



# Grease Theft Back on Radar Screen

By Tina Caparella

It has long been a problem for the rendering industry: the theft of used cooking oil, or restaurant grease. Fed up with not having a legal leg to stand on, members of the Pacific Coast Renderers Association (PCRA) were successful in putting a California law and program in place in 1995 that they hoped would put criminals out of business. But 15 years since it became illegal to transport used cooking oil without a permit, renderers in The Golden State are frustrated with how the law and program are not working to deter the ever-increasing theft of grease.

At this year's PCRA annual convention in mid-February, members searched for solutions to a state program they initiated that is sufficiently funded by permit fees but understaffed. Dr. Dennis Thomson, California Department of Food and Agriculture (CDFA) Meat and Poultry Inspection Branch, highlighted some of the 31 grease theft cases investigated in 2009, with most resulting in probation and small fines. Still, the thefts continue.

"I understand your frustration and it's justified, but there is only one investigator to cover the whole state," said Thompson. The program's lone investigator also looked into 53 additional cases that resulted in no further action being taken. Thompson said now that the program's fund has built up a surplus, a second investigator position should be filled by this spring or summer.

Another tactic toward the problem was recommended by members of the California Grain and Feed Association (CGFA). Dennis Albani and Tad Bell explained how renderers could

develop an industry advisory board that allows a more formal interaction with the CDFA secretary and staff. The CGFA has had such an advisory board for decades that has served it well. Other options discussed were increased penalties for grease theft and possible vehicle impoundment. PCRA members decided it would be prudent to work with Albani and Bell on developing an industry advisory board and chose to see if the second investigator can help bring down the number of grease thefts before changing the law.

While the group was passionately troubled by the ongoing grease theft issue, it was not the only topic of conversation at the convention. Sergio Nates, Fats and Proteins Research Foundation (FPRF), highlighted research activities, including projects being conducted at the Animal Co-Products Research and Education Center at Clemson University. He said research focusing on *Salmonella* reduction are the most important, but so too are at-large projects taking place at other universities, such as those focusing on using rendered proteins in aquaculture feed, an industry that is growing at eight percent per year. Another important project just completed is a carbon footprint calculator for rendering operations, which is now available through FPRF and the National Renderers Association (NRA).

Focusing on the troubled dairy industry was Gary Conover, Western United Dairymen (WUD), who proclaimed 2009 as the worst year for California dairies in 50 years. The industry has lost over \$3 billion in on-farm equity over the last 14 months, and has seen over 100 of its 1,800 dairies close in the past year, with more predicted to shut their doors this coming year. Besides the declining real estate market, Conover attributed the disastrous situation to the global economic meltdown leading to a drop in exports, and a decline in milk production due to herd reductions. Also contributing to the dairy industry's woes are environmental and regulatory costs in California and the state's milk pricing program. Conover said at one point, dairies were only receiving half for their milk as it costs to produce.

"We're not exactly sure how to stabilize our industry since we don't have control over things like our feed input or demand," he commented. Another challenge is the shortage of large animal veterinarians in California and the nation. On a brighter note, WUD is celebrating its twenty-fifth anniversary this year and has been successful in receiving research grants, such as a \$500,000 grant for using dairy biogas as renewable methane in vehicles.

Chris Zanobini, CGFA, confirmed the dairy industry's financial crisis by disclosing that California's feed industry is showing \$250 million in questionable receivables from the state's dairies. He said the increased use of canola meal, which has a zero tolerance for *Salmonella*, has helped keep feed prices high. He then warned that the Humane Society of the United States is very well-funded, well-organized, and focused.



Dennis Thompson, CDFA, left, explains how California's grease theft program operates to Ray Kelly, retired from Baker Commodities, center, and Tim Koewler, Reno Rendering Company.

# At Pacific Coast Renderers Association Convention

“Agriculture needs to get focused as well,” Zanobini declared.

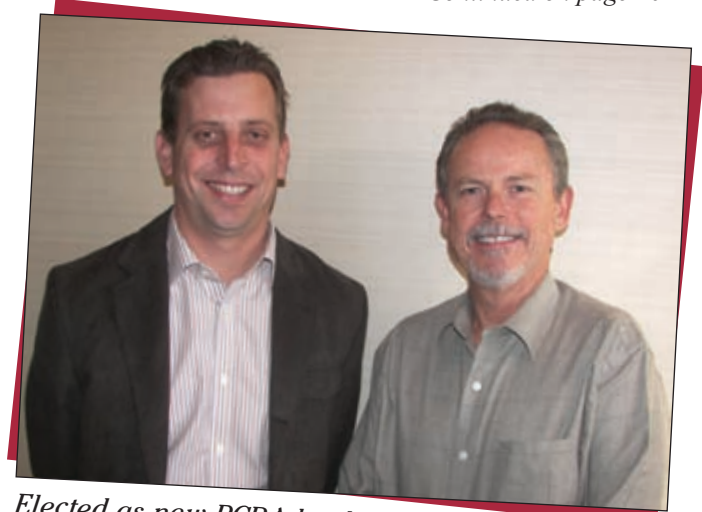
Albani discussed the attention animal and animal welfare issues have gotten in California’s legislature, with 53 bills introduced in 2009. While most pertained to dogs and cats, he said it shows a trend. With help from the CGFA, PCRA sponsored one bill that was signed into law in 2009, Assembly Bill (AB) 1249, which maintains the status quo for carcass disposal options in California and now allows the agriculture secretary to issue permits for landfill disposal during emergencies, allows licensed dead stock haulers to dispose in a landfill if a renderer certifies they cannot process due to operational or regulatory consideration, and requires transporters of used cooking oil to be registered and pay a fee.

CGFA is also assisting PCRA in introducing two more bills this year, and is watching several others, including one bill focusing on condor feeding where animal carcasses will be allowed to be set out to feed wild condors. Albani doesn’t believe the bill will advance, but mentioned it as an example of how closely the legislative process must be watched.

Bell addressed the state’s low carbon fuel standard, which recognizes biodiesel produced from animal fats and used cooking oil as the “gold standard,” and recapped the activities of California’s Emergency Carcass Disposal Working Group,

which is drafting the first section of a white paper describing the disposal crisis in the summer of 2006 and current conditions. A second section will focus on recommendations.

*Continued on page 20*



*Elected as new PCRA leadership is Phil Ottone, left, Salinas Tallow Co., president, and Dennis Luckey, Baker Commodities, vice president.*

## Incoming Raw Materials Handled by Rendering and Grease Processing Plants in California, July 2005-June 2009

Raw Material	Jul 05-Jun 06	Jul 06-Jun 07	Jul 07-Jun 08	Jul 08-Jun 09
Fat and bone	334,059,573	351,426,382	391,306,633	367,271,697
Slaughterhouse/Custom kill offal	614,135,282	647,877,408	544,310,914	566,667,592
Restaurant grease	320,613,875	315,286,835	321,719,901	270,129,298
Dead animals	229,253,792	212,892,817	252,456,923	260,867,752
Poultry/Dead birds and offal	682,436,784	683,390,070	725,624,860	688,688,796
Fish/Seafood waste	8,416,115	8,842,440	14,925,924	24,782,776
Trap/Interceptor grease	117,797,658	66,977,124	87,147,531	71,493,360
All other	41,668,362	59,640,852	98,768,885	76,987,541
<b>Total pounds</b>	<b>2,280,381,441</b>	<b>2,206,336,928</b>	<b>2,436,261,571</b>	<b>2,254,888,812</b>
<b>Additional Information</b>				
Number of dead animals processed (ovine, bovine, porcine)	439,822	414,029	534,657	498,170
Number of cows (dairy) collected	199,474	173,251	187,090	170,258
Number of steers (feed lot) collected	8,144	3,283	7,152	4,143
Number of calves collected	240,833	229,243	329,438	334,606
Therms used	22,795,660	22,196,609	24,937,934	23,134,665
Pounds of rendered product used as boiler fuel	10,667,867	7,716,220	1,036	1,106,085
Pounds of rendered product used as biodiesel	142,500	804,820	1,217,555	1,684,378

Note: In 05-06, 16 plants reported; 06-07, 18 plants reported; 07-08, 17 plants reported; and 08-09, 14 plants reported.

There has been good outreach with the carcass disposal group, educating county supervisors, state government, university folks, and environmental leaders on rendering, and Bell encouraged renderers to remain involved with this group as an educational forum. Jim Andreoli, Baker Commodities, commended CGFA staff for their work on behalf of the PCRA and encouraged renderers to become members of the state's feed association. It was noted that along with several PCRA members contributing toward funding CGFA legislative activities on behalf of California renderers, NRA members have also generously donated to the cause. PCRA President Ken Kage, Darling International, reminded the group that laws and issues addressed in California are often followed in other states.

Continuing with legislative news was CDFA's Thompson, who explained a new law being drafted would require all vehicles used to pump or transport the contents of grease traps or interceptors be equipped with a permanent global positioning system (GPS) and make the GPS records available upon request by CDFA. Thompson sees this law as a powerful tool in detecting and verifying illegal activity, including dumping.

Thompson informed members that the department is still updating the state's rendering law. He said it's been a slow process because of state worker furloughs due to California's \$20 billion budget deficit and the various departments that must approve the regulation, but Thompson is optimistic the updated law will be final by the end of 2010.

Ross Hamilton, Darling International, presented an insightful look at why rendering is the best option for disposal of inedible products, which the California legislature obviously agrees with, as is stated in the recently passed AB 1249: "The rendering industry is a critical health and safety infrastructure for California. Rendering is an effective tool to eliminate many human and animal disease pathogens, protects our groundwater and air resources, and greatly reduces greenhouse gas emissions compared to other alternative disposal options."

"Play this up," Hamilton recommended. "It's quite an endorsement." He pointed out that the U.S. rendering industry processes 59 billion pounds of meat by-products and used cooking oil each year, equating roughly to 191 pounds for each of the 308 million people living in the United States. He stated that rendering protects the environment, protects the municipal infrastructure, is heavily regulated to ensure the safety of its processes and products, and is a green industry. Hamilton declared rendering as a better example of recycling than recycling of aluminum, paper, or plastic because rendering has remained economically sustainable for over a century.

NRA Chairman Kevin Golding, Rothsay, presented the

rendering industry's Canada is home to nearly 34 million people, equivalent to the population of California, and has a very consolidated rendering industry, with about 20 plants processing five billion pounds of raw material each year. Fifteen of those plants are owned by three independent rendering companies: Rothsay, Sanimax, and West Coast Reduction.

Golding recapped Canada's enhanced feed ban that went into effect July 2007 despite the objections of the rendering industry. The effect has been loss of overall beef volume as industry contracts and dead stock "disappears," ruminant-based plants processing "clean" and specified risk material separately, and export markets slow to open. Golding said implementation of the ban is good, but it has cost a lot of money both privately and in government as the meat industry has requested financial assistance in complying with the rule.

On the other hand, biodiesel has been good for Canada's rendering industry, with 80 to 90 percent of the biodiesel produced in the country using tallow or yellow grease as a feedstock. About 33 million gallons per year are produced by Rothsay and Biox, with biodiesel having a very strong future in Canada thanks to a federal renewable fuel standard of two percent biodiesel content in all Canadian diesel fuel and the recently announced renewable fuel standard in the United States.

NRA President Tom Cook covered activities in Washington, DC, such as Congress' failure to extend the biodiesel and alternative fuel mixture credits into 2010. He warned that the administration is proposing to cut the U.S. Department of Agriculture/Foreign Agriculture Service's Market Access Program, of which NRA received over \$800,000 in matching funds last year, and noted that the association has joined a coalition to oppose the Environmental Protection Agency's new greenhouse gas endangerment finding.

Cook mentioned he has received numerous calls in the past month from NRA members across the country regarding grease theft, and the group will address the issue at its spring meeting in April. He also encouraged renderers to attend the annual NRA Washington Fly-in in June to continue to educate legislators about the rendering industry.

"Repetition never hurts," Cook commented.

PCRA wrapped up the day with its annual business meeting, where new leadership was elected. Phil Ottone, Salinas Tallow Co., will serve as president for the next three years, and Dennis Luckey, Baker Commodities, was elected vice president. In the meeting, members disclosed that FDA is now inspecting feed mills under the new enhanced feed ban that were not previously inspected due to the tallow requirement in the new rule. FDA is also ramping up feed rule inspections of renderers, using federal and state investigators. **R**