

DEPARTMENT OF FOOD AND AGRICULTURE  
PROPOSED CHANGES IN THE REGULATIONS  
Title 3. California Code of Regulations  
Subchapter 3 Eggs. Section 1358. Inspection Fees

**INITIAL STATEMENT OF REASONS**

**DESCRIPTION OF THE PUBLIC PROBLEM, ADMINISTRATION REQUIREMENT, OR OTHER CONDITION OR CIRCUMSTANCE THE REGULATION IS INTENDED TO ADDRESS**

The proposed changes are intended to provide a more accurate reporting system that is consistent with the system currently used by the California Shell Egg Industry as well as the Out of State Egg Industry.

**SPECIFIC PURPOSE AND FACTUAL BASIS**

The current reporting system used by the California Department of Food and Agriculture for the Shell Egg program is based on thirteen 4-week reporting periods, beginning on July 1, and ending on June 30, with the first reporting period ending on the fourth Saturday of July each year. The system currently in use by the industry utilizes twelve reporting periods, to include eight 4-week and four 5-week periods. The difference between the two-accounting/reporting systems directly affects the accuracy of remittance reports received from industry as it relates to the calendar days reported for the period in question. This causes inconsistencies in shipment reports generated from the department and has the potential to cause payments from assessments to be underreported or delinquent if those days reported fall into the prior reporting period. By aligning both reporting systems to the same basis, errors in delinquency and duplication will be eliminated, and reports generated will be accurate and consistent.

**FACTUAL BASIS FOR THE DEPARTMENT DETERMINING THE NEED FOR THE AMENDMENT OF THESE REGULATIONS:**

The Secretary of the Department has proposed these regulation changes based upon recommendations from the Shell Egg Advisory Committee (SEAC) and a petition received from Debbie Murdock, Pacific Egg & Poultry Association.

SEAC is advisory to the Secretary on the amendment, repeal, and adoption of legislation and regulation pertaining to the administration and enforcement of the Shell Egg Program. SEAC is comprised of six industry members all located in various parts of the state, one public member and one Agricultural Commissioner.

Pacific Egg & Poultry Association (PEPA) is a regional nonprofit agricultural association, which has served the egg and poultry industry for over 70 years. PEPA is involved with the poultry and egg industries in the eleven Western States and Canada.

## **DOCUMENTS RELIED UPON**

The Department is relying upon the following documents pertaining to the proposed regulation changes:

- Petition received from Debbie Murdock, Pacific Egg & Poultry Association
- Survey provided to Industry
- SEAC Meeting Minutes
- PEPA Meeting Minutes

## **ALTERNATIVES**

The Department has initially determined that no alternative considered by the Department or that has otherwise been identified and brought to the attention of the Department would be more effective in carrying out the purpose for which these regulations are proposed or would be as effective and less burdensome to affected private persons than the proposed regulations.

## **ESTIMATED COSTS OR SAVINGS TO PUBLIC AGENCIES OR AFFECTED PRIVATE INDIVIDUALS OR ENTITIES**

The Department of Food and Agriculture has initially determined that these proposed regulations do not impose a mandate on local agencies or school districts. The Department has also initially determined that no savings or increased costs to any State agency, no reimbursable costs or savings under "Part 7 (commencing with Section 17500) of Division 4 of the Government Code to local agencies or school districts, no nondiscretionary costs or savings to local agencies or school districts, and no costs or savings in federal funding to the State will result from the proposed action.

## **SMALL BUSINESS IMPACT STATEMENT**

The Department has initially determined that the proposed changes to the regulations would result in no added costs to small businesses affected by these proposed changes. This is based on the fact that most businesses utilize a 4-4-5 Retail Accounting Calendar to report their shell egg sales.

## **ECONOMIC IMPACT ON AFFECTED BUSINESSES**

The Department has initially determined that the proposed regulations would result in no costs to private businesses or individuals affected by these proposed regulations. This is based on the fact stated in the "SMALL BUSINESSES IMPACT STATEMENT."