

**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)
FEED INSPECTION ADVISORY BOARD MEETING (FIAB)
Sacramento, California
March 4, 2009
MINUTES**

MEMBERS

Richard Hoch
Thomas Prokop
Fred Frost
Thomas Daly
John Walth
Michael Koewler
Rob Gilbert

CDFA

Nate Dechoretz
Asif Maan
Dale Rice
Natalie Krout-Greenberg
Jenna Areias
Joanna Danquah
Avnee Jivabhai
Killeen Sanders
Elaine Wong

INTERESTED PARTIES

Tad Bell – California Grain
Feed Association
John Peters – GPI
Paul Perreira – Almond
Hullers
Alex Castro - MCorp
John Krivacic – C & G
Consulting, Inc.

CALL TO ORDER

Vice-Chairman Richard Hoch called the meeting to order at 9:02 a.m. A quorum was established.

INTRODUCTIONS AND ANNOUNCEMENTS

Mr. Hoch welcomed everyone to the meeting. Self-introductions were made. Mr. Hoch informed the group that Mr. Thomas Geary was unable to attend.

APPROVAL OF MINUTES

Mr. Hoch asked the Feed Inspection Advisory Board members to review the minutes of the October 9, 2008 meeting.

MOTION: A motion was made by Mr. Thomas Prokop to accept the minutes as presented. Mr. John Walth seconded the motion. The motion passed unanimously.

ELECTION OF CHAIRMAN AND VICE-CHAIRMAN

Dr. Asif Maan reported Mr. Geary has notified the department that he will be stepping down as chairman of the advisory board. However, he intends to continue serving on the board. Hence, the board needs to elect a new chairman.

MOTION: A motion was made by Mr. Thomas Prokop to elect Mr. Richard Hoch as Chairman of the Feed Inspection Advisory Board. Mr. Fred Frost seconded the motion. The motion passed unanimously.

Mr. Hoch informed the group that his previous position as Vice-Chairman is now open and he would like to recommend Mr. Walth for that position.

MOTION: A motion was made by Mr. Rob Gilbert to elect Mr. John Walth as the Vice Chairman. Mr. Thomas Prokop seconded the motion. The motion passed unanimously.

DEPARTMENT / DIVISION / BRANCH UPDATE

Mr. Nate Dechoretz informed the board that the Department is currently undergoing many staffing changes but are diligently working to fill vacant positions. The Division and the Inspection and Compliance Branch are conducting strategic planning of the state organic program, and expect to be finished by summer. The database replacement project is well underway, and is progressing fairly rapidly.

Dr. Asif Maan presented the group with a branch update. He informed the group that reorganization to separate the feed and fertilizer programs has been completed. He directed the board's attention to the branch organizational chart that reflects the change. He noted there is only one vacancy for a field investigation in Imperial Valley; in the interim, Mr. Tim Walters has been hired as a retired annuitant.

Dr. Maan reported as directed by the Governor, all employees are required to take furlough days the first and third Friday of every month so offices will be closed. Furthermore, based on seniority, some branch employees have received surplus letters.

Discussion ensued about the impact of the furlough days and possible layoffs for the program. Mr. Dechoretz noted that while the program is not directly impacted by the layoffs, it is not protected from the possibility of replacing current employees with employees laid off from general fund programs.

Mr. Fred Frost asked if the Board can do anything to help protect the program from the changes. Mr. Dechoretz responded board may consider sending a letter to the secretary communicating a request to maintain the program and protect it from further changes like the layoffs.

MOTION: A motion was made by Mr. Koewler requesting staff to generate a letter to the Secretary from the Chairman with support of the Board, to preserve the department, as it is, to protect it. Mr. Fred Frost seconds the motion. The motion passed unanimously.

FUND CONDITION

Dr. Maan noted a beginning balance of \$2,279,298 as of July 1, 2008 and an ending balance of \$2,726,959 as of December 31, 2008 for the Feed and SAFE program. He noted a projected ending balance of \$2,492,050 on June 30, 2009. This includes estimated projections based on historical patterns and an increase in license fees from \$100 to \$300 per location.

Dr. Maan presented a chart showing the sources for revenue which includes tonnage taxes, license fees and various other minor fees and late charges. The charts display an increase in total revenue from 6% to 16% as a result of the license fee increase.

DATABASE UPDATE

Dr. Maan informed the group that the database replacement project is well underway. He noted the progress of the project and invited Mr. Alex Castro to provide the Board with an update. Mr. Castro introduced himself. He informed the group that he is from M-Corp and is currently working on developing a new database for the Feed Materials Inspection Program. He noted that they are implementing a program called ExtraView, which is an application that is already developed and will be adjusted to the needs of the program. The staff is currently determining the methods by which work is completed on a daily basis. The staff has been working for the last four months to breakdown processes of work. Upon completion, manufacturers will be able to log onto the system, fill in the information and pay and complete all necessary documentation. This will reduce the amount of correspondences necessary. This will be a very interactive process that will eventually lead to industry involvement. He noted that in order for anyone to receive a cottonseed certificate, documentation and information must be provided on the website. For values that violate thresholds, notifications will be automatically generated and sent to the originator and an inspector who can then proceed to inspect the shipment if necessary. All records are maintained by the firm number, which will then allow CDFA staff to review historical data when needed. The date of completion is estimated to be in August. This process will allow all users to view and insert information immediately.

Discussion ensued about the details of the database and the processes for manufacturers and inspectors. Mr. Tad Bell requested that a timeline be kept to display the progress of the new database. Dr. Maan responded that a detailed schedule of time is being maintained.

PROGRAM /AAFCO/ FEED MANUFACTURING STUDY GROUP UPDATE

Mrs. Natalie Krout-Greenberg provided the group with a personnel update as well as program, Food and Drug Administration (FDA) contracts, Association of American Feed Control Officials (AAFCO), California Grain and Feed Association (CGFA) Feed Manufacturing Study Group and licensing and labeling updates. She informed the group that Killeen Sanders has been hired as a Feed Fertilizer Livestock Drug (FFLD) inspector; Melissa Munoz is now handling the Feed & Restricted Livestock Drug Licensing; Megan Greber is overseeing Livestock Drug Registration; and Avnee Jivabhai is tracking Bovine Spongiform Encephalopathy (BSE) and Tissue Residue inspection reports and billing for the FDA Contract work.

She informed the board that a total of 1,280 samples were taken in 2008 resulting in 73 quarantine actions. She noted that 74% of samples taken are within the sample turn-

around time. Mrs. Krout-Greenberg stated that almond hull violation rates were down significantly. She reported currently 1,725 firms are licensed with the program.

She further reported the peanut butter recall led to the routing of recalled products to animal feed, resulting in close watch of the recalled products.

The Board was informed that an updated notice for Camelina Meal will be mailed soon as well as cotton by-products and new database update notices.

She noted that the BSE contract for 2008 was fulfilled and 2009 is currently in progress. Renegotiations for the new contract will be based on the new BSE rule and workload expected of the states. The Tissue Residue contract will be 88% fulfilled by April 2009 and the 2009-2011 contract will be renegotiated in June.

Mrs. Krout-Greenberg informed the Board that the program is working with FDA to update the Hazard Analysis and Critical Control Points (HACCP) plan. The program will have investigators take a HACCP training course upon completion. AAFCO will have a midyear meeting in Tucson, AZ. California will be hosting an AAFCO seminar on May 2009 to focus on process controls, labeling and equipment cleanout.

SAFE ANIMAL FEED EDUCATION PROGRAM (SAFE) SUNSET DATE

Mr. Hock reported that CGFA, Feed Manufacturing Study Group for SAFE recommended to extend the sunset clause to 2015 and allocate \$400,000 or 15% of the overall budget for the SAFE Program. The licensing sunset clause will extend to 2015 as well. Mr. Bell noted that the California Grain and Feed Association Board really focused on the maximum licensing fee that should be charged. Mrs. Krout-Greenberg provided the group with clarification on licensing and labeling, licensing exemptions and concerns from the industry.

Discussion ensued and determined that according to the law, whole grain and hay distributors should also be licensed.

Mr. Bell suggested reviewing current law to specifically determine who is and who is not exempt from requiring a license.

Mr. Hoch recommended forming a study group to further study this issue. Dr. Maan recommended Mrs. Krout-Greenberg and Mr. Davidson from the program to provide technical support to the group. Mr. John Peters requested to participate in that group as well. Mr. Geary was recommended to join the group considering his background and knowledge of labeling and licensing.

SAFE ANIMAL FEED EDUCATION PROGRAM UPDATE

Ms. Jenna Areias presented the FFLDERS Branch informational folder to the. She stated that the folder will soon be posted on the website. Ms. Areias reported that 4

mixer-studies have been scheduled. Two workshops will be scheduled to help industry transition to the online database and to discuss the FDA rule.

ALMOND HULLERS / PROCESSERS UPDATE

Mr. Paul Parreira informed the group that Almond Hullers and Processors Association (AHPA) had a meeting to discuss how AHPA is addressing issues related to almond hulls used as feed. The AHPA is willing to change and improve their practices to comply with state laws and regulations. The process through which the almonds are shelled is very different now which makes it difficult to be thorough. He noted that the fiber problem stems from an inability to separate sticks from the product. AHPA would like a CDFA and a CGFA representative at their meetings with time designated for updates from both organizations. AHPA would also like a Feed Inspection Program update for their newsletters.

LABORATORY UPDATE

Ms. Elaine Wong thanked the Board for allowing the lab to purchase new equipment and improve sample turn-around time. This year 1,144 samples have been received with 9,083 assays completed. She noted that a majority of samples are being completed within 10 days. Some tests require additional time and it is not possible to expedite these processes. She reported that the new grinder is in place and while the room that burned last year has not been finished, a new oven has been installed and both the grinder and oven are working well.

REGULATIONS UPDATE

Ms. Krout-Greenberg informed the group that previously discussed regulation changes to Aflatoxin action levels are currently underway and there are no new regulation updates to report at this time.

LEGISLATIVE UPDATE

Mr. Bell informed the group that there is an assembly bill allowing animal carcasses be sent to a landfill in emergency situations. A bill focusing on kitchen grease and animal abuse penalties is also underway. Mr. Bell reviewed several other bills that have been introduced. He noted that the budget is still in jeopardy and will still be a priority this spring.

CLOSED SESSION

A Closed session was called at 11:55 a.m. for the Board to discuss the Board vacancies.

OPEN SESSION

The closed session was called to an end at 11:00 a.m. at which time Mr. Hoch invited all attendees back for the remainder of the open session meeting.

Mr. Hoch informed attendees that Mr. Rob Gilbert and Mr. Fred Frost have been recommended to the secretary for appointment to the board.

It was suggested that the board discuss methods to encourage new members for Board participation. Suggestions included inviting interested individuals for the board vacancies and request they begin attending meetings and familiarize themselves with industry issues presented. The other suggestion was to consider a law change limiting the number of terms a member may remain on the board.

ADDITIONAL ITEMS / NEXT MEETING

Mr. Hoch informed the Board that CGFA will be inviting the Chairman of this Board to the CGFA Board meetings.

The next Board meeting will be held on June 17, 2009 at 9:00 a.m. at the Agriculture Center in Modesto, California.

MOTION: A motion was made by Mr. Thomas Daly to adjourn the meeting. Mr. Michael Koewler seconded the motion. The motion passed unanimously. The meeting was adjourned at 12:15 p.m.

Respectfully submitted by:



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

6/10/2009
Date

AAM/AJ