

**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
MARCH 9, 2021**

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 10:02 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 Gutierrez, NuCal Foods
John Bedell, Alternate
Frank Hilliker, Alternate
Cathy Roache, CACASA Representative, Non-Voting Member

INTERESTED PARTIES:

Debbie Murdock

CDFA:

Dr. Annette Jones	William Rohner
Paul Roos	Logan Bartley
Michael Abbott	Dr. Elizabeth Cox
Paula Batarseh	Jeffery Simons
Laura Barlow	Gilbert Conchala

(3) NEW BOARD MEMBER

Michael Abbott introduced the new CACASA Representative, Cathy Roache, to the SEAC Board.

(4) APPROVAL OF MINUTES

Chair Gemperle asked SEAC to review the meeting minutes from January 5, 2021.

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.

(5) **ASSEMBLY BILL 954**

Michael Abbott introduced Assembly Bill 954: A Bill that would replace the Sell-By Date of an egg with a Best-By Date. Mr. Abbott asked the Board what their thoughts were about it. The board expressed concern regarding the amount of time before an egg loses its grade. It was expressed that currently, California has a 30-day statute for an egg to maintain its Grade.

The board briefly discussed the pros and cons of using the 30-day “Sell-By” versus a possible 45-day “Best-By” date.

It was decided to shelve the discussion, and to resume in the next SEAC Meeting.

(6) **BORDER STATIONS SEAC POWERPOINT 2021**

Mr. Jeffery Simons presented the Border Station PowerPoint, giving a brief history of the Border Stations Program, as well as a quick overview of the purpose and function of their program.

Mr. Simons explained the role Border Stations play in Egg Shipments. He explained that there was a total of 28,561 Egg Shipments in the 2020. That total is a 990 increase from 2019’s total, which was 27,571.

Mr. Simons concluded the PowerPoint presentation.

(7) **BUDGET DISCUSSION/APPROVAL**

Mr. David Will introduced the agenda item by explaining that the 3/4th of increased staff was simply a reclassification of the same personnel working full-time. He explained that there was a decrease in the Personnel Budget because of the 9.23% salary reduction of State Employees due to the COVID-19 Pandemic. In addition, there were some long-term employees that left the program and thus reduced the budget.

Mr. Will explained that there was some discussion regarding the County Contracts portion of the Operating Expenses. He continued by stating that the CDFR Audits budget for the 2021/2022 FY is also reduced due to the payroll reduction. Information Technology Services’ budget is going to be increased due to a major software update that is currently being developed. Mr. Will explained that this will be the 4th year of Pension Payments. This is to correct the Under Funded Pension Benefits.

The total proposed budget for the 21/22 FY will be \$5,063,535.

Mr. Will further explained the expenditures of the program. Currently, the program has an excess of reserve. However, it was presented that if the program continued to receive and pay the same amount of funds that it is now, they would be overspending \$1 Million each year. The estimated result of this is a steady decrease in reserves.

It was explained that the estimated revenue would be \$4,027,744. With all the expenditures and costs, the program would have an estimated cash reserve of \$4,298,299 by the end of the 21/22 FY.

Mr. Will then gave a breakdown of the Personnel Costs of ESQM. In addition, it was decided that the program is administratively changing one Staff Services Analyst Position to an Associate Governmental Program Analyst Position.

Mr. Will stated that it was the Budget Subcommittee's recommendation to approve the budget as is, and to raise the mill fee to \$0.11 in order to reduce the amount of money lost by the program each year.

Motion #2: David Will motioned to raise the mill fee to \$0.11 effective July 1, 2021. Mike Sencer seconded the motion. All members agreed with no abstentions. The motion passed unanimously.

Motion #3: David Will motioned to approve the Proposed Budget of 2021/2022 as presented by the State of California. Lupe Gutierrez seconded the motion. All members agreed with no abstentions. The motioned passed unanimously.

(8) COMPLIANCE UPDATE

Mr. Paul Roos explained using the Penalty Tracking Sheet that the number of penalties has drastically improved in the last year.

(9) CERTIFIED FARMERS MARKET UPDATE

Mr. Abbott explained that in this last period, there have been 9 additional inspections. He further clarified that they are on track to complete the required inspections for the year that they signed up for. This is an improvement from last period.

(10) PROGRAM UPDATE

Mr. Abbott began by stating that the program has continued with the United States Department of Agriculture (USDA) and Food and Drug Administration (FDA) agreements. 80% of the FDA Audits for the year are complete. He continued by stating that the USDA inspections are being done via telephone. Once COVID-19 restrictions are limited, the program will continue to conduct Shell Egg Food Safety Inspections in person.

Mr. Abbott continued by giving an update regarding the regulation change of the term "Cage-Free". In the absence of Proposition 12, the regulation team is attempting to add language to the term "Cage-Free" in order to have a clear definition of the term when seen on the carton. With this, the program will be able to regulate cage-free until Proposition 12 regulations become effective.

Dr. Annette Jones stated that by adding this language to the term, it will present a clear definition to "Cage-Free" and will also comply with Proposition 12.

Motion #4: Frank Hilliker motioned to direct staff to create a definition of Cage-Free.

No one seconded the motion. The motioned was not passed.

It was decided to form a Subcommittee to discuss the matter further. Frank Hilliker will head the subcommittee, accompanied by Steve Mahrt and Mike Gemperle. The purpose of this subcommittee is to define cage-free and to provide clarity and truth in labeling by January 1, 2022.

(11) BRANCH UPDATE

Ms. Paula Batarseh began the agenda highlighting that carcass management for Livestock and Poultry is still a high priority for CDFA. She stated that they have few Composting research projects going on currently. In December 2020, they held the kickoff meeting for the Rendering Disruption Technical Work Group. CDFA is working with sister agencies and the renderers and other stakeholders to come up with viable solutions when rendering is not available. The Poultry Carcass Management Work Group has not started yet, but she is hopeful that CDFA will get started on that soon.

Mr. Gemperle presented a question regarding Foster Farms submitting a research study involving composting. Ms. Batarseh responded by stating that they currently have a proposal from Foster Farms that they are reviewing.

Paula Batarseh stated that she would provide updates regarding the proposal from Foster Farms during future meetings.

(12) DIVISION UPDATE

Dr. Annette Jones emphasized the priority of Mortality Management of Livestock and Poultry. She stated that they are making good progress in that area. She stated that AHFSS Division is trying to come up with solutions for when there is a rendering disruption.

Ms. Batarseh is working with multiple agencies, attempting to come up with long-term solutions to address the rendering disruption issue.

(13) PROPOSITION 12 UPDATE

Dr. Annette Jones began the Proposition 12 Update by stating that the Legal Office has completed the initial review and the program is currently addressing the comments. She hopes the regulations will be noticed soon but added that she does not have a solid estimated release window at this time.

Regarding animal diseases, Dr. Jones stated that in Europe and Russia there have been reports of avian influenza, and she added that California is on high alert and the Division is in contact with USDA in order to take any preventative measures in the case of avian influenza domestically. She is confident that biosecurity measures currently in place would help stop the spread of disease in case of exposure.

Dr. Elizabeth Cox stated that the compliance deadline with Proposition 12 regulations will be extended to allow for compliance once the regulations are done and become effective.

Dr. Annette Jones continued by stating that if a product was produced up to 30 days prior to January 1, 2022, if it was compliant with the laws at the time of production, it could still be legally sold in California. All products produced on or after January 1, 2022 would need to follow Proposition 12 requirements.

(14) **PUBLIC COMMENTS**

There were no public comments addressed to SEAC.

(15) **FUTURE AGENDA ITEMS**

- Proposition 12 Update
- Subcommittee Meeting – Defining Cage-Free Update
- Assembly Bill 954

(16) **ELECTION**

Motion #5: Mike Sencer motioned to have David Will be appointed as the Chair of the Shell Egg Advisory Committee, and Mike Gemperle at Vice Chair. Steve Mahrt seconded the motion. All members agreed with no abstentions. The motion passed unanimously.

UPCOMING SEAC MEETING DATES

The SEAC Defining Cage-Free Subcommittee Meeting will be held on March 30, 2021 at 9:00am via Zoom. Sacramento Staff, it will be held in Room 267 at 2800 Gateway Oaks Drive in Sacramento, California.

The next SEAC meeting will be on April 21, 2021, at 9:00am. It will be held in Sacramento, at the Gateway Oaks location in Room 267 and via Zoom until further notice.

(17) **ADJOURN**

Chair Gemperle asked for a motion to adjourn the meeting.

Motion #6: Mike Sencer made a motion to adjourn the meeting. Frank Hilliker seconded the motion. All members agreed with no abstentions. The motion passed unanimously.

The meeting adjourned at 12:11 p.m.

Respectfully submitted:

Logan Bartley