United States Department of Agriculture

Agricultural Marketing Service

Quality Assessment Division
1400 Independence Avenue SW, Stop 0249
Washington, DC 20250



**To**: All QAD personnel providing shell egg grading services

**From**: Jeff Hendricks
National Shell Egg Supervisor

Digitally signed by JEFFREY HENDRICKS
Date: 2025.04.29 09:24:58 -04'00'

**Subject**: Amendments to QAD 703

The following amendments to QAD 703 are being issued as a superseding policy memo until such time as the amendments can be incorporated into the full QAD 700 Shell Egg Graders Procedures document.

These passages are being amended to reflect changes to FDA interagency referral reporting procedures based on recent reviews and meetings with FDA personnel.

**QAD 703.2 Eggs Identified as Wholesome** is amended as follows:

Eggs identified as wholesome are defined as shell eggs that have not been contaminated or adulterated. Any eggs on the premises of an official plant that are contaminated or adulterated must be properly segregated, identified, and controlled by plant management. This includes eggs identified through a condition inspection for quality (sensory/organoleptic examination) such as the odor of smoke or residual chemical odor, mold, and the following:

A. Eggs tested positive for the presence of Salmonella Enteritidis (identified as adulterated).

B. Eggs that have been retrieved by the packer as a result of contamination of the product.

USDA shielded eggs identified as unwholesome must be retained by the grader until properly disposed of. If management ships or does not control unwholesome non-shielded eggs, the grader must notify their supervisor and submit an interagency referral report (IRR) as described in 703.4c

**QAD 703.4a Plant Management's Responsibility** is amended as follows:

Plant management at an official shell egg plant is responsible for notifying the grader within 1 business day of occurrence, whenever contaminated or adulterated shell eggs are present in the official shell egg plant. Any shell eggs identified as contaminated or adulterated must be properly labeled and controlled by plant management. This includes shell eggs originating from a layer house with a positive environment for Salmonella Enteritidis (SE) or eggs testing positive for the presence of SE. Failure to control, detain and/or notify the grader of the presence of contaminated or adulterated shell eggs in the official plant will be considered a violation of the terms of the voluntary grading service contract and may result in service withdrawal.

**QAD 703.4b Procedures to Follow When Product is Suspected of Being Adulterated Through Contaminated or Evident Tampering** is amended as follows:

Graders must be alert for any possible product contamination, either accidental or intentional. Although processors may have extensive preventative measures and security in place, graders may encounter product that may be suspected of or found to be contaminated. When contaminated product is

encountered, and management does not adequately make corrections, control suspected product, or the suspected product has been shipped, AMS must notify FDA.

**QAD 703.4c Memorandum of Understanding (MOU) Between the Food and Drug Administration (FDA) and the Agricultural Marketing Service (AMS)** is amended as follows:

In accordance with MOU 222-72-2009 between AMS and FDA, graders and Shell Egg Surveillance Inspectors will report the observation of objectionable conditions that reflect a high risk, and product contamination or adulteration in violation of the Federal Food Drug and Cosmetic Act (FFDCA) while conducting grading or inspection activities. When graders encounter evident instances of adulteration or contamination, the grader must assure that procedures outlined in 703.2 are followed. The following are examples of conditions that must be reported:

- Chemical/Biological/Physical contamination as described in 703.4b
- Smoke or chemical vapors as described in 703.2
- Temperature abuse of nest run eggs or processed eggs as described in 703.5 and 705.4c
- Product contamination due to water exposure from roof leaks or condensation
- Choosing not to produce USDA graded eggs to avoid correcting sanitation issues observed during preoperative inspection
- Objectionable conditions observed at a non-official plant or a facility with unscheduled service that has limited or sparse scheduling
- Revocation of AMS service or pending revocation of AMS service for unsatisfactory conditions
- Declining or canceling AMS service in lieu of addressing unsatisfactory conditions
- Inadequate rodent or pest control in the processing plant defined by QAD 100 (9.1)

The detailed information and observations regarding such an incident will be reported immediately to the supervisor and plant management. The supervisor will complete the Interagency Referral Report (Exhibit II) and submit the report through the Regional Office to the National Office for electronic transmission to FDA.

**QAD 703.5a Eggs Washed and Packaged for the Ultimate Consumer or Further Processed** is amended as follows:

1. Shell eggs that are not processed within 36 hours from the time of lay (date and time of final gathering) must be refrigerated at 45˚Fahrenheit or less during storage and transport.
2. The ambient refrigeration requirements in item 1 also apply to:
    a) Surplus or culled eggs originating from breeder flocks or hatcheries.

b) Restricted eggs segregated at a grading station for further processing at an official egg products plant.

c) Loose packed, graded eggs held for reprocessing and repackaging into containers for sale to the ultimate consumer or diverted/traded as breaking stock.

Refrigerated eggs may be equilibrated up to 36 hours at room temperature prior to washing and grading to reduce the risk of thermal cracks.

The equilibration time is cumulative. For example: when eggs are removed from refrigerated storage to an unrefrigerated area (processing room) awaiting processing for a period of 12 hours and returned to refrigerated storage, the eggs have 24 hours of equilibration time remaining before they can no longer be left at room temperature. The USDA Grader is not required to track exact compliance with the 36 hour timeframe but should monitor for obvious noncompliance. Obvious noncompliance should be reported to the USDA supervisor for guidance.

When the 36 hour time period for a lot of eggs has been used, that lot cannot be brought out to the processing room for the equilibration process again. Eggs that do not have equilibration time remaining must not be brought out of cold storage for more than two hours, therefore only the amount of eggs that can be processed within a 2-hour time period should be allowed to be placed outside of refrigeration.

If product is brought out for placement on the grading machine for processing/reprocessing or packaging, and is not transferred to the grading machine within two hours, it is no longer eligible to be processed/reprocessed or packaged into USDA grademarked product. At this point, if the company/plant elects to process/reprocess or package the pallet of eggs into non-USDA grademarked product, the grader is to allow them to do so; however, the grader must notify their immediate supervisor, who must complete the FDA, Interagency Referral Report (Exhibit II). Additionally, an Interagency Referral Report must be submitted when eggs are not stored in a cooler at the end of a processing shift.