



Assessment Remittance and Collection Guidance

Established: October 1, 1974
Updated Guidance: July 15, 2024

American Egg Board wishes to clarify its existing assessment remittance process, which is stipulated in and originated with the *Egg Research and Consumer Information Act and Order*.¹ American Egg Board has solicited input from America's egg farmers and has reviewed the business models of egg farming operations to determine gaps in understanding of the approved process and to identify guidance for accurately calculating and remitting assessment payments consistently and in a timely manner. The following guidance is intended to assist Producer and Collecting Handlers in the calculation and remittance of their assessments going forward.

ASSESSMENT RATE

The assessment rate is \$0.10 on every 30-dozen eggs.

ELIGIBILITY FOR ASSESSMENT REMITTANCE

Handlers are responsible for paying assessments. Handlers will use the *American Egg Board Egg Research and Promotion Order Collecting Handler Report* to submit assessments. Handlers² include Producer Handlers and Collecting Handlers:

- **Producer Handlers:** Egg farmers / producers (owners) that process, prepare for marketing, and/or market saleable eggs* or export saleable eggs from their own production. *See definitions of saleable egg on following page.
- **Collecting Handlers:** Egg companies that are the first entity to whom saleable eggs are sold, consigned, or delivered by egg farmers / producers and who then grade, carton or break eggs, or sell them as nest run, breaking stock, or in any other saleable format. This includes all egg companies that are the first to purchase eggs from egg farmers / producers, including contract growers and integrators. Some Collecting Handlers may also produce their own eggs. Since Collecting Handlers collect assessments from producers or contract growers, Collecting Handlers are responsible for paying assessments to American Egg Board.

¹ The egg assessment definitions and procedures for collection were established 50 years ago with the Egg Research and Consumer Information Act (7 USC Sec 2701 et seq) and Order (7 C.F.R. § 1250) and continue to be the basis and source for this document and all AEB policies and procedures.

² The Egg Research and Consumer Information Order defines a handler as any person who receives or otherwise acquires eggs from an egg producer, and processes, prepares for marketing, or markets, such eggs, including eggs of his own production.



Producers³ are eligible for certain exemptions from paying assessments, if the following criteria applies:

- **Size Exemption Producers** are exempt from paying assessment, if they own 75,000 or less laying hens during a 3-consecutive month period immediately prior to the date of assessments and are not selling in the aggregate with other producers.

If a small operation, but sold in aggregate ownership including trusts, beneficiaries, family members, and laying hens that are owned or partially owned by partners or equity participants in general partnerships, cooperatives, or similar corporations then the entity is responsible for submitting assessment to AEB.

If the **Size Exempt Producer** provides eggs to a legal entity that combines eggs with other exempt producers for sale, if the aggregate of that entity (i.e., family partnership, cooperative, corporation) is greater than 75,000 hens, then the entity is responsible for submitting assessment to AEB.

- **Certified Organic Producers** are exempt as 100% certified organic egg farmers / producers.

While exemptions may apply to some Producers, any exempt Producer may choose to voluntarily remit assessments to support the efforts of AEB as all Producers benefit from the organization's demand-building work on behalf of the U.S. egg industry. Further, exempt Producers may wish to remit assessment payments if they are interested in serving on the AEB's committees or Board of Directors.

Saleable Eggs* are eligible for assessments and are defined as:

- Sizes Super Jumbos, Jumbos, Extra Large, Large, Medium, Small, and Peewee
- Grades AA, A, B, and C
- Dirts and Checks (sometimes referenced as Dirties and Chexs)
- Breaking stock
- Gradable nest run
- All forms of shell eggs and further processed eggs/egg products (anything other than organic production)

EXAMPLES OF ASSESSMENT PAYMENTS

Following are examples of what qualifies for assessment payments based on the type of Handler.

Producer Handlers are responsible for payment of the following AEB assessments:

- Direct sales to market of their own eggs
- Graded spot loads to a Collecting Handler

³ The Egg Research and Consumer Information Order defines a producer as any person who either is an egg farmer who acquires and owns laying hens, chicks, and/or started pullets for the purpose of and is engaged in the production of commercial eggs; or is a person who supplied or supplies laying hens, chicks, and/or started pullets to an egg farmer for the purpose of producing commercial eggs pursuant to an oral or written contractual agreement for the production of commercial eggs.



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- Sales of nest run eggs to a Collecting Handler; unless by previous agreement with Collecting Handler, pays the assessment on behalf of the Producer Handler

Collecting Handlers are responsible for payment of the following AEB assessments:

- Direct sales to the market of their own eggs
- Purchase of nest run eggs from a Producer Handler on behalf of the Producer Handler; unless a previous agreement with Producer Handler specifies that Producer Handler pays the assessment
- Purchases from another Collecting Handler are the responsibility of the first Collecting Handler

ASSESSMENT PAYMENT PROCESS

Assessment payments are due to AEB within 30 days of the previous completed month. Payments are to be made via ACH or check as follows:

- **Payment via ACH:** AEB encourages producer / handlers to remit their monthly assessments to AEB using ACH. Please contact the AEB Finance Team at assessments@aeb.org to request the necessary ACH information for submission.
- **Payment via Check:** To submit payment by check, mail to the AEB lockbox managed by Northbrook Bank & Trust. Address all assessment check payments to:

American Egg Board
PO Box 4770
Carol Stream, IL 60197-4770

NOTE: All assessment remittances, regardless of whether they're submitted via ACH or Check, must be accompanied by a completed assessment form for that remittance to be recorded.

LATE PAYMENT CHARGES

AEB's Board of Directors, through its Executive Committee, has directed AEB staff to actively pursue the collection of interest on past due assessments. According to the Egg Act, any unpaid assessments due to AEB shall be increased by a late payment charge of 1.5 percent each month beginning with the day following the date such assessments are 30 days past due. See: 7 C.F.R. § 1250.519.

Assessments that are not paid when due because of an entity's failure to submit a completed handler report to AEB as required shall accrue late-payment charges from the time such assessments should have been remitted. The timeliness of a payment to AEB shall be based on the applicable postmark date, or the date payment is received by AEB, whichever is earlier.

Failure to respond or provide forms/payment will result in follow up from American Egg Board and possibly USDA. Ongoing delinquency will trigger debt collection actions and/or complaints to be filed by USDA's Office of the General Counsel (OGC).



ASSESSMENT EXEMPTION SUBMISSIONS

Size Exemption Producers (as defined on page 2) must have a current and valid *Certificate of Laying Hens Exemption Form* on file with American Egg Board that specifically claims the basis for exemption. Form must be submitted annually.

Certified Organic Producers (as defined on page 2) must have a current and valid *Organic Exemption Request Form* on file with American Egg Board, form must be submitted annually. This form includes the requirement to provide a copy of the producer's organic handling operation certificate and addendum provided by a USDA-accredited certifying agent under the OFPA.

If a producer is exempt from making assessment payments due to either of the scenarios above, the producer must submit an exemption form to American Egg Board on an annual basis.

Starting in 2025, the exemption process will be initiated at the start of each new calendar year with a due date to AEB of March 1.

Mail Annual Exception form to:

American Egg Board
C/O Assessment Collection
10255 W. Higgins Road, Suite 800
Rosemont, IL 60018

ASSESSMENT AUDIT PROCESS

In accordance with the Egg Research and Promotion Order, 7 C.F.R. Part 1250.529, Handlers and any operation that files an exemption form shall maintain and make available for inspection books and records related to assessments as requested by AEB. This includes such records that are necessary to verify any assessment or production reports. Such records shall be retained for at least two years beyond the fiscal period of their applicability (subpart 1250.535).

Each Handler / Exempt Producer is subject to a field audit of such records.

Information subject to audit:

- Number of cases of eggs handled.
- Number of cases of eggs on which an assessment was collected.
- Name and address of person from whom any assessment was collected.
- Date collection assessment was made on each case of eggs handled.

Handlers (i.e., Producer Handler or Collecting Handler) and Producers selected for field audits will be notified in writing. An auditor will then contact the producer to schedule a meeting in which assessment forms along with supporting documentation will be reviewed.

All information obtained during the audit from books, records, or reports shall be kept confidential.