

DRAFT

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

**Stanislaus County Farm Bureau
1201 L Street, Modesto, CA 95553
(209) 522-7278**

**June 25, 2015
MINUTES**

MEMBERS

John Walth, Chair
John Kauffmann, Vice Chair
Bob Berczynski
Marit Arana
Michael Koewler
Paul Parreira
Thomas Prokop
Tim Riordan

CDFA

Amadou Ba
Cathryn McCandless
Chris Hansen
Elaine Wong
Jenna Areias
Jennifer Goucher
Killeen Sanders
Maria Tenorio
Marilyn Boehnke
Nirmal Saini
Rick Jensen
Samantha Moran
Theodore Bert

INTERESTED PARTIES

Chris Zanobini
Robert Donnelly

INTRODUCTIONS AND ANNOUNCEMENTS

Mr. John Walth, Chairman, called the meeting to order at 9:00 a.m. He advised attendees interested parties are not required to sign in or identify themselves, per the Bagley-Keen Open Meeting Act. Self-introductions were made and a quorum was established. Board Member Mr. John Silva was absent.

APPROVE MEETING MINUTES

Chairman Walth requested the board review the February 24, 2015 meeting minutes.

MOTION: Mr. Michael Koewler moved to approve the February 24, 2015 minutes as submitted. Dr. Marit Arana seconded; the motion passed unanimously.

DEPARTMENT / DIVISION / BRANCH UPDATE

Mr. Rick Jensen stated the Governor signed the California 2015-16 State Budget on Wednesday, June 24, 2015. General funds were allocated within the Budget that impact the Department. The California Animal Health & Food Safety (CAHFS) Laboratory System at the University of California, Davis was allocated \$4.25 million and

an additional \$4.3 million for ongoing support. The Department's Fairs and Exposition Program received approximately \$3 million.

Mr. Jensen reported Assembly Bill (AB) 1871, which made changes to the Certified Farmer's Market Program and authorized the collection of additional fees, passed last year and took effect on January 1, 2015. The Budget Change Proposal enabling the Division to spend those dollars was approved and signed into the Budget. The Division now has an increase in ongoing funds of approximately \$1 million, which are user fees and are not from the general fund, which will enable the Division to increase its work in partnership with the counties for the Certified Farmer's Market Program.

Dr. Amadou Ba announced the Secretary approved the Board's recommendations for board appointments and re-appointed Mr. John Kauffmann, Dr. Arana, and Mr. Paul Parreira for three-year terms. The Department's Executive Office encouraged the Program to continue reaching out to industry to gather a larger pool of applicants' to allow new talent to serve on the board. The next vacancy announcement will contain verbiage encouraging those interested in serving on the board to attend board meetings to familiarize themselves with its processes and structure.

Dr. Ba reported the Fertilizing Materials Inspection Program (FMIP) hired Mr. Kevin Wall as a Feed, Fertilizer, and Livestock Drugs (FFLD) Inspector in the Ontario field office. The Safe Animal Feed Inspection Program (SAFE) hired Ms. Catherine McCandless as a Research Analyst II. The FMIP has one vacant Senior Environmental Scientist (Specialist) position. Mr. Giancarlo LaGiusa, who was in charge of feed licensing in the Branch Office Support Staff (BOSS) Unit, accepted a promotion in the Department's Office of Information Technology (IT).

Dr. Ba stated the Fertilizer Research and Education Program (FREP) is funding research on nitrate-centered issues. The FIAB recently approved an additional \$1.37 million for research projects and additional research funding is expected to be approved at its next meeting. The FMIP has started conducting out-of-state inspections for manufacturers of Organic Input Materials (OIM) under the four contracts for regions within the United States (US). Two more contracts have been awarded for Mexico and Canada, and there is a contract out for bid for international locations, as mandated by the Food and Agricultural Code. The Office of Administrative Law advised the program the proposed increase in the feed license fee from \$400 to \$500 is approved and would be effective on July 1, 2015.

FUND CONDITION REPORT

Ms. Jenna Areias stated, as of April 30, 2015, total funds for the Feed program was \$2,033,341 and total funds for the SAFE program was \$100,551. The total combined funds were \$2,133,892. Total combined revenue was \$3,131,686; combined

expenditures were \$2,494,478; combined encumbrances were \$97,394; the adjusted combined ending balance was \$2,036,498.

FEED PROGRAM UPDATE

Ms. Areias reported the Feed program hired two new staff. Ms. Cathryn McCandless, who had worked three months in the summer of 2008 as an Agricultural Technician for the Livestock Drug Program, was hired as a Research Analyst II. Mr. Cyril Huisman, who retired in August 2014, has been hired as a Retired Annuitant in a Special Investigator position. Ms. McCandless' first assignment is to work with the Technical Advisory Subcommittee (TASC) on the issues identified by the 2013 Technical Working Group. The Working Group recommended feed and food safety as the program's primary focus for sampling, and label compliance as the secondary focus. The TASC will be evaluating undefined feed ingredients, byproducts, and co-products fed to livestock in California to determine whether they are safe to be fed; and, if so, what the inclusion rates should be. Ms. McCandless will also be working on the upcoming almond hullers' educational seminar and is the lead for the interns. Mr. Huisman will be working two to three days weekly to handle the increased federal contract work, which will allow other staff to focus on Process Verification Inspections (PVI) and other feed program activities.

Ms. Areias presented an update on the Animal Feed Regulatory Program Standards (AFRPS). Last year, under contract with the Food and Drug Administration (FDA), the program received \$10,000 to complete a self-assessment to certify whether the program meets, partially meets, or does not meet 10 of the 11 Standards. The self-assessment is Standard 9, "Assessment and Improvement". The program has partially met Standard 6 and fully met Standard 4 of the 11 AFRPS standards. In May 2015, Mr. Gary Castro, the program's lead on the AFRPS project, attended the FDA's AFRPS training in Texas. He learned of a cooperative agreement opportunity to states that had opted into the self-assessment option. The cooperative agreement for the Feed Program would be \$300,000. There is a secondary cooperative agreement offered of \$150,000 for laboratory work. Mr. Castro is working on the final review stage of the necessary documents for these agreements, which are due July 15, 2015.

Ms. Areias reported Ms. Samantha Moran, who was the Hazard Analysis and Critical Control Points (HACCP) coordinator at the CalPoly Mill, has been a wealth of knowledge in writing Standard Operating Procedures (SOP) for the Feed program. She has written many of the program's SOPs, including sampling, auditing, PVI inspections and follow-up inspections, label review, training, safety, bio-security, and more.

Ms. Areias stated the program has been assigned 90 tissue residue inspections and has completed 82. Staff are doing well with the new 21-day turnaround time, which is very rigorous. Thirty Bovine Spongiform Encephalopathy (BSE) and seven non-licensed Good Manufacturing Practice (GMP) inspections have been completed. The

tissue residue contract for 100 inspections expires at the end of August 2015, and the BSE contract for 75 inspections expires at the end of September 2015. The program will be working with the FDA to renegotiate the tissue residue contract over the next two months.

Ms. Areias discussed the June 1, 2015 amendment of Senate Bill (SB) 27, by Senator Hill. The bill would develop a program to track the use of medically important antimicrobial drugs in livestock, antimicrobial resistant bacteria, and patterns of emerging resistance. It defines when a “medically important antibiotic” can be used and prohibits the use of antibiotics for growth promotion and feed efficiency. Additionally, SB 27 would require the department to adopt regulations to promote the ‘judicious use’ of medically important antimicrobial drugs in livestock, including antimicrobial stewardship guidelines.

Mr. Chris Zanobini stated the California Grain and Feed Association (CGFA) is actively working with the Governor’s Office on SB 27 and Mr. Dennis Albani, Vice President of California Advocates, Inc. is the CGFA’s lead on the bill. The June 1 amendment is already outdated as it was amended again today, June 25, 2015. This latest language is more acceptable to the animal agriculture collation. The recordkeeping now coordinates with the new federal veterinary feed directive (VFD) published on June 3, 2015. However, the bill still does not include any mechanism to fund the stewardship program.

Ms. Areias reported the new VFD rule affects producers, veterinarians, feed mills (which the rule calls distributors), and nutritionists. The VFD requires extensive recordkeeping and verification that the veterinarian issued VFDs are in compliance with veterinarian-client-patient-relationship (VCPR) requirements with full and accurate information, such as the veterinarian and the client’s name, address, and telephone number; the date of issuance and expiration of the VFD; the species, production class, location, and approximate number of the animals to be fed the VFD feed; and the name and level of VFD drug in the feed and duration of its use. The rule states all production records for feeds containing VFD’s must be retained for one year and all VFD’s must be retained at the feed mill for two years. Extensive outreach is needed to inform industry of the requirements of the feed-making process in the new VFD rule.

Ms. Areias informed the board the program plans to begin developing regulations immediately, because there are currently no regulations to clarify the registration piece of the livestock drugs law. Program staff will also be developing a civil penalties matrix for tissue residue violations that fall within the livestock drugs law. With all the new federal regulations, the VFD and FSMA rules, and the GMP’s within FSMA, the program needs input from the board and industry; the program need to know whether to add the new rules into regulation by reference or to include just portions of the rules. For example, the current GMP’s are included by reference in regulation and they will need to be updated when the new FSMA rule comes out. Additionally, when the rule comes

out, the program will need input as to whether or not to adopt the whole rule. For instance, within our law we have pieces of the tissue residue regulations, but the whole law is not incorporated by reference. The proposed language for the regulations will be discussed at a future meeting.

Chairman Walth stated the tissue residue violation penalties have restrictions in the current law. The program has to go to the legislature for an increase; before going to the legislature, the program should provide outreach to the dairies. He further stated that perhaps with the new FDA cooperative agreement, there will be funds available to educate industry. Then when the program goes to the legislature for an increase, it can state it has already done the work to educate industry. Additionally, the Livestock Drugs program needs to be self-sufficient, rather than continue to be propped up monetarily. Some dairies cannot afford additional fees, and without general fund monies, the penalties need to be increased.

Ms. Areias reported she participated in a 50-state conference call regarding environmental monitoring with the new FSMA preventive control rules for animal food. With new preventive controls and VFD rules, a cooperative agreement from FDA on outreach for tissue residue, and SB 27 rules for judicious use of anti-microbial drugs on the way, significant changes affecting industry are taking place very quickly which need to be discussed by the board.

Mr. Tim Riordan suggested that recommendations from the Department be included on future agendas so the board receives updates as information is received on SB 27 and other directives. Enforcement and pricing should also be included in that discussion; it is important for the board to receive this information at each meeting.

Chairman Walth agreed and stated there would be further updates at the next meeting. A task force will likely be formed to make recommendations on all the new directives.

FIELD ACTIVITIES REPORT

Ms. Areias reported there is a ship currently off-loading a large load of cottonseed meal from Argentina at the Stockton port. The program has taken samples from it and is working with the manufacturer. Last year the program implemented a data sharing contract with the Vidal, Winterhaven, and Blythe border stations. The three border stations now share information on inbound trucks hauling cottonseed from Mexico and Arizona on a daily basis. Having that control measure in place to know when and where cottonseed is coming into California, where it originated from, and the destination is critical information to the program. There are no issues to date with any samples from incoming trucks.

Ms. Areias stated the program's corn crop survey is continuing. It has been in place for approximately 10 years. The Division of Inspection Services has an intern working on

an extensive project to compile 10 years of mycotoxin studies and corn survey reports into a comprehensive summary report. This corn crop summary will help industry with completing their hazard analysis for inbound corn. The program has found no significant mycotoxin concerns with incoming corn crop and this study will provide scientific data confirming the corn crop is not a risk.

Ms. Areias reported the program recently submitted a legal referral to the Department's legal office regarding out-of-state grain elevators selling grain for feed in California. One particular out-of-state firm refused to obtain a license, taking the stance that the program did not know the grain it was selling was for feed, and that it could be for food. The Department's Legal Office determined the firm must have a license. The program issued a letter stating all out-of-state grain elevators must have a license to sell grain into California for feed.

Ms. Areias gave an update on PVIs. PVIs have been completed on the 55 firms deemed 'high risk'. Follow up inspections are being conducted where needed. Firms that did well on the initial PVI are being elevated to the next tier to assist them in obtaining FSMA compliance. Program staff will be working with these firms the last quarter of 2015 on hazard analysis, verification activities, process controls, and preventative controls.

Ms. Areias stated the program will be working with CGFA on an educational workshop to provide outreach to the industry on the areas identified from the PVIs: production records; purchasing and receiving feed ingredients; quality control and laboratory analysis; and recall and complaint procedures. The workshop will be held in the fall or winter after the FSMA final rule is released.

Ms. Areias reported Mr. Davidson, Ms. Moran, and the rest of the feed staff are working diligently to develop SOPs. Ms. Moran creates them and sends them to senior staff for review. Biweekly conference calls are held to review the SOPs, and any recommended updates or changes.

SAFE AND LIVESTOCK DRUGS PROGRAMS ACTIVITIES REPORT

Ms. McCandless provided an overview of the SAFE and Livestock Drugs program activities. Staff is working on the antimicrobial resistant bill, SB 27, which Ms. Areias covered. The TASC is being assembled; members have been selected, bylaws have been adopted and the first meeting is tentatively set for the end of July 2015. The first TASC meeting will be on novel feed products. Field staff are providing Ms. McCandless with information on what they observe in the field and she is reviewing literature and evaluating feeding trials in an initial analysis on the novel feeds before presenting it to the TASC. Some of the novel feed products identified are prune pits, black soldier fly larvae, almond skins, vine seeds, date palm leaves, and ground date seeds.

Ms. McCandless reported the FLDIP is hosting the California Almond Hullers Educational Seminar on July 8, 2015, 8:30 a.m. to 12:30 p.m., at the Harvest Hall in Modesto. The seminar is an opportunity for the program to provide outreach to industry. Agenda items include: current regulations and CDFA's current authority; sampling techniques; mixing plans and product sampling; and high violation rate criteria.

Ms. McCandless stated the program has talented student interns assisting with activities for the summer. The interns are working collaboratively to analyze the FDA guidance for industry (GFI) documents; current USDA Antimicrobial Resistance (AMR) Action Plan; National Institute for Animal Agriculture (NIAA) white papers; and relevant California statutes. With our guidance, they are working collaboratively as a team to identify what are the most pertinent items in these documents for the program. There is one intern for VFDs and two for producer antimicrobial stewardship. Each intern will make two presentations, one collaborative and one individual, focusing on their area.

CAC LAB REPORT AND UPDATE

Ms. Wong reported the Center for Analytical Center (CAC) laboratory is on track with all of its sampling. The turnaround times are sufficient, with 81.8 percent of assays completed within 14 days. The total assays completed from January 1 through April 30, 2015 were 2,327. The average assays requested per sample was 4.86. The number of routine samples received were 265; priority samples were 9, partial rush samples were 23, and rush samples were 75.

ALMOND HULLERS AND PROCESSORS ASSOCIATION WORKING GROUP UPDATE

Mr. Paul Parreira reminded the board the Working Group goal is to modernize the standards for almond hulls and shells. There is both bad and good news from the feed trial. The bad news is J&L Analytical Services lab could not get all of the analysis completed in time for the scheduled meeting a couple of weeks ago. The good news is they could not be completed because there were four times more samples than what was anticipated and the data is from two different cows. There is a Working Group meeting scheduled for 9:00 a.m., July 30, 2015, at the Almond Board office on the 15th floor of the DoubleTree Hotel in Modesto. Board members who are interested and available were encouraged to attend.

Chairman Walth stated he heard there was a move to go beyond crude fiber testing because of the inconsistency between labs. He asked if tests for lignin, Acid Detergent Fiber (ADF), and Neutral Detergent Fiber (NDF) were more consistent lab to lab and quicker than for crude fiber. Dr. Arana answered yes, and stated the Association of American Feed Control Officials (AAFCO) is considering doing away with crude fiber tests altogether.

Chairman Walth asked if the dairy industry has attended any meetings or had any input. Mr. Parreira stated they had not; but CGFA has three nutritionists as representatives of the dairy industry, and there is merchandiser and feed mill representation. After the July 2015 meeting, when there is more data and a clear direction, it may reach the dairy industry level.

Chairman Walth asked if the final goal was to have a better standard for almond hulls and shells. Dr. Arana replied yes and stated it is to create consistency for almond hullers and processors. Mr. Parreira stated the regulations have not been updated since their inception 65 years ago. The industry now has many varieties that did not exist then. Nonpareils were probably the only almonds grown commercially and there were no shellers, only hullers. Now there are many shellers, very few hullers, and different cultural practices. The Working Group has indicated this feed trial is to establish what the almond industry can legitimately produce, and the value will be based on its nutrition.

Mr. Riordan stated California feed laws may be forced to change relative to this product. The feed trial will provide the updated information. The hullers and processors are very much in tune to what the needs are and they are being very forthcoming on how they are going about it. Hopefully the industry will be able to springboard it into bringing the hullers and processors together from a sales point. Then the consumer would be able to have a much more standardized crop and a less contentious sale of that crop; the board would be able to focus on other items; and the field staff would be able to focus more on feed safety.

Chairman Walth asked Dr. Arana what AAFCO's plans are for crude fiber testing. Dr. Arana stated crude fiber test is considered to be an archaic analysis and it may be eliminated. The Almond Hullers and Processors Association (AHPA) Almond Hull Task Force is doing a better job at defining what a pollinator or hard shell is and what those characteristics are. The Task Force didn't have any data on some of these because they did not exist. Mr. Parreira asserted pollinator is an incorrect term; it should be called hull and shell; that is what is on the label. A pollinator is a slang term that means anything that is not a nonpareil. Chairman Walth stated the difference between pollinators and hull and shell is that sometimes shell is mixed back in to their "pollinators" to make hull and shell. The distinction within the feed side of things comes from people who do not know what a pollinator is. The reason the word pollinator is used is because saying 'non nonpareil' gets confusing.

Ms. Areias reported the program gets complaints from dairymen who say they were told a product was a pollinator at 18 percent, but the product received looked insufficient. When program staff inspect the label and find it says the product is hull and shell at 18 percent, there is nothing the program can do.

Mr. Riordan said hopefully this kind of confusion will be eliminated with additional information. Industry will have the necessary information to make an informative decision. Mr. Parreira stated he believes there will be much better terminology, and between push from the nutrition side and an outreach standpoint, shellers will be encouraged to not blend shells back in.

AGENDA ITEMS FOR FUTURE MEETINGS

Chairman Walth asked the board if there were any items the board would like added to the next meeting's agenda. He noted items not on the agenda would only be discussed to determine whether they should be included as a future agenda item.

Dr. Arana iterated, "Regulatory Update" should be added as a routine agenda item.

Chairman Walth asked Ms. Areias if it could just be a bullet under her program update. Ms. Areias agreed.


NEXT MEETING

The next meeting will be 9:00 a.m., Tuesday, October 6, 2015, in Sacramento.

MOTION: Mr. Tim Riordan moved to adjourn the meeting; Mr. Kauffmann seconded. The motion passed unanimously.

The meeting was adjourned at 10:45 a.m. by Chairman Walth.

Respectfully Submitted By



Jenna Areias, Feed Program Supervisor
Feed, Fertilizer, and Livestock Drugs Regulatory Services

06/25/15
Date