



Support Small Farmers & Increase Consumer Access to Farm Fresh Eggs: Support SB 481/ HB 2945

Locally raised eggs are in high demand by consumers, but existing regulations on “grading” create unnecessary barriers for farmers. The problems with the current consolidated egg supply can be seen in the national egg shortages and skyrocketing prices, which we have also previously seen during COVID and the 2020 winter storms. While grocery store shelves are empty, local farmers who have eggs to sell are unable to help fill those shelves because of the grading requirements.

“Grading” eggs involves weighing and measuring each egg, sorting them by size, and obtaining a license from the Texas Department of Agriculture, which includes both an annual fee and fees based on quantities sold. **Grading is a marketing issue and provides no benefits from a health or food safety perspective.**

Texas farmers can legally sell ungraded eggs directly to consumers, and you can find ungraded eggs being sold at farmers’ markets all over the state. An Open Records Act request to DSHS indicates that **there has not been even a single suspected foodborne illness linked to ungraded eggs in the last 20 years!** But regulations prohibit restaurants and retailers from buying ungraded eggs, preventing farmers from selling their eggs to chefs or grocers unless they get a license and grade their eggs. This requirement is a significant barrier for many small farmers, because eggs have a very small profit margin, and the additional expense and hassle cannot be justified by many farmers.

The Farm and Ranch Freedom Alliance urges the Texas Legislature to pass SB 481 by Sen. Johnson/ HB 2945 by Rep. Cain, to allow farmers to sell eggs clearly labeled as “ungraded” to restaurants and retailers. The bill includes labeling requirements to ensure that the consumers know who produced the eggs. This would treat chicken eggs the same as duck and quail eggs, which can already be sold ungraded to restaurants and retailers.

SB 481/ HB 2945 also allows producers who do grade their eggs to file annual reports instead of the currently required monthly reports, reducing time and paperwork burdens.

These simple provisions will help small farmers better market their eggs and allow chefs and consumers greater choice in buying locally raised food.

The Senate unanimously approved such a bill in 2019, but it has since been blocked due to objections from the Poultry Federation, which represents the large conventional producers.

Ungraded eggs are already being sold direct-to-consumers in Texas, with no reported problems. SB 481/ HB 2945 simply allows them to be sold to restaurants and retailers as well, so that consumers can choose to buy (or be served) eggs from local, small farms.

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How many farms could be helped by this bill?

Based on the 2017 USDA Census of Agriculture, there are 27,884 farms in Texas with fewer than 400 laying hens – the sort of farms that could benefit from this bill.

Egg grading is a marketing issue, not a food safety one.

Egg grading is a voluntary program¹ that is strictly a **marketing** tool, administered by the USDA Agricultural Marketing Service (AMS).² According to the AMS, “Grading provides for a standardized means of describing the marketability of a particular food product.”

In 2016, USDA-AMS revised the definition of the terms used for grading:

to **remove** any food safety implications ... and clarify that AMS' role in grading and certification of shell eggs is solely for a quality determination. The revised definition will remove the term “wholesomeness” and state that “condition” is a characteristic detected by a sensory examination. The presence of microorganisms, specifically Salmonella Enteritidis (SE) or other pathogens, in the content of an egg **cannot** be detected during such an examination.³

In January 2021, the Farm and Ranch Freedom Alliance filed an Open Records Act request with the Texas Department of Health Services asking for any documents related to any confirmed or suspected foodborne illnesses connected to ungraded eggs within the last 20 years. DSHS did not produce a single report linked to ungraded eggs.

Grading looks for specific characteristics, but graded eggs don't mean “high quality.”

Graders check for egg weight, the condition of the shell, the size of the air pocket on the inside of the egg, and firmness of the egg white and yolk.⁴ Grading **doesn't** mean that the eggs are high quality.

Restaurants are allowed to buy Grade B eggs, with abnormal shells, stained shells, runny whites, and blood spots. It makes no sense to prevent restaurants from buying clean, sound ungraded eggs.

¹ “Questions and Answers – USDA Shell Egg Grading Service.” USDA Agricultural Marketing Service, www.ams.usda.gov/publications/qa-shell-eggs.

² Quality Grading & Inspections. USDA Agricultural Marketing Service, www.ams.usda.gov/services/grading.

³ <https://www.govinfo.gov/content/pkg/FR-2016-09-16/html/2016-22246.htm>

⁴ USDA FSIS. Shell Eggs from Farm to Table, 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. (“what are egg grades?”)