

Selling Shell Eggs to Retailers, Wholesalers, and Food Service Facilities in Maryland

There is a strong consumer demand for locally produced foods including a call for more locally produced eggs. Real profit potential exists for Maryland egg producers to expand their markets in to retail, wholesale and Food Service Facilities in Maryland. This publication provides introductory information and resources that can help Maryland's egg producers improve their sales of shell eggs into retail channels. Because there are continual changes and updates at both the state and federal levels, please check for the most current edition of any regulations cited in this publication.



Flock Registration Required

The information presented here assumes that you have registered your flock with the Maryland Department of Agriculture (MDA) and will do so annually. Applications are available at <http://mda.maryland.gov/foodfeedquality/Documents/pkrreg.pdf>.

Layer premises are subject to random testing by MDA to monitor for salmonella if it becomes a public health concern. Repackers (including retailers removing eggs from the original carton and placing them in other carton) must also register annually.

Grades and Size

All eggs must meet the standards for the grade and size for which they are labeled. Grade AA and Grade A are the only two consumer grades permitted to be sold in Maryland. The sale of cracked and dirty eggs (producers should contact MDA for information on proper washing to prevent contamination) is restricted by law. Eggs cannot be sold as ungraded and/or mixed size.

<i>Egg Size (U.S.)</i>	<i>Weight per Dozen (oz.)</i>	<i>Per Egg Avg. (g)</i>	<i>Per Egg Avg. (oz.)</i>
<i>PeeWee</i>	15	35	1.25
<i>Small (S)</i>	18	43	1.5
<i>Medium (M)</i>	21	50	1.75
<i>Large (L)</i>	24	57	2
<i>Extra Large (XL)</i>	27	64	2.25
<i>Jumbo</i>	30	71	2.5

Carton/Case Labeling Requirement for Shell Eggs

Regardless of any claim made (e.g. free range, organic, vegetarian diet, GMO free, omega III, natural and brown eggs) producers must adhere to shell egg handling and labeling regulations. Any descriptive term or labeling may not be used when eggs are offered for sale or advertised for sale if the term or label is false or misleading or in violation of any provision of the law.

Loose eggs offered for sale to consumers shall have a grade, size, lot number and registration number indicated by a placard exhibited among or closely adjacent to the egg. The minimum size of the placard shall be 4 ½ by 6 inches.

The following section is a reprint from the Maryland Department of Agriculture's Egg Quality Assurance page <http://afdo.org/Resources/Documents/topical-index/2012/MD-A-Labeling1-2012.pdf>

Maryland Egg Law - CARTON/CASE Labeling Requirements for Shell Eggs

Although a specific lettering type is not required, all information must be legible. Specified type sizes are the minimum allowed and all lettering within a word or statement must meet the required lettering height.

A) The following must be on all cartons:

- 1)** A safe handling statement with the words "safe handling instructions" in bold capital letters and the statement set off in a box by hairlines in lettering at least 1/16 of an inch in height. For example: If the safe handling statement does not appear on the principal display panel or the front information panel, a separate refrigeration statement must be printed on either the principal display panel or the front information panel.
- 2)** The packer's or distributor's name and address must be on either the principal display panel or the information panel with a minimum type size of 1/16 of an inch.
- 3)** The packer's registration number must be on either the principal display panel or the information panel with a minimum type size of 1/16 of an inch.
- 4)** The lot designation of the eggs must be on either the principal display panel or the information panel with a minimum type size of 1/16 of an inch.
- 5)** The identity of the product as eggs must be on the principal display panel with a minimum type size of 1/4 of an inch.
- 6)** The net quantity of eggs in weight or numerical count must be on the principal display panel with a minimum type size as specified by the Fair Packaging and Labeling Act, in general, 1/8 of an inch for 6 egg or 8 egg cartons, 3/16 of an inch for 12 egg or 18 egg cartons and 1/4 of an inch for 30 egg or more sleeves. If net quantity is expressed by both weight and count, only one must meet the minimum type size requirements. If net quantity is expressed by weight, both metric and ounces or pounds must be shown.
- 7)** The word grade and the grade classification (AA or A) and size of the eggs must be on the principal display panel with a minimum type size of 1/4 of an inch.

B) The same information that is required to be on cartons must be on cases of eggs. The information may be on the top of the case or any of the sides. Type size requirements are the same as for cartons.

C) The same information that is required to be on cartons and cases of shell eggs must be on cartons and cases of in shell pasteurized eggs except the grade can only be stated as produced from and a refrigeration statement may be used in lieu of the safe handling instructions.

D) No information that may be misleading to the consumer may be on cartons. Documentation to support nutritional and/or production practices claims will be requested from producers.

- E) A freshness date not to exceed 30 days from the date of packaging. "Fresh" means Grade A or better (Grade AA). This means no bloods, meat spots, misshapen shells, or dirt would be permitted except as allowed by USDA grade standards.
- F) A pack date is only required on an egg container if a USDA shield is used. Small producers typically do not use USDA shields due to the additional expense associated with their use.

QUESTIONS CONTACT: Food Quality Assurance Program, Deanna Baldwin at (410) 841-5769, Deanna.Baldwin@maryland.gov

Dating of Cartons

Egg processors typically print dates commonly called "Code Dates" on cartons for purposes of rotating stock or controlling inventory. "EXP," "Sell By," and "Best if Used Before" are examples of terminology used for code dating. Use of code dates on USDA graded eggs is optional; however, if they are used, certain rules must be followed.

If an expiration date is used, it must be printed in month/day format and preceded by the appropriate prefix. "EXP," "Sell By," and "Not to be sold after the date at the end of the carton" are examples of expiration dates. Expiration dates can be no more than 30 days from the day the eggs were packed into the carton.

Another type of code dating used indicates the recommended maximum length of time that the consumer can expect eggs to maintain their quality when stored under ideal conditions. Terminology such as "Use by", "Use before", "Best before" indicates a period that the eggs should be consumed before overall quality diminishes. Code dating using these terms may not exceed 45 days including the day the eggs were packed into the carton.

Sample Egg Carton

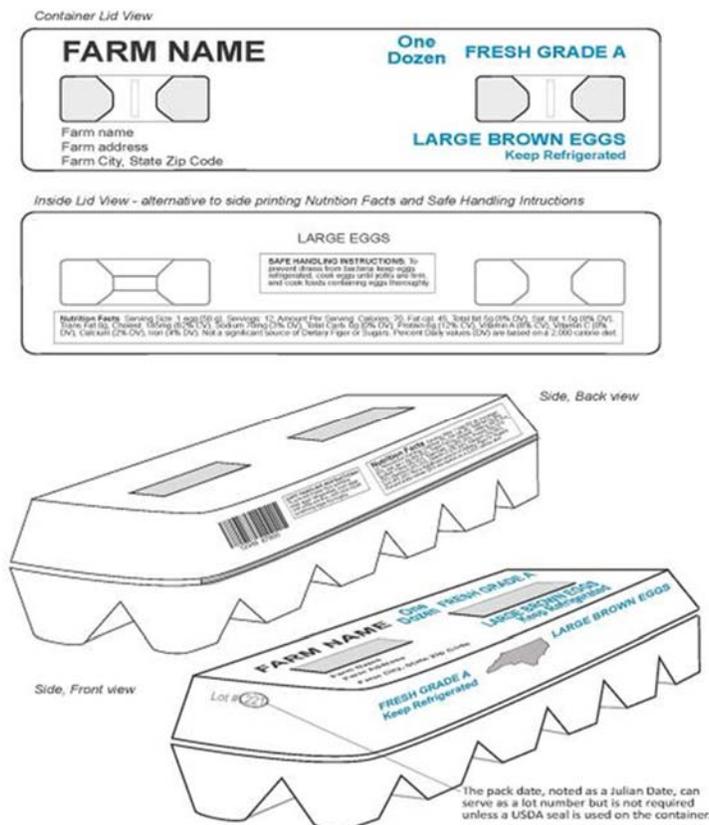


Image taken from North Carolina Cooperative Extension publication at <http://content.ces.ncsu.edu/how-to-sell-shell-eggs-into-grocery-stores-through-direct-store-delivery>

Reuse of Cartons

Reuse of cartons is strongly discouraged as it can result in contamination of the eggs. The use of dirty cartons is prohibited. Clean cartons that are reused must bear only the correct information. All other markings must be obliterated (Ex USDA Grade Shield; name, address or registration number of previous distributor/packer; specialty egg status such as organic, omega 3, cage free, pastured, etc.).

Maryland Egg Quality Assurance Program Guidelines for Packing Eggs with the Maryland's Best Logo

- 1) Plant needs to maintain records that all eggs packed in these cartons were from Maryland flocks in good standing in the Maryland Egg Quality Assurance Program.
- 2) Plant needs to monitor and record wash water temperature (minimum of 90°F and 20°F warmer than egg) and pH (minimum of 10) every two hours during time packing into Maryland's Best cartons. There should also be a record of corrective action when monitoring indicates wash water has fallen below the minimums. (The USDA grader may do the monitoring of the wash water temperature and pH on company forms when in the plant during the processing of these eggs)
- 3) Plant needs approved rodent control program.
- 4) Eggs identified as Maryland's Best can only be packed into new cartons or new fiber filler flats.
- 5) If the eggs are processed without a USDA grader on duty, the plant must maintain records verifying the sanitation of the plant during processing. When a USDA grader is on duty, the sanitation verification and records maintained for USDA are acceptable.



Photo Credit: marylandsbest.net

Applications to participate in the Maryland Egg Quality Assurance Program Processor Participation Agreement are available at http://mda.maryland.gov/foodfeedquality/Documents/meqap_processor_app.pdf

Refrigeration and Transport

The U.S. Department of Commerce's 1990 Sanitary Food Transportation Act requires that vehicles be dedicated to transporting food only. On August 27, 1999, FSIS made effective a rule requiring:

- 1) Shell eggs packed for consumers be stored and transported under refrigeration at an ambient (surrounding) air temperature not to exceed 45 °F;
- 2) All packed shell eggs be labeled with a statement that refrigeration is required.
- 3) Any shell eggs imported into the United States, packed for consumer use, include a certification that they have been stored and transported at an ambient temperature of no greater than 45 °F.
- 4) FDA's Egg Safety Rule requires those transporting eggs to maintain an ambient temperature of 45 °F.
- 5) Freezer packs or mechanical refrigeration may be used.
- 6) Direct contact with water, ice or conditions that cause eggs to sweat is prohibited. Eggs on display that are not held at 45F or below must be clearly labeled as A Display Only -Not for Consumption.

Contacting Buyers

If you decide that retail, wholesale stores or Food Service facilities are good outlets to sell your shell eggs, then you are going to have to make sales calls. First, make a potential client list that fits your size and marketing goals. Then, prepare your answers to the following questions that potential buyers are sure to ask:

- What is the wholesale cost per dozen eggs?
- Do you have a product price list? (This can include all of your products, not just eggs.)
- How many dozens/cases can you deliver each week?
- When can you start making deliveries?

- How are your eggs packaged and labeled?
- Do you have liability insurance?

The old adage, “you only get one chance to make a good first impression”, certainly applies to making sales contacts. A good first impression can influence a retailer’s decision to purchase your product from among several other vendors. Do not just “drop by”. Buyers are very busy people and an introductory email may be a good way to make first contact.

If your first contact with the retailer is by email, provide all the above critical information up front. Don’t assume they’ll remember all the details till you contact them again. This information will provide an impression that you are both professional and knowledgeable about how to market to food businesses.

These are two approaches to determine the retailer contact:

- 1) Call the store location nearest you and ask the store manager for the email address for the person in charge of egg buying.
- 2) Call the retailer’s home office and ask for the name and best mode of contact for the director in charge of eggs.

Food Service Facilities may be self-operated or privately managed by an outside food service company. Call the potential client on the phone and ask to whom you should speak about purchasing your eggs. Get a contact name and how they prefer to be contacted; by phone or email.

The Appointment

If the buyer schedules an appointment to discuss purchases you, want to have the following items with you at the meeting: your brochure, business card, and a price list with all the items you have available. Also, provide a summary sheet including delivery information, ordering information, scheduling and any point-of-sales sales support material you have available.

Bring two sets of product samples. Do not charge them for their samples. The client will expect the samples to appear exactly as the product they will be selling or distributing. Make sure the samples are perfect

Before you go to your appointment, do a little homework. Visit the store or restaurant. Look at their customers. Look at what products they offer and how much space they are given. Visit their website and learn their “story” so you can tell them how your product fits with their offerings.

If the client is not interested in your product, don’t hesitate to ask why. Ask if he or she knows someone who may be interested in what you have to offer. While they may not decide to purchase your eggs now, with changes they may be potential buyers in the future.

Invoice Requirements for Shell Eggs

Information cited from <http://mda.maryland.gov/foodfeedquality/Documents/INVOICEEGGS.pdf>

- 1) All information must be in English.
- 2) Name and address of seller.
- 3) Name and address of buyer.
- 4) Date of delivery.
- 5) Grade and size of eggs delivered.
- 6) The quantity of eggs sold (list the number of eggs sold by grade and size).
- 7) Invoices or equivalent records for eggs sold or delivered to a distributor or packer in Maryland must show the Maryland registration number of the purchaser.

- 8) Invoices or equivalent records for eggs sold or delivered by a distributor or packer to a retailer or food service facility in Maryland must show the applicable inspection fees at a rate of \$.08 per thirty dozen. Fees may be shown by either of the following methods:
 - a. Maryland inspection fees shown as a dollar amount ;or
 - b. The following statement “MDA Inspection Fees at a rate of \$.08 per 30 dozen applicable”. Only persons who have filed an alternative method of tracking sales and received written approval from the Maryland Department of Agriculture are exempt from this provision.
- 9) Invoices or equivalent records must be kept on file at the respective place of business of the seller for one (1) year and the buyer for a period of ninety (90) days. In the event the original invoice was sent to an alternative location for record keeping, a copy of the invoice must be kept at the place of business where the eggs were delivered. The invoice or equivalent record must be available during normal business hours for inspection by Maryland Department of Agriculture representatives.
- 10) Food service facilities and retailers purchasing individual dozens of eggs from a retailer, for use in their food service or retail facility, are required to keep their receipt for a minimum of 90 days. If the receipt does not indicate the name and address of the seller, this information should be kept with the receipt.

Producers registered with the MDA are not required to obtain licenses from State or Local Health Departments to sell or transport their own eggs at a farmer’s market, to restaurants or other retailers (e.g. Food Service license, Mobile Farmers Market license, On Farm Home Processing license).

Producers are not required to have invoices or equivalent records at Farmers Markets, however, they are required to provide invoices with their name and address, the buyer’s name and address, grade, size, quantity and date of delivery when selling to restaurants or retailers.

Liability Insurance

All producers should consider the added risk of selling their eggs directly through retail channels. The potential for loss could be great. You may want to consider legally organizing your direct market sales business separate from your production business to protect your farm. Consult with your insurance professional to discuss product liability insurance. Also, stores and markets often require that you have product liability insurance before they will purchase any of your products.

When purchasing liability insurance for the direct sales portion of your business, here are some questions to ask your Insurance Agent:

- Does my farm or ranch liability policy cover my direct marketing as described?
- Is there a limit to the amount or type of direct marketing?
- Does the commercial business policy include product liability?
- How much should I be insured for?
- Is my policy a “claims made”, or “occurrences” policy?
- How does my coverage end if I change insurers?
- What are the policy exclusions?
- Are defense costs included within the Limit of Liability, or are they unlimited (outside the limit)?

After-sales Service

Customers remember businesses that provide good customer service. Providing outstanding customer service after the sale shows your customer you want to build a long-term relationship with them. You’ll also be more likely to receive customer referrals that can lead to more business.

Follow up customer service steps include:

- 1) Contacting customers after your first delivery to ensure they are happy.

- 2) Providing replacement for any problem product.
- 3) Look for ways to help the buyer promote your eggs; Point-of Sales materials, in-store promotions, etc.
- 4) If for any reason you need to change the quality of product or time of your delivery, let the buyer know as soon as possible.

References

Current Good Manufacturing Practices. Food and Drug Administration (FDA) Regulations. 21 CFR § 110.

Egg Safety for Small Producers, Maryland Department of Agriculture,
<http://mda.maryland.gov/foodfeedquality/Documents/eggsafetyforsmallproducers.pdf>

How to Sell Shell Eggs into Grocery Stores through Direct Store Delivery,
<https://www.ncgrowingtogether.org/ncgt-resources/how-to-sell-shell-eggs-into-grocery-stores-through-direct-store-delivery/?portfolioID=3261>

Invoice Requirements for Shell Eggs, Maryland Department of Agriculture,
<http://mda.maryland.gov/foodfeedquality/Documents/INVOICEEGGS.pdf>

Poultry and Egg Regulations in Maryland,
<https://extension.umd.edu/sites/default/files/docs/Poultry-and-Egg-Regulations-in-Maryland.pdf>

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<http://mda.maryland.gov/foodfeedquality/Documents/pkrreg.pdf>

Shell Eggs from Farm to Table, FSIS USDA.gov, Dating Cartons,
<http://www.fsis.usda.gov/wps/portal/fsis/topics/food-safety-education/get-answers/food-safety-fact-sheets/egg-products-preparation/shell-eggs-from-farm-to-table>

Small Scale Egg Handling, <http://sd.appstate.edu/sites/sd.appstate.edu/files/egghandling.pdf>

Synopsis of the Maryland Egg Law,
<http://mda.maryland.gov/foodfeedquality/Documents/synopegglaw.pdf>

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