

**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)  
SHELL EGG ADVISORY COMMITTEE (SEAC)  
SACRAMENTO, CA  
June 30, 2009**

**MINUTES**

**MEMBERS**

Michael Sencer  
David Will  
Nancy Sullivan  
Kelly Luth  
Gary Foster

**CDFA**

Tony Herrera  
Lisa Gonzales  
Asif Maan  
Irene Vera

**INTERESTED PARTIES**

Debbie Murdock – Pacific Egg  
and Poultry Association  
Mark Smith – Merced County

**CALL TO ORDER**

Chairman Michael Sencer called the Shell Egg Advisory Committee (SEAC) meeting to order and a quorum was established at 10:00 a.m. Mr. Wayne Winslow, Mr. Steve Mahrt, Mr. Richard Jenkins, Mr. Alan Armstrong and Mr. Dave Robinson were not present at the meeting.

**APPROVAL OF MINUTES**

Mr. Sencer asked the SEAC to review the minutes of the June 19, 2008 meeting. No changes were recommended for the minutes presented. (Attachment 1)

**MOTION:** A motion was made by Mr. David Will to accept the minutes as presented. Mr. Kelly Luth seconded the motion. Motion passed unanimously.

**DEPARTMENT, DIVISION, AND BRANCH ANNOUNCEMENTS**

Mr. Nate Dechoretz was unable to attend this meeting therefore Dr. Asif Maan reported on his behalf. He reported the Senate Committee on Food and Agriculture had an informational hearing focusing on the abolishment of CDFA, and assigning its functions to other departments.

Dr. Maan informed the group about the impacts of the Governor's Executive Order (GEO) on purchasing. The GEO is resulting in restrictions on contracts and purchase orders although, possible exemptions from GEO for core functions include food and human safety.

The Egg Quality Control Program (EQCP) contracts with counties and USDA and will not be affected. However, EQCP may need to apply for an exemption with justification expressing a need to continue the development of the database.

Dr. Maan also stated that there was another Governor's Executive Order issued to help the state budget deficit that requires state workers take three furlough days off on the first three Fridays of each month. He noted that with the furlough days and other changes caused by the state budget deficit, the staff is working in an unpredictable environment, and there will be an impact on the staff and progression of work.

### **FUND CONDITION**

Mr. Anthony Herrera presented the Financial Summary for the EQCP, and directed the SEAC to the Fund Condition Report. He noted a beginning balance of \$442,177 as of July 1, 2008 and an ending balance of \$946,808 as of May 31, 2009.

Mr. Herrera stated that he had a meeting with the SEAC budget subcommittee on budget and fund reserve issues. The SEAC budget subcommittee recommended lowering the reserve by allocating more money and increasing wholesale samples through county contracts and reducing the mill fee. It was noted that the current cost rate per 100 egg sample for the counties has not increased since 1994. Mr. Herrera directed the SEAC to the projected cases for July through November FY 09/10. Discussion ensued, and the proposal was to reduce the mill fee from \$0.045 to \$0.005 for a five month period. After the five month period the mill fee will increase to the rate of \$0.045. This five month reduction is intended to bring the reserve down to a more appropriate level. After further discussion, the SEAC recommended a seven month reduction period.

**MOTION:** A motion was made by Mr. Kelly Luth to reduce the mill assessment fee from \$0.045 to \$0.005 for seven months. At the end of the seventh month it will be raised back to \$0.045. The SEAC will meet again to discuss the mill assessment fee and review the reserve balance. Mr. Gary Foster seconded the motion. Motion passed unanimously.

### **FISCAL YEAR 2009/2010 & 2010/2011 BUDGET**

Mr. Herrera presented the proposed budgets for FY 09/10 and FY 10/11. Mr. Herrera presented a breakdown of cases reported for the past six fiscal years. The proposed county contract fiscal display for FY 09/10 shows funds disbursed for county contracts.

Mr. Herrera noted that the proposed budgets reflect funds for the database development, travel, training, and salaries for a full staff. Discussion ensued about the details of the budget.

**MOTION:** A motion was made by Mr. Kelly Luth to accept the FY 2009/2010 Proposed Budget of \$1,159,698 for the Egg Quality Control Program. Mr. Gary Foster seconded the motion. Motion passed unanimously.

**MOTION:** A motion was made by Ms. Nancy Sullivan to accept the FY 2010/2011 Proposed Budget of \$1,135,671 for the Egg Quality Control Program. Mr. Gary Foster seconded the motion. Motion passed unanimously.

### **PROGRAM UPDATE**

Mr. Herrera informed the SEAC that a survey was sent to all registered egg handlers for feedback on whether to require an annual registration for all egg handlers. Of the 766 surveys mailed, 193 surveys were returned. Based on the survey results, the program would like to promulgate a regulation to move from a one time only registration to an annual registration and fee.

**MOTION:** A motion was made by Ms. Nancy Sullivan to recommend to the Secretary to promulgate regulations to implement an annual registration fee for all egg handlers and producers. The annual registration fee should take place on July 1, 2010, and the registration fee should be based on flock size and number of eggs produced. Mr. Gary Foster seconded the motion. Motion passed unanimously.

Mr. Herrera informed the SEAC that the Stanislaus County Agriculture Commissioner's Office has been involved in a random sample survey with an egg producer for numerous unresolved violations. The 30 lot random sample survey averaged a rejection rate of more than 20%. The company has already had one informal hearing with Stanislaus County, a formal hearing will now be scheduled to address this situation.

### **ELECT COMMITTEE CHAIRMAN AND VICE CHAIRMAN**

Mr. Herrera informed the SEAC that the Chairman and Vice Chairman's terms have expired. A new Chairman and Vice Chairman need to be selected.

**MOTION:** A motion was made by Mr. Gary Foster to have Chairman Michael Sencer and Vice Chairman Wayne Winslow serve another term. Mr. Kelly Luth seconded the motion. Motion passed unanimously.

### **ADDITIONAL ITEMS**

Mr. David Will presented an issue with an egg handler who ships eggs from the east coast, and whose cartons have no sell by date or pack by date. Subsequent to a complaint, the company's egg cartons now have sell by and/or pack by dates. However, the cartons are still not in compliance, due to the 60 days pack by date issues. There are two warehouses that are distributing the eggs in California.

Mr. Will also stated that a company from Austin, Texas is placing a pamphlet inside their carton that has nutritional information regarding the eggs but no claim on the carton.

The SEAC also discussed staggering committee term dates, since term dates will all expire on the same year. Mr. Herrera will come up with recommendations by the next SEAC meeting.




**NEXT MEETING**

The next SEAC meeting will be held in February at the Pacific Egg and Poultry Association Conference in Napa, CA. The exact date and time will be determined at a later time.

**ADJOURN**

Meeting adjourned at 12:00 p.m.

Respectfully submitted by:



Anthony Herrera, Program Supervisor  
Egg Quality Control Program  
Feed, Fertilizer, Livestock Drugs and Egg Regulatory Service  
Inspection Services

2/17/10

Date