FINAL

CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE
SHELL EGG ADVISORY COMMITTEE
Norco, CA
May 25, 2010

MINUTES

MEMBERS
Michael Sencer, Chairman
Wayne Winslow
Steve Mahrt
Gary Foster
David Will
Kelly Luth
Nancy Sullivan
Richard Jenkins
Alan Armstrong
Robert Atkins

CDFA
Anthony Herrera
Asif Maan
Lisa Gonzales
Fred Helenihi
Irene Vera

INTERESTED PARTIES
Debbie Murdock - Pacific Egg & Poultry Association
Neal Rye - Hidden Villa

CALL TO ORDER

Chairman Michael Sencer called the Shell Egg Advisory Committee (SEAC) meeting to order and a quorum was established at 10:11 a.m.

APPROVAL OF MINUTES

Mr. Sencer asked the Committee to review the minutes of the February 17, 2010 meeting.

MOTION: A motion was made by Mr. Steve Mahrt to accept the minutes as presented. Mr. Richard Jenkins seconded the motion. Motion passed unanimously.

DEPARTMENT, DIVISION, AND BRANCH ANNOUNCEMENTS

Dr. Asif Maan gave a department update and stated that the Department's vacancy for Deputy Secretary for Legislation has been filled by Greg Aghazarian.

Dr. Maan gave a division update and stated that the division will still continue rotating directorship between the branch chiefs.

Dr. Maan gave a branch updated and stated that Natalie Krout-Greenberg, Branch Chief for the Feed, Livestock Drugs and Egg Program (FLDEP) branch has accepted a promotional position within the Division as Special Assistant to the Director. The Branch Chief vacancy is currently being advertised and the branch is currently accepting applications.

DEVELOP RE-GRADING & RE-PACKING DEFINITIONS

Mr. Anthony Herrera stated that there is a growing concern on how the program defines re-pack and re-grade shell eggs.

He stated that re-grading is when shell eggs go through the processing phase which means being cleaned, sized, and graded. New code dates and plants numbers may be applied after this process. Repacking at production and wholesale/distribution outlets would consist of removing shell eggs from their original container and repacking them in a different pack or container. Original code dates and plant numbers would apply.

Mr. Herrera stated that USDA currently has a policy letter on re-packing eggs that EQCP can adopt as their guidelines for re-packing at retail. EQCP would inform the counties that we have adopted USDA's guidelines for re-packing at retail. The guidelines state that the eggs must come from the same lot, and it must have the same code date and label on its cartons.

FEES & ASSESSMENTS FROM OTHER EGG PRODUCING STATES

Mr. Herrera stated that the EQCP is moving from a one time registration fee to an annual registration fee. This action would require a regulation. In the previous meeting the SEAC asked for a comparison of what other states were charging. The list presented is a comparison of just states who import into California and the fees each state charge.

"DRAFT" ANNUAL REGISTRATION & RENEWAL FEE

Mr. Herrera stated that the proposed draft regulation language for our annual registration would be to have a two tier system. The first tier would have the smaller producers with 500 layers or less pay an annual fee up to $50, and the large producers and brokers pay an annual fee up to $100 a year.

MOTION: A motion was made by Gary Foster to approve the language as written for the Annual Registration Fee. Mrs. Nancy Sullivan seconded the motion. Motion passed unanimously.

WIREBASKET REGISTERED BRAND LIST

Mr. Herrera presented the Wire basket registered brand list to the committee and asked them to review it for any mistakes. He also stated to notify the program if there are any corrections.

SEAC LIST AND TERM EXPIRATIONS

Mr. Herrera presented the SEAC with a new SEAC term list. Due to retirements and new appointed committee members it has brought everyone's term to expire on different months in 2011.

There was a proposal at the last meeting for three member's terms to expire a year earlier. Mr. Kelly Luth, Mr. Steve Mahrt, and Mr. Michael Sencer all accept their terms to expire on September 18, 2010.

ADDITIONAL ITEM / NEXT MEETING

Mr. Robert Atkins stated there was an incident with an egg producer in San Diego County that also involved San Diego County environmental health. The issue started out as an illness investigation. The eggs had been refrigerated and labeled checks. When examined they were found to have excessive dirts, checks and leakers. The eggs were destroyed. A follow up inspection was conducted with the egg producer when the inspector started noticing a pattern of delivery. The inspector went to another one of the customers carrying the same eggs and noticed they were labeled B grade and were 65% checks, dirts and leakers. These eggs were being delivered to restaurants and are a violation of state and federal law. Mr. Atkins stated one of the main complaints is the lack of disposal for off grade eggs.

Mr. Atkins stated the county does not have the civil administrative authority the state has. Mr. Atkins would like SEAC to consider an administrative penalty matrix for repeated and serious violations, there has to be some kind of recourse for these violations being committed.

Dr. Maan suggested an ad hoc working group to resolve some of the issues and concerns. Mr. Herrera and Mr. Atkins would like some volunteers to serve on this working group committee. Mr. Wayne Winslow, Mr. Kelly Luth and Mr. Gary Foster volunteered to serve on the Committee.

The next United Egg Producers meeting will be held in Ontario in August.

Mr. Herrera stated he would like to discuss FY 11/12 budget. We can have a meeting to discuss the 11/12 budget at the next UEP meeting or we can have a meeting via teleconference.

ADJOURN

MOTION: A motion was made by Mr. Michael Sencer to adjourn the meeting. Mr. Wayne Winslow seconded the motion. The motion passed unanimously. The meeting was adjourned at 11:40 p.m.

Respectfully submitted by:

Anthony S. Herrera 7/1/10

Anthony S. Herrera, Program Supervisor — Date
Egg, Quality Control Program
Feed, Fertilizer, Livestock Drugs and Egg Regulatory Services
Inspection Services