

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: AGRICULTURAL COMMISSIONER

BOARD AGENDA # *B-1

Urgent

Routine

AGENDA DATE March 26, 2013

CEO Concurs with Recommendation YES NO

4/5 Vote Required YES NO

(Information Attached)

SUBJECT:

Approval of Fiscal Year 2012-2013 Amended County Egg Inspection Contract with the California Department of Food and Agriculture

STAFF RECOMMENDATIONS:

Approve and authorize the Agricultural Commissioner to sign the Fiscal Year 2012-2013 amended County Egg Inspection contract with the California Department of Food and Agriculture.

FISCAL IMPACT:

The California Department of Food and Agriculture (CDFA) State Egg Safety and Quality Management Program contract funds were budgeted in the Agricultural Commissioner's Fiscal Year 2012-2013 Final Adopted Budget at \$15,000. The CDFA on November 11, 2012, approved a contract in the amount of \$10,644. This represents \$4,356 less than the original budgeted amount due to a decrease in statewide funding. With the Board of Supervisors approval of this amendment totaling \$13,580, the overall contract

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2013-120

On motion of Supervisor Withrow, Seconded by Supervisor Monteith

and approved by the following vote,

Ayes: Supervisors: O'Brien, Withrow, Monteith, De Martini and Chairman Chiesa

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None


1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

Approval of Fiscal Year 2012-2013 Amended County Egg Inspection Contract with the California Department of Food and Agriculture

FISCAL IMPACT (Continued):

will increase to \$28,580 for Fiscal Year 2012-2013.

The increase in the amended contract has been included in the Mid-Year budget approved by the Board of Supervisors on March 5, 2013, therefore no budget adjustment is necessary at this time.

The proposed amended contract increase is due to the addition of the CDFA funding the Pilot State Egg Safety and Quality Management Program developed by the CDFA and Stanislaus County.

DISCUSSION:

The State Egg Safety and Quality Management Program helps to assure food safety and equity in the marketplace for eggs being produced and processed from both within and outside of the State of California.

Stanislaus County has been under contract with the California Department of Food and Agriculture for many years to inspect eggs at wholesale and production facilities within the County to assure egg quality and food safety. Activities include the inspection of eggs for trace-back information, proper refrigeration, inspection to assure eggs have not surpassed tolerance levels for cracks, broken, or dirty eggs, and that eggs being shipped into the County from out of state are from registered facilities.

Through the pilot program developed by the Agricultural Commissioner in conjunction with the CDFA and the shell egg industry, the CDFA proposes to include new activities in areas that are felt to be significantly important in providing additional food safety protection to consumers. The inclusion of retail egg inspections includes inspections of any facility which currently sells or handles eggs. Retail egg inspections assure that all eggs being sold meet all egg quality standards and food safety regulations including: labeling requirements, trace-back information, packed-on date, sell-by date, grade, size, and that advertising information is correct. Retail eggs are also visually inspected for quality and to assure they are not more than 30 days past the original pack date. The program includes inspection of swap meets, farmers' markets, roadside stands, and producers who have flocks of less than 3,000 hens and seeks to ensure that all eggs being sold to the general public are being done so by registered producers/processors.

The Pilot State Egg Safety and Quality Management Program is critical for the protection of the shell egg industry in Stanislaus County, assuring that all eggs sold to consumers meet food safety and trace-back regulations. All facilities in Stanislaus County which currently handle eggs will be monitored in order to assure food safety as well as provide a fair marketplace for our egg industry. This amended contract provides funding for the additional personnel services which will be required to perform our extended duties. The amended contract amount is estimated to be \$28,580 for Fiscal Year 2012-2013. The Department anticipates future funding will remain at this level.

Approval of Fiscal Year 2012-2013 Amended County Egg Inspection Contract with the California Department of Food and Agriculture

POLICY ISSUE:

Approval of this item supports the Board priority of A Strong Agricultural Economy/Heritage by securing outside funding for critical programs and services that benefit the agricultural industry and consumers in Stanislaus County.

STAFFING IMPACT:

Existing staff will perform the additional duties associated with the increased contract.

CONTACT INFORMATION:

Milton O'Haire, Agricultural Commissioner, 525-4730

COOPERATIVE AGREEMENT
SIGNATURE PAGE

AGREEMENT NUMBER
13-0232-SA

1. This Agreement is entered into between the State Agency and the Recipient named below:

STATE AGENCY'S NAME
DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)

RECIPIENT'S NAME
COUNTY OF STANISLAUS

2. The term of this Agreement is: July 1, 2013 through June 30, 2014

3. The maximum amount of this Agreement is: \$44,391.50
Forty-four Thousand Three Hundred Ninety-one Dollars and Fifty Cents

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement:

- Exhibit A: 10 Page(s)
 - Recipient and Project Information
 - Scope of Work
- Exhibit B: 2 Page(s)
 - Budget & Payment Provisions
 - Budget
- Exhibit C – General Terms and Conditions 2 Page(s)

APPROVED AS TO FORMS
STANISLAUS COUNTY COUNSEL

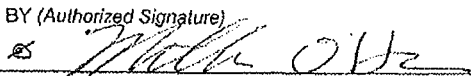
BY 

Name of Project: County Egg Inspections Program

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

RECIPIENT

RECIPIENT'S NAME (County's Name)
COUNTY OF STANISLAUS

BY (Authorized Signature)


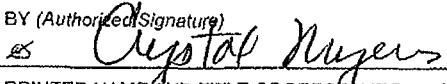
DATE SIGNED (Do not type)
8-14-13

PRINTED NAME AND TITLE OF PERSON SIGNING
Milton O'Haire, Agricultural Commissioner

ADDRESS
3800 Cornucopia Way, Suite B, Modesto, CA 95358-9494

STATE OF CALIFORNIA

AGENCY NAME
DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)

BY (Authorized Signature)


DATE SIGNED (Do not type)
8/20/13

PRINTED NAME AND TITLE OF PERSON SIGNING
CRYSTAL MYERS, MANAGER - FEDERAL FUNDS MANAGEMENT OFFICE

ADDRESS
1220 N STREET, ROOM 120
SACRAMENTO, CA 95814

STANISLAUS COUNTY
STATE EGG QUALITY ENFORCEMENT PROGRAM WORKPLAN
Pilot Program Scope of Work
Amendment to Agreement 12-0215-SA
January 1 - June 30, 2013

Stanislaus County agrees to provide wholesale, production and retail egg inspection services for the Egg, Safety and Quality Management Program (ESQM). The inspections shall be performed as provided in the Food and Agricultural Code, Division 12, Part 4, Chapter 1 (commencing with Section 27501); the California Code of Regulations, Title 3, Subchapter 3 and any State policies and procedures.

This amended agreement is effective from January 1, 2013 through June 30, 2013. The County will receive payments upon submission of completed ESQM/County Cost Agreement Form and ESQM/Agreement Agreement Form Supplemental-A, as appropriate for the functions listed below:

- Wholesale and Production Inspections
- Retail Inspections

Disbursements will be made for work completed in quarterly payments as follows: July 1 to September 30 (1st quarter), October 1 to December 31 (2nd quarter), January 1 to March 31 (3rd quarter), and April 1 to June 30 (4th quarter). Late submission of invoices will cause delay in payments to counties and a review of county paperwork processing procedures by ESQM.

Penalties imposed by the County for violations shall remain in the County.

Program Goals and Objectives:

The Stanislaus County Agricultural Commissioner's (CAC) office strives to have a quality Egg Quality Assurance Program through providing 100-egg sampling of production and wholesale facilities, compliance assessment at retail facilities and education to assist these establishments to come into compliance with current laws and regulations, and to answer questions affecting food safety.

Egg Quality Assurance Resources and Workload:

The Stanislaus County Department of Agriculture has averaged 436 work hours during the 2010 through 2012 fiscal years providing 1,250 production and 648 wholesale 100-egg samples. One Deputy Agricultural Commissioner/Sealer and two licensed Agricultural Weight and Measure Inspectors have supported these activities.

It is proposed that an additional 416 hours per year be made available for retail and other market inspections. This would be accomplished by adding an additional inspector who will be trained and made available to perform the additional inspections.

Workload History:

Stanislaus County has seen consistent numbers for production eggs declining over the last three years while the numbers of wholesale eggs have fluctuated. The following are the expected production and wholesale egg numbers for the current fiscal year as well as the past two years:

- Fiscal Year 2010-11, production eggs available - 1,806,980 cases; wholesale eggs available - 221,876 cases. A total of 2,028,856 cases available at three facilities. The 2010-11 cases available totals included USDA shielded eggs which did not count towards the agreement inspection requirements.
- Fiscal Year 2011-12, production eggs available - 976,526 cases, wholesale eggs available - 563,496 cases. A total of 1,783,884 cases at three facilities
- Fiscal Year 2012-13, production eggs available - 886,996 cases, wholesale eggs available - 564,456 cases. Total available eggs 1,451,452 cases at two facilities.

Areas in Need of Improvement:

In order to assure that the pilot retail inspection program is shown to be effective the following improvements will need to be made to the Stanislaus County Egg Quality Inspection Program:

- Maintain an open dialogue with industry and keep them informed of their progress.
- Maintain accurate accounting of inspection time in order to find the most time efficient means of performing inspections.
- Communication between the county and CDFA needs to be open and direct.
- All reports to CDFA need to be made in a timely manner.
- County inspectors need to be kept informed of their progress in performing inspections in order to perform at a maximum level.

Complaint Response and Reporting:

Since the switch to the CDFA/County Egg Quality Inspection Program, the Stanislaus County Department of Agriculture has seen an increase in the number of complaints it has received. Stanislaus County currently has a system to track complaints from the time they are received through their resolution. With State oversight any inner county complaint can be resolved by the CAC using this system.

Complaints coming directly from and involving the egg industry or complaints originating from other counties shall be reported to the CDFA ESQM. Under the direction and in conjunction with CDFA ESQM, the CAC or State will begin the investigation of any complaints within 72 hours of the time received.

Enforcement Response:

Enforcement response will be centered first upon an educational response to help individuals and industry come into compliance for minor infractions of laws and regulations. Subsequent enforcement will entail utilizing the existing compliance process.

Wholesale and Production Inspections:

- Conduct wholesale and production egg sample inspections based on Compliance and Risk Based Inspections (CRBI) (see attached), at the current agreement levels for the remainder of the year: 115 production and 34 wholesale inspections per quarter.
- Track and report time per inspection.
- If the desired CRBI levels of compliance (determined by CDFA/ESQM), have been reached, the number of quarterly inspections shall be done at a one half the required levels. Any remaining time allotted for these inspections will be devoted to retail inspections.
- CRBI will revert to original levels if required compliance is not maintained.

- Efficient timely inspections and reporting to CDFA will be necessary to assist in assuring that industry gets credit for high compliance levels.

Expected Outcome:

- Through timely record reporting and by working closely with processors and CDFA the necessity to maintain current levels of 100-egg inspections should decrease within the first three months of the program.
- Tracking of time per inspection allows for the County to assure efficient inspecting methods.
- Higher compliance levels become an incentive to industry to maintain high compliance levels.

Retail Inspections:

- Conduct visual inspection of egg packages at retail locations assuring the eggs are not past the sell by date, and that cartons meet all labeling requirements.
- A cursory egg quality inspection shall be done at each location.
- Tracking which locations have been inspected and what violations have been found, and follow up on those locations with a poor compliance history.
- Any eggs which are cause for food safety concerns may be reconditioned by the retail proprietor if they are from the same lot; if they cannot be reconditioned, they are to be placed off sale and destroyed unless the processor/packer agrees to pick up the product for processing. All eggs are to be reconditioned or destroyed in the presence of the inspector prior to leaving the premises.
- All certified farmers markets and swap meets will be inspected for the availability of eggs on a quarterly basis. All producers selling at certified farmers markets must meet all labeling, grading and size requirements. Any violations found will be followed up on in a timely manner.
- Ensure that eggs are not being re-packed by someone other than a registered egg handler/ processor.
- Ensure all eggs are graded, sized and sanitized.
- Any eggs being received from out of state processors should be tracked to ensure they are registered with CDFA.
- All retail locations inspected will be tracked by the county and reports outlining the number of locations inspected, violations found, hours for inspections, how violations were corrected should be made available to CDFA on a monthly basis.
- Ensure that any eggs found at retail which have been produced by an exempt producer (flocks of less than 3,000 birds) meet all labeling and food safety requirements.
- Tracking which locations have been inspected and what violations have been found, and follow up on those locations with poor compliance history.

Expected Outcome:

- A higher level in compliance for egg safety and labeling at the retail level.
- Assurance that fewer eggs are being re-packed by unregistered individuals.
- The ability to bring small producers, selling at certified farmers markets, swap meets and flea markets, into compliance with state laws and regulations.
- Develop a better knowledge of where out of state eggs are sold to ensure quality and other standards, when passing through distribution centers.

County provided equipment facilities assets:

- Each inspector is assigned a vehicle, smart phone, Tablet PC, and Arc View GIS mapping. All of which will be used to:
 - Map the location of retail locations prior to going to the field
 - Develop tracking systems to capture any information that may be desired for reports
 - Develop electronic forms in order to minimize the amount of paper collected and transferred
 - Track complaints and the outcomes to complaint investigations through the County and ESQM guide lines.

State Oversight and Expectations:

- CDFA shall provide training for County shell egg inspectors.
- Each County inspector assigned to the Egg Quality Assurance Program is licensed by the CDFA for providing egg inspections.
- CDFA shall provide smocks, hair nets, shoe covers, training materials, forms manuals, or any other equipment needed for performing inspections.
- The County shall make inspectors available to complete shell egg and retail inspections with CDFA shell egg supervisors on a monthly basis for the first year of the agreement. These requirements may be made quarterly if County inspectors meet expected goals.
- CDFA shall complete periodic random inspections within the County.
- The County will provide ESQM/County Cost Agreement Form and ESQM/ Agreement Form Supplemental-A, as requested by CDFA on a monthly basis, no later than the tenth day of the following month.
- CDFA shall review all reports provided by the County and provide feedback as to the efficiency of the County program.
- CDFA shall review all County billing information.
- Failure to complete inspection hours in a quarter shall be forfeited and cannot be compensated at a later time. Inspection hours will start over each quarter.
- The County shall provide inspection reports, as requested to CDFA and the Shell Egg Advisory Committee.

Failure to meet above minimums will result in a CAC agreement compliance meeting and possible agreement amendments.

California Department of Food & Agriculture
 EGG SAFETY AND QUALITY MANAGEMENT
 SO-pending

INSTRUCTIONS: Send to State Supervisor, no later than the 10th of the month following the end of the reporting quarter. Retain a copy for your records.

ESQM / County Cost Agreement Form

1. COOPERATING AGENCY (Name and Location) California Department of Food and Agriculture 1220 N Street, Sacramento CA 95814 QUARTERLY REPORT FORM	2. REPORTING QUARTER (From-Thru)
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ACTUAL DIRECT COSTS

3. PERSONNEL SALARY COSTS					Explanation -
	Travel Hours	Work Hours	Total Hours	Total Cost	
a. Inspector				\$ -	HOURS X ___/HOUR
a. Inspector				\$ -	HOURS X ___/HOUR
a. Inspector				\$ -	HOURS X ___/HOUR
a. Inspector				\$ -	HOURS X ___/HOUR
a. Inspector				\$ -	HOURS X ___/HOUR
b. Supervisor				\$ -	HOURS X ___/HOUR
c. TOTAL PERSONNEL SALARY COSTS (a+b).....				\$ -	
4. TRAVEL COSTS					Explanation -
c. Travel miles _____ times \$ _____ cents per mile.....					
f Total Travel Costs (d).....					
5. TOTAL ACTUAL DIRECT COSTS (e).....				\$ -	
INDIRECT COST (If Applicable)					
6. Applicable portion of line 7 times up to 25% Approved Percentage Rate.				\$ -	Calculation 3c X 25%
7. TOTAL QUARTERLY COSTS (5+6).....				\$ -	

8. REMARKS(continue on reverse if needed)

COMBINED TOTALS

11. SIGNATURE OF STATE REPRESENTATIVE	TITLE Program Supervisor	13. DATE
14. SIGNATURE OF FEDERAL-STATE SUPERVISOR		15. DATE

1. STATE AND CODE

2a. QUARTER

2b. FISCAL YEAR

3. NAME OF INSPECTOR (Please print)

ESQM / County Cost Agreement Form (Supplemental - A)

Insp. #.	DATE	REGISTRANT (Location)	TYPE OF INSP (R,P,W)	TRAVEL FROM	TRAVEL TO	FACILITY INSP. HOURS	MILES DRIVEN	WORK HOURS	DOZENS	CASES	LOTS	COMMENTS (see remarks) ✓
				TIME:	TIME:							
1				TIME:	TIME:							
				TIME:	TIME:							
2				TIME:	TIME:							
				TIME:	TIME:							
3				TIME:	TIME:							
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REMARKS

Egg Safety & Quality Management Program

Compliance and Risk Based Inspection (CRBI) for Shell Eggs

The purpose of CRBI is to administrate the shell egg inspection program to ensure quality and safety compliance, and concentrate inspection focus on egg handler's who are not achieving a 90% compliance rate or better. The ESQM program seeks to inspect all eggs available at a 1% rate. By utilizing a CRBI matrix, the inspection rate will drop to 0.5% (one half percent of eggs available) for companies that consistently achieve quality compliance AND an acceptable level of food safety (Risk Based) compliance. This allows inspectors to concentrate their efforts on inspecting production and wholesale facilities that need closer monitoring, and to inspect eggs at the retail level.

The CRBI is based upon annual cases available per facility, and once a facility has achieved 3 months (one quarter) of inspections in which their quality compliance rate is 90% or better, AND no more than two "category 1" violations, three "category 2" violations, four "category 3" violations and five "category 4" violations, the remaining next quarter(s) of inspections shall be inspected at the reduced 0.5% (one half percent) rate. Should the compliance rate fall below 90% or Risk Based violations are beyond the acceptable levels, then inspections shall revert back to 1% rate.

The Food Safety Categories are classified as follows:

Category 1 - Refrigeration issues (cold room and transport vehicles).

Category 2 - Dirts (fecal), leakers, and rots.

Category 3 - Checks, dirts (non fecal), blood spots, meat spots, bloody whites, moldy, frozen or cooked.

Category 4 - Labeling issues, under-weights, undergrades.

The defect compliance rate is based upon dozens inspected and dozens rejected.

County of Stanislaus
STATE SHELL EGG ENFORCEMENT
Amended FISCAL DISPLAY
July 1, 2012 through June 30, 2013

July 1 through December 31, 2012

Inspections Based on 100-Egg Samples	# of Inspections Per Quarter	Number of Quarters	Number of Reimbursement		Total Reimbursement
			Per Sample		
Production Inspections:					
100-Egg Samples to be Inspected	115	2	\$ 17.83	\$	4,100.90
Wholesale Inspections:					
100-Egg Samples to be Inspected	34	2	\$ 17.83	\$	1,212.44
Total Reimbursement July 1 through December 31, 2012:				\$	<u>5,313.34</u>

January 1 through June 30, 2013

Inspections Based on Actual Time Worked /1

Employee	Biologist/Inspector Classification	Hourly Rate	Benefit Rate	Total # of Hours per	Reimbursement per Quarter	Number of Quarters	Total Reimbursement
[REDACTED]	Ag Inspector I	\$ 23.93	\$ 14.04	90	\$ 3,417.30	2	\$ 6,834.60
[REDACTED]	Ag Inspector II	\$ 26.94	\$ 14.99	86	\$ 3,605.98	2	\$ 7,211.96
[REDACTED]	Ag Inspector III	\$ 27.61	\$ 9.95	37	\$ 1,389.72	2	\$ 2,779.44

Employee	Supervisory Classification	Hourly Rate	Benefit Rate	Total # of Hours per	Reimbursement per Quarter	Number of Quarters	Total Reimbursement
[REDACTED]	Deputy Commissioner	\$ 41.17	\$ 19.27	6	\$ 362.64	2	\$ 725.28
Total Reimbursement 01/01/2013 through 06/30/2013					<u>\$ 8,775.64</u>	<u>2</u>	<u>\$ 17,551.28</u>

Personal Services 07/01/2012 - 12/31/2012	\$ 5,313.34
Personal Services 01/01/2013 - 06/30/2013	\$ 17,551.28
Total Personal Services:	<u>\$ 22,864.62</u>
County Indirect Recovery - 25%	\$ 5,716.16
Amended Contract Total:	<u>\$ 28,580.78</u>

/1 Effective January 1, 2013 the methodology of egg inspection changed from an average per 100-egg sample to actual cost recovery.

Hours will be applied to Production/Wholesale and Retail Inspections. These inspections will be performed regularly during the quarter to assure consistent compliance. Consideration will be given to compliance history and food safety violations, in determining frequency of inspections at Production/Wholesale and where inspection hours will be applied.