

**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)
ANIMAL HEALTH AND FOOD SAFETY SERVICES (AHFSS)
MEAT, POULTRY AND EGG SAFETY BRANCH (MPES)
SHELL EGG ADVISORY COMMITTEE (SEAC)
MEETING MINUTES
July 22, 2020**

California Department of Food and Agriculture
2800 Gateway Oaks Drive, Room 267
Sacramento, CA 95833

Item
No.

(1) CALL TO ORDER

Mr. Mike Gemperle, Chair, called the SEAC meeting to order at 10:01 a.m. and a quorum was established.

(2) ROLL CALL

Roll call was taken by Mr. Michael Abbott, Egg Quality Manager, Egg Safety and Quality Management (ESQM).

COMMITTEE MEMBERS PRESENT:

Mike Gemperle, Chair
David Will, Vice Chair
Mike Sencer, Hidden Villa Ranch
Steve Mahrt, Petaluma Farms
Andrew Demler, Demler Brothers
Kaliko Orian, Kaliko Farms
Lupe Guterrez, NuCal Foods
John Bedell, Alternate
Frank Hilliker, Alternate
Ruben Arroyo, CACASA Representative, Non-Voting Member

INTERESTED PARTIES:

Debbie Murdock
Stan Foster
Adrian Moeller

CDFA:

Dr. Annette Jones
Dr. Elizabeth Cox
Michael Abbott
Paula Batarseh
Laura Barlow

William Rohner
Paul Roos
Marc Shaw

Holly Chang
Whitney Muller
Andrew Halbert

(3) **APPROVAL OF MINUTES**

Chair Gemperle asked SEAC to review the meeting minutes from May 6, 2020.

Motion #1: Mr. Sencer made a motion to accept the minutes. Mr. Will seconded the motion. All members agreed with no abstentions. The motion passed unanimously.

(4) **BORDER STATION UPDATE**

Mr. Rohner presented to SEAC the ESQM Border Stations Report for last quarter regarding the monthly shipment of eggs in April, May, and June.

Mr. Rohner noted that the majority of held shipments in April were due to COVID-19 and Easter. There were two factors that companies faced with shipments of eggs that missed statements or were not registered in California. He stated that May and June proceeded to have less holds. In total, there were 30 holds for the quarter.

Mr. Rohner also stated that there was a consistent number of shipments from April to June that were not for California consumption. He noted a total of 101 shipments for the quarter. He concluded with noting the shipment totals for year-to-date and annual cases for the fiscal year 2019-2020 in the following areas:

Shipment (YTD) Totals:

- Monthly shipments of eggs – 29,191
- Held Shipment – 103
- Not for California Consumption - 391

Annual Cases 19/20 Year Totals:

- Shell Egg Cases – 16,816,889
- Liquid Egg Cases – 1,432,224
- Dry Egg Cases – 138,888

Mr. Will presented his concern regarding the length of time shipments were held. Mr. Rohner stated that all the shipments were held longer than a day due to bill of lading errors.

(5) **COMPLIANCE UPDATE**

Mr. Shaw presented to SEAC the increase of Notice of Violations (NOV) in April, which correlated to Mr. Rohner's challenges with COVID-19. Mr. Shaw highlighted that there were zero Notices of Proposed Action (NOPA) issued in June due language changes that need to be implemented for all NOPAs going forward, at the recommendation of the CDFA Legal Office, in order to be better positioned to defend our administrative actions during future appeal hearings. Mr. Shaw projected an average of 10 written NOPAs for June which will be sent out with July's written NOPAs.

Mr. Roos provided a brief overview of NOV's. He stated that the COVID-19 impact reflected on California Code of Regulation (CCR) 1358 in April was due to code in

violations, false invoicing, and mistaken locations. He also stated that in May and June there was a decrease in NOV's issued due to registration compliance from farms.

Mr. Will presented a question concerning the dollar amount collected for the penalties. Both Mr. Shaw and Mr. Abbott concluded that the total amounts presented within each month indicated the payments that were processed by accounting.

Mr. Will identified a data clarification for June's revenue report. Mr. Shaw will revise the total indicated on the penalty collected for June and respond directly to Mr. Will.

(6) **CERTIFIED FARMERS MARMET UPDATE**

Mr. Abbott provided an update on the certified farmers' markets. Mr. Abbott collaborated with the certified farmers' markets to reduce the number of inspections on the contract of last year, which resulted in a reduction of half of the inspections.

Mr. Abbott signed a Memorandum of Understanding amounting to \$9,000 to conduct 2020 inspections. He stated that they held a training class for inspectors on July 10, 2020, to review new procedures. Mr. Abbott mentioned that Jenna will be working with the central and southern inspectors throughout the year. However, inspections have not been conducted for this quarter of 2020.

A question was presented as of what percentage of markets were currently open. Mr. Abbott stated from personal experience that farmers' markets are proceeding to be open.

(7) **PROPOSITION (PROP) 12 UPDATE**

Dr. Jones introduced Dr. Elizabeth Cox to SEAC. Dr. Cox presented a brief summary of her background as a veterinarian from Turlock, CA who joined CDFA in March. She noted that she has been working closely with Dr. Jones to establish regulations for Proposition (Prop) 12.

Dr. Jones indicated the key points regarding the regulations for Prop 12. She noted the biggest challenge they face is concerning the economic impact report. She estimated that the economic impact report will be more than one billion dollars. This report is posted and being reviewed by the Department of Finance and they are striving to complete the review within a month in order to finalize regulations. Draft regulations are posted on the CDFA website. Updated drafts will be posted shortly.

Dr. Jones noted that Prop 12 is in the Health and Safety Code and specifically requires collaboration with the health department in drafting regulations. She also reminded that in order to amend the Code, it must receive 4/5 votes from both houses.

She mentioned that ESQM gets its authority from the Food and Agricultural Code. She included that ESQM has the authority to write regulations for food safety but also to facilitate orderly marketing and prevention of deceptive language, but for shell eggs only. She highlighted these reminders, due to several discussions about Prop 12 and CCR 1350. CCR 1350 is based on food safety and is limited to shell eggs. Prop 12 mentions

health and safety but in some areas, animal welfare is the basis. Further, Prop 12 includes egg products, not just eggs in the shell.

Dr. Jones noted that Prop 12 was originally modeled after ESQM's Shell Egg & Food Safety regulations, but the draft regulations have evolved after input from several agencies.

She also noted that Prop 12 explicitly exempts federal plants, so enforcement must be crafted with this in mind. To address this, as drafted, the regulations require the retailer to have certification of compliance if they get product directly from a federal Prop 12 exempt plant.

The last challenge Dr. Jones expressed is how to blend and maximize efficiency between the ESQM program and Prop 12, which is important and will be discussed in future meetings.

Dr. Jones mentioned that in order to reduce government costs, Prop 12 draft regulations are now structured more like the organic program, which requires third-party certifiers rather than direct inspection by CDFA. CDFA will audit those third-party certifiers to ensure equal enforcement and equivalency for inspection. Companies could choose to use ESQM as a third-party certifier to maximize efficiency.

Dr. Cox reiterated that they will be posting the newer drafts on the website within the next week.

Mr. Will presented the concern of Prop 12 funding and reimbursement to the program. Dr. Jones acknowledged his concerns and explained that there were some rapid changes. She explained that the Prop 12 program has downsized and if the regulations go into effect, will rely on third-party certification for compliance. This would mean that the ESQM program could be the third-party certifier depending on the poultry industry.

Mr. Marht stated that he is concerned on who will be bearing the cost of third-party certification. Dr. Jones noted that producers will be paying for their third-party certifiers.

Mr. Marht presented the concern on whether ESQM has the full authority to stop eggs for Prop 12 issues at the border. Dr. Jones noted that ESQM has the authority because the 144 inches is a food safety requirement based on food safety laws. This is for further discussion in future meetings.

Dr. Jones, Dr. Cox, Mr. Abbott, and Dr. Beam will be working together to present the visual on Prop 12 and 3 CCR 1350 concepts.

(8) PROGRAM UPDATE

Mr. Abbott began the Program update noting that CCR 1350 is updated, so the 144 inches is reflected in our regulations. He mentioned that the Food and Drug

Administration (FDA) contract composed an additional five inspections, resulting in a total of 10 inspections for this 2020 with one visit under our FDA contract. This resulted in additional funds for ESQM. Mr. Abbott created a work group for corrective action matrix regarding SEFS inspections. This work group expressed concerns for environmental scientists during SEFS inspections for issues such as compliance for biosecurity or control measures.

Mr. Abbott mentioned that they are working alongside Purdue University to create a national small group producer program. Purdue mirrored the ESQM Program as a basis. This new program will provide an online repository including outreach information and training for small producers.

Mr. Abbott indicated that CCR 1350 needs further revision. He will provide a list of areas to be sent out to board members regarding regulations.

Mr. Will suggested that Mr. Abbott work alongside Dr. Jones and Dr. Cox on program management and the dispersion of workload and responsibilities. Mr. Abbott believes in an overall consensus with moving forward as a program concerning Prop 12. Dr. Jones proposed a simple visual that shows how the programs will work together discussing the main function areas and funding. Mr. Will proposed that Dr. Jones also address other species of fowl and small producers in the visual because it has allowed presented issues. Dr. Jones agreed and will address the concerns about funding and legal authority facing Prop 12.

Mr. Abbott concluded the Program update with a fair-well and congratulations to Holly Chang for receiving a promotion.

(9) BRANCH UPDATE

Ms. Batarseh provided the Branch update by mentioning the productivity with inspections at meat processing plants and slaughterhouses. Under the COVID-19 conditions, the plants have been overwhelmed with more work. Therefore, the staff continued with their essential functions of performing the inspections as well as providing guidelines and outreach materials concerning COVID-19.

She highlighted that there has been a rise of illegal slaughter activities, to address this issue, she will be working closely with both the county environmental health program and USDA.

Ms. Batarseh noted that the carcass management and rendering program are on track. She mentioned that there will be an emergency carcass composting course that is scheduled for March of next year and will be working closely with the University of Maine and the University of California, Davis.

Ms. Batarseh concluded the Branch update by discussing the rendering disruption plan. The rendering program will be working with the agriculture commissioners, regulative

agencies, and stakeholder on alternative ways to aid with surges of mortality and rendering issues.

(10) **DIVISION UPDATE**

Dr. Jones provided the Division update by stating the adjustments made for COVID-19. She strived to support animal agriculture with these changes, while following safety precautions. She hoped to slow the spread and not overwhelm the health system. She believed that it is imperative for animal advocacy and cruelty groups to work together. Dr. Jones's vision is to help advocate for animal agriculture and take on some challenges they face once Dr. Cox implements Prop 12 and animal care standards are established.

Mr. Abbott concluded the division update and noted that Dr. Maurice Pitesky was unable to present about other species of Fowl due to vacation. Mr. Abbott will reach out to Dr. Pitesky to speak of this subject matter before next SEAC meeting.

(11) **PUBLIC COMMENTARY**

There were no public comments addressed to SEAC.

(12) **FUTURE AGENDA ITEMS**

- Other Species of Fowl Project
 - Guest speaker Dr. Maurice Pitesky
- Border Station
- Compliance
- Certified Farmers Market
- Prop 12

(13) **UPCOMING SEAC MEETING DATES**

The next SEAC meeting will be on September 16, 2020, at 10:00 a.m. It will be held in Sacramento, at the Gateway Oaks location in Room 267 and via GoToMeeting until further notice.

(14) **ADJOURN**

Chair Gemperle asked for a motion to adjourn the meeting.

Motion #2: Mr. Will made a motion to adjourn the meeting. Mr. Hickman seconded the motion. All members agreed with no abstentions. The motion passed unanimously.

The meeting adjourned at 11:19 a.m.