

-APPROVED-

**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE
SHELL EGG ADVISORY COMMITTEE**

**Sacramento, CA
February 17, 2012**

MINUTES

MEMBERS

Wayne Winslow, Chairman
Michael Sencer, Vice Chairman
David Will
Michael Gemperle
Gary Foster
Steve Mahrt
Gary Caseri

CDFA

Anthony Herrera
Jenna Celigija
Rosie Martin
John Ramos
Bill Rohner
Dr. Annette Whiteford
Dr. Doug Hepper.

INTERESTED PARTIES

Neal Rye, Hidden Villa Ranch
Debbie Murdock, Pacific Egg
& Poultry Association
Glenn Hickman, Hickman
Eggs
Tim Pelican, Stanilaus Co.
Don Brown, Moark

CALL TO ORDER

Chairman Wayne Winslow called the Shell Egg Advisory Committee (SEAC) meeting to order and a quorum was established.

APPROVAL OF MINUTES

Mr. Winslow asked the Committee to review the minutes from the September 20th meeting.

MOTION: A motion was made by Mr. Michael Gemperle to accept the minutes with amendments. Mr. David Will seconded the motion. The motion passed unanimously.

DEPARTMENT/DIVISION/BRANCH UPDATE

Dr. Annette Whiteford began with the Department update stating the reduction of the general fund and spoke about the last reduction taking place in July. She continued with speaking about reassignment of staff to help with egg enforcement throughout the state. She went on to say that the two Veterinarians the Egg Program will be utilizing will provide valuable credibility in some instances and to help maintain a veterinary infrastructure within our Department.

Dr. Whiteford proposed talking with The California Poultry Federation about opportunities of cost sharing to maintain the veterinary infrastructure in the Department.

NATIONAL EGG LEGISLATION / SHELL EGG FOOD SAFETY REGULATIONS

Dr. Whiteford spoke about the National Legislation and that the American Veterinary Medical Association has come out in support of it. Dr. Whiteford maintained that there is still a feeling that they do not want government to write laws on animal welfare, but to have it written at the local level. Dr. Whiteford went on to say that if it does pass our regulations are fairly consistent and if they needed to be rewritten, it's a fairly easy process to get done. Dr. Whiteford stressed that the committee needs to address the ability to enforce, regardless.

ESQM FUND CONDITION REPORT / PROPOSED 2012/13 BUDGET

Mr. Anthony Herrera went over the fund condition report, stating the program is projected to end the 2012/13 fiscal year in the positive. Mr. Herrera went over the increased Personnel Services line item, due to the addition of the two veterinarians and increased in-state travel. Mr. Herrera also mentioned that the consultant line item will go down, due to our in house IT staff completing the new database project that has been in the works. Mr. Steve Mahrt questioned the Pro Rata line item and wanted to know what that included. Dr. Whiteford explained that it is our state administrative charges, which is a fixed sum. Dr. Whiteford explained that the line item centralized services is our departmental administrative costs. Mr. Herrera added that the costs also account for the border stations and any upcoming audits.

Ms. Debbie Murdock raised the question if our reserve in the Ag Fund was protected from the government reallocating it into other areas. Dr. Whiteford believed that they can, but that it is taken out as a loan with interest.

ESQM INTERNAL AND EXTERNAL AUDITS

Mr. Herrera spoke to the problems of the programs database and has requested that the audit department conduct an internal audit of the programs financial components and provide recommendations to improve its processes. Discussion then ensued on the topic of out of state audits. Ms. Murdock stated she would like to add outside auditors to evaluate our out of state producers, particularly the mid-west. Mr. Herrera replied that we must first prove that our own personnel cannot do the job to get an exemption to use an outside resource. Dr. Whiteford said she didn't believe there would be an issue and we could look into contracting as an alternative to using in house. Mr. Winslow asked if there was a way to educate the auditors to be more aware of the programs functions aside from just the financial.

OTHER BUSINESS

Dr. Whiteford highlighted areas discussed that need action or more discussion:

- Re-evaluate the goals of the program and appropriate performance measure in order to better communicate the effectiveness of the program (objective data, subjective data, questionnaires, reports, establish benchmarks, have concepts that we can evaluate as a group)
- Get timeline and budget to group for the current IT project on the development phase that is just getting underway
- Get the legislation to the group, that spells out the Ag Fund usage that refers to the government's ability to borrow money or not.
- Move the certificate of movement forward in our priorities with regard to the regulation development
- Revise the budget – check numbers and re-circulate
- Investigate the use of outside auditors with initial focus to be in Midwest; we can work on neighboring states ourselves
- Set milestones for the whole program to be ready for 2015. What do we need in place to build a timeline in the next 2.5 years
- Send out the Bylaws to the group; Look at statute to change the number of members, Revisit the 3 year term of the Board Members; Revisit the attendance; Make sure there is a board member appointed for Liquid Egg; Set dates for Board meetings a year in advance; Do four a year meetings instead of three

Mr. Gary Foster also suggested we have sub-committees anything that may need further research or to establish a point of contact for certain issues.

ELECTION OF SEAC OFFICERS

MOTION: A motion was made by Mr. Mahrt to keep the current chairman “Mr. Wayne Winslow” and vice chairman “Mr. Michael Sencer” in place. Mr. Michael Gemperle seconded the motion. Mr. Will gave a third. The motion passed unanimously.

NEXT MEETING

The next SEAC meeting will be held in Sacramento May 18, 2012 from 10:00 am to 2:00 pm.

ADJOURN

MOTION: Mr. Winslow adjourned the meeting.