

**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
May 4, 2018**

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

Item
No.

(1) CALL TO ORDER

Mr. David Will, Chair, called the SEAC meeting to order at 10:00 a.m. and a quorum was established.

(2) ROLL CALL

Roll call was taken by Tony Herrera, Egg Quality Manager, Egg Safety and Quality Management (ESQM).

Committee Members Present:

David Will, Chair
Michael Gemperle, Gemperle Family Farms
Steve Mahrt, Petaluma Farms
Wayne Winslow, NuCal Foods
Kaliko Orian, Kaliko Farms
Andrew Demler, Demler Brothers
Glenn Hickman, HFF

Interested Parties:

Debbie Murdock
Marcia Skelton
Lupe Gutierrez
Mark Campbell

CDFAs:

Dr. Annette Jones	Andrew Halbert
Tony Herrera	Rachel Andrade
Bill Rohner	Irene Sanchez
Paula Batarseh	Michelle Dingley
Jenna Celigija	Penny Arana

Alan Pham

(3) **APPROVAL OF MINUTES**

Mr. Will, Chair asked SEAC to review the SEAC meeting minutes from January 17, 2018.

Motion #1: Mr. Hickman made a motion to accept the minutes. Mr. Winslow seconded. Mr. Gemperle, Mr. Mahrt, Mr. Demler, and Ms. Orian agreed with no abstentions. The motion passed unanimously.

Mr. Will, Chair asked SEAC to review the SEAC Budget Sub-Committee meeting minutes from February 8, 2018.

Motion #2: Mr. Hickman made a motion to accept the minutes. Mr. Gemperle seconded. Mr. Winslow, Mr. Mahrt, Mr. Demler, and Ms. Orian agreed with no abstentions. The motion passed unanimously.

Mr. Will, Chair asked SEAC to review the SEAC Budget Sub-Committee meeting minutes from March 28, 2018.

Motion #3: Mr. Gemperle made a motion to accept the minutes. Mr. Hickman seconded. Mr. Winslow, Mr. Mahrt, Mr. Demler, and Ms. Orian agreed with no abstentions. The motion passed unanimously.

(4) **STATE WORKLOAD ANALYSIS**

Mr. Herrera presented the information on workload justification. Mr. Herrera stated Egg Safety Quality Management field inspection staff are responsible for completing the following tasks:

- Compliance Risk Base Inspection (CRBI) Production
- Retail Surveillance
- Shell Egg Food Safety (SEFS) Inspection
- Shell Egg Surveillance (SES) Inspection
- Food and Drug Administration (FDA) Egg Rule Inspection

Mr. Herrera stated and outlined the samples taken, hours to complete task, including reinspection time, and travel time as well as stated CRBI is currently under staffed. He gave an overview of the ESQM Personnel Allocation Analysis and provided a map with wholesale, production, and SES inspections throughout the State.

Mr. Herrera stated that he was demonstrating to SEAC why there is a need to increase staff to complete the work that is currently being done and show how the Branch is currently under staffed.

Mr. Winslow stated he would like to have a report of the number of retail violations via email to the SEAC monthly. He also stated he appreciates the yearly report, but he would prefer to receive the report quarterly.

(5) **SPENDING PLAN AND BUDGET DISCUSSION – FISCAL YEAR 2018/2019**

Mr. Herrera provided an overview on the spending plan and budget, which covered the following areas:

Projected revenue and Fund Balance for Fiscal Year (FY) 2017/18

- Beginning operating fund balance on July 1, 2017
- Estimated fiscal year revenue
- Total estimated fiscal year revenue
- Total funds available for expenditures
 - Projected FY 2017/18 Budget
 - Operating fund balance, June 30, 2018 (Estimated)
 - Ag trust fund reserve
- Cash reserve, June 30, 2018 (Estimated)

Projected Revenue for FY 2018/19:

- Projected beginning operating fund balance for July 1, 2018
- Estimated fiscal year revenue
- Total estimated fiscal year revenue
- Total funds available for expenditures
 - Projected FY 2018/19 Budget
 - Operating fund balance, June 30, 2018 (Estimated)
 - Ag trust fund reserve
- Cash reserve, June 30, 2018 (Estimated)

Egg Safety and Quality Management Budget Overview (Proposed 2018/19)

- Personnel Expenses
- Operating Expenses
- Distributed Expenses
- Program Expenses

Mr. Will stated he would like a representative from Information Technology (IT) to provide a presentation on project currently being worked on at the next SEAC meeting.

Mrs. Andrade provided a brief overview on Senate Bill (SB) 84. She stated SB84 is a pension repayment that was enacted and provided information on the distribution of cost.

Mr., Herrera provided an overview on the spending plan and budget:

Personnel Costs for FY 2018/19:

- Classification
- Fractional/Temp Help
- Estimated Temp Services

CRBI Contract Formulas for 100 egg samples @ 15.75% for FY 2018/19:

- Program projected revenue for FY 2017/18
- Program revenue for county contracts
- Production, wholesale, and retail project revenue
- New Wholesale/Production Contract Information
- New Retail Contract Information

Small Producers Workshop FY 2018/19:

- Initial course materials and supplies
- Local workshops
 - Staff time
 - Travel costs
 - Student material
- Travel workshops
 - Staff time
 - Travel costs
 - Student material

Fund Condition:

- Balanced budget plan
 - Beginning operating fund balance
 - Ag trust fund balance
 - Program revenue
 - Projected expenditures

Mr. Herrera stated the workshops are going to emphasize biosecurity and sanitation.

Mr. Herrera discussed the reserve fund and advised that the mill fee would have to be evaluated in the near future to possibly increasing mill assessments to continue a balanced ratio budget and having a reserve in the budget.

Mr. Will, Chair asked SEAC to approve the proposed ESQM FY 2018/19 Budget.

Motion #4: Mr. Hickman made a motion to approve the ESQM FY 2018/19 Budget. Mr. Mahrt seconded. Mr. Winslow, Mr. Gemperle, Mr. Demler, and Ms. Orian agreed with no abstentions. The motion passed unanimously.

(6) **AB 3021 DISCUSSION**

Dr. Jones discussed Assembly Bill (AB) 3021, specifically the farm animal confinement with SEAC.

Mr. Winslow inquired “if enforcement is not defined in regulation, how would the enforcement be applied?”

Ms. Murdock stated the products included in AB 3021 are liquid eggs and liquid egg products, her concern was there is no information about processed products such as egg patties.

Dr. Jones would like SEAC to provide comments early to start the thought process of the regulations. She also stated she will follow up with more information on this discussion.

(7) **EGG RECALL DISCUSSION**

Dr. Jones provided a brief overview on the egg recall. She stated that the FDA is not testing as a preventive measure. FDA will not start testing as a preventive measure unless people start getting sick.

(8) **PUBLIC COMMENTS**

Ms. Skelton stated the counties are willing to work with SEAC and ESQM on any concerns regarding inspections. She also stated the counties are willing to work together to resolve any problems and encourage communication.

(9) **FUTURE SEAC MEETING AGENDA ITEMS**

- Farmers market presentation
- IT presentation
- Update presentation from Mr. Paul Roos on pending investigations
- Update on Form 700 presentation from the Legal Office

(10) **UPCOMING SEAC MEETING DATES**

The next SEAC meeting will be on August 14, 2018, at 10:00 a.m. It will be held in Sacramento, at the Gateway Oaks location.

(11) **ADJOURN**

Mr. Will, Chair asked for a motion to adjourn the meeting.

Motion #5: Mr. Mahrt made a motion to adjourn the meeting. Mr. Hickman seconded. Mr. Winslow, Mr. Gemperle, Mr. Demler, and Ms. Orian agreed. The motion passed unanimously.

The meeting adjourned at 12:53p.m.

Respectfully submitted:

Irene Sanchez