



A Guide to Marketing Locally Produced Eggs in Oklahoma

EXTENSION

April 2023

Bryan Buchwald

Poultry, Egg and Organic Section Director,
ODAFF Food Safety Division

Rodney B. Holcomb

FAPC Agribusiness Economist

Meagan Osburn

Former FAPC Business and Marketing Intern

Chuck Willoughby

FAPC Business and Marketing Relations Manager

Grace Potts

FAPC Student Research Assistant

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Introduction

Eggs are one of the most commonly consumed sources of protein. They are a staple food item, prepared and consumed in various forms (scrambled, fried, boiled and poached) and used in a wide array of food recipes. According to the American Egg Board's "Egg Industry Overview," the average American consumed more than 277 eggs in 2021 – more than a 15% increase from 2011. In 2021, the US produced over 9.7 billion eggs, yet avian flu and the demand for more locally sourced eggs have impacted the supply and demand, respectively.

The consistent demand for eggs and the fact that chickens can produce eggs year-round means viable marketing opportunities for locally-sourced eggs and egg products. The Oklahoma Department of Agriculture, Food and Forestry and the Robert M. Kerr Food & Agricultural Products Center at Oklahoma State University regularly receive requests from producers wanting to market farm-fresh, locally-produced eggs for guidance and assistance in understanding egg marketing regulations. This fact sheet was developed to help producers better understand the regulatory environment for eggs and egg-product marketing.

Oklahoma Food Safety Regulations for Eggs

Oversight of state egg inspection and food safety as established by the Oklahoma Egg Law falls under the domain of the [ODAFF Food Safety Division, Poultry & Egg Section](#). Specific food safety requirements for Oklahoma egg producers, handlers and distributors are located in Title 35 (ODAFF), Chapter 37 (Food Safety), Subchapter 1 (Eggs) of the state's laws (see Oklahoma Agriculture Code). The following bullets are a quick overview of those food safety and inspection rules:

- Grades and weight classes for shell eggs follow

the guidelines established by the Poultry Division of [USDA's Agricultural Marketing Services](#).

- Methods of egg grading follow the exact same guidelines of the USDA Egg-Grading Manual (see USDA Agricultural Marketing Service).
- Eggs displayed for sale should be in "customary containers," not in loose bulk containers. Essentially, this means eggs must be displayed for sale in cartons rather than in bulk containers like boxes or baskets.
- Window display signs for eggs must be plainly marked with price, grade and size of eggs. The Oklahoma Egg Law permits ODAFF inspectors to immediately deface any non-compliance label, container markings or window sign.
- Egg packers and dealers must prominently display their state egg license for each packing plant and each shipping point, as per the Oklahoma Egg Law.
- Licensed packers selling eggs in Oklahoma must submit reports and pay inspection fees to ODAFF on a monthly basis. Those packing less than 5,000 eggs per year must pre-pay an annual inspection fee of \$15.
- ODAFF inspectors shall inspect "every retail, dealer and packer location" selling eggs and egg product to consumers. These ODAFF inspectors, following USDA shell egg regulations, shall personally draw samples from each lot of eggs.

The holding temperature of shell eggs sold at farmers markets is also an important consideration. State regulations require the ambient temperature be at or less than 45 degrees Fahrenheit, but eggs are also not allowed to freeze. ODAFF inspectors are primarily concerned with storage temperature,

but local health departments have different rules regarding the manner in which these temperatures are maintained. Some health departments require mechanical refrigeration, while others will approve the use of ice chests. Check with your local health department before marketing shell eggs at specific farmers markets.

License Exemptions for On-Farm Egg Sales

Many small Oklahoma producers may be exempt from license requirements. According to Oklahoma Agriculture Code Title 2 of the Oklahoma Statutes, Article 10 (Poultry and Poultry Products), Section G (Eggs), “Oklahoma producers of eggs selling ungraded eggs from their own flock production are exempt from this subarticle. Nothing in this subarticle shall prohibit the sale of eggs produced on the farm and sold direct to the consumer.” However, good food safety and sanitation procedures are still recommended for small, on-farm egg sales.

Obtaining Licenses – Egg Dealers, Egg Packers, Egg Processors

Any direct-to-consumer sales that do not occur on the farm from which the eggs originated are subject to regulations for licenses and inspection fees. The following bullets are the license and inspection fee requirements for egg dealers, packers and processors, with form numbers identifying the appropriate forms included in this fact sheet.

- **Egg Dealers:** An annual license “for Egg Dealers engaged in the wholesale marketing of eggs” can be obtained by completing the appropriate ODAFF application form, FS-5105 and paying the annual license fee (currently \$35).
- **Egg Packers:** An annual license “for Egg Packers who pack eggs for sale to dealers, retailers or consumers” is obtained by completing the appropriate ODAFF application forms and paying the annual license fee (currently \$35). Egg packers of fewer than 5,000 dozen eggs per year must complete Form FS-5106 and pay a flat \$15 inspection fee. Larger egg packers (more than 5,000 dozen per year) whose eggs are solely marketed/distributed outside of Oklahoma are also required to complete FS-5106 and are subject to monthly inspection fees to be submitted with a monthly Shell Egg Inspection Report, i.e. Form FS-5103. Current inspection fees are “three (3) mills per dozen on all eggs that are processed, graded, packed or repacked which are intended for sale to consumers in this state.” This equates to three-one thousandths of the value of the dozen eggs; the minimum payment is \$18 per month.
- **Egg Processors:** An annual license “for Egg Processors who process egg products” is obtained from ODAFF by completing application Form FS-5106 and

paying the license fee. Additionally, egg processors are subject to monthly egg product inspection fees that must be submitted along with a completed Egg Products Inspection Fee Report, i.e. Form FS-5104.

These licenses are not transferrable, and each dealer, packer or processor location is required to have its own license. Licenses expire on Dec. 31 annually. The board shall adjust the anniversary date to provide for efficient administration. Failure to renew a license within 30 days of its expiration results in a penalty fee equal to and in addition to the license fee.

Fee inspection reports provide details on the fees per dozen eggs. These monthly fees are to be calculated on the last day of the month and paid by the 15th of the following month. For egg packers and processors, the following processed egg equivalents are used:

- A “case” is 30 dozen shell eggs.
- 36 pounds of frozen or liquid eggs equals a case of shell eggs.
- 9 pounds of dried eggs equals a case of shell eggs.
- 2 containers of boiled eggs weighing 20 to 25 pounds each equals a case of shell eggs.
- 50 pounds of cooked or diced eggs equals a case of shell eggs.

Failure to submit fee inspection reports or submit inspection fees will result in penalties. If these are not submitted within 30 days of the due date, packers are subject to a penalty of 2% per day for each additional day the fees are late. If fees are not paid within 60 days, a penalty equal to the amount of fees due will be charged in addition to the fees themselves.

Dealers, packers and processors are expected to keep copies of all inspection fee reports, record-keeping and audits for at least three years. The State Board of Agriculture shall have access to all required records of any applicant for a license and shall audit the records of packers paying monthly fees at least once every three years.

Resources

Egg Industry Overview: <https://www.incredibleegg.org/about-us/industry-data>

Title 35, Ch. 37, Subchapter 1 of ODAFF Food Safety Rules: Available at <https://ag.ok.gov/wp-content/uploads/2020/11/Food-Safety-Rules-Title-35.-Chapter-37.-Sub-chapter-1-Eggs.pdf>.

Title 2, Article 10, G of the Oklahoma Agriculture Code: Available at <https://ag.ok.gov/wp-content/uploads/2020/11/%C2%A7-2-Article-10-G.-Eggs.pdf>.

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Issued in furtherance of Cooperative Extension work, acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture, Director of Oklahoma Cooperative Extension Service, Oklahoma State University, Stillwater, Oklahoma. This publication is printed and issued by Oklahoma State University as authorized by the Vice President for Agricultural Programs and has been prepared and distributed at a cost of 20 cents per copy. April 2023 AM.