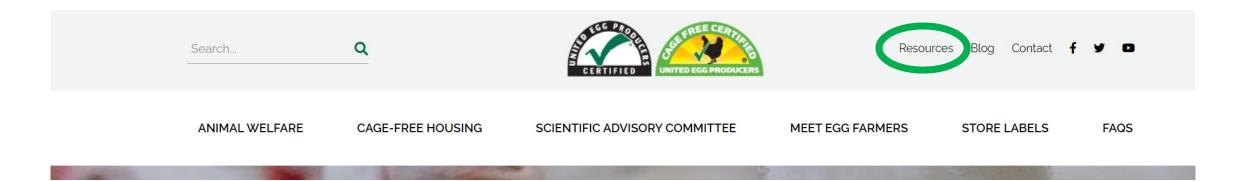


# Cage Free Quagmire



# Existing Cage-Free Resources

#### **UEPCertified.com**



#### unitedegg.com



#### **Housing Systems**

#### **Conventional / Cage-free / Enriched**

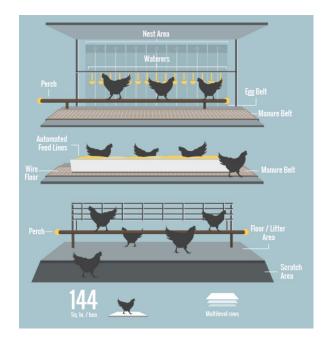
Hen Housing Diagrams

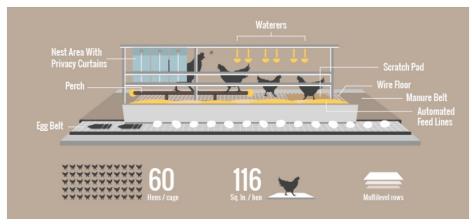
https://uepcertified.com/wp-content/uploads/2021/08/Hen-Housing-Diagrams.pdf

#### **Conventional Cage**

Hens are housed inside climate-controlled barns in stacked rows of cages. Each cage gives birds continual access to water and food. The cage has wire mesh floors that allow manure to drop through to a belt below, which keeps manure away from the birds, as well as their eggs, food and water. After a hen lays an egg, it gently rolls off the slightly-sloped mesh flooring onto an egg-collection belt. The belt moves the egg to processing, where it is checked for imperfections, cleaned and packaged.







## Cage-free Housing

### **Virtual Tours**



**Password Protected Site** 

## Cage-free Housing

#### **Brochures**



In 2002, United Egg Producers established the first UEP Certified guidelines – standards for hen well-being backed by decades of research and recommendations from an independent Scientific Advisory Committee. Today, more than 85 percent of eggs produced in the U.S. come from farms that voluntarily participate in UEP Certified, choosing to open their farms to independent auditors.

Core hen well-being requirements of UEP Certified include:

- Code of conduct signed by employees trained in animal care
- · Annual compliance assessment conducted by independent, third-party auditors
- · Scientifically-supported standards for allotment of space for hens in various housing environments
- Feed, clean water and fresh air at all times

With periodic updates to account for new research and continuous improvement, UEP Certified is an acknowledged leader in science-based guidelines on hen well-being. UEP Certified has been endorsed by the Food Marketing Institute (association of retail grocers) and the National Council of Chain Restaurants (association of fast food restaurants).

#### IEN HOUSING ENVIRONMENTS

UEP Certified provides standards for hens housed in conventional cage and cage-free housing. In 2006, the first UEP Certified cage-free guidelines were established, following the conventional housing guidelines initiated in 2010.

Egg farmers know excellent hen care can be provided in various housing options, and UEP supports all methods of hen housing, when they assure proper hen well-being and meet or exceed all food safety requirements. These systems ofhen keep the hens indoors, which protects flocks from extreme weather and predators, indoor housing also prevents exposure to migratory waterfowl, which may carry diseases harmful to hens and alids in the prevention of other diseases. Modern hen housing ensures the health and well-being of hens and allows for proper flock management, while also ensuring a safe, fresh, affordable supply of eggs

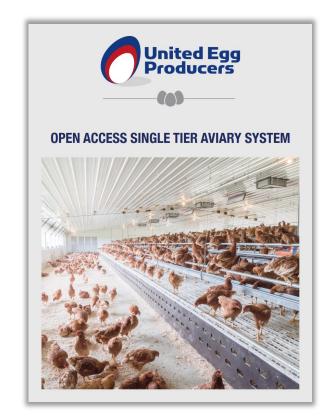






epcertified.com www.unitedeg

www.uepcertifiedcagefree.com







## Cage-free Certification Comparison Chart

#### CAGE-FREE EGG PRODUCTION IN THE US

FREE RANGE (OUTDOOR SPACE REQUIREMENT

© UNITED EGG PRODUCERS 2023





**VIEW THE HFAC CERTIFIED** 

HFAC



VIEW THE AMERICAN HUMAN

UEP CERTIFIED STANDARDS

	STANDARDS	STANDARDS	STANDARDS			
OMPLIANCE REQUIREMENT FOR ENTRY INTO THE PROGRAM	100% OF THE FARMS AND BARNS	100% OF THE FARMS AND BARNS	100% OF THE BARNS WITHIN 3 YEARS			
ERIFY COMPLIANCE AFTER INITIAL CERTIFICATION BY IDEPENDENT AUDITORS	50% OF THE FARMS AND 50% OF THE BARNS ARE RANDOMLY SELECTED AND AUDITED EVERY CALENDAR YEAR	100% OF THE FARMS AND BARNS, OR PRODUCER AUDITS AND 10% OF THE FARMS AND BARNS EVERY 12 MONTHS	SYSTEMATIC 100% OF HOUSES EVERY 3 YEARS; ~ 33% PER YEAR			
OTICE GIVEN PRIOR TO A FARM AUDIT	7 DAYS	MONTHS	MONTHS			
ONFORMANCE REQUIREMENT	NON-CONFORMANCE ITEMS MUST BE PASSED  AND ≥ 90%; 30 DAYS FOR CORRECTIVE  ACTION AND REAUDIT	CORRECTIVE ACTION PLAN FOR ANY MISSED POINTS (Exceptions may be granted under Reviewed Circumstances)	≥ 85%; CORRECTIVE ACTION PLAN FOR MISSED POINTS (EXCEPTIONS MAY BE GRANTED UNDER REVIEWED CIRCUMSTANCES)			
EQUIRES THIRD-PARTY AUDITS	YES	YES	YES			
IANDLING OF NON-CONFORMANCES AND EGREGIOUS CTS OF ABUSE	CORRECTIVE ACTION COMMITTEE OVERSIGHT, WHICH INCLUDES SCIENTIFIC AND AUDITOR EXPERT; CAN RESULT IN REMOVAL FROM PROGRAM	HANDLED BY REGULAR CERTIFYING MANAGEMENT, CAN RESULT IN REMOVAL FROM PROGRAM	HANDLED BY REGULAR CERTIFYING MANAGEMENT, Can result in removal from program			
OURATION OF CERTIFICATION	1 CALENDAR YEAR	1 YEAR (EXTENSIONS MAY BE GRANTED)	1 YEAR (EXTENSIONS MAY BE GRANTED)			
STIMATED FEES FOR EGGS PER 1 MILLION HENS	\$4,100 FOR MEMBERS; \$11,600 FOR NON-UEP MEMBERS	\$55,266	\$26,600			
PACE PER HEN (NEST AREA CAN COUNT AS SPACE)	1.0 SQ. FT./HEN IN SLATTED AND MULTI-TIER; 1.5 SQ FT/HEN IN SINGLE LEVEL; YES	1.0 SQ. FT./HEN IN SLATTED AND MULTI-TIER; 1.5 SQ FT/HEN IN SINGLE LEVEL; NO	1.0 SQ. FT./HEN IN SLATTED AND MULTI-TIER; 1.5 SQ FT/HEN IN SINGLE LEVEL; NO			
PERCHING	G"/HEN	G"/HEN	6"/HEN			
CRATCH/LITTER SPACE	21.6 SQ IN/HEN (EQUALS 15% OF 1 SQ. FT.)	15% OF FLOOR SPACE	15% OF FLOOR SPACE			
AYER ACCESS (DOORS)	UP TO 6 WEEKS FOR NEST TRAINING; UP TO 30 DAYS FOR THERAPEUTIC REASONS	NOT ALLOWED (EXCEPTIONS PERMITTED FOR Therapeutic reasons)	MUST HAVE CONTINUOUS ACCESS AFTER 50% PRODUCTION OR AFTER 4 WEEKS, WHICHEVER COMES FIRST, WHEN USED MUST HAV ≥ 6 HOURS OF ACCESS TO LITTER AT ONSET OF LIGHT (EXCEPTIONS PERMITTED FOR THERAPEUTIC REASONS)			
IEST	COLONY NEST 9 SQ. FT./100 HENS; 1 Nest/5 Hens	COLONY NEST 9 SQ. FT./100 HENS; 1 NEST/5-7 HENS	COLONY NEST 9 SQ FT/100 HENS; 1 NEST/5 HENS			
NIR QUALITY	IDEALLY LESS THAN 10 PPM; CORRECTIVE ACTION IF ABOVE 25 PPM; MONTHLY TESTING IF PROVEN CONFORMANCE	IDEALLY LESS THAN 10 PPM; Corrective action if above 25 PPM; Weekly testing	IDEALLY LESS THAN 10 PPM; Corrective action if above 25 PPM; Monthly testing			
ISE OF HORMONES	PROHIBITED BY THE U.S. FOOD & DRUG Administration (FDA)	PROHIBITED BY THE U.S. FOOD & DRUG Administration (FDA)	PROHIBITED BY THE U.S. FOOD & DRUG Administration (FDA)			
INTIBIOTICS	RESTRICTED TO THERAPEUTIC USE	RESTRICTED TO THERAPEUTIC USE	RESTRICTED TO THERAPEUTIC USE			
BUIDELINES DEVELOPMENT	SET BY AN INDEPENDENT SCIENTIFIC COMMITTEE	ADVISED BY A SCIENTIFIC COMMITTEE	ADVISED BY A SCIENTIFIC COMMITTEE			
FARMER ADVISORY COMMITTEE	YES	NO	NO			
HEALTH	VETERINARY RELATIONSHIP AND VETERINARY APPROVED HEALTH PLAN: DAILY TRACKING OF HEALTH MEASURES	VETERINARY RELATIONSHIP AND VETERINARY APPROVED HEALTH PLAN	VETERINARY RELATIONSHIP AND VETERINARY APPROVED HEALTH PLAN			
EMERGENCY PREPARATION	EMERGENCY RESPONSE PLAN REQUIRED; REQUIRES SPECIFIC FIRE MITIGATION METHODS	EMERGENCY RESPONSE PLAN REQUIRED	EMERGENCY RESPONSE PLAN REQUIRED			
EMPLOYEE TRAINING	REQUIRES INITIAL AND YEARLY TRAINING OF ALL Caregivers; provides over 160 minutes of Video training and additional materials	REQUIRES INITIAL AND YEARLY TRAINING OF ALL CAREGIVERS	REQUIRES INITIAL AND YEARLY TRAINING OF ALL CAREGIVERS			
PASTURE RAISED (OUTDOOR SPACE REQUIREMENT)	N/A	108 SQ. FT./HEN	108.9 SQ. FT./HEN			

#### **Updated State Law Summary Sheet with Links to State Regulations**



#### **State Hen Housing Summary**

Leadership by Egg Farmers for Egg Farmers

Requirements	Compliance Date
<ul> <li>All Shell Eggs and Liquid Egg Products sold must be cage-free and meet usable floor space defined by the 2017 edition of UEP Guidelines for Certified Cage-Free Housing.</li> </ul>	Current
<ul> <li>All Shell Eggs and Egg Products sold must be cage-free. Standards detailed in the law are consistent with UEP Certified Cage-Free.</li> </ul>	Current
<ul> <li>All Shell Eggs and Egg Products sold must meet 144 square inches per hen.</li> </ul>	7/1/22
<ul> <li>All Shell Eggs and Egg Products sold must be cage-free.</li> <li>Standards detailed in the law are consistent with UEP</li> </ul>	1/1/24
	Current
	<ul> <li>All Shell Eggs and Liquid Egg Products sold must be cage-free and meet usable floor space defined by the 2017 edition of UEP Guidelines for Certified Cage-Free Housing.</li> <li>All Shell Eggs and Egg Products sold must be cage-free. Standards detailed in the law are consistent with UEP Certified Cage-Free.</li> <li>All Shell Eggs and Egg Products sold must meet 144 square inches per hen.</li> <li>All Shell Eggs and Egg Products sold must be cage-free.</li> </ul>

## Updated Cage-free **State Law** Summary **Documents**

- ❖Quick Summary Document
- Extended Summary Document
- Links to the State Laws
- ❖Links to the State Regulations



#### **State Hen Housing Summary**

State/ Human Population					
California 39.51MM Regulations Supplemental Info	Current				
Massachusetts 6.89MM <u>Regulations</u>	All Shell Eggs and Egg Products sold must be cage-free. Standards detailed in the law are consistent with UEP Certified Cage-Free.	Current			
Nevada 3.08MM	All Shell Eggs and Egg Products sold must meet 144 square inches per hen.	7/1/22			
Regulations	All Shell Eggs and Egg Products sold must be cage-free. Standards detailed in the law are consistent with UEP Certified Cage-Free.	1/1/24			
Oregon 4.22MM	All Shell Eggs and Egg Products from enclosures constructed or acquired before 1/1/12 must meet UEP Certified hen housing requirements.	Current 1/1/24			
Regulations	All Shell Eggs and Egg Products sold must be cage-free and meet usable floor space of the 2017 edition of UEP Guidelines for Certified Cage-Free Housing.	1/1/24			
Washington 7.62MM	All Shell Eggs and Egg Products sold from buildings built after 1/1/12 must meet American Humane Enriched Colony Guidelines of 116.3 square inches per hen or	Current			
Regulations	greater.  All Shell Eggs and Egg Products sold must be cage-free and meet usable floor space of the 2017 edition of UEP Guidelines for Certified Cage-Free Housing.	1/1/24			
Arizona 7.28MM	All Shell Eggs and Egg Products sold must meet one square foot of usable floor space per hen.				
	All Shell Eggs and Egg Products sold must be cage-free and meet usable floor space of the 2017 edition of UEP Guidelines for Certified Cage-Free Housing.				



Hen Housing Requirements by State

Current Food Safety Requirements for all shell eggs produced or sold in California: FDA Egg Rule, chick paper swabs, end of lay swabs, vaccinations.

Effective December 31, 2021, California Prop 12 Standards: All shell eggs and liquid egg products produced or sold into California must have the amount of usable floor space per hen required by the 2017 edition of the United Egg Producers' Animal Husbandry Guidelines for U.S. Egg-Laving Flocks: Guidelines for Cage-Free Housing.\* Link to Prop 12

#### Key Sections / Definitions Within the Law:

(I) "Liquid eggs" means eggs of an egg-laying hen broken from the shells, intended for human food, with the volks and whites in their natural proportions, or with the volks and whites separated, mixed, or mixed and strained. Liquid eggs do not include combination food products (including pancake mixes, cake mixes, cookies, pizzas, cookie dough, ice cream, or similar processed or prepared food products) that are comprised of more than liquid eggs, sugar, salt, water, seasoning, coloring, flavoring, preservatives, stabilizers, and similar food additives.

(o) "Sale" means a commercial sale by a business that sells any item covered by this chapter but does not include any sale undertaken at an establishment at which mandatory inspection is provided under the Federal Meat Inspection Act or any sale undertaken at an official plant at which mandatory nspection is maintained under the Federal Egg Products Inspection Act. For purposes of this section, a sale shall be deemed to occur at the location where the buyer takes physical possession of an item

## FMI/UEP Cage-free **Transition** Study













#### THE TRANSITION TO CAGE-FREE EGGS

Authors: Dr. Vincenzina Caputo, Dr. Jayson Lusk, Dr. Glynn Tonsor, and M.S. Aaron Staples

**EXECUTIVE SUMMARY** • February 2023

State regulations, retailer pledges, and final consumer demand have contributed to a rising share of egglaying hens housed in cage-free systems over the past decade. Nonetheless, conversion from conventional to cage-free housing is costly for both egg producers and final consumers. As such, there remains uncertainty about the extent to which egg producers will be willing and able to continue the transition to cage-free housing at a rate commensurate with retailers' cage-free pledges. To explore this issue, this study investigates the challenges and opportunities associated with the transition to cage-free housing, including interviews with and a survey of egg producers, a survey of egg consumers, and economic modeling of the sector. Key insights and implications are as follows:

#### CONSUMER PERSPECTIVES

• While there is a high level of stated support for retailers to make cage-free pledges among the general public, more than half of consumers (56%) are unaware of whether their grocery store has made such a pledge, and only 19% believe their store has made a pledge. Consumers do not expect a full conversion to cage-free egg systems by 2026, and on average, expect a 10-percentage point increase in cage-free laying hens from now to January 2026.

56% of consumers are unaware of grocery cage-free pledges

- Consumers prefer government policies to subsidize the transition to cage-free or mandatory labels to policies that mandate producers adopt certain housing practices. Amongst the policies to restrict housing practices, consumers prefer minimum cage size requirements to the outright ban of conventional production.
- There are segments of consumers willing to pay significant premiums for cage-free eggs, but the largest segment (representing 55% of consumers) is primarily motivated by price and does not discriminate between cage and cage-free eggs.
- If prices remain unchanged and conventional eggs are removed from the market, the share of consumers choosing not to buy eggs will increase by 20 percentage points.

55% primarily motivated by egg price



# USDA List of Customer Pledges

Cage-Free Estimates for Committed Firms by Sector - as of January 2023

Sector		Eggs	Hens	% of Flock*
Restaurants	58	7,926,000,000	26,300,000	8.5%
Foodservice	18	3,522,000,000	11,700,000	3.8%
Hospitality & Travel	11	223,000,000	740,000	0.2%
Grocery	105	51,340,000,000	170,500,000	55.3%
Manufacturers	14	2,240,000,000	7,400,000	2.4%
Convenience & Drug	17	754,800,000	2,500,000	0.8%
Dollar/Variety	4	682,000,000	2,300,000	0.7%
Totals	227	66,687,800,000	221,440,000	71.8%

<sup>\*</sup> US table egg flock includes organic.

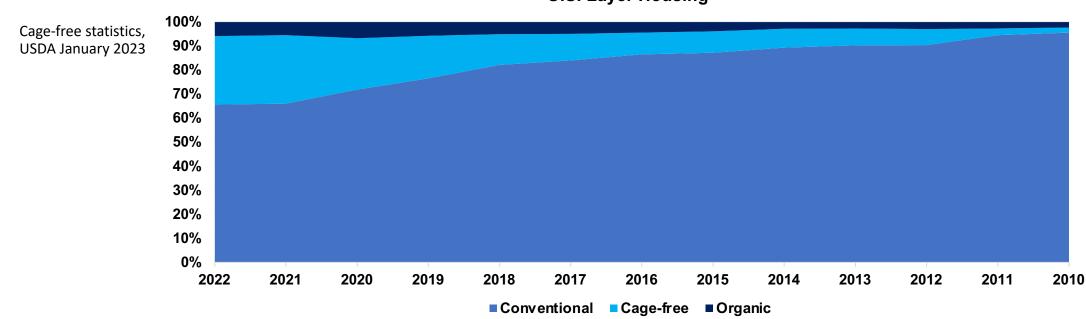
Source: USDA AMS Livestock, Poultry, and Grain Market News

Housing Conversion & State Laws

### **U.S.** Cage-free Statistics

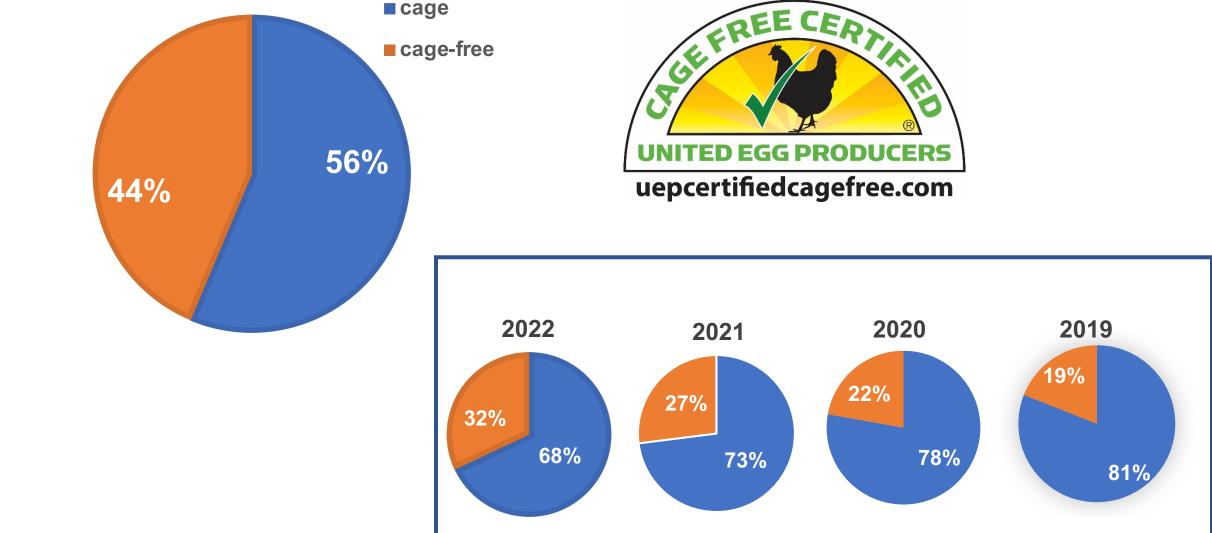
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total U.S. Non- Cage Flock (%):	34.4	33.9	28.1	23.4	17.8	16.0	13.4	12.7	10.7	9.7	9.6	5.4	4.4
Layers (millions)	106	111.1	91.7	79.7	59.9	52.4	42.9	37.3	33.2	29.6	28.3	15.2	12.2
Organic (%):	5.9	5.5	6.7	5.7	5.1	4.9	4.4	3.9	2.8	2.7	2.9	2.6	2.2
Organic Layers (millions)	18.5	18.2	21.8	19.4	17.0	16.0	13.9	11.4	8.7	8.2	8.5	7.4	6.1
Traditional Cage- Free (%):	28.5	28.4	21.4	17.7	12.8	11.1	9.1	8.9	7.8	7.0	6.7	2.8	2.2
Cage-free Layers (millions)	88.0	92.9	69.9	60.3	42.9	36.4	29.0	26	24.5	21.4	19.8	7.8	6.1

**U.S. Layer Housing** 



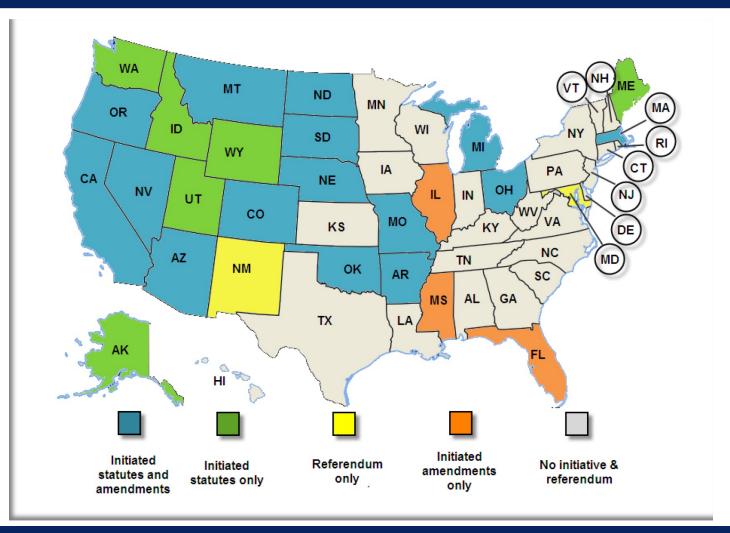
### 2023 UEP Certified: % of Layers by Housing Type

% of layers by housing type





# States with Ballot Initiatives



# Cage-free State Laws Summary

**State Law Summary** 

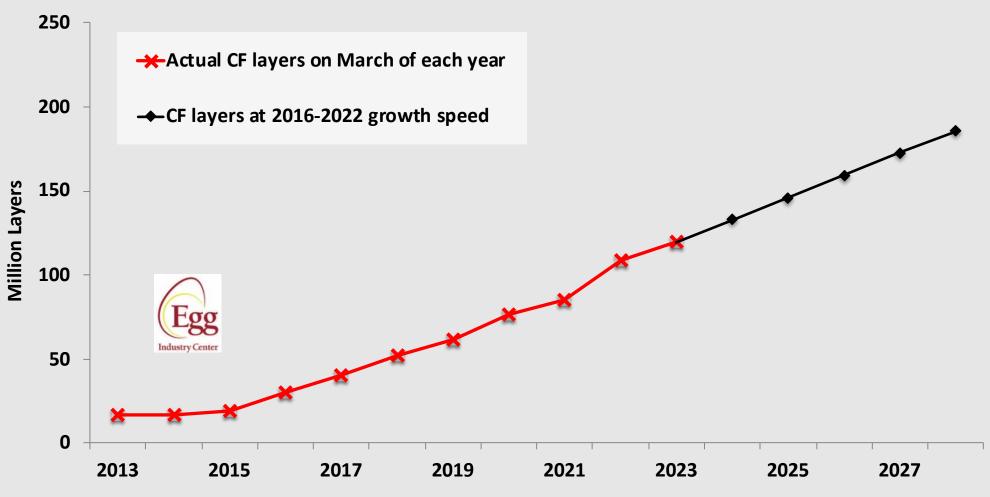
State	Requirements	Compliance Date
California	<ul> <li>All Shell Eggs and Liquid Egg Products sold must be cage-free and meet usable floor space defined by the 2017 edition of UEP Guidelines for Certified Cage-free Housing.</li> </ul>	Current
Massachusetts	<ul> <li>All Shell Eggs and Egg Products sold must be cage-free. Standards detailed in the law are consistent with UEP Certified Cage-free.</li> </ul>	Current
Nevada	<ul> <li>All Shell Eggs and Egg Products sold must meet 144 square inches per hen.</li> <li>All Shell Eggs and Egg Products sold must be cage-free. Standards detailed in the law are consistent with UEP Certified Cage-free.</li> </ul>	Current 1/1/24
Oregon	<ul> <li>All Shell Eggs and Egg Products from enclosures constructed or acquired before 1/1/12 must meet UEP Certified hen housing requirements.</li> <li>All Shell Eggs and Egg Products sold must be cage-free and meet usable floor space of the 2017 edition of UEP Guidelines for Certified Cage-free Housing.</li> </ul>	Current 1/1/24
Washington	<ul> <li>All Shell Eggs and Egg Products sold from buildings built after 1/1/12 must meet American Humane Enriched Colony Guidelines of (116.3 square inches per hen or greater.</li> <li>All Shell Eggs and Egg Products sold must be cage-free and meet usable floor space of the 2017 edition of UEP Guidelines for Certified Cage-free Housing.</li> </ul>	Current 1/1/24
Arizona	<ul> <li>All Shell Eggs and Egg Products sold must meet one square foot of usable floor space per hen.</li> <li>All Shell Eggs and Egg Products sold must be cage-free and meet usable floor space of the 2017 edition of UEP Guidelines for Certified Cage-free Housing.</li> </ul>	Current 1/1/25
Colorado	<ul> <li>All Shell Eggs and Egg Products sold must meet one square foot of usable floor space per hen.</li> <li>All Shell Eggs and Egg Products sold must be cage-free. Standards detailed in the law are consistent with UEP Certified Cage-free.</li> </ul>	Current 1/1/25
Michigan	<ul> <li>All Shell Eggs sold must be cage-free and meet usable floor space of the 2017 edition of UEP Guidelines for Certified Cage-free Housing.</li> </ul>	1/1/25
Utah	<ul> <li>Hens in the state must be in cage-free housing and meet the usable floor space of the 2017 edition of UEP Guidelines for Certified Cage-free Housing. This law does not address sales of shell eggs or egg products.</li> </ul>	1/1/25
Rhode Island	<ul> <li>Hens must meet the usable floor space of the 2016 edition of UEP Guidelines for Certified Cage-free Housing.</li> </ul>	7/01/26

# Human Population of States with Laws/Regulations Requiring Cage-free Housing

State	<b>Humane Population</b>
California	39,538,223
Massachusetts	7,029,917
Nevada	3,104,614
Oregon	4,237,256
Washington	7,708,281
Arizona	7,279,316
Colorado	5,773,223
Michigan	10,077,331
Utah	3,271,616
Rhode Island	1,095,610
Total	89,115,387

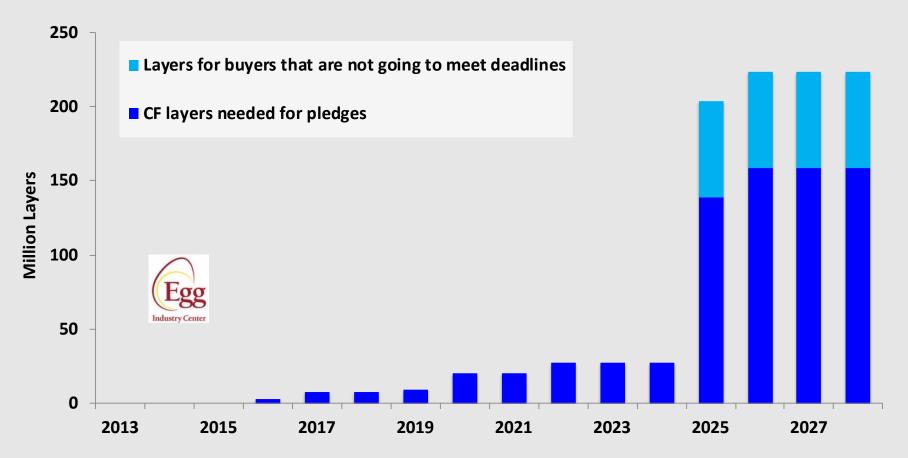
~27% of the population Population of the U.S.A. 331,893,745;

## Number of layers in cage-free systems



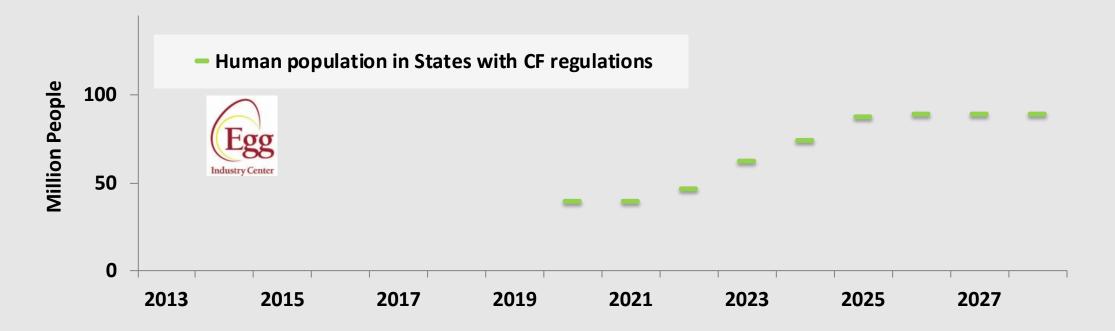
- Actual in March each year (in red)
- Projection (in black) if the cage-free flock continues growing at the same rate it did between 2016 and 2022

## Cage-free layers needed to supply to restaurants, food service and grocers pledging to use only cage-free eggs



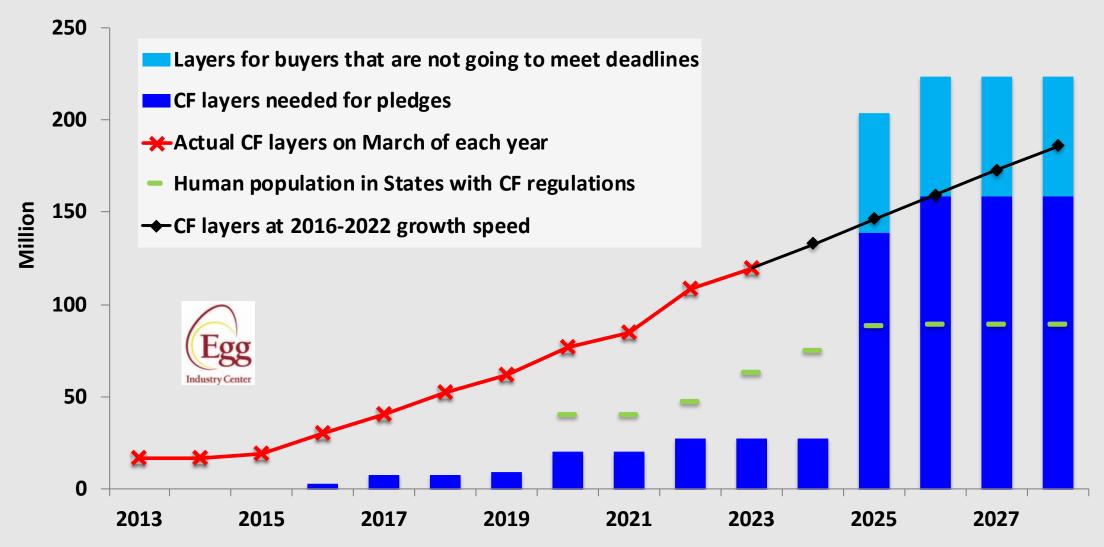
- The big jump in 2025 is because most customers (and especially most of the largest customers) chose that year to convert to 100% cage-free supply.
- The light blue bar represents the layers that would be needed to supply those customers who already announced they won't be able to meet their deadline of converting by 2025.

# Human population in States that have legislation in place that requires, or would require, that eggs sold inside the State are produced in cage-free systems.



• It is an indication of how the demand for cage-free eggs would change in order to comply with states' regulations, but it's not exactly the number of hens needed. It will depend on future consumption per person, moreover, some eggs go to further processed products such as ice cream, pasta, etc.

## Cage-free layers needed to supply customers pledges and states legislations vs. cage-free layers inventory



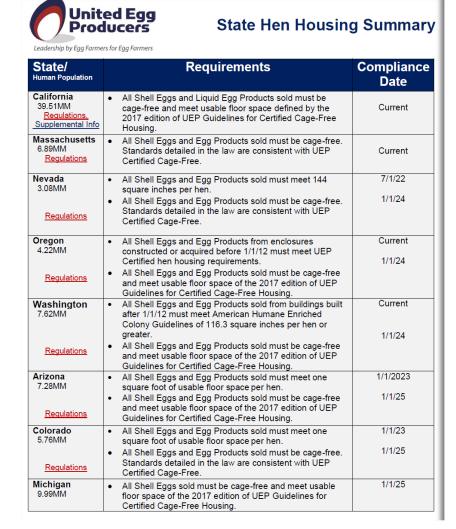
## **EATS Act**



## State Regulations

### **Cage-free State Law Summary Documents**

Links to the State Regulations







## Proposition 12 Egg Producers

UEP

OCTOBER 2023



## Questions we hope to answer:

CA SEFS vs CA Prop 12 – Why are there two sets of regulations????

Do the requirements apply to me?

Definition of covered animal, covered product, commercial sale

How is CDFA providing consumer assurance and egg companies a fair marketplace?

Regulatory framework

Bottomline, what do I have to do?

Are there ways to reduce the regulatory burden on my business?

- Minimize registered distributors in the supply chain
- More than one inspection at a time



## When we say "Prop 12"

- 1. Ballot Initiative that passed in 2018 (63% Yes) setting specific confinement minimum standards for egg-laying hens, breeding pigs, and veal calves in California, AND applies to liquid eggs, shell eggs, whole veal meat, and whole pork meat sold in California. For pork, it includes whole pork meat from breeding pigs and their immediate off-spring.
- 2. Regulations finalized September 1, 2022 provide definitions where additional clarity was needed, and the framework to ensure covered products sold in California consistently meet Prop 12 requirements.
  - Patterned after other product assurance programs like USDA National Organic Program
  - Includes verification and traceability
  - Does not and cannot change specifics included in the Ballot Initiative
  - Involved multiple stakeholder workshops, extensive economic impact studies, 1,000's of public comments and responses, additional comment periods for amendments based on public comment, binders of text explaining the reason for every line of regulation.....



## Relationship to "CA SEFS"?

#### CA SEFS COMPLIANT

- Shell egg food safety requirements
- CA farms and shell eggs in commerce
- Authority for regulation established by the legislature and chaptered in CA Food and Ag Code
- Very similar to FDA requirements (some differences)
- Comprehensive preventative food safety requirements for table eggs sold in California
- Tied to the CDFA egg quality program and uses their Egg "Handler Registration" (basically anyone that touches an egg heading into or in the CA market)

#### PROP 12 (ANIMAL CARE PROGRAM)

- Animal confinement requirements
- CA farms and products in commerce
- Authority for regulation established by a ballot initiative and chaptered in CA Health and Safety Code
- Very similar to UEP Cage Free (some differences)
- Specific confinement requirements for egg-laying hens, breeding pigs and veal producing specified products for CA commerce
- Tied to the CDFA animal care program and uses "Distributor" registration (basically last distributor before retail sales with some caveats like facilities under mandatory USDA inspection)



### Other Differences

#### CA SEFS COMPLIANT

- For shell eggs
- On-site inspection initially annual, but currently is risk based
- On-site inspection performed by CDFA only
- "CA SEFS Compliant" on egg cartons
- "CA SEFS Compliant" on BOL's

#### PROP 12 (ANIMAL CARE PROGRAM)

- For shell eggs and liquid eggs
- On-site inspection required every 12 months
- On-site inspection performed by an accredited certifying agent, CDFA or other recognized governmental entity
- No product labeling requirement, but is optional ("cage free" must = Prop 12 stds)
- "Egg CA Prop 12 Compliant" on BOL's





EGG-LAYING HENS



Female domesticated chicken, turkey, duck, goose, or guineafowl kept for the purpose of egg production

Prohibited from confining an egg-laying hen in a manner that prevents the animal from lying down, standing up, fully extending the animal's limbs, or turning around freely, and enclosure must provide:

- Enrichments that allow them to exhibit natural behaviors, including, at a minimum, scratch areas, perches, nest boxes, and dust bathing areas
- Within which farm employees can provide care while standing within the hens' usable floorspace
- Minimum usable floorspace according to 2017 UEP guidelines



## Apply to my company?

- CA egg production (poultry ranches in CA) for human food → Yes
- Out of CA egg producer or distributor → Maybe
  - Refer to the definition of covered animal and shell egg and liquid egg product:
    - ❖ CDFA AC Website → Guidance (upper Rt) → All Stakeholders → Animal Confinement Key Terms
    - ❖ CDFA AC Website → Guidance (upper Rt) → Distributors → Eggs Covered Under Animal Confinement
  - Refer to the definition of "sale" in California (slightly different than SEFS):
    - ❖ CDFA AC Website → Guidance (upper Rt) → All Stake holders → Sale Under Animal Confinement

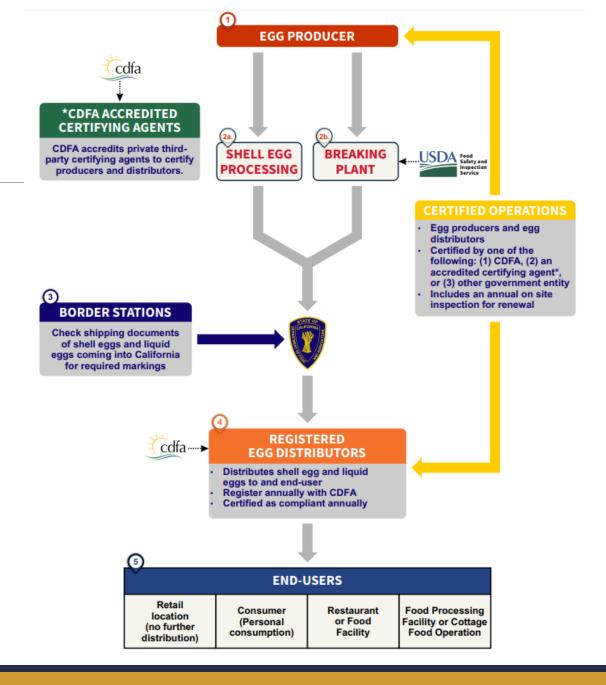
Other Guidance on Animal Care Program's website to help you determine how Prop 12 impacts your company:

- Egg Regulatory Framework
- Animal Confinement Important Dates
- Egg Producer Guidance
- Chicken Egg Producer Enclosure Guidance
- Shipping Document Guidance

## Regulatory Framework: Eggs

#### **Critical Points:**

- ✓ Distributor Registration and ability to trace to certified farms
- ✓ Unlike SEFS, every point in the supply chain does not have to register and be inspected by CDFA, making traceability to third party certified farms and shipping document marking critical
- ✓ Responsibility of the registered distributor





## Shipping Document Markings

- 1. "CA SEFS Compliant" (for shell egg food safety)
- 2. "Egg CA Prop 12 Compliant"
- Specific statement required on all documents of title and shipping documents accompanying shell eggs and liquid eggs transported into and within California.

When receiving a shipment of shell eggs and liquid eggs, "Egg CA Prop 12 Compliant" is required to be on all documents of title and shipping manifests.

Other statements where covered product is not intended for use in California: "For Export", "For Transshipment", "Not Prop 12 Compliant".

No product container labeling specific to Prop 12 required

https://www.cdfa.ca.gov/AHFSS/AnimalCare/docs/Shipping\_Document\_Guidance.pdf, also on ACP's YouTube



https://www.cdfa.ca.gov/AHFSS/AnimalCare/docs/Distributor\_Registration\_Guidance.pdf



#### Prior to January 1, 2024

No third-party certification required, but still must register.

#### After January 1, 2024

An application to CDFA by a distributor for initial registration, or for purposes of renewal, shall be accompanied by documentation of a valid third-party certification

Certification requires that the distributor:

- Uses appropriate shipping document statements
- Keeps records of transactions
- Can trace product (audit trail) to a certified producer (audit trail)
- Has an on-site verification inspection

ANIMAL CARE PROGRAM

GUIDANCE: WHOLE VEAL MEAT, SHELL EGGS, LIQUID EGGS, AND WHOLE PORK MEAT
DISTRIBUTOR ON-SITE INSPECTION FOR
CERTIFICATION UNDER ANIMAL CONFINEMENT REGULATIONS



#### **Audit Trail of Distributors**

#### <u>From Eggs – 3 CCR 1320(b)</u>

"Audit trail" means records that are in sufficient detail to document the identification, source, supplier, transfer of ownership, transportation, storage, segregation, handling, packaging, distribution, and sale of shell eggs or liquid eggs that were derived from an egg-laying hen confined in compliance with sections 25991 and 25992 of the Health and Safety Code and this Article, and from egg producers that hold a valid certification as a certified operation issued pursuant to Article 5 of this Chapter.

October 2023



## **Breaking Plants**

Establishments under <u>mandatory</u> inspection under the Egg Products Inspection Act and hold an establishment number (prefix "G") granted by the Food Safety Inspection Service of the United States Department of Agriculture:

- Are not required to register as distributor
- These types of establishments can voluntarily register with CDFA





- Required by January 1, 2024
- Comply with Prop 12 statute and regulations
- Record keeping sufficient detail to demonstrate conformance
- Includes on-site verification inspection



- Must allow access to all areas with covered animals if seeking certification for the California market
- Renewed annually



## Third-Party Certification

- Producer/Distributor picks their certifying agent, and can change agents
- Denial, suspension or revocation of certification are subject to due process including distributor's right to appeal the decision
  - Eggs remain in commerce pending the decision
- On-site inspections can be combined with other certifications performed by the certifying agent:
  - Example HFAC can perform a Certified Humane on-site inspection and Prop 12 on-site inspection during the same visit
  - Because HFAC is an accredited certifying agent

List of certifying agents listed on Animal Care Program's website:

https://www.cdfa.ca.gov/AHFSS/AnimalCare/AccreditedCertifyingAgents.html



## Split Operation

- A producer (outside of CA) or distributor can be certified as a "split operation"
- House or distribute both Prop 12 compliant and noncompliant covered animals and product
- Must have procedures in place to keep compliant and noncompliant covered animals and their products segregated
- Verified during certification

# Bottom Line – What do I have to do?



#### EGG PRODUCERS

Keep egg-laying hens according to Prop 12 standards

Obtain third-party certification by January 1, 2024

Put "Egg CA Prop 12 Compliant" on BOL's of eggs shipped in California

Renew certification annually

#### EGG DISTRIBUTORS

Register with CDFA's Animal Care Program

Obtain a third-party certification for your 2024 registration renewal application

Ensure all BOL's (coming in and going out) of eggs have "Egg CA Prop 12 Compliant"

Renew certification and registration annually



## Questions

For more information, visit Animal Care Program's website and click on "Guidance Documents"

AnimalCare@cdfa.ca.gov www.cdfa.ca.gov/AHFSS/AnimalCare



Scan to find all Animal Care Program social media links



## Questions?