 AM. All votes after approving July 29, 2025, meeting minutes will reflect votes of eight members.*

INSPECTION TONNAGE TAX LANGUAGE

Rachelle Kennedy presented background information on how the Commercial Feed Regulatory Program is currently being funded through license fees and inspection tonnage tax, highlighting that California has one of the highest license fees and lowest inspection tonnage tax rates in the nation. Kennedy further explains the current annual program cost is approximately \$4 million with a 5% increase in cost being expected in the next year. The program costs are being supported by approximately \$1 million in license fees and approximately \$3 million in inspection tonnage tax.

Kennedy reviewed the current inspection tonnage tax language in statute and expressed concern regarding the term “consumer-buyer.” Kennedy explained that the current structure of the fees is disproportionate to the regulated industry with 10 firms paying 60% of the inspection tonnage tax and the intent of the language change is to help more evenly distribute the costs to all licensees.

Kennedy provided three potential options and discussed the pros and cons of each option.

Option 1: Remove the term “consumer-buyer” from statute.

Discussion ensued regarding how many times a product could be taxed and that this is the Texas tonnage tax model. It was mentioned that the Texas model charges a one-time license fee and a lower tonnage tax rate. Kennedy explained this option would still exempt whole corn and whole grains, but this option would capture soybean meal and canola meal, which historically had not been paid on. This option would also capture tonnage going into integrators.

Option 2: Revise the existing language in statute so the inspection tonnage tax shall be paid by the guarantor on the label. The difference in this option is that if the feed changes hands and the name on the label does not change, there is no applicable inspection tonnage tax.

Option 3: Impose a mill assessment using language similar to the Fertilizer Program. The mill assessment could be paid by the guarantor on the label, on byproducts, or on all feed. The FIAB would recommend the mill assessment rate to the Secretary, who would ultimately review and approve the change.

Kennedy informed the FIAB that the language presented in Option 3 had been discussed previously with the FIAB but at that time the board decided to pass on it as an option.

Discussion ensued regarding the three options and other potential viable options.

Tad Bell asked if there is an option to keep the current inspection tonnage tax model and then cap the amount that one firm would pay. Kennedy stated that if the program capped the amount paid, the program would not have sufficient revenue to maintain the program.

Jeremy Banducci asked if Option 2 was selected, could language be added to the statute to ensure one firm is not paying multiple times for the same feed. Jenna Leal stated that we could explore reducing the current tax tonnage cap of \$0.25 per ton to \$0.20 per ton.

Dr. Arana stated she would like to see additional information on Option 2 regarding where the inspection tonnage tax rate might be able to be set.

Leal stated that the program currently receives approximately \$1 million in General Fund Dollars for the Antimicrobial Use and Stewardship Program (AUS). Those funds will be decreasing. Furthermore, the Animal Feed Regulatory Program Standards grant (AFRPS) is decreasing by about \$200,000. Leal stated there are a high number of low and zero reporters and would a minimum inspection tonnage tax fee charged in addition to the license fee be an option. Any options would require a law change, and would not be effective until January 1, 2027 at the earliest.

Dan Rice proposed exploring some metrics for a healthier distribution of fees paid. Rice suggested stacking a minimum inspection tonnage tax rate that must be paid with Option 2.

Discussion ensued regarding the three options provided. The board requested the Feed Program provide additional financial projections regarding Option 2 (clarify that the guarantor whose name appears on the label must pay when distributed within or into California). The board further requested that the program provide language that requires a minimum inspection tonnage tax to be paid by licensees and to reduce the current inspection tonnage tax cap in law. Options to consider include a \$125 quarterly minimum inspection tonnage tax fee and reducing the inspection tonnage tax cap from \$0.25 to \$0.20. FIAB additionally requested that CDFA's Legal Office review the proposal.

Kennedy informed the FIAB that if there will be a law change related to fees: data confidentiality language should also be discussed. Kennedy reviewed the draft language provided to the FIAB, which have been drafted similarly to what is in the AUS law, with the intent to hold the Feed Program's data confidential and protect any identifying information from the public.

The FIAB reviewed the proposed language and expressed concern about the California Air Resources Board (CARB) exemption language. It was decided to remove the reference to CARB as it is not an applicable reference for this proposal.

MOTION: Dan Rice moved to recommend the Commercial Feed Regulatory Program proceed with the Data Protection Language with amendments to include removing the reference to the California Air Resources Board. Alejandro Hernandez seconded; the motion passed unanimously with a vote of 8-0.

REGULATORY REQUIREMENTS FOR NUTRITIONISTS DISCUSSION

Kennedy presented two options for an amendment to Food and Agricultural Code (FAC) Section 15051(a).

The goal of any requirements would be to establish Nutritionist accountability if they formulate a diet that affects feed, food, or animal safety, including the use of unapproved ingredients. The proposal discusses outreach, initial licensing, record retention and license renewals and would only apply to custom formula feeds. This could be done by adding a licensing requirement to the Food and Agricultural Code.

Another option would be to create a certification program for nutritionists. This would not grant the program authority over nutritionists in the case of a food or feed safety issue from formulation and would be up to industry to ensure their nutritionist had the certification to produce formulations. However, this would allow the program to conduct outreach and education to nutritionists. This would not establish a funding mechanism.

The FIAB discussed challenges that the industry has faced in trying to license nutritionists in the past.

Kennedy explained that the program does not currently have a way to access those individuals that need outreach the most and creating a licensing program would allow the program to reach these individuals. Leal added that there must be a fee established to cover program costs.

Discussion ensued and the board agreed this was a good starting point. The board requested the program continue down the path of registration for nutritionists, which includes outreach and education. The fee should cover the costs for services, including the potential for license or registration revocation costs.

FEDERAL LEGISLATION UPDATES

California Grain and Feed Associations, Chris Zanobini was requested to provide a legislation update. Zanobini reported that the Pet Food Uniform Regulatory Reform Act (PURR) Act in its original form is completely different from what is part of House of Representatives (HR) 4121, which is the appropriations bill containing three pages of the PURR Act. Zanobini met with AFIA and the National Grain and Feed Association. California Grain and Feed Association followed up with several Congressmen. People are aware of our concerns here in California.

KC Gutenberger explained the program's concerns with the Association of American Feed Control Officials (AAFCO) model bill which would be required to be federally

adopted if HR 4121 is approved. Gutenberger discussed a list of concerns that the program has citing concern with the definition of “commercial feed” including the exemption seeds and hulls which would remove almond hulls and cottonseed from the program’s oversight. Additionally, the program is concerned with the very different labeling requirements, which include no min/max selenium guarantee which is a safety concern, allowance of collective terms on bulk feed, less strict label requirements regarding non-protein nitrogen, and custom formula feed not being required to be guaranteed. This would limit the program’s ability to verify if the values are appropriate for selenium, non-protein nitrogen and medicated feed, and to ensure feeding directions are adequate. Erika Lewis-Ortega briefly reviewed what the program has been doing to work towards national alignment, including adopting AAFCO Ingredient definitions into Article 14 regulations, aligning heavy metal tolerances in complete feed, and allowing salt in lieu of sodium. The next regulation package will be for “Label Modernization” to align with AAFCO labeling requirements by defining additional AAFCO terms and aligning tolerances of additional contaminants in complete feed and ingredients, like selenium.

The program received the Animal Food Regulatory Program Standards (AFRPS) grant for \$300,000 for three years. The grant started September 20, 2025.

PUBLIC COMMENTS – LIMITED TO ITEMS NOT ON THE AGENDA

Amy Housman speculates whether there is an opportunity for collaboration between industry, CDFA and American Registry of Professional Animal Scientists (ARPAS) for getting information out to the mill nutritionists. Maybe having ARPAS take over the education portion to draw nutritionists back into ARPAS and for CDFA to register nutritionists as an acknowledgement of their liability.

NEXT MEETING

The next FIAB meeting is scheduled for November 5, 2025, in Sacramento. Dr. Arana stated the inspection tonnage tax revised Option 2 and framework about nutritionists should be included on the next meeting agenda.

ADJOURNMENT

MOTION: Jed Asmus moved to adjourn the meeting; Dan Rice seconded. The motion was approved by all members present with a vote of 8 to 0.

The meeting was adjourned at 11:26 AM.

ORIGINAL SIGNED BY RACHELLE KENNEDY

Rachelle Kennedy, Environmental Program Manager I
Feed, Fertilizer, and Livestock Drugs Regulatory Services

09/23/2025

Date