

The U.S. Feed Industry and AFIA



Gina Tumbarello
Director, International Policy and Trade
gtumbarello@afia.org



Topics

- American Feed Industry Structure
- U.S. Feed Regulatory Structure
- American Feed Industry Association (AFIA)

American Feed Industry Structure

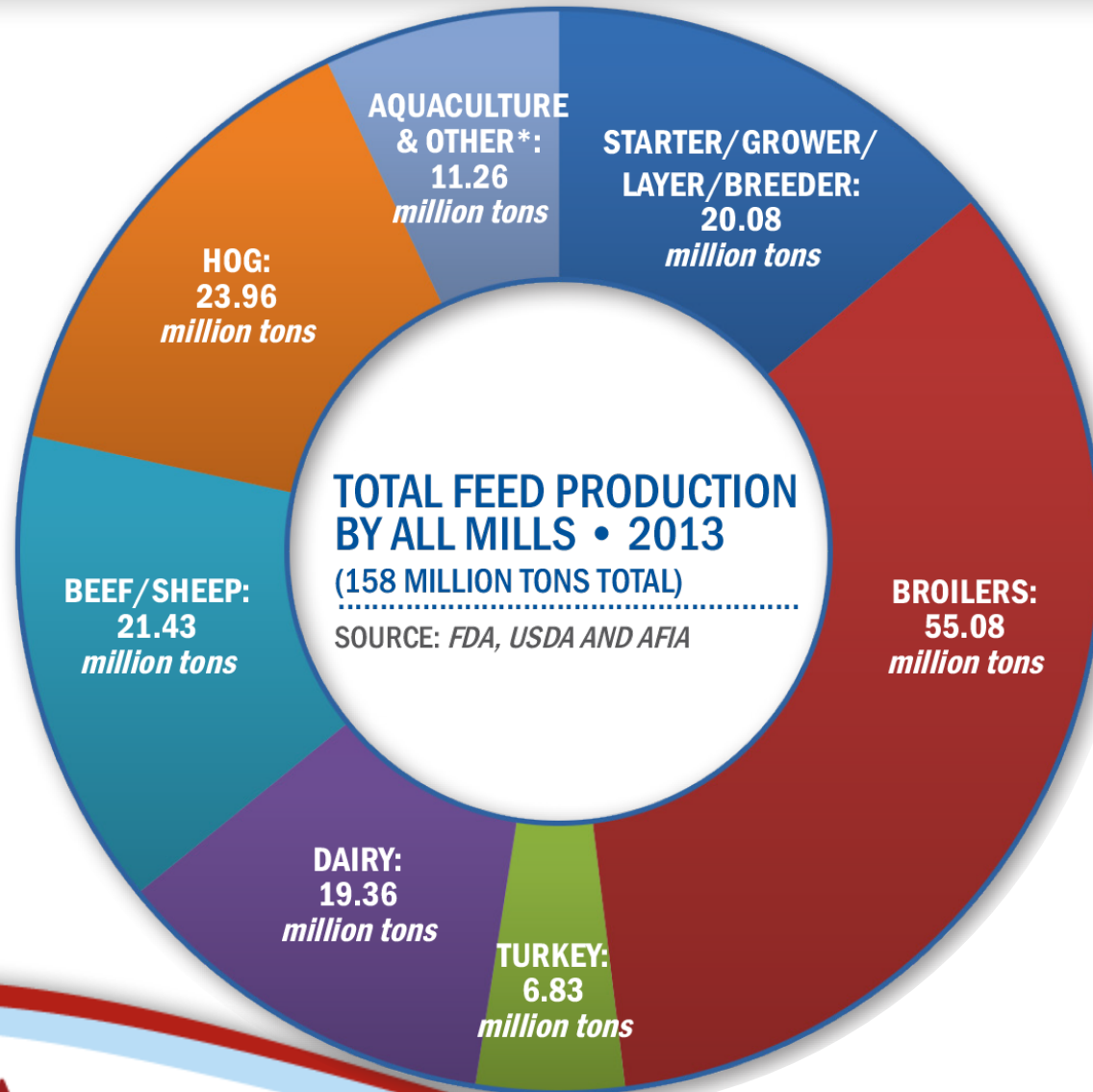


American Feed Industry Structure

The U.S. feed industry structure is composed of a number of market participants including:

- Commercial feed
- Commercial pet food manufacturers
- Integrators (which are companies that own production animals and also produce their own feed).
- Premix manufactures
- Feed additive manufactures
- Ingredient supplier
- Distributors

U.S. Feed Production by Species



U.S. Animal Production

TOTAL NUMBER OF FEED MILLS IN THE U.S.: 6,718

SOURCE: Jan. 15, 2014 FDA List: 1,012 facilities producing medicated feed and 491 pet food facilities



TOTAL NUMBER OF HEAD:

2013

SOURCE:

Broilers	8.515 billion head	<i>National Chicken Council: March 2014</i>
Layers	351 million head	<i>USDA-NASS, as of Feb. 2014</i>
Market Hogs	60.2 million head	<i>USDA-NASS, as of March 2014</i>
Breeding Hogs	5.76 million head	<i>USDA-NASS, as of March 2014</i>
Dairy Cattle - Cows that calved	9.2 million head	<i>USDA-NASS, as of Jan. 2014</i>
Beef Cattle - Cows that calved	29.0 million head	<i>USDA-NASS, as of Jan. 2014</i>
Cattle on Feed	10.8 million head	<i>USDA-NASS, as of Feb. 2014</i>
Sheep & Lambs	5.21 million head	<i>USDA-NASS, as of March 2014</i>
Turkeys	242 million head	<i>USDA-NASS, as of Sept. 2013</i>

Raw Ingredients Used in U.S. Feed

RAW MATERIALS USED IN FEED:

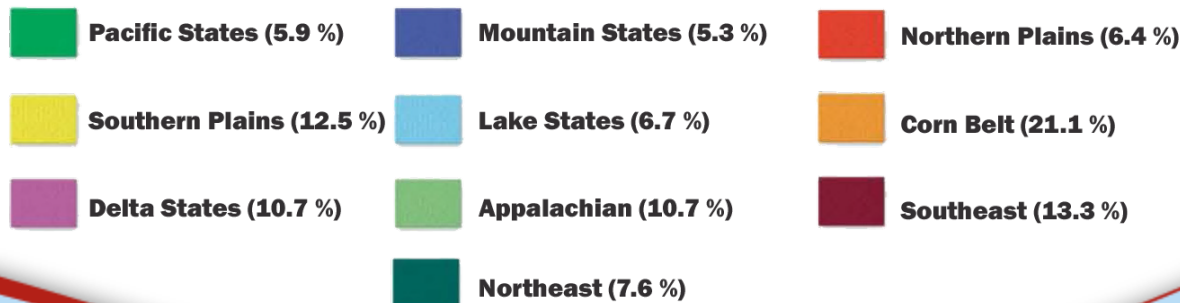
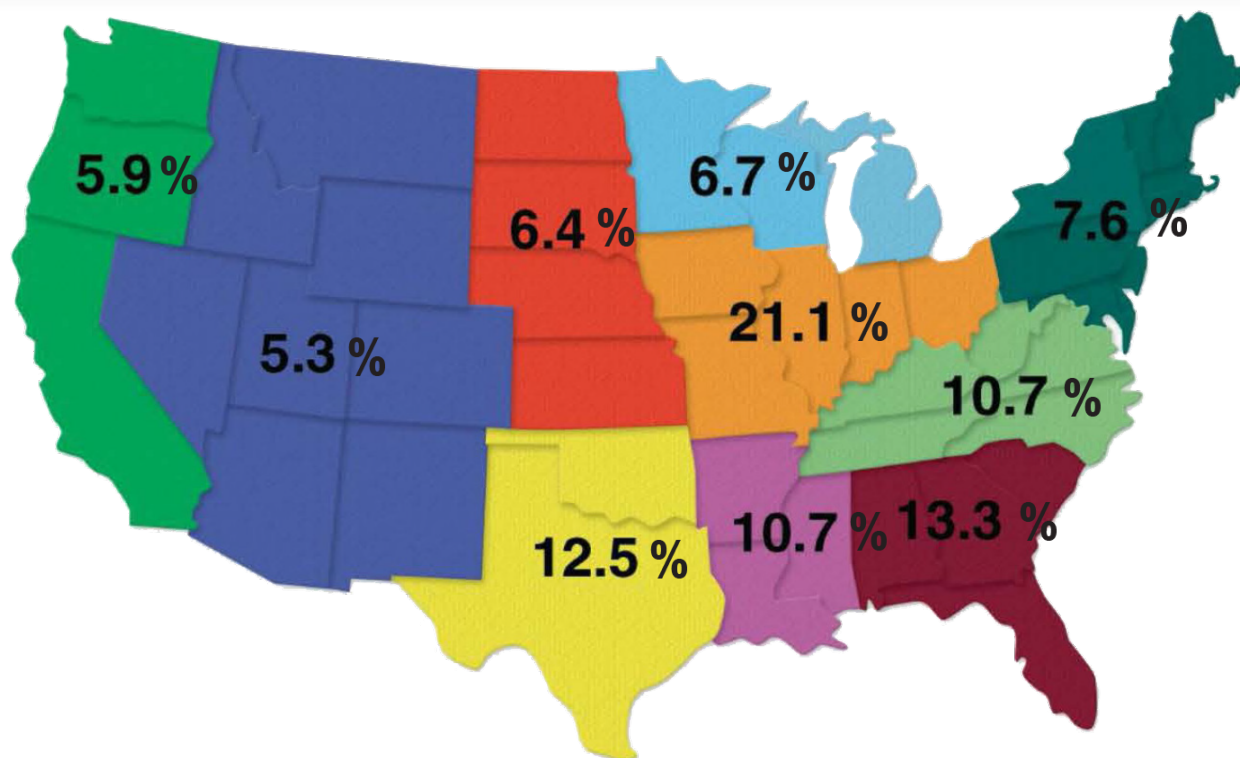
	2012/2013	SOURCE:
Corn	109.1 MMT	USDA/WASDE Report, August 2014
Wheat	10.5 MMT	USDA/WASDE Report, August 2014
Barley	1.3 MMT	USDA/WASDE Report, August 2014
Oats	1.51 MMT	USDA/WASDE Report, August 2014
Soybean Meal	26.3 MMT	USDA/WASDE Report, August 2014
Sorghum	2.4 MMT	USDA/WASDE Report, August 2014
DDGS	35.5 MMT	RFA 2014 Annual Report
Total Forage Production	281,810 thousand tons	2013 Summary Report, USDA-NASS
Alfalfa Production	57,581 thousand tons	2013 Summary Report, USDA-NASS
Corn Silage Production	117,851 thousand tons	2013 Summary Report, USDA-NASS
Other Hay Production	78,356 thousand tons	2013 Summary Report, USDA-NASS



Animal & Feed Production by Region

**ESTIMATED
PRIMARY FEED
PRODUCTION
REQUIRED
TO SUPPORT
ANIMAL
INVENTORY**

SOURCE: Feedstuffs, 2012
Reference Issue and Buyers
Guide, Sept. 12, 2012,
Number 39, Page 6



U.S. Feed Exports

U.S. 2013 Feed/Feed Ingredient exports > \$9 billion
(does not include corn, soybeans, soybean meal or feed wheat)

Pet Food	\$1.5 billion
Feed/Feed Ingredients	\$7.6 billion

USA Feed Regulatory Structure



US Feed Regulatory Structure

- The U.S. enjoys one of the safest feed and food production systems in the world.
- This is a result of a combination of both self imposed best practices by the feed and food industries, together with a system of government oversight that has been built through collaboration of the industry and Federal and State legislative and regulatory agencies.

The Players

- Association of American Feed Control Officials (AAFCO)
- State feed control officials
- FDA Center for Veterinary Medicine (CVM)
- Environmental Protection Agency (EPA)
- Occupational Safety & Health Administration (OSHA)
- USDA Animal and Plant Health Inspection Service (APHIS)
- USDA Foreign Agricultural Service (FAS)
- U.S. Trade Representative (USTR)

AAFCO

- Not a regulatory body
- The association for state regulatory agencies governing feed, feed ingredients and pet food
- AAFCO has the model bill/regulations, ingredient definition process, *Official Publication*
- AAFCO sets the tone for state regulation
- www.aafco.org
- AFIA/AAFCO 105 years of unbroken meetings

State Feed Control Officials

- State departments of agriculture, state chemists, environment and others
- Regulatory services within the land grant university system
 - ex. Kentucky Regulatory Services: University of Kentucky, Office of the Texas State Chemist: Texas A&M University, Office of the Indiana State Chemist: Purdue University
- Follow state feed law and regulations
- Inspect facilities, review labels, tonnage reporting, sampling, enforcement actions

State Feed Control Officials

- All states except Alaska – commercial feed law and regulations
- Almost all adopt a version of the AAFCO Model Bill and Regulations
- Laws/regulations generally uniform, but exceptions
 - Become familiar with state of interest
 - Watch for changes
- AAFCO publishes state requirements

FDA CVM

- **Federal regulatory authority over the manufacturing and distribution of food additives and drugs for animals**
 - Food Safety Modernization Act implementation
 - BSE policies, inspections and enforcement
 - Medicated feed inspections, enforcement and GMPs
 - Ingredient approval (AAFCO involvement, food additives and GRAS)
 - New Animal Drug approvals
 - Labeling
 - Reportable Food Registry
 - Import oversight
 - Bioterrorism Act registration

FDA CVM

- **District offices**
 - Conduct plant inspections and compliance/enforcement
- **Contract with states for inspections**
 - BSE inspections
 - Medicated feed inspections
 - Sampling
 - Animal drug residue follow up
 - FSMA inspections likely in future
- **Current Good Manufacturing Practices (GMPs)**
 - Medicated feed (21 CFR 225)
 - Coming for all animal feed and pet food (FSMA)

Ingredients

- Food = Feed in federal law
- Ingredients must be approved:
 - Food additive (FAP)
 - Generally Recognized as Safe (GRAS)
 - AAFCO Official Publication
 - Common or usual name
 - Ingredient definition
- States will review labels to ensure ingredient is approved

EPA

- **Sets standards and regulations to enforce environmental laws on federal level**
 - Air quality
 - Water quality
- **Examples**
 - Spill Prevention Control and Countermeasures
 - National Emphasis Program on Chromium and Manganese for the control of Air Emissions
 - “Waters” of the U.S.

OSHA

- **Assure safe and healthy working conditions**
 - Setting and enforcing standards
 - Providing training, outreach, education and assistance
- **Federal or state programs**
 - Hazard Communications Standard (GHS)
 - Lockout/Tagout (for the control of stored energy)
 - Personal protective equipment (gloves, masks, etc.)
 - Fall protection (from trucks, working platforms, etc.)
 - Confined space entry (engulfment in bins and rail cars)

USDA APHIS

- **Veterinary Services, National Center for Import and Export (NCIE)**
 - Animal based products for import or export
 - HQ staff negotiate protocols for how trade occurs
 - Area vets who inspect or sign health certificates for export
 - Import staff – determine requirements
 - <http://www.aphis.usda.gov/wps/portal/aphis/ourfocus/importexport>
 - IREGs: International Animal Export Regulations
 - Animal and Animal Product Import Information
- **Plant Protection & Quarantine (PPQ)**
 - Non processed plant products for animal feed for import or export

USDA FAS

- **Negotiates broader access issues for exports of U.S. agricultural products**
- **Staff dedicated to handling feed issues in HQ**
- **Attachés in country at U.S. Embassies**
- **Publish reports on country or regions - GAIN**

FDA Trade Involvement

- “Everything else” that does not fall under APHIS for import and export
- Import permits from Customs & Border Protection
- Provide no export assistance now
- FSMA gave authority to issue export certificates – should start when new FSMA regulations in place
- New FSMA import verification regulations coming

USTR

- **Agency of the White House**
- **Lead negotiator for trade agreements/pacts**
- **Guides U.S. Government responses for trade barriers**

The American Feed Industry Association

- Founded in 1909 out of a need to create uniform feed rules
- AFIA is a non-profit organization representing over 575 feed and pet food manufacturing and supplier companies, regional and state associations and international firms
- AFIA provides:
 - Leadership on legislative and regulatory issues concerning feed industry firms from a state, national and global perspective
 - Education, training and networking services for the industry
- Member companies represent over 75% of all commercial feed manufactured and supplied to the U.S. market
- AFIA is a member of IFIF



AFIA cont...

- Lobbying
- Commenting on regulations
- Informing and educating government officials at State and Federal Level
- Technical assistance for membership
- Facilitating discussion among membership
- Consumer and scientific research
- Educational outreach initiatives
- Technical Publications, Conferences, Seminars and Webinars
- Providing government relations

Thank you!

