

Robert M. Kerr Food & Agricultural Products Center



FOOD TECHNOLOGY FACT SHEET

Adding Value to OKLAHOMA

405-744-6071 • www.fapc.biz • fapc@okstate.edu

A Guide to Marketing Locally Produced Eggs in Oklahoma

Bryan Buchwald

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

Rodney Holcomb

FAPC Agribusiness Economist

Meagan Osburn

FAPC Business & Marketing Intern

Chuck Willoughby

FAPC Business & Marketing Relations Manager

Introduction

Eggs are one of the most commonly consumed forms of protein. They are a staple food item, prepared and consumed in various forms (scrambled, fried, boiled, poached, etc.) and used in a wide array of food recipes. According to the American Egg Board's "Demand Dashboard" (www.aeb.org/images/PDFs/FarmersMarketers/Demand-Dashboard.pdf), the average American consumed more than 250 eggs per year and purchased more than two cartons (dozen) of eggs per month in 2013. Using USDA data, the "Demand Dashboard" also illustrates a steady upward trend in egg consumption for the past five years, whereas beef and milk per capita consumption have declined over the same period.

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 (ODAFF) and the Robert M. Kerr Food & Agricultural Products Center (FAPC) 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 (see www.oda.state.ok.us/food/poultry.htm). 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 www.oda.state.ok.us/food/foodsafety_sub1.pdf). 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 (see www.ams.usda.gov/AMSV1.0/poultry for guidelines).
- Methods of egg grading follow the exact same guidelines of the USDA Egg-Grading Manual (see www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELDEV3004502).
- Eggs displayed for sale should be in "customary containers," not in loose bulk containers.
- 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 ap-

prove 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 state statutes, “Oklahoma producers of shell eggs selling ungraded shell eggs, directly to the consumer; from their own flock production from the property where the hens are kept and maintained are exempt from a license and the regulations of the Oklahoma Egg Law.” However, good food safety and sanitation procedures are still recommended for small, on-farm egg sales.

EGGS

One of the most commonly consumed forms of protein.



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 figures 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 (Figure 1), and paying the annual license fee.
- **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. Egg packers of fewer than 5,000 dozen eggs per year must complete Form FS-5106 (Figure 2). Larger egg packers whose eggs are solely marketed/distributed outside of Oklahoma are also required to complete FS-5106. However, packers of more than 5,000 dozen eggs per year who market or distribute any quantity of those eggs within Oklahoma’s borders are also subject to monthly inspection fees to be submitted with a monthly Shell Egg Inspection Report, i.e. Form FS-5103 (Figure 3).
- **Egg Processors:** An annual license “for Egg Processors who process egg products” is obtained from ODAFF by completing application Form FS-5106 (Figure 2) 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 (Figure 4).

These licenses are not transferrable, and each dealer, packer or processor location is required to have its own license. Licenses expire annually on the last day of the month in which they were issued. 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 processors, the following processed egg equivalents are used:

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

Available Assistance

The Poultry & Egg Section of ODAFF’s Food Safety Division is the definitive authority on egg-marketing regulations and food-safety requirements. For more information, call the ODAFF Food Safety Division at (405) 522-6112 or find the most appropriate contact by visiting the Poultry & Egg Section’s website at www.oda.state.ok.us/food/poultry.htm.

FS-5106
Rev. 2-07

Oklahoma Department of Agriculture, Food & Forestry
FOOD SAFETY DIVISION
Poultry, Egg & Organic Foods Section
P.O. Box 528804
Oklahoma City, OK 73152-8804
PH: (405)522-5924
FAX: (405)522-1080



OFFICE USE ONLY
RECEIPT #
LICENSE #
DATE:
318
382

EGG PACKERS & PROCESSOR'S APPLICATION FOR LICENSE

IN ACCORDANCE WITH OKLAHOMA EGG LAW 2 O.S. §10-81. I HEREBY MAKE AN APPLICATION FOR THE LICENSE SPECIFIED BELOW

CHECK ONLY ONE

PACKER, PROCESSOR EGG LICENSE FEE---\$35.00 ANNUALLY
Current License No. _____(if applicable)

- 1. Packer whose per year production is 5,000 dz. or more. Reporting and paying inspection fees monthly on FS-5103 (Shell Egg Inspection Report). \$35.00 total.
- 2. Small Packer whose per year production is 5,000 dz. or less. Pre-paying \$15.00 inspection fee and \$35.00 license for a total of \$50.00.
- 3. Egg products processor license, reporting and paying inspection fees monthly on FS-5104 (Egg Products Inspection Fee Report). \$35.00 total.

- NOTE:
- 1 A packer & processor license is issued for a period of one (1) year.
 - 2 Each location requires a separate license and application.
 - 3 Licenses are not transferable and expire December 31.

BUSINESS NAME	LOCATION NAME		

LOCATION ADDRESS	CITY	ST	ZIP

LOCATION PHONE NUMBER			

MAILING ADDRESS	CITY	ST	ZIP

PHONE NUMBER	OWNER'S NAME		

In signing this application, I understand and agree to comply with the Oklahoma Egg Law 2 O.S. §10-81 to keep such records, make such reports and pay such fees as are required. I agree to make such records available and authorize permission and access to such records to the board or its authorized representative any time during normal business hours.

_____	_____
SIGNATURE	DATE

PLEASE MAKE CHECK PAYABLE TO OKLAHOMA DEPARTMENT OF AGRICULTURE FOOD & FORESTRY
ADDRESS ENVELOPE ATTENTION FOOD SAFETY DIVISION: POULTRY, EGG & ORGANIC

Figure 2: ODAFF Egg Packers/Processors License Application FS-5106
(source: www.oda.state.ok.us/food/epapal.pdf).

Oklahoma Department of Agriculture, Food & Forestry
FOOD SAFETY DIVISION
Poultry, Egg & Organic Foods Section
P.O. Box 528804
Oklahoma City, OK 73152-8804
PH: (405)522-5924
FAX: (405)522-1060



OFFICE USE ONLY
382-\$
RECEIPT #
DATE:

SHELL EGG INSPECTION REPORT

LOCATION _____ PHONE () _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

In accordance with OKLAHOMA EGG LAW 2 O.S. §10-81, a financial report is required on a monthly basis, I hereby certify that the number of dozen eggs noted below were graded, packed or repacked and intended for sale to consumers in this state.

Monthly reports plus remittance in full must be mailed to this Department on or before the 15th of the following month. Failure to make full report and remittance by the date specified will result in a penalty and make your permit subject to cancellation.

If a report is not filed and the fees are not paid within thirty (30) days of the due date, the packer shall pay a penalty of two percent (2%) of the fees due for each additional day the fees are late. If the report is not filed and the fees are not paid within sixty (60) days of the due date, the amount of the penalty shall be an amount equal and in addition to the amount of the fees due.

ATTACH A SHEET DESIGNATING THE NAME AND ADDRESS OF THE DEALER(S) FOR WHOM THE EGGS WERE PACKED OR WHOM THE EGGS WERE SOLD OR DELIVERED.

PACKER PERMIT # _____

1. _____ Dozen eggs packed for the month & year of _____ X .003 = \$ _____

2. The minimum of \$18.00. X .003 = \$ 18.00

3. Pay the GREATER dollar amount of line 1 or 2. \$ _____
(DO NOT PAY BOTH LINE 1 AND 2)

I, _____, the undersigned upon oath, do depose and say that I have full knowledge of the above and foregoing statement and figures, that said statements and figures are just correct, due and according to law; and that I am duly authorized to make this affidavit.

AUTHORIZED SIGNATURE

DATE:

MAKE CHECK PAYABLE TO THE OKLAHOMA DEPARTMENT OF AGRICULTURE, FOOD & FORESTRY
***ADDRESS ENVELOPE ATTENTION: FOOD SAFETY DIVISION: POULTRY, EGG & ORGANIC**

Figure 3: ODAFF Shell Egg Inspection Report FS-5103 (source: www.oda.state.ok.us/food/seir.pdf).

Oklahoma Department of Agriculture, Food & Forestry
FOOD SAFETY DIVISION
Poultry, Egg & Organic Foods Section
P. O. Box 528804
Oklahoma City, OK 73152-8804
PH: (405)522-5924
FAX: (405)522-1060



OFFICE USE ONLY
382-\$
RECEIPT #
DATE:

EGG PRODUCTS INSPECTION FEE REPORT

Name: _____ Address: _____

City: _____ ST: _____ Zip: _____ Phone: () _____

REPORT FOR MONTH OF: _____ PERMIT # _____

ATTACH A SHEET DESIGNATING THE NAME AND ADDRESS OF EACH WHOLESALE AND/OR DEALER WHICH YOU ARE SUPPLYING EGG PRODUCTS TO BE SOLD IN OKLAHOMA.

- 1. _____ lbs. of frozen or liquid ÷ 36 lbs. = _____ cases x .09 cents per case.
- 2. _____ lbs. of dried ÷ 9lbs. = _____ cases x .09 cents per case.
- 3. _____ lbs. of boiled eggs ÷ 50 lbs. = _____ cases x .09 cents per case.
- 4. _____ lbs. of diced eggs ÷ 50 lbs. = _____ cases x .09 cents per case.

- 1. TOTAL NUMBER OF CASES _____ X .09 CENTS PER CASE _____
- 2. MINIMUM OF \$18.00 _____ 18.00 _____
- 3. PAY GREATER DOLLAR AMOUNT OF LINE 1 OR 2. _____

MONTHLY REPORTS PLUS REMITTANCE IN FULL MUST BE MAILED TO THIS DEPARTMENT ON OR BEFORE THE 15TH OF THE FOLLOWING MONTH. Failure to make full report and remittance by the date specified will result in a penalty and subject your permit to cancellation.

Signature

Date

**MAKE CHECK PAYABLE TO OKLAHOMA DEPARTMENT OF AGRICULTURE FOOD & FORESTRY
*ADDRESS ENVELOPE ATTENTION: FOOD SAFETY DIVISION: POULTRY, EGG & ORGANIC**

Figure 4: ODAFF Egg Products Inspection Fee Report FS-5104 (source: www.oda.state.ok.us/food/epifr.pdf).

The Oklahoma Cooperative Extension Service Bringing the University to You!

The Cooperative Extension Service is the largest, most successful informal educational organization in the world. It is a nationwide system funded and guided by a partnership of federal, state, and local governments that delivers information to help people help themselves through the land-grant university system.

Extension carries out programs in the broad categories of agriculture, natural resources and environment; home economics; 4-H and other youth; and community resource development. Extension staff members live and work among the people they serve to help stimulate and educate Americans to plan ahead and cope with their problems.

Some characteristics of Cooperative Extension are:

- The federal, state, and local governments cooperatively share in its financial support and program direction.
- It is administered by the land-grant university as designated by the state legislature through an Extension director.
- Extension programs are nonpolitical, objective, and based on factual information.
- It provides practical, problem-oriented education for people of all ages. It is designated to take the knowledge of the university to those persons who do not or cannot participate in the formal classroom instruction of the university.
- It utilizes research from university, government, and other sources to help people make their own decisions.
- More than a million volunteers help multiply the impact of the Extension professional staff.
- It dispenses no funds to the public.
- It is not a regulatory agency, but it does inform people of regulations and of their options in meeting them.
- Local programs are developed and carried out in full recognition of national problems and goals.
- The Extension staff educates people through personal contacts, meetings, demonstrations, and the mass media.
- Extension has the built-in flexibility to adjust its programs and subject matter to meet new needs. Activities shift from year to year as citizen groups and Extension workers close to the problems advise changes.