UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C.

A meeting on the above-entitled matter was held on Thursday, September 28, 1995, commencing at 9:11 a.m., at the U. S. Department of Agriculture, 14th and Independence Avenues, S.W., Washington, D.C., before:

Thomas Billy, Chairman
Daniel Glicman, Secretary of Agriculture
Richard Rominger, Deputy Secretary of Agriculture
Michael Taylor, Acting Under Secretary for Food Safety

Bill Smith
Pat Stolfa
Bill Gaines
MR. BILLY: Okay. I think we'll get started. I'd like to, again, welcome everyone. This is the fifth of six planned sessions designed to provide a forum for substantive and focused discussion on some of the major issues that were raised regarding the HACCP and pathogen reduction regulatory proposals that the Food Safety and Inspection Service published on February 3rd.

There are a few new faces so I'm going to very briefly just go over, again, sort of the ground rules. My job as the moderator is to facilitate the discussion, to make sure that there's an open and balanced discussion, exchange of views about the issues. I think if my assessment of yesterday was that certainly occurred and I think it was very, very productive. We need to manage the time. There are a lot of important issues. People have come a long way to focus on particular areas of concern that they have so I'm going to work to keep us within general time frames to make sure that we don't have repetitive statements. People make a point, you're encouraged not to repeat it again. Certainly, if you need a point of clarification or whatever that's fair game.

We have modified the agenda for the 29th and I'm going to go over that again in a minute. If there are legislative issues -- what I mean by that is part of your thinking or your solution to a particular concern you have is through a change in the legislative authority or requirements of the legislation for meat and poultry inspection then you're encouraged to take advantage of a food safety forum that the Secretary is planning for later in October. At that time one of the key focuses of that session will be to talk about the whole area of legislation, modification of the agency's or the Department's authorities, that kind of thing, so there will be a full opportunity to address those areas.

The process that we're using is one where it's sort of a mixture of people asking to be recognized and you do that through use of your name tag and I work hard at trying to see everyone do it and put your name down and move forward. We don't want to stifle through that former process of dialogue so if you've got a point to make that's right on what someone said then please feel free when the person stops or whatever to jump in and ask a question or make a counterpoint. But in doing that, all of us need to take care to be respectful of the others.
that are participating. There is a large group so I want to do this in a
way where it's fair to everyone so I just ask that you -- you know --
work with me to make this work effectively in that regard. I think
that occurred yesterday.

We do have an overflow room. It's 4347 where this is being
videotaped so you can actually see what's going on here so if there are
others that you'd like to have observing this they're welcome to use
that room so it's available. We can also provide for a -- like a caucus
room if anyone wants to get together at lunch time or at a particular
time to sit with others and talk about a particular concern and we can
provide for that as well. You just need to see the people out front at
the table.

With regard to the agenda, today we're going to be focusing on
specific economic and product considerations. We'll first deal with
sort of the overall economic considerations. That is the impacts on
everyone but we will have a particular focus in the discussions on the
small plants and we'll get to that in just a minute. In addition to that,
we're going to look at the special considerations related to religious
and ethnic slaughter processing practices and in that regard explore
how to bring an appropriate balance to the food safety objectives that
this is about on the one hand while at the same time accommodating
the special religious or ethnic requirements that people have. So that
probably -- we'll get to that after lunch sometime this afternoon. On
the 29th, tomorrow, sort of a remaining issues and review. We'll cover
the international considerations and talk about that in some depth.
Also, there's an item about incentive-based alternatives such as
market claims on labels. That was an issue that was added to the
agenda at our scoping session. We're going to talk about animal
producer considerations and that will include -- someone reminded me
this morning -- our particular economic considerations related to
producers in relation to the issues at hand. Then I've added under "D" of
the agenda a discussion on transportation and retail. It's part of the
farm to table strategy. It's addressed in the preamble to the proposal
of February 3rd and we wanted to share with you the progress that's
been made in those areas, what's planned, and have a discussion about
that. Then, finally, to wrap up tomorrow, there were two items that
were deferred from earlier in the agenda. The first is the issue under
the first day on FSIS oversight of HACCP, Item C, which was insuring
compliance with HACCP requirements, and there are several billeted
items under that, and then, finally, also an item from the first day and that is the issue of timing; that is in terms of agency implementation, industry implementation, the time frames that a number of people have raised are very relevant to planning and phasing in and that kind of thing and I think a lot of that discussion will be based in part on what's already been discussed.

Are there any questions or comments before we get into the issues?

MR. HODGES: The order of the agenda on Friday is as you just said?

MR. BILLY: Yes. Subject to change if people would like to but yeah. Okay. With that, what I'd like to do is first call on Mike Taylor to give us sort of an overview of the economic considerations, the economic area, and then Pat is going to talk very briefly about some of the assistance type things that are planned and are addressed in the paper that's available to all of you. Mike?

MR. TAYLOR: Thanks, Tom. What I have in mind to say may fall short of being an overview of the economic issues but I do want to take a moment to just review some of the current thinking on some of the various elements of the proposal that could have implications for cost and cost of implementation of both HACCP and the near term proposals obviously was a major element of the comments. We got a lot of comment on that and it came from all segments of industry but with particular focus and emphasis from the small business community and so cost is something that we certainly are looking at and we need to be aware of the cost implications of the decisions we make. As the paper lays out and as you who have been here throughout these meetings are aware, we are considering various alternatives with respect to the near term interventions, in particular, that would have cost impacts and would have the potential, again, depending on what the final outcomes are, to reduce costs and perhaps to reduce costs significantly across the board and, again, perhaps particularly for the smaller plants. And let me just review some of that very briefly.

In the carcass cooling area we had, I thought, an excellent discussion yesterday of some of the problems -- the practical problems -- proposed by our proposals and, in particular, the proposal to require certain specific time and temperature parameters for carcass cooling in beef slaughter that the comments and, again, the discussion yesterday, were fairly clearly demonstrates don't take
account sufficiently of the diversity of practices in the industry. And as we said yesterday, we are -- we recognize that and we are working on alternatives that could achieve the objective but not be so prescriptive and potentially disruptive of current industry practices. Our purpose, again, the carcass cooling area was not to alter or upset current good manufacturing practices in beef slaughter that are working well to cool carcasses adequately. What we are looking for are some measure of accountability, some basis upon which to hold plants accountable for meeting their carcass cooling responsibilities. We have such a tool of accountability for poultry. We don't have it for red meat. So that's what we're looking for. And as we discussed yesterday, we're considering alternatives to mandating specific time and temperature requirements that might include a performance standard approach or some other approach that gives us a tool of accountability but does not clash with existing practices that are working well and to achieve -- you know -- some of appropriate level of performance when it comes to carcass cooling. This, as I understand it, was a -- you know -- was the issue cited by many in the small business community as the most costly potentially if you were to meet these specific time and temperature requirement plants had to make capital investments in cooling -- you know -- equipment, facilities, but that could potentially be the most costly element of the proposal. If we're able to come up with a more flexible approach that can achieve the objective but does not prescribe -- you know -- a single set of parameters then presumably those cost impacts would be reduced. Plants that are achieving -- again, our current thinking is that plants that are not currently dealing with the cooling issue -- the need to control pathogen growth in accordance with some appropriate current standard may still incur costs so this is not -- I mean we're not looking at a strategy that says the status quo is a one hundred percent satisfactory, but on the other hand, if they're acceptable practices in place it is not our purpose to disrupt those and impose costs that don't add to achieving our food safety objectives.

With respect to anti-microbial treatments, again, for some operations this is a potentially costly measure, although not, I think, in the small business setting, again, based on the comments, not rising to the level of the cooling proposal. We have discussed in our meetings yesterday and then in our paper that we released possibly we're considering performance standard alternatives to mandating an anti-
microbial treatment. We're still obviously in the midst of decision
making about this but anything presumably that created more
flexibility than the proposal embodies could have a positive impact in
reducing costs. Again, yet to be determined in either of these cases --
you know -- quantitatively what the effect will be but we're moving in
both cases in a direction that is likely to increase flexibility
consistent with meeting an appropriate level of performance and if we
are able to devise those alternatives successfully that would have a
beneficial impact on reducing costs.

We also, a week ago Friday, had a discussion about our testing
proposal -- anti-microbial testing proposals -- and here we are, again,
as we laid out in that meeting and in the paper, are considering
alternatives to the proposal that would have an effect on the cost
incurred by plant in meeting the testing requirement. In particular, as
you recall, we explained an approach that would require slaughter
plants to use generic E. Coli as a process control indicator and test for
that organism as opposed to a testing for salmonella. That shift, in
and of itself, just in terms of the cost of the test and the difficulty
would, if we make that decision, have a cost impact. We also are
considering in the context of slaughter plant testing in the small
business area particularly we hear of scenarios in which plants are
testing or slaughtering multiple species, perhaps very small numbers
of animals, but multiple species in a small plant. So one option we're
considering consistent with the process control objective of this
microbial testing for E. Coli is to allow a plant in that sort of
situation to meet the daily sampling or testing requirement by testing
-- selecting a species to test and the criteria for selecting that
species we need to work out and welcome comment but it may be
possible to avoid the situation in which a very small plant slaughtering
multiple species would be required to do multiple E. Coli tests to
verify process control. So there are a number of respects in which
solutions that would, again, be devised generally with respect to these
proposals in order to be consistent with our whole thrust towards
performance standards and our rethinking of what's an appropriate
process control indicator for plants to test for, that thinking which
would apply across the board to all plants we see as having significant
promise to reduce some of the cost impacts that were of particular
concern to small business. During today's meetings, I guess I would
invite and it would be most helpful to us really to hear in very
concrete terms what those in the small business community as well as elsewhere believe are the practical right answers to some of the issues involving cost impacts on small business. We know what the problem is. I mean we’ve become very much to grips with the comments and I -- my plea today is that -- you know -- we focus as much as possible on what folks would propose if the proposal seems unsatisfactory from the standpoint of cost impact we welcome the most specific possible suggestions for alternatives so that those can be discussed in this meeting.

There’s one issue, let me just mention finally before I ask Pat Stolfa to talk about the assistance element of our strategy for dealing with some of the cost issues, one issue that was raised by some of the comments was the idea of making HACCP voluntary for small plants. And the bulk of the comments, including from the small business community, said we don’t want to be exempt from HACCP but we’re looking for some flexibility in how we get there; that we don’t want to be left out of the progress on food safety that’s invited in HACCP and our current thinking is that the concept of some voluntary HACCP exemption, some categorical exemption based on plant size from HACCP is not our current thinking that that’s the desirable way to go. There is one specific issue, however, with regard to the application of HACCP to certain very small operations that I simply want to put on the table so that during the course of the day with all the HACCP gurus that we have at the table and philosophers who can apply HACCP principles in their elegant purity to the debate, I look at Dr. Bernard, Dr. Tompkin -- we’ve got the experts here -- the question is, is there any circumstance in which -- and the question arises in my mind mostly really focuses on slaughter situations -- is there a point at which the volume of production in a slaughter plant is so small that HACCP conceptually no longer makes the same sense it makes elsewhere. The classic example that has been presented to me is the two head a day plant that’s almost a custom exempt plant but does a little bit of -- you know -- selling sort of miscellaneous pieces of the carcass in commerce. It’s an FSIS inspected plant. But there are plants, I gather, that are literally -- you know -- slaughtering two head a day or some very, very small number. And the question is, does HACCP still have value and applicability in a plant operating at that level of production? Our current thinking is certainly that elements of the proposal such as sanitation SOP’s and -- you know -- obviously all
the general requirements -- you know -- for producing product in a
safe and sanitary manner -- all those general principles would still
apply and other elements conceivably -- you know -- I mean seem to
have relevance but HACCP itself -- the question I'd just like to get
some discussion on at some point during the day is, is there sort of a
diminished level of production in a slaughter setting below which
HACCP principles no longer have validity? That is just a question that
we'd appreciate some input on.

Pat Stolfa will talk now about some of the efforts that we plan to
make and are laid out in the paper but we plan to make in order to
assist companies in complying with HACCP and a lot of this would
focus very much on the small plant community and I think that as a
prelude to our discussion today it's good for Pat to run through that.

MS. STOLFA: Thanks. I think actually we went over some of
these things briefly rather late in the day during the last series of
meetings and so it's roughly the same information.

Initially, of course, I want to remind you that we intend to meet
the commitment we made in the preamble to have generic models
available for all the process categories and they will be available at
least six months in advance of the due date for any process category
and I believe in many instances that will be a very substantial piece of
assistance to companies who are not familiar with HACCP. So we
intend to keep to that commitment which we made in the preamble.

In addition, we have two, what I would call, fairly major
documents in close to final drafts actually. We have a general HACCP
handbook or HACCP guidebook that at least the concept was simpler to
what some people may have been familiar with as the old small plants
handbook for facilities construction and it sort of was modeled on that
kind of a manual. In addition, we have a hazards and controls book
that, at least theoretically, takes its inspiration from the document
prepared by the FDA for its seafood HACCP and I'm pleased to note that
since the last meeting I've received a draft of this one. So I already
had a draft of the other one so work is progressing on these
substantial documents. In addition, we have a couple of other things
which are probably supplemental to the general guidance which was
offered by both the handbook and the hazards and controls book and we
have been working, as I've mentioned informally with some people who
have prepared how-to videos on HACCP as well as computer programs
that may be of assistance to some people. And what we're trying to do
there is customize them to make them particularly useful for meat and poultry plants that are subject to our regulations. In addition, we made known last week or a couple of weeks ago our willingness to participate in demonstration plants with states or other groups or even individual plants who might as small plants be interested in both giving us some feedback on some of the materials as well as participating in exploration of approaches that would be particularly useful in small plants and in addition to the state that we were working with before the last meeting we've had some additional takers. I think the areas in which people have indicated they would be interested in participating in demonstrations is demonstrations of things like how you could get appropriate training at a small plant without having to leave your plant to go to a course either initially or initially and for a refresher and we're well willing to participate in that. I think other people have expressed some interest in perhaps demonstrations on how to conduct a hazard analysis, which, of course, is the important starting point for developing your HACCP plan. So -- and we remain open to more possibilities and actually we've not yet been in a position of having to turn anybody down so we continue to be open to that and that's what we have in mind.

MR. BILLY: Okay. With that we'd like to open the discussion and invite comment, discussion on this area. Steve?

MR. KRUT: Steve Krut with American Association of Meat Processors. I'd like to thank the FSIS for particularly designating this topic because it underlines some concerns that we have as representatives of many of the smallest plants in the nation. Some of these same concerns we have brought a lot of people to your public meeting in Kansas City, driven more out of fear that their businesses were going to be lost, but also driven by a lot of concern that they did not feel this agency had a grip on understanding what small plants really were, what they do, and particularly how effective and how costly HACCP would be to be implemented in their operations. USDA has relied very heavily on the nine pilot plant studies that were conducted some time, I guess, in '91 and '92 which during the scoping session a few weeks back were asked that perhaps they would share that with those who were attending this meeting. That information apparently has not been made available. And in some of the comments that were made earlier this morning and during the last several days of sessions I don't think much has changed in the view that many of the
small operations have that USDA does not know particularly very much
about how HACCP would work or how costly it would be in a small
plant operation. I want you to understand that AAMP believes in
HACCP. We're not adverse at all. We strongly support the International
Meat and Poultry HACCP Alliance to move into training in these areas.
We want to do all we can to look at a preventive type of system in our
food inspection but at the same time we're not willing to jump from
that stone we're on now with traditional inspection into a new area
until we know where that stone is at and what we can expect from it.
We have suggested since the comment period opened that USDA needs
to actually demonstrate how these operations, how HACCP concepts
would work in a small plant with multiple species and slaughtering and
processing and cooking, retailing, wholesaling. We have not seen that.
We understand that the Department is considering some demonstration
projects and I think until those results are in and we have an
assessment of the effectiveness, until we have the assessment of the
actual cost, that it is a little premature to require this HACCP in all
operations. Regarding the state programs, I think they're very much
affected by this as well. I think there are probably twenty five
hundred plant operations that your issue paper indicates probably all
fit under that small plant category. We're talking here about people
who are very concerned about the product and every time I hear it it
grates my ears that USDA is going to hold the plant accountable. There
is no one in small business today who is not accountable for what they
produce. You're talking about shipping liability. I don't think it means
a damn. That plant is responsible for its product and it always has
been. I wish USDA would get that message straight. We feel there is
an obligation on the part of our industry, including small plants, to
move forward to do what we can to move in a direction that signals
some additional improvement that meets the minimum requirement and
standards. We want to do that. We don't think the interim near term
initiatives as outlined are necessarily much more than expensive
prescriptive approaches that have not necessarily been demonstrated
to be effective or particularly cost effective as well.

I heard reference during several of the meetings to a deadline for
an issuance of the final rule. We've heard December 1, we've heard
January 1, we've heard February, early next year. I think if USDA has
an opportunity as it has here with representatives of all the
constituency groups that are concerned and it rushes to a judgment
about what needs to be done before the facts are in, it's making a fatal mistake and it will never have this opportunity again. We think there's an opportunity presented to FSIS to fix the system and fix it right and we don't know something will work let's find out before we try to beat a deadline here. Let's do it right the first time. The question will come up later about how long it would take to implement programs. Should we be looking at a year, three years, or five years, or seven years. We can't set a deadline until we know what it is we're setting it for. Small plant operators have constantly reminded us that if what is being suggested is impractical or it is not effective it doesn't matter if it's two years or five years. They're looking down the road and saying I will never invest another dime in my plant, I'll sell it. They've got to be able to see a future. They're more concerned about the quality and safety of their product than FSIS cares to imagine. Heard some reference late yesterday to people that don't believe in HACCP. We think anything you can do to prevent food-born illness and reduce pathogens is important but I would suggest that we're representing some folks here today who will have to pay the bill for all of those costs that are coming on line. They're willing to go those costs and meet those expenses but they do need to see that it is going to be effective and it is practical.

We have a system in place right now that is not necessarily foolproof under complete HACCP unless we're sampling a hundred percent of every product. That will not be foolproof. We're saying, what we have in a small plant operation today does seem to work to a degree. We want to look for demonstration projects and pilot testing and they don't have to be two and three years. They can be done in a matter of months. But we feel we need to see some facts -- some facts on the table that everyone can look at and then form a much wiser recommendation for a course of action. Thank you.

MR. BILLY: Mike?

MR. TAYLOR: Steve, let me just make one comment on your point about the time frame for completing the rule making and getting the final rules. We have said what our goal is to complete this rule making by the end of the year and that is our goal. We said it's an ambitious goal but it's one that we're working towards because absent a goal, as you know, we all have a tendency not to achieve what we'd like to achieve. We have a --

(Off the record discussion)
MR. TAYLOR: Steve, we have a goal and what we've articulated -
- I just want to assure you and everybody that we're not working under
an artificial deadline. We're not going to sacrifice the quality of the
rules and the decisions and the way in which we are articulating what
we're doing to some artificial deadline. We'll take the time we need to
do it right but we -- you know -- we do have a goal as an
Administration, as a Department, to complete this rule making
promptly and we're going to invest a lot of energy in doing that. But, again, it's not an artificial deadline. We'll take the time we need to
get it right.

MS. STOLFA: Could I just respond to one thing that Steve said
also and it's just another case where I'm without the correct
documents but I'll take care of that. The report on the pilot plant
effort has been on display and we realize that a lot of people don't go
down to the place where all those things are and read them and the
report has also been available on request. It is a very substantial
document. We never considered attaching it to the proposal in any way
but certainly if people want it they can have it and we have no
intention of not making it fully available. I guess in certain respects
it's people by not looking at it probably believe it was more important
than it actually was in formulating this particular proposal, although
certainly much of the information that we gathered was very useful to
us in the cost benefit -- particularly the cost part of the analysis --
but I will make sure, Steve, that you get one today and actually I'll
bring a few others over, although I expect that most people will be
unwilling to pay the extra charges for carrying such a thing in their
briefcase.

MR. KRUT: Pat, I have that information. I've had it. I don't think
a lot of people in the room have had awareness that it's out and maybe
even a quick summary form what the results of those plant operations
were. So, again, I think in fairness to everybody who's being asked to
help give their views on what makes a good regulation in the future we
need to make sure they have all the information that is available.
Thank you.

MR. TAYLOR: Let me just add one other -- Mike Taylor -- one
other observation, Steve. I think your point about demonstration
projects and ways to sort of see -- you know -- see HACCP in
operation and really be able from that very practical perspective to
provide guidance and assistance to small plants in complying with the
HACCP principles, I mean we think that's a good idea. And our notion is that, again, as you have said, the issue is not sort of the HACCP principle, the issue is how as a practical matter do you carry that out in a small -- in a variety of small plant settings and our intention is to in the year or so following the final rule is to carry out demonstration projects and to have the fruits of that be part of sort of the practical assistance and guidance that we can provide to small plants as they would then later come on line and be subject to the obligation to implement HACCP so the fruits of that will be available.

MR. BILLY: Richard?

MR. BECKWITH: Richard Beckwith, small process from Upstate New York. I think HACCP, in general, -- you know -- we all agree on the need for improving food safety so I think the basic premise of HACCP in the way it's written is skewed towards larger business. In other words, when we look at the daily sampling dictum, the cost per head of sampling is skewed towards a big plant, i.e., cost per head, and then the training and so on. So I think in regard to small business, HACCP is just an underlying thing of an extra cost. As in small business you have higher costs anyway and you'll not be able to effectively compete with the big guys weighting to higher market concentration and so on. So I think from a small business standpoint with the volume and so on, it is definitely skewed towards the larger packers and I think that's the underlying premise. Thank you.

MR. BILLY: Marsha.

MS. ECHOLS: Marsha Echols with the National Association for the Specialty Food Trade. I'd like to thank you also for holding this hearing and especially for concentrating on the impact on small business.

I'd like to explain first what specialty foods are because many people have asked me. I think by explaining you might understand why some of the issues that have been discussed are -- don't completely address concerns of our members. Many people consider specialty foods gourmet foods. They are cooked prepared for the most part. For people from the Washington Area you'd find them in Dean and DeLuca or Sutton Place Gourmet or the gourmet section of a food market. So they are the pates, the Smithfield hams, there's some sausages that are sold raw, but most of the products are prepared. That is part of the concern we have with your statement, Mr. Taylor, about the economic impact of the proposal. I think several times you mentioned slaughter and your focus is on slaughter or operations that really don't include
what our members do. By not concentrating on them you don't have a full idea of the economic impact of your proposal on these companies so that any economic impact statement you have is incomplete. Without more information about not just what goes on in the plant in producing the product but the cost associated with training and implementation of HACCP by these small companies you are missing a part of the impact of what HACCP means economically on a broad scale. That's not to say that our members don't want HACCP or some assurance of food safety for consumers. The small companies want the same thing but as Mr. Beckwith said, the cost considerations are very different for the small companies and that has not been taken into account completely it seems. Thank you.

MR. TAYLOR: This is Mike Taylor. Marsha, let me just ask you for some help on this. We did prepare and publish a cost benefit analysis of the proposals that -- you know -- working with the Economic Research Service and others to -- that went through slaughter and processing and also looked at plants -- I think we had three categories -- sort of large, medium and small -- and did do a specific cost impact analysis of each element of the proposal across that spectrum. And I guess what I would ask is if you have additional information that we did not have or weren't able to take account of in that and if you haven't already submitted it in response to the proposals during the original comment period we are open for another thirty days or so, we would welcome as much data or information that you could give us on the cost impacts you're referring to.

MS. ECHOLS: I think it's difficult for even an association to come up with the cost numbers that you're looking for. My comment is that I think that USDA or FSIS didn't have specific information to support the cost analyses that are in your cost impact statement. You have -- I don't think that those numbers are based on experiences in very many specific plants so that you know that the numbers are real numbers.

MR. BILLY: Okay. Dane?

MR. BERNARD: Thank you. Dane Bernard, National Food Processors Association. In answer to the question that Mr. Taylor asked earlier, there are, as usual, no simple answers. I'll ask Bruce to join me in this. Can HACCP work in small business? The answer is most definitely yes. Steve Krut has indicated that he has a lot of support out there in small businesses for doing HACCP. Let me digress
just a bit and remind you what Carol Foreman -- I don't know if she's here this morning but she said very well two weeks ago but whenever we take HACCP which is a concept that we're becoming more and more familiar with and we institutionalize it, we mandate it, we turn it into a regulatory program it will change. And whether it will be successful in all levels is going to depend on how that mandate comes out. So can it work -- it's working now as a voluntary program in all areas of the food industry in plants at all levels but how we end the day in terms of our regulatory programs and especially how we institute the concept of performance standards which keeps coming up and how that is executed, those are where some of the costs are that I think can be pretty scary, especially to small processors.

Let me go back. There was a World Health Organization consultation which Bruce Tompkin and I were part of. One of the areas that that consultation addressed was educational standards in HACCP at all levels. One of the big challenges there was on street vend foods. How do you incorporate HACCP programs for street vendors of foods? This is the smallest of any food business and obviously would present the greatest of challenges. The only way to get around those kinds of things is to go back and determine what we want to get out of HACCP.

HACCP is a concept. It's a step back from an operation, look at that operation, determine what it is that we must do in that operation day in, day out, and do it right to produce cell transport, whatever it is, food, and keep it as safe as we can keep it. With that as the central concept, we've elaborated these seven principles which we have begun to interpret rather as a monolithic entity. They are not. We must be flexible in how those seven principles are expected to be complied with at different levels and especially in different sizes of companies. It's not logical to expect, for example, as we determined at the WHO consultation that every vendor of food in the street is going to have the scientific wherewithal to propose a HACCP plan to do a hazard analysis, nor, I would submit, can we expect that certain small processor would be entirely capable of doing that. Larger processors may have the resources to call in experts and gather certain scientific information. On a smaller basis we must provide collectively and through consensus building the kind of scientific information to allow that to happen without mandating that everybody go through every step to put together a HACCP program. We must also be cognizant that the testing regimen to prove and document that a HACCP program is indeed
functioning and giving us the kind of results that we want can be done in many ways, not just by a certain regimen of testing so many samples at the end of the day to determine whether we're producing the appropriate results. So can it work? Yes. We have got to be aware of the costs and we've got to be aware that there are options as we go down the road and we don't mandate a very rigid structure here. HACCP, by its very nature, is designed to be flexible. It was designed to take in the variations that occur from plant to plant and operation to operation and that includes the size of the operation and the technical capabilities. Thank you.

MR. BILLY: Richard?

MR. BECKWITH: Richard Beckwith. Basically I think that when we look at costs we have several different types of costs. But I think when the costs of compliance are fixed -- when we fix that cost, whether it be through sampling, whether it be through refrigeration changes or whatever, then the small entity suffers more. So I think when we're looking at prescribed things in regards to the proposal I think we must be careful that the costs aren't fixed to a small entity because they have lower output to recover those costs. Thank you.

MR. BILLY: Jim?

MR. HANKES: Jim Hankes representing the Illinois Meat Processors, small plant operator. Real briefly, there's some people here that probably haven't been in small plants. The issue we're dealing with is like one large multi-purpose facility. And, again, I use us as somewhat of an example. We slaughter beef, hogs, sheep. We do cold processing of our own products. We buy products probably from every large company represented here which in a way as HACCP gets implemented into their plants it can do nothing but help us insure that we're producing safer products ourselves as we -- you know -- use these raw products. We do the processing of hot products, fresh products ourself up to almost a hundred multi-ingredient products and we may only make two hundred pounds of one product in a year's time during a special holiday season. Custom processing -- and I don't know how custom processing in the federal plants will affect HACCP since it's a custom exempt and it's going on within the same facility. The same holds true for wild game processing. And you have to consider that wild game processing in this country is a large -- it's a large item and we actually do a tremendous service to the customers that bring their animals -- their game products into our plants because we can
take those products, clean them up, and produce a heck of a lot safer
product than they can out in their garages. Retail, wholesale -- you
know -- we provide our local areas with those services. Catering -- a
lot of us have had to expand over the last -- you know -- several years
into catering so basically that animal can walk in the back door and we
can serve it on a plate out the front.

Another thing that I thought of last week as I hopped a counter --
probably one of the few people in here that waited on customers --
retail customers who are actually going to pay for this -- and I know
specifically that we have certain customers out there that when they
go to buy food product -- Caroline, don't kick me on this one -- they're
only willing to pay so much. You can almost use an analogy it's like
going out and buying a car. I'm sure you can go out there and buy a real
expensive car, it's got fancy braking systems, dual air bags, extra
structure on it and it's a lot safer. Some people can only afford to pay
so much for food. Now, if I have to do a lot of the things that -- you
know -- are in the proposal and if it causes me to add -- and we've
looked at some of the products -- anywhere from ten cents to a dollar
a pound onto the product chances are I'm not going to sell the product.
So we'll have to scale down these products. Where the fine line or the
fine balance is between economics and food safety I don't know and I
guess in time we'll find out what the customers are willing to pay for.
But I think this whole thing -- you know -- if we look at these small
plants across the country, again, -- you know -- we're trying our best.
We want to incorporate these into our systems and, Mr. Taylor, I think
you did hit a very important point that as we look towards putting
HACCP programs into small plants -- you know -- I personally think
within a small plant where we have possibly a more control with the
owner/operator type situations where we're not just hiring bodies off
the street to fill line positions, that in a way, as I look at this, a lot of
the HACCP principles, a lot of the GMP's, SOP's -- you know -- we are
already doing and possibly it's a matter of starting to document these
and as we build this awareness I think the small plants can continue to
product safer products. So whether we -- you know -- need "a full
blown HACCP program" or something possibly a little more flexible I
think some flexibility would be better adaptable to a lot of the smaller
situations.

MR. TAYLOR: Can I just ask Jim a question? This is Mike Taylor
and I don't want to put you too much on the spot and maybe I'll just
pose the question and you can think about it and come back. But -- you
know -- you've suggested that the proposal as, I guess, it's what we
published and you're referring to the proposal from February could add
ten cents to a dollar a pound. I'd be interested in as much sort of
detail as you can give us about the elements of the proposal that in
your specific plant setting you envision you're contributing most
significantly to those costs and then any specific suggestions you've
got for how we ought to alter the proposal to deal with your cost
concerns while still achieving the food safety objective we all agree
on and welcome any point -- any details you can give me.

MR. BECKWITH: One of the things and you alluded to this which I
was glad to hear was when we look at the testing of each species --
you know -- if yesterday was one of our slaughter days and if we killed
six beef, six hogs, and a lamb -- you know -- obviously that testing on
that lamb, whether it's for salmonella or E. Coli, gets cost prohibitive.
By the time we collect the tests, send it to a lab, and what not, I doubt
if we can pass that on to consumer and I don't know what that cost
would be, say, by the time you get shipping and what not -- thirty
dollars? So you've got a -- you know -- an eighty to a hundred dollar
lamb that you're adding another thirty dollars on to it. These things
get to be cost prohibitive. That's just on a carcass weight. Then as
you multiply that out to the retail cuts -- you know -- instead of that
five -- six dollars -- seven dollar lamb chop -- you know -- now maybe
I've got an eight -- nine -- ten dollar lamb chop and I just know our
customers aren't not willing to pay for that. That's one of the
economic things that -- you know -- as small plants I think we're
looking at.

The refrigeration has been quite interesting. Unfortunately, a
week ago I lost a seven and a half horse compressor. So we had to go
in there and replace it. By the time we got done replacing that,
changing some line sizes, building in some more capacity, that's going
to cost me over eight thousand dollars. If I have to take that out of my
operating budget for the year that doesn't leave me a whole heck of a
lot as far as compliance and other fixed costs that may be associated
with incorporating HACCP into the program. So, obviously, the
refrigeration concept and the cost is a big item. I've been discussing
with Dr. Floyd McKeith from University of Illinois down at the other
end of the table who's a technical advisor to the Illinois Meat
Processors Association, we've talked about the possibility of
increasing air flow in our coolers with maybe a simpler system, the possibility of incorporating more fans. We've also talked about the -- you know -- maybe trying to improve the chilling with water -- a chill system in our small coolers -- you know -- this would obviously pose other problems but possibly there's a simple way we can do this. But the thing is -- you know -- we are on new ground here and these things haven't been tried in the small plants. We need to get out and try some of these things. Specifically in our plant we're going to try some of these things. As far as possibly there's a benefit -- you know -- maybe if I do something like that in my hot box not only can I cool the carcasses better but maybe I can get a return by using less energy or using the energy I'm consuming now more efficiently. So in this whole process we do see a good coming out of it. Without taking a plant and documenting everything step by step it is difficult to say -- you know -- it's going to cost twenty three or thirty three thousand dollars in a year's time and even looking at the numbers -- you know -- that you had to come up with something to put out. Well, -- you know -- if you take the average small plant and there's a lot of small plants out there that maybe only produce a half a million dollars worth of product a year and they slaughter and they process and they start looking at fifty -- sixty thousand dollars cost to implement HACCP that's what scares the heck out of them. And I think in this whole process I'd like to add one more thing quick is that a lot of operations in the small plants have had to expand into other areas and when you work on a definition of small business or small operations I'd like that to focus on inspected meat products because there are other -- you know -- other plants that are selling other goods -- dry goods and what not -- that are inspected meat products and if that's included in their volume of sales or whatever I don't think that's a fair representation. A lot of us -- you know -- part of our shop comes under public health, part of it comes under inspection. You know -- I don't know where you draw the line on these types of things. I don't know if that helps any.

MR. TAYLOR: Thanks.

MR. BILLY: Eric?


I think the concept of flexibility for small business is a good one. Definitely nobody wants to drive businesses out of business unnecessarily. But I think one other aspect of the HACCP regulation is dealing with economics is to address the fact that currently there are
substantial costs that are being passed on to the consumer in food-
born illness and in some cases even death. I think one purpose of these
regulations is to make businesses accountable for some of those costs
and, of course, whenever you're addressing -- I guess I can introduce a
new pseudo profession -- pseudo economics -- whenever you have an
extranality such as this where a business is running and one of the
costs of that business, food-born illness is being passed on to the
consumer the point of regulation is to address the fact that the
consumer is bearing the cost where the consumer can't always bargain
for changes with all the individual plants. I think that's what is
happening here and I think it's important to keep that in mind that if
the unfortunate reality is that some businesses which are passing on
those costs are not going to be able to make it under the new system
and there's going to be some that's unfortunate but so is the food-born
illness that we currently have. Thank you.

MR. HANKES: Jim Hankes. Real quickly I would like to point out
that we are bearing a lot of the cost of other people's mistakes within
the industry. Since the E. Coli outbreak you should see what my general
liability insurance has done and it is a major cost for small businesses
today. Anybody in the food business, their liability insurance has
really escalated, whether you're a restaurant, food service operator,
meat processor, or what.

MR. JUGANES: I just wanted to respond very quickly. I definitely
do not want to suggest that any of the businesses here or in the large
majority of the nation are responsible and certainly they are bearing a
large percentage of the costs. I don't want to suggest that. Thank you.

MR. HANKES: One more quick thing, though, you'd be glad to know
that as we work with our insurance companies as we put things into
place, whether it's a safety program for our employees for workmen's
comp, whether it's a HACCP program for food safety, they do look at
these things and they like them and we use that as a bargaining tool so
that's why definitely a lot of the small businesses are interested in
HACCP and we want to figure out a way that we can incorporate them
into our businesses.

MR. BILLY: Tom?

MR. NEESE: I'm Tom Neese. Sir, may I take just a little bit
different perspective. Under your definition we are a medium sized
business with a small business outlook which is quality driven rather
than quantity driven. I have already sent three to three different AMI
HACCP schools so I have the trained personnel. I am ready to go. In the near term the companies that are my size and smaller are not physically able, capable, of meeting the near term objectives. We have to learn and we have to have a commitment to write SOP's but you don't do that in ninety days. We have to endure the training of your inspection personnel who are going to be changing all of the things that we're going to be trying to do. We have to cope with physical changes if there are any involved and if we have to order machinery, micro -- whatever you want to call it -- cleansing of carcasses, if we have -- that takes time. If we have to do micro testing it takes time to get the equipment, to set up relationships. In many operations you cannot hire five extra Ph.D.'s and put them on the payroll and have this accomplished in ninety days. The important thing is the long term improvement in the food safety of this country from your perspective. And we would be better off with my time and my company's resources being channeled into the development of a HACCP program and given the time that is required to accomplish these objectives. That's point one. Point two, on cost. Just a little different approach on cost. It doesn't make any difference whether I talk it's going to cost me two cents or three cents a pound to do HACCP and the near term objectives. You should realize that if I raise my prices one cent in the category that I'm in in the deli counter that's a ten cent per pound retail change in price. Because the chains do not go up one cent. If I go five cents they will go ten. If I go more than five they're going to go twenty. I'd like to get by with six. That's the second point. The third point involves the testing that you all are planning to do in the small plants. Dr. Dwayne Pilkerton has approached me and pushed me pretty diligently to be a member of the fifteen test plants in North Carolina. This has been fully discussed with my production people and when I came to this meeting the decision had basically been made to participate. The decision has changed and may I quote you why. We don't know. We don't have the answers. The averages -- they're not developed yet. Pre-op sanitation -- a learning experience. Our thinking will develop over time. Demo projects we will do in the first year. Documents not currently available. We don't know when the final document will be ready. Sir, if I participate in that demo project when you folks do not have your parameters set I have done a disservice to my company and, therefore, I can't do that. I just can't do that.
MS. DONLEY: I'm Nancy Donley from STOP -- Safe Tables Are Our Priority. I guess what it's kind of boiling down to in a nutshell, at least what I'm hearing in the room, is life isn't fair. And I can share -- you know -- attest to that very, very fact also. Life isn't fair and it gets -- we learn that lesson in a variety of ways. I certainly learned it the hardest way of all through the death of my son from E. Coli 0157:H7. I wanted to make just a couple of comments.

I am also, in addition to being actively involved in STOP I'm a real estate broker in Chicago. I drove to O'Hare Airport today with a broken strut. I had another broken strut on my car a couple of months ago along with my alternator went dead. That cost $800.00. I need my car for business. I have to get the car -- I don't have $800.00. I don't have another whatever this is going to cost. My thermostat's shot. We're approaching Chicago's winter. I need my heat. It's the cost of doing business. It's a tool for my business. If I'm going to remain in my current profession I need to invest in my business. I need to keep pace with what is being demanded by my industry. And if I can't keep up I have to get out. I learned that lesson the hard way. I can -- let me first say I can sympathize and empathize a lot with the people in the room more than you can believe. Some of you have heard this story already but both my husband and myself were in very good careers in very different industries in January of 1993 and we both lost our jobs because we worked for companies -- my husband's being a family owned business that just did not keep pace with what was happening within the industry. His was a commercial art business, did not keep pace with what was computer skills and orientations and being able to keep up with the pace and demand. I worked in the apparel industry. We could not supply quick enough and do what retailers were demanding of us. Those industries have continued, the companies are gone. It's just -- it's a story of survival of the fittest and I'm sorry, that's where we are now. And that's what many of you are approaching and in the case -- you know what -- you can and we did go on to entirely different careers where we are trying to keep pace with what's being demanded of us and we will or else we'll go on to something else. My child is dead forever and that is totally unacceptable and as consumers we will not negotiate on the point of ever putting family businesses ahead of families. You're afraid to lose a family business, I lost my family, and you can't equate the two.

Couple of other things that came up as voluntary HACCP as a
suggestion. We have that now. That's exactly what we have now. There are companies in this room who have HACCP programs and have had them going for quite a long time. Kind of like -- I look at it like term limits for congressmen. We have that now. Vote them out. The small -- as far as some of the other suggestions that have come up, for instance, of testing only one species perhaps for the smaller plants and multiple species, production facilities, pathogens are absolutely non-discriminatory when it comes to species or plant size or the day of the week you might test it or victims for that matter. You can't test less than one of each type each day. They're slippery little critters.

Also, just if I could, this question of time constraints that have come up. You know -- this is not something -- this whole idea of HACCP and all of this discussion that has been happening recently since February that it's all come to a head but this is not something that just dropped out of the sky February 2nd. This is something that's been ongoing and talked about within your industry for a long time now. Where have you guys been? What kind of consideration have you been giving to it up until now? This should not come as any surprise to anybody and suddenly this fear of we only have ninety days which is after the proposal is published, as I understand it also, that's not a good enough excuse and you can't have -- I'd also like to say and I want to go on saying that I'm very, very opposed to giving any special considerations to small plants to even given them the thirty six months that at one time had been proposed. Certainly five years is way too long. We can't be living under two sets of rules or eating under two sets of rules in this country. We have to all be on the same page at the same time and if you're not on the page then just let the consumers know. Make it known loudly and clearly that this product did not come from this particular caliber of plant, that they do not have this particular type of process in their facilities. Let the consumer make the decision. But I guarantee you, Jim, people are willing to pay a little bit more if they know that it could have a tremendous impact on themselves and particularly on their loved ones. You cannot put a price on a person. Thank you.

MR. BILLY: Bruce?

DR. TOMPKIN: I'm Bruce Tompkin from Armour Swift Eckrich and I would like to respond to Michael Taylor's question relative to the very small business. I think the purpose of the whole proposal really
is to make a step forward toward improving food safety and the
question is what's the best way to get there in terms of the very, very
small operator -- the family operator -- or even so far as Dane
mentioned, the street vendor. Yes, we could teach these people the
principles of HACCP -- the seven principles and how to establish a
HACCP plan, but I don't think that's really what we want to do to
accomplish our near term food safety goals. I think much more could
be gained by educating the smaller operator in terms of what are the
hazards and the emphasis being upon food safety with regard to
microbial pathogens. What pathogens are really of concern and how can
we best minimize or preferably ideally prevent their occurrence and
how they can cause food-born illness? There's information from CDC,
for example, that identifies the more common food safety handling
errors -- time temperature being the most common. Cross
contamination is another one. Does the really small operator -- and
it's somewhere between the really small operator and the kind of
company I work for there is a decreasing amount of understanding and
knowledge of what's truly important for food safety and that's the
message that I think that we should be focusing on for these smaller
operators. What is important and what can they do to enhance the
safety of the foods that they have? And it's through that knowledge
then that they can assume responsibility. You can't assume
responsibility for something for which you are ignorant. So I would
place the emphasis for the very smallest upon education so that they
really understand what the issue of E. Coli 0157 is and what their
potential role can be toward preventing that kind of food-born illness.

With a HACCP plan, the principles and so on, there's a certain
amount of baggage that goes with it as we apply it in a larger company
or as proposed in the rule. You have all the records, you have to have a
written HACCP plan, you have to do some testing where appropriate. I
think that given better guidance at this point in time to that very
small operator would be the best thing to do. Do they, in fact, know
what they need to know and how can we assure that they know that
information? So that if something does go wrong -- a power failure
occurs in their little establishment, do they understand that it is a
food safety concern, it's not just spoilage, depending on the type of
product and what the processing is. It could, in fact, be a food safety
concern. They should know. They should pick up the telephone,
assuming the telephone's still working. But that's the kind of thing.
They should be able to know the difference between well, I can just get by, I can save this product, they'll know that they need to call in an expert. It's important for that. So I think that's really where the emphasis should be placed on that smaller people.

MR. BILLY: Okay. Jim?

MR. HODGES: I'd like to try to sort out what is the most significant cost from what I consider the less significant cost of the proposal. Nancy, I do agree with you that in the terms that we use it at the American Meat Institute, safety is a non-negotiable item. It's not the cost that's the issue. We have an obligation to provide safe food to the consuming public and if we don't do that obviously those businesses will not exist, our industry will not exist in the long run. AMI membership, about seventy five percent of our member companies is one hundred employees or less. So we are sensitive to the small business concerns. We clearly believe, however, that the bulk of the cost of this proposal centers on the near term initiatives to be implemented within the ninety day time frame. The time frame obviously escalates the cost. I think Jim, Tom, and a variety of other people have highlighted their concerns centers more around the near term objectives. We need to keep a focus on what the HACCP program is supposed to do. A sanitation SOP that is designed in a very effective way to verify that the plant is clean before you start does not make the plant clean. It's the sanitation procedures that you use that makes the plant clean, not the verification of it. The same thing with the time temperature. It's not the thermometer that you put in the product. It's the system of refrigeration, cooling curves that make the time temperature systems work. It's not the microbiological testing. That only at best can verify that your system is appropriate and makes pathogens -- that will reduce pathogens. Microbiological testing will not do that. It has to be the system that is designed the manufacture the product. All the testing in the world, whether it be for temperatures or microbes or a variety of end product testing cannot build safety into those products. It is our clear belief that if the agency would seriously consider abandoning the mandatory near term initiatives including those where appropriate in the HACCP program it would serve a variety of purposes. It would keep our focus and it would reduce cost. We have competing objectives and I think you've heard me say this in different forms. Last night I was trying to visualize how to graphically portray that to the agency and this group
and it kind of reminds me of the -- of a person that's walking up a
stairway to food safety and we're putting one step up and that's the
HACCP step and we're all moving in that direction but with these near
term initiatives in the microbiological testing the other foot is in a --
is mired in concrete that we can't lift it up and move to the next step.
The near term initiatives are counter productive in terms of how we
want to proceed with the HACCP program. It's our opinion that you
could save cost, you could keep your focus if those things are
abandoned.

MR. BILLY: Jim Marsden.

DR. MARSDEN: Jim Marsden with Kansas State University. I
think the discussion here has gone off track a little bit because I don't
think anyone in the room disagrees with the requirement that we all
operate using safe food processes and I think to accuse small
businesses that that's their objective is not fair and I think really the
discussion should be on how do we achieve that objective -- that
shared objective -- and the most cost effective manner possible and as
quickly as possible and one approach that we've discussed at length is
using HACCP. And through appropriate hazard analysis, through
developing appropriate HACCP plans with validated critical control
points, that is clearly a viable option. But there are other options as
well and I know the term command and control is kind of a dirty word
nowadays here in Washington, D.C. but we do have a system that albeit
imperfect does exist and could form the basis for a way to stage the
implementation of HACCP for small businesses over some period of
time. And I really -- from my perspective, what I see in the small
business community is what I think is a valid fear that we're heading
into unknown territory here and maybe food safety's our objective but
the way we're approaching it may just as well result in thousands of
HACCP plans that aren't worth the paper they're written on. And that
is going to cause chaos. It's not going to promote food safety and so
on. So one of the things that perhaps would get us through this would
be to consider not an exemption from HACCP for small businesses but
to make it voluntary perhaps for some period of time to allow a more
orderly transition for small businesses, not that in the interim they're
going to be producing unsafe food. On the contrary. They rely on
regulations, we rely on perhaps if we could get some agreement on
short term initiatives for pathogen reduction that we rely on the
existing regulatory framework and also the 8,000 inspectors that we
have in meat and poultry plants around the United States. It seems to me that the question is not where we're going but the way we get there and how do we get there in the most orderly fashion possible. The agency also some serious concerns, I think, about how they get there across the entire industry in a fairly short period of time with the enormous training requirements and things like that that have to be developed. So I think that we need to get the discussion away from how do we get this done and not cost too much money for small businesses but rather how do we get this done in an orderly fashion and at the end of the day end up with safe food processes for all companies, large, medium, and small, that indeed accomplish our food safety objectives. Thank you.

MR. BILLY: Dell?

MR. ALLEN: I'll take off my Excell hat and put on the hat of the American Meat Science Association and I'm a member of the Executive Board of that group. I would remind all of the small processors in this room as well as large processors as well as government there is a vehicle for education and training that's already available. It's been established a hundred years ago or better by the (tape skipped) by and large members representative of the American Meat Science Association who are technically trained meat scientists. They can and do have extension programs and those extension programs can be very definitely tailored to and suited to training on HACCP concepts for small meat processors. In fact, that's already going on. And we need to take -- you know -- be aware of that and take full advantage of it and put a high priority emphasis on training. Coming from Excell and a company who has implemented HACCP on a massive scale I think the fear of the cost of the implementation and writing process is way overblown. I think it is much -- I think you're going to find it's much less -- in reality much less than the fear of the whole process of doing it.

The final thing I would go to in terms of the testing process, again, I have suggested this already to several people in several different states, again, those land grant universities have laboratory facilities and there are state political mechanisms where small processors surely can set up an arrangement, may be a fee arrangement, but it is a fee arrangement at a minimal cost which allows them to utilize the testing facilities that are available to them in those land grant universities and/or their state agency lab. There's
got to be some simplicity in that that can be worked out and are going
to minimize the cost to small processors. I think all of those things
need to be kept in mind as we go forward.

Final comment. I would agree with Nancy, folks. Again, I lost a
son to a drunk driver and the thing that grates on my nerves is to hear
people talk about the cost of doing something. That's a non-negotiable
item when you face it. So what if you lose your business. I guarantee
you that's a very, very small loss. I grew up on a family farm that I
would love to have gone back to but it's not a viable way of life
anymore. It's a fact of life. You either are going to keep up with the
times and keep up with the industries that you're competing in or
you're going to be like my family farm. It's still there, we look at it, I
can visit it, we have the neighbors are operating on a much larger scale
farm it for us, nice to go back and visit it, but we don't make a living
off of it. And that's what's going to happen in this industry. It's been
happening since time and memorial as far as I can tell so I don't think
that's going to change. So I don't think cost -- yes, we've got to be
cost effective. We've got to do it in the most effective manner
possible but it's going to happen.

Final comment. We need -- all of us -- small, big, otherwise --
and I know -- I've heard it -- we assume the responsibility and
liability for our product already. We have too long relied on
government as a quality control mechanism for this whole deal. Our
industry should operate without them even in our facilities period.
That's my position. That's the only way we're ever going to gain full
accountability. And it is our liability anyway, our responsibility. We
just as well accept that and go on down the road. We need to divorce
ourselves from the crutch of dependence upon the government.

MR. BILLY: Okay. I'm going to -- it's time for a break. We're
going to break till about ten after eleven.

(A brief recess was taken)

#2 MR. BILLY: Okay. I think the first person I have is Floyd who
wants to say something specific with regard to what Dell said just
before the break.

DR. MCKEITH: Floyd McKeith, University of Illinois. I guess I
qualify in several cases relative to what Dell was talking about using a
land grant institution extension people and a member of the American
Meat Science Association as a source for small processors and how
they can gain information in implementing HACCP. I think there's a
couple of issues that we should discuss relative to the logistics and
the timing of the implementation of HACCP. The reason I'm here today
is to gain a better understanding of what I need to do to help our
processors conform to the HACCP program and changes in inspection.
In the State of Illinois we have roughly four hundred to four hundred
and fifty state inspected plants that are small as well as a couple
hundred federally inspected plants that are small and as I look at the
training issue that I'm faced with, if we figure two to three people
from each of those plants to be trained it's eighteen hundred people.
That's something that I'm not going to be able to accomplish overnight.
It will require some time. Coupling with that, as we discussed, sample
analysis and Dell pointed out there are state laboratories as well as
university labs, I'm not confident that I could get my colleagues in
microbiology to jump in and pitch in and say we're going to run all of
these samples on a daily basis. I think with those six to seven hundred
plants and a minimum of two to three samples per day depending on the
operation we're somewhere between a thousand and two thousand
samples going into one of those laboratories on a daily basis. Again,
that doesn't include the daily sanitation operation, average plate
counts, E. Coli, whatever you want to address on those issues, so I'm
not sure that we have all of the infrastructure that we need for this to
happen in ninety days is my point.

Couple of other issues that I'd like to point out or, I guess, bring
up, I should say, more than point out. Right now we have custom plants
versus inspected plants. As we go through, if we greatly change the
regulations or create situations where there will be less plants that
are inspected or they feel financially they can't comply with
inspection their easiest option is to say I want to be custom exempt
and I personally don't believe that's a good option. The control is less
on a custom plant than it is under current command and control
inspection. So I think that that has to be assessed in some way. How
do we deal with custom plants and what role do they play? And I think
the other thing that we haven't discussed much in the last two days is
the issue as it revolves around food safety are all the problems
relative to food safety directed solely at slaughter and processing? I
know Mr. Billy made the point that we should talk about transportation
and potentially retail but there are a host of people involved here and I
think if we want to stand back and say we want to minimize or
eliminate the risk of food safety we ought to put our arms around our
colleagues in food service, our arms around our colleagues in retail, and we probably should mandate some extensive training program for consumers if we want to truly address all the facets of food safety. I heard someone make the comments let's make a mandatory food safety course in high school for students. Make sure they understand how to use food. That's probably not a completely unrealistic approach for the future. There's a lot of different issues on the table and I think that all of them are important issues and I think that everybody agrees that food safety is extremely important. Thank you.

MR. BILLY: Marsha?

MS. ECHOLS: Marsha Echols with the Specialty Foods Association. I'd like to go back to the theme for this morning because I think we're combining several topics or one or several portions of the theme for this morning.

And in doing that, looking at the first point, as a general economic impact of HACCP. I assume that's there because the law requires USDA to do an economic impact assessment of the rule on all companies and on small businesses. We're doing this and we're talking about economic impact and costs because the law says it has to be done. That doesn't mean that small companies are not interested in producing safe foods. But what we're trying to do is to say in making the economic impact assessment USDA should take into account real considerations. That's all we're suggesting and I think that anything that says something contrary is really misconstruing the intent of the companies which have made presentations or the associations which have made presentations on this point. We're trying to suggest how you might do a better job of assessing the economic impact of HACCP on small companies. That's the first point. We're asking you to do what you're required to do by law and to do it very well, whether you're looking at the impact of this on consumer prices, on small businesses with the huge impact of fixed costs on low volume producers and so on. So food safety is the primary goal of all of us but economic considerations do have to be taken into account by law.

The second point is that I said before, many people have said I want to repeat, we are interested in producing safe food. We're interested in it for moral reasons, we're interested in it for business reasons. And that is a consideration of certainly the members in ASFT but I think of most companies. What we have to realize is that at this point we're trying to revise the system or devise a system so that the
majority of companies which make safe food change their procedures and perhaps their added cost because the small number of people who might make unsafe food and cause a catastrophe but the majority of companies are about to undertake something that they might not need. It's not that they're not making safe food right now. So that when we begin to say a company which might have to go out of business or bear huge costs should -- that's a minor consideration -- certainly it's a minor consideration in comparison to a life but it's not absolutely necessary in all cases because you're telling companies maybe to go out of business even though they already are making safe food. And I think those are the types of things we have to bear in mind. To have a company say I don't agree with the way you want to proceed towards safe food to make that company seem almost immoral is not appropriate. The company is just saying here is a time for discussion, we are offering alternatives, we are offering suggestions, we are offering information to be taken into account and that's the way, I think, the spirit in which we should proceed for the rest of the afternoon. Thank you.

MR. BILLY: Okay. Rosemary?

MS. MUECKLOW: Now that I've recovered my equilibrium. This is Rosemary Muecklow, National Meat Association. I've given my personal assurances to Mr. Taylor that I don't walk around with cockroaches in my purse to produce for diversionary tactic. We can come back to the issue at hand.

I would like to suggest to you that -- and some of you have heard me suggest this analogy previously -- that what we're really doing is talking about changing a system that might compare to a freight train rolling across at relatively modest speeds across this country coast to coast and we're devising a system that will more look like a light rail system and nothing that's on the freight train really fits the light rail system but people don't know how to operate it, it runs on different tracks, it serves a different purpose. We're changing from one very large system that has worked pretty well for ninety years but needs changing and how do you do it to make the new system to look like that light rail system. It's a very complex tricky problem. And the very fact that we're all here this week again to talk about some of the kinds of changes between what we have now and what would best serve us for the future is to be commended. The Department is to be commended even though they came kicking and screaming to this process, but
they're to be commended for being here today to realistically talk with
the people who make the system operate. And it is terribly complex.
The -- certainly the constituency I represent, and I know some other
organizations who are not here today but who were here last time feel
like this, and there are other groups around this table who you have
heard from, nobody is saying that people, because of the size of their
business, should be exempt from producing safe food. And anybody who
suggests that we are need to listen to the message very, very
carefully. We've certainly heard from some people this morning who
talk about what many, many small companies have done and it's
possible the companies that belong to organizations are higher
achievers than some low rangers out there. Not always a true
statement for every consideration but they clearly gone out and sought
advice and information on how to improve their business because
running your business better, producing safer food, and producing food
that people don't have problems with when they eat it, assures you of
repeat business. It's not even like buying a car which you may do every
once in every three, four, five, ten years, whatever. It's food we eat
every week. And we like people to eat meat every week. Because of
the concerns that we had as an organization, we joined with other
organizations and we got together and we put the ground stones around
an organization called the International Meat and Poultry HACCP
Alliance back in early 1994 and I'm pleased to tell you Steve Krut is
the president of that outfit -- Steve? Whatever. He's the chief
official and I submit to his authority when he tells me to jump. He
didn't tell me to jump today on this one but the organization has just
concluded developing its accreditation program and this is an
organization that has reached out to people in other countries, some of
our major foreign competitors, the people down under, Canada, etc.,
who are already participants in this activity. And we've talked some
about all playing off the same hymn book. It would be very useful and I
would strongly urge that the Department consider working with the
HACCP Alliance in order to develop training programs that can be open
to anybody who wants to take a training program on HACCP and they
can all get the same kind of accreditation from it. This is a big, big
task out there and if we get some standardization to the training then
they're all going to end up five -- ten years hence with a better
system. If we perpetuate the separate systems for USDA doing their
own thing separately in their own training center then we will have
lost a major cooperative effort to bring safe food faster to the tables of American consumers. So we would certainly urge the involvement - the active involvement in that kind of training with all of the other people who are interested. We understand that as you take HACCP and you use it for a regulatory purpose you may have some things that you need to add for regulators and -- you know -- you should certainly have the right to do that but for basic HACCP I've listened to Dane Bernard long enough, I've listened to Bruce Tompkin long enough, they're experts and I would hope that they would say yes, we all need to start from the same basic learning book and there may be some bells and whistles that different people need to put on to it for their different applications and that will certainly apply to regulators. But let's all get in and learn together. Let's not start people on different tracks. I believe that there are firms in this industry and probably some in this room who already have operational HACCP programs for their businesses. I think as you look towards bringing this light rail system into our inspection program that those firms are ones that can -- are ready to begin to cooperate with the government much more closely than firms who are learning about it first time and so as we look to how we move forward and the agency has a huge responsibility because it has lots of people that it has to train and I heard some discussion last time that they're going to get three weeks of training. That's a lot of time and we already heard from Illinois today about how long it's going to take to train plant employees in three day trainings if FSIS -- they won't be ready by the year 2020. And so we need to think about how to take again the freight train system and put it on to a light rail and one of the suggestions that I would make is that as we do this talk about a phase-in and at first you might want to welcome into the world of HACCP with the numbers of people that you can make available that will be trained to inspect by these principles invite in firms in the first round that are capable and have developed and instituted HACCP programs. I think that that might serve us very well to phase into this because I don't see an exemption. There's no exemption from food safety. You ask Dane Bernard if a firm with two employees ought to be exempt. Nobody should be exempt. But there does need to be a recognition that what applies to a firm with 20,000 employees may be significantly different from what applies to a firm with two in the way that it is applied. They all need to understand the same safety issues. But the firm with the 20,000 may have the
resources to jump on this light rail system next year. The firm with
two may need a lot more time to get there. Kim muttered beside me
when we talked about having a class in high school, she said why not in
junior school or in elementary school. That’s right. I mean the nine
and ten year olds are cooking the meals now at home and selecting food
in the counters. We need to start a lot earlier than kids in high school
in teaching food safety and it needs to become part of a basic
curriculum and our industry needs to work with the government to that
end.

The final point I’d like to make is that when we define a small
business and we spoke to this very strongly in our comments there is a
recognition under the laws of this country for what a small business is
and as we think about phasing people in and requiring them to do things
over time as a phase-in I think we need to look to the standard of
small business definition. As I said at some previous occasion, I think
Tom Billy at the Kansas City meeting when he was thinking aloud and
hearing from so many small businesses there may need to be a
different step and a longer step, particularly when we hear about
complications here this morning for the very small businesses because
they have very unusual burdens as we heard from some of them this
morning that go all the way from slaughtering at the back door to
serving the food on the plate at the front. Those are very complicated
businesses. But they haven’t been ignoring safe food. If they had been,
if they didn’t have standards and principles for producing food that was
safe they wouldn’t be here at this table today. They would not have
survived in the competitive marketplace. That’s all I would like to say
at this point. Thank you.

MS. DEWAAL: I actually have a question for you. You handled the
seafood HACCP rule. By the way, this is Caroline Smith Dewaal at
CSPI. You handled the seafood HACCP rule and that rule is approaching
its completion over FDA. There was a very large small business
component to that rule as well. Can you just share with us what the
reaction was in the seafood industry to that?

MR. BILLY: Well, the seafood industry as a general matter is
broadly supporting moving to a HACCP based system for inspection and
has embraced the idea of a phase-in over a one year period of time. It
may well be that in the case of the seafood industry they’re starting at
a different point in terms of their responsibilities under a different
kind of inspection regime, what they recognize as their
responsibilities and in terms of looking at process control type systems across the whole spectrum of that industry. With regard to your question about size, using a similar definition I think it was three million dollars worth of sales -- either two or three -- I can't remember for seafood. The vast majority of that industry is smaller than the definition that was used similarly in our proposal for identifying a small plant from a large plant so there's a very close parallel in terms of a preponderance of very small plants in that industry like there is in the meat and poultry industries.

MS. NEIDLE: Diana Neidle. I'm with the Consumer Federation of America which is a non-profit association of some two hundred and forty pro-consumer organizations, membership about fifty million if you add it all up.

It's important to all our members and indeed to all consumers that raw meat and poultry we buy be safe enough for us to cook and put on the table for our families and I'm heartened that this discussion has focused primarily on how do we get to HACCP, how do we get to safe meat and poultry when we're a small business and can we reduce the cost in that how and I think we very much support that there be performance standards that apply across the board for every size but we also see flexibility in how USDA and others work through the problems of small business of getting here to there. I just want you to know that consumers just feel, frankly, that meat produced and sold to them should not be so contaminated that people in their own homes have to maintain a sterile surgery for every implement, counter top, or cutting board that is touched by meat and poultry. Those of us who have gray hair here know that we didn't used to have to do that. There have been new emerging bacteria and germs which are much more threatening than they used to be. We also know that it's been estimated at the real low end by CDC experts that food-born illness is responsible for a minimum of 6.5 million illnesses at least and 9,000 deaths in a year. But maybe even more important to think about is that the very young, the elderly, the pregnant, the chronically ill and those with weakened immune systems are at risk for very serious illnesses and death from food contaminants. Now when you are cooking at home for your family and you think about it, a great, great many families have one of those at risk people sitting around the dining table at night. And -- you know -- it's not any wonder that today's home cooks
begin to look for substitutes for meat. So I'm talking not only about
consumer health, I'm also talking about consumer confidence and I
think it would be shared by both business and consumers that we all
want to shore up that seriously eroding confidence in the meat and
poultry that consumers buy. It's a real problem. In order to rebuild
that confidence we have to have these microbial and sanitary
standards to be set for everyone and enforced for all types of business,
small and large. Unless that's done you can't regain consumer
confidence. How does the consumer know where that particular
package of ground meat came from -- that it came from a very small
operator and they couldn't phase it in until six years from now and
therefore you would have actually preferred to buy it from another
company that did have a HACCP plan. This doesn't work. I mean from
the consumer point of view it's got to be a uniformed standard and I
think that that is the only way that you in the meat industry will be
able to halt this kind of dip in people's confidence and therefore their
minds of meat.

The economic and labor impact of HACCP on small businesses
should be reduced without lowering these microbial standards. And I
think that is really the most important thing. Daily microbial testing
should be required in all plants and the frequency of such testing, of
course, should be tied to volume that they produce so that it would be
less frequent in the very small plant. Moreover, the comment record
and USDA's issue paper on the economic impact of HACCP indicates
that there have been many constructive suggestions, both within USDA
and from the many who have commented, a way federal and state
inspectors and FSIS itself can help the smaller business with technical
assistance, paperwork, subsidized labs. So it is my organization's
feeling that although lessening undue economic impact on small
business is a problem it is manageable and CFA is confident that
solutions can be designed that do not lower meat safety standards.
That, after all, is the bottom line for consumers.

DR. MCKEITH: I'd like to make one comment. Floyd McKeith,
University of Illinois. I don't think that we can make the statement
that our food is less safe today than it was in the past. I think there's
probably less pathogens in food today than there's ever been. Twenty
years ago we had to clean the kitchen or we had to have a better
immune system or we had to have something to protect our food just
as much, if not more, than we do today. I don't think we can make the
assumption that pathogens are on the increase and that we're creating
a host of new genre of microbes that are hazardous to our health.
We've had a lot of them around for a long time.

MR. HANSEN: My name is Bernie Hansen. I'm a small food
processor from the State of Kansas and I'm also serving as the
President of the National Association of Meat Purveyors so I represent
a group of those people that are highly involved and have been for a
long time from the HACCP round table to today. We have never, ever
wanted to sacrifice food safety. It enlightens me that there are so
many approaches to where we need to go. I think the thrust of the
thing is obviously how we get there. In my realm of business
responsibilities I also run a cheese company which is under FDA, very
much different than USDA, but my focus for management and food
safety are no different about the products that we put out. Certainly
as business people we have one side of our brain that says we have to
address costs to stay in business. That's simply survival of the
fittest. The other side says that we have to be accountable for what
we do. Dane mentioned earlier or he was asked by Mr. Taylor if HACCP
applies to the smallest of businesses and I guess Dane will get hung
with that all through the day clear down at the end of the table. I think
that somebody opted to talk about the operation -- call it whatever you
want -- that kills one sheep and one beef per day may have the best
HACCP program of anybody in the country because once you get outside
of the realm of one or two people what this becomes is education and
training in order to accomplish the same thing but they've probably
been accomplished and that's doing all the work themself and doing it
correctly. They may not be documenting but they are, in fact, doing the
steps that makes the product right at the end and would probably be
subject to be the first ones to go out of business if they do it wrong
because they're probably doing it for an individual and if they do it
incorrectly they would be out. So I think that it does apply. When you
start looking at near term initiatives, when you start putting command
controls on it, that's when the fear factor sets in -- can I meet that.
The cost thing obviously then becomes a factor if they think the
answer to HACCP is to put another cooler unit -- refrigeration unit in
the cooler to meet the time criteria which may not affect food safety.
So we've always been an advocate that we do have to have some
testing. We do have to have some baselines to work towards and that
can happen through the Meat Alliance, through the HACCP Alliance,
through the scientific people. And so we're very concerned that there
is flexibility and that's a phase-in period but not from a standpoint of
not having food safety but merely from establishing guidelines that we
can work with and avoid the overlap which has and continues to be a
problem for all of us. We've got one very definite of standards and as
we transfer to critical control points those at times can stand in the
way of making those two function together. So I think back to what
Bruce said, it's very much a training and education. During the round
table there was a fair consensus that our people and your people
needed to be trained out of the same book and on the same lines and
were talking about the same critical control points, and how they do,
in fact, affect the end product and our accountability. I think that I
have never in my twenty some years of business, and I've always had a
meat inspector in my operations, that they were the ones that were
accountable for safe food. I have never understood where that came
from from my standpoint as a business person. If I thought the
inspector was there to do that I had the wrong approach about running
my business. My contention's always been that HACCP is merely a way
of identifying the critical control points that makes us better business
people, not only from an economic standpoint but certainly from a safe
food standpoint and I think those two are certainly tied together. So I
think that that obviously is a perception out there that we as an
industry have to overcome with the consumer. I still contend -- and
we are talking meat but we really need to be talking about overall
education, farm to table. We have lots and lots of people out there. I
was in a tofu plant not too many years ago and I guarantee you that
cockroaches like tofu and I was startled by what I saw in that
industry. I would not have operated one minute in the environment that
I was in with some very intelligent people that didn't understand about
food safety. I was also startled a couple of weeks ago when it was all
over the news and in the newspaper that some scientists found out and
announced that your dish rag contains bacteria when you leave it lay on
the sink for a week. That tells me that we have some certainly
devastating problems in front of us. That applies to food safety and it
doesn't matter whether it's meat or what it is. That's the education
part. So we have to grow into where we need to be at the level we
need to operate together and I think the fear factor obviously comes --
one of the concerns I've always had is that mom and pop doing the two
head a day could certainly test themselves out of business from a
financial standpoint. I'm not sure it creates better food safety. The other fear is if they're over documenting and in fact taking away from what they were doing good before they started documenting and so there has to be some tolerance in there from that standpoint but not from a food safety standpoint. So I think we're all talking about very much the same things -- how we get there -- because it is a big task that's certainly important to all of us. Thank you.

MS. DONLEY: This is Nancy Donley from STOP -- Safe Tables Are Our Priority. Just in case, this has kind of been alluded to and I just want to clear up something if there's any misconception with anything that I've said on behalf of consumers. If it came across that I'm saying that hey, small businesses are less concerned with food safety I want to set the record straight, that's not at all the message I intended to get across. And that many -- I'm sure there are many, many small plus food processors who have very good quality safe product. My point was and is that I'll go back to my earlier illustration of my own personal experience working in the garment industry where my company went out of business. They produced a good garment, a good product, and they did right up until the doors closed. The problem was that they just couldn't keep up or wouldn't -- financially had the resources or didn't want to face facts that their suppliers were or their customers -- excuse me -- were requiring some new and different. So it had nothing to do with the quality of the product that they had. Once again, it's just a survival of the fittest type of thing and I mean it would be very, very sad to see smaller companies that do indeed go out of business because you know what, they can't keep up anymore. It doesn't mean that they're a bad company. It just means that times have changed and through attrition this is what's happened. But I want to make it clear that I'm not saying if they don't want to do it it's because they're not concerned with food safety.

MR. BILLY: Richard?

MR. BECKWITH: Richard Beckwith. I think one of the big bones of contention in regards to small business is the sampling error -- the whole daily area of sampling. It's kind of a quick and dirty approach and I think it could probably could come up with a more scientific basis for sampling, sort of prescribed confidence that's either one percent or five percent or something like that, maybe not so much on a daily basis but I'm sure these two gentlemen down at the end of the table -- I took -- -- years ago and I gnashed my teeth through that
course -- but I think we can set it up so that it's equitable and not
discriminatory towards small business. I think the one daily sample is
quite inequitable and discriminatory towards one business. It doesn't
put the small business on the same level as the IBP's and Montfort's
and so on, but I think if we can come up with a scientific basis what
we take two samples out of a thousand or whatever, this gets us past
the problem of doing two head a day and having to take one sample for
the two head or if you do one a day then you're testing a hundred
percent. So maybe we want to get away from the thought of maybe a
daily testing putting this in the realm of a scientific confidence limit
with certain prescribed limits on a certain set sample size for the
number of head that we do. And I think that would eliminate a lot of
the under current as far as the sample goes. Thank you.

MR. BILLY: Eric?

DR. MANNING: Ed Manning, National Association of Federal
Veterinarians. Just a couple of comments on two diversion areas. One,
lest what I say on this first one be misinterpreted, I have been, as
those of you who know me, making very strong recommendations on
better controlling pathogens for over fifteen years. However, what I
hear from a couple of persons here and I hope I'm wrong in my
interpretation is the belief that instituting even a proper HACCP is
going to negate the need for washing hands, counter tops, or cutting
boards in your kitchen at home or probably even cooking hamburger
well done. It will not. It will not. It will reduce the risks and
hopefully greatly but not enough that you're going to be able to start
again eating steak tartar and not washing your hands. I would like to
insert that into the record that I hope this is clearly understood until
we get to one hundred percent irradiation which will never occur with
our present technology. You know -- that can't happen.

The second point that has been alluded to by Illinois and Rosemary
Muecklow and Jim Marsden, etc. is that we have been discussing the
impact really on the impactees as it relates to rapid and effective
implementation of HACCP. We have not at all yet with a couple of
illusions to it referenced the economic and logistic impact disallowing
rapid implementation because of impact on the impactor, i.e., training.
Approximately 8,000 staff of the FSIS in plant are grossly
undertrained in even basic knowledge that would allow them to
understand the HACCP training. So you have to bring the people up to
speed in microbiology and truly assessing what is a risk as opposed to
the smelly shoes, etc., etc. or the condensate even before you think or in conjunction with the HACCP training. And we have also recommending this for years and years. But this is not going to be done quickly or without adequate support from congressional appropriations or other rearranging of appropriations. And this also must be understood because otherwise it can only impact implementing HACCP, even a proper HACCP adversely. Thank you.

MR. BILLY: Eric?

MR. JUGANES: Eric Juganes, American Public Health Association. I just want to, I guess, interject a slight -- well, maybe a very different subject but it was brought to my attention by our membership and I think it fits under Agenda Item A under General Economic Impacts. And that's whether FSIS has considered the economic impacts of treating poultry and beef similarly as to fecal and ingesta and whether those are considered non-conforming. It's my understanding that, I guess, that there's a very large difference economically in not requiring poultry to do the same wash and trim procedures that we require in beef. And I was wondering if this is just based on industry tradition or if there's sound public health science that FSIS has looked at in this issue.

MR. HANKES: Can I make a brief comment to that? You have physical limitations -- excuse me -- Jim Hankes, Illinois Meat Processors. There's a physical limitations for one thing on a chicken trying to get inside the chicken with a boning knife and that type of thing that I think drastically -- if you've ever been on a poultry line or seen people operate you can see what I'm talking about versus the larger more massive beef carcass. So they're looking for the best option available.

MR. BILLY: Bill?

MR. GAINES: Bill Gaines, USDA. As I stated yesterday the requirements for carcasses, whether they're livestock or poultry, either going into the chiller or cooler is the same. There should be no visible feces or ingesta. It is true that for poultry that has contamination on the skin or the internal surface of the carcass may be washed with a twenty parts per million chlorine solution. That practice has been substantiated by the Agricultural Research Service in a couple of studies that have been published. So the standard for visible contamination is the same going into the chiller or the cooler.
MR. LOCHNER: Lochner, IBP. I'm going to take exception to this standard is the same and I'm going to go back to what is proposed in the February HACCP pathogen reduction on fecal matter in poultry and my biggest criticism of that lies in two areas. First, ingesta is not included and ingesta, to me, is indicative of broken intestine which is indicative of a process out of control. Secondly, fecal matter on poultry may be allowed to be washed and I know we're going to have a trim wash hearing -- I guess we're calling it a hearing in October on beef carcasses which I think at that point in time we ought to be talking about how to handle the source of enteric pathogens which is fecal. And I keep hearing why you can't do it in poultry and I keep reading results by generated and baseline data on ground turkey, ground chicken, and ground beef, and I still see enormous differences in the percent positive salmonella. And I think we have to address fecal as a source of enteric pathogens and quit worrying about why we can't do it and figure out how to do it in a very effective fashion.

Now it is true that there are economic differences. In the beef industry, and nobody complained about it, has generated enormous costs, rightly so, to remove the source of enteric pathogens. And I really believe that it's time we looked at the whole process and when we're talking about HACCP, HACCP will not work to improve the process unless we're going to realistically look at each of the process steps and ask ourselves can it be improved to reduce the hazards. If we don't take that approach this is all rhetoric.

UNIDENTIFIED VOICE: Amen.

MR. BILLY: Gary?

MR. CRANE: Thank you. My name's Gary Crane from Perkins, Oklahoma, small meat processor. A few things I'd like to address. First off is food safety. I'm a very firm believer in food safety. I know just about all of your fellow -- my fellow small meat processors are, even the big packers are all concerned about food safety. That's something you can talk to my wife or you can talk to my daughters. I've preached to them over the years we don't leave something laying out on the counter. You either keep it warm or you refrigerate it. I preach this to my employees. That's one thing. I know that's really part of the HACCP program and a lot of the HACCP concepts like Bernie mentioned a minute ago, I feel like a lot of it is being done already in these small plants. It's not a matter of it not being documented. Whatever we do, I preach it to my employees about food safety, the
proper way to handle products, but something else we also do is we have to preach it to our customers, the people who come in and buy products. It's amazing sometimes the way people will handle a piece of raw meat or a piece of cooked meat. In our particular location in Oklahoma we roast a lot of whole hogs. I had a customer last week wanted to pick up a hog at three o'clock in the afternoon. He wanted to pick it up hot. We cook them all night. In this situation we put them in a clean box, the customer pays for the hog, and they go off to their luau party or whatever. After talking to this customer for a while, he wasn't going to use this hog till ten o'clock that night. He had no provisions to keep it warm. He wasn't planning on refrigerating it. So it's -- as has been said here many times before, it is a -- it's a education process that we got to do. I mean all the way from the farmer to the processor, whether it be a large processor, small processor, the employees, all your food service people. Being a small processor we run through delivery trucks. We get like a sixty mile radius from Perkins. Perkins is not a very big town. But being small like we are a lot of our customers are small. We don't get to sell to the big chain stores in our area. We sell to the small stores. You'd be amazed at whenever you go to some of these grocery stores you have a front quarter ordered or a beef ordered or a side of hog ordered where you put this hog. You put him into a walk-in. You open that door and there's a case of lettuce sitting there and it's got spilt milk on it, it's busted eggs laying on the floor, you got to be real careful just so you don't fall down in this and that's where you lay this piece of meat. So there's a lot of education that's got to be done there. You know -- we can keep this meat just as clean and sterile as we can but once it comes off of that delivery truck it's out of our control.

Another point I'd like to make, in 1991, in 1992 for one year, OSU, under the guidance of Dr. Jim Lanke, did a pilot HACCP study at our plant. Their study was done on three products. One was a fully cooked product. One was a partially cooked product and one was a raw product. The results from this study -- the one thing it showed is that sanitation does make a difference as the product goes through the plant but as far as the end product the products -- you know -- they were -- they were wholesome products -- they were safe products but the whole point about doing this one year of HACCP study -- this went from September to September -- was the amount of paperwork documentation that was done at that time and that, for a small
processor like myself, I mean I understand the documentation, the reason for it, but to have to document every single step like we were doing back then I feel like that's something that really needs to be looked at. In a small plant like mine, for example, one of the products that was studied was product we have in Oklahoma called hot links but in a small plant I have one guy. His duty is to make the hot links. We'll make a hundred pounds at a time. That will last us for a week or ten days. We don't make it in ten thousand -- twenty thousand pound batches. I've got one guy that oversees it. He's my HACCP program on that particular product. He weighs out his meat, he weights his non-meat ingredient, he mixes it, he stuffs it, he's the one that cooks it. He knows how hot he's getting that. He knows what kind of meat he's putting in that, whether it's clean meat, fresh meat.

One other thing I'd like to address real quick is we've been hearing about this cost all morning and cost does concern me being as small as I am. Say, for example, I don't have any idea now on the anti-microbiological treatments we were talking about yesterday. Say I have to buy a cabinet and say this cabinet would be made out of stainless steel. Anytime you're talking stainless steel you're out there on the gold market. And just for example if the cabinet costs me twenty five thousand dollars I kill fifty hogs a week, say there's approximately fifty weeks in a year so that's my twenty five hundred hogs, that cabinet's going to cost me ten dollars per hog the first year just to have it. That's not to operate it, that's just to have it. Of course, after I've owned it for two years maybe I'll have it paid off by then and then it's only going to be costing me five dollars per head. I do agree with some of the talk this morning that I think the HACCP should be phased in. I don't think we ought to dump our present system which I have a lot of faith in our present system and I know it has its faults. Can't think of anything in the world that doesn't have faults but I do think we ought to phase it in. One of the reasons I say this, it's like nutritional labeling was. I was exempt under the rules of nutritional labeling but since it's been in effect for three years we are starting to get our nutritional labels. And I feel like HACCP would be the same way with the small processors. The big companies that already have their HACCP plans in place, they already have their in-house laboratories, they already have their microbiologists, hey, they're ready to go, they're ready to run with this thing. To me, they would be an ideal situation to see how it works, to train the field
inspectors, start getting them on line, and I'm a believer in HACCP. I
was around for a year. I do believe it will work but I do believe we
need to phase it in. We can't just walk over to a switch and turn off
one set of lights and turn on another set of lights. Thank you.

MR. BILLY: Caroline?

MS. DEWAAL: Oh. Did I ask to speak?

MR. BILLY: I'd be very happy to --

MS. DEWAAL: You know what I would like to do is postpone it till
after lunch.

MR. BILLY: Okay. With that, you're the last person on my list.

Okay. Terry?

MR. LEIDY: I'm Terry Leidy. I'm from a medium sized pork
slaughter and processing business. We are four generations and we've
been in food safety ever since my grandmother told me that if it isn't
good enough for her it isn't good enough to sell. We went through
different stages of food safety from county, through state, through
federal, and it's about every twenty years this happens. We are
prepared to get into HACCP as soon as we know for sure what we need
to do but I think the timing is critical for us because if this time
period is say two or three months we might not physically be able to
do it. I just want to make sure that's on record. Thank you.

MR. BILLY: Richard?

MR. BECKWITH: Dr. Manning and I had a good discussion during
the break and I was talking about something that I tried in a small
plant. This is Richard Beckwith. In regards to the meat and cooling
requirements, chilling requirements. One thing that I found is that on
your chill box you can really turn it down and get a longer shelf life. If
you can run it at twenty degrees you're going to gain extra shelf life.
On the flip side of the coin what you wind up with, particularly when
you're killing hogs, we kill all species from sheep, goats, and beef, and
everything, but particularly on a hog kill what you're going to wind up
with is condensation. Now, I'm not so sure that having a little bit of
condensation negates the effect of a longer shelf life. I think this is
something that we might want to look at is in regards to what is
better -- you know -- cooling it down quickly may be getting a little
bit of condensation on the product or -- you know -- having no
condensation and chilling it quickly. I think it might be something, like
I've said, I've done it on an experimental basis and it seemed to work.
But on the flip side you have the condensation. Once you got that with
Mr. Billy: Okay. I'm going to -- did you want to speak?

Ms. Carter: Yes, please. I'm Shawn Carter. I'm from the Office of Advocacy at the U.S. Small Business Administration and I just wanted to bring up the issue of size standards that we haven't really addressed here today. I know the standards set by the FSIS is 2.5 million and from my conversations with the industry experts and from small processors that standard really isn't inclusive enough to cover the small businesses -- the number of small businesses -- and if the goal is for all small businesses to benefit from the programs and assistance that's going to be made available from USDA then I think the issue of size standards needs to be addressed. The sides which I'm not aware that USDA has cleared that size standard with FDA and I understand that according to the statutes that that is supposed to be the process. So as it stands, as far as I'm aware, the size standards set by USDA is rather arbitrary.

Also, I'd also like to address farm to table issues. Some people have touched on it today and if we have the best HACCP system in the world as far as the processors are concerned and we eliminate most of the food pathogens -- I don't know if any of you saw Prime Time last night and the restaurants that mishandled food had rats and roaches and all sorts of rodents and poor sanitary conditions -- if we don't address farm to table issues we can have the best HACCP system in the world as far as processors are concerned and it's just not going to make a difference. And given the impact on the industry and the ramifications and the uncertainty about all of the implications so far we can still largely untested I really think we need to address the farm to table issues thoroughly.

Mr. Krut: Steve Krut. Could I just ask a question of Shawn? Could you explain the SBA definition for small business as it currently stands?

Ms. Carter: The SBA size standard is for five hundred or fewer employees and I have -- there are several industry experts that are in agreement with the agency that that should be the size standard rather than the 2.5 million -- is it gross receipts, annual receipts -- and has USDA looked at size standard and why was that particular one rejected?

Mr. Taylor: This is Mike Taylor. Let me make a couple of general comments. There are different ways in which you referred to
the possible relevance of designating a plant as small. In our proposal
the one significance of that had to do with the time that we proposed
to allow certain plants to comply with HACCP specifically and the
proposal says that if you live within our proposed definition of small
plant and we chose, as you know, 2.5 million dollars annual sales, we
would allow thirty six months -- three years -- to comply with HACCP
as opposed to shorter time frames for various types of plant
operations that exceeded the 2.5 million so that slaughter plants
generally, I think, were thirty months and -- you know -- the first
plants I think were ground product plants, for example, would have
come on soonest if not in the small category at twelve months after
the final rule. So that's the purpose for which we proposed to
designate certain plants as small. 2.5 million -- there is no magic
figure. I mean there's no magic to this. I think we estimated roughly a
third of the plants that we inspect, and correct me if my recollection
is off, fall within that definition of small plant.

MS. CARTER: Federal as opposed to state inspected?

MR. TAYLOR: Well, I think a larger number -- significantly larger
-- I mean percentage -- I think -- I don't want to guess but it's
probably way over half of the small state inspected plants would be
small within that definition. I guess I would be interested in comment
from around the table from folks of what percentage of meat and
poultry plants -- we would start with FSIS inspected -- federally
inspected plants -- employed -- you know -- firms employed fewer
than 500. I assume the SBA definition would apply to a firm.

MS. CARTER: Well, I have firm and establishments. I have the
census data here that breaks it down.

MR. TAYLOR: The percentages would be plants or firms that
would be within the definition of small business under that standard.

MS. CARTER: All right. The number of firms with 500 or fewer
employees is 241 which represents 77.5 percent of the industry.
Establishments number 250 which represents 47.3 percent of the
industry. Total employment in numbers represents approximately
16,500 and estimated receipts -- annual receipts are 2.5 billion which
is 2.7 percent of the industry.

MR. TAYLOR: On this issue of time frame for implementation
what we're grappling with is some basis for judging what's a
reasonable rationale time frame for plants of varying types as well as
size that would be expected to comply with the HACCP requirement and
so we need some way of differentiating it's practical in light of our particular need. I know we have certain legal obligations that our lawyers will be sure we comply with as far as the statutes that Small Business Administration administers.

The other issue you raised I think is very important is that for -- we did not address and I don't know that we need to address the definition of small business for purposes of the assistance programs. We're going to have an array of assistance activities that are available to all plants that we think will be of most value to the plants that are at the lower end of the range but that's certainly not limited by the 2.5 or any cut off. We intend to provide assistance very broadly.

MS. CARTER: Even as you said for purposes of time frame for implementation, if -- the size standard would still make a difference there and I know there are certain practical implications you guys need to take into consideration. But the greatest number of small businesses is possible could have the benefit of a lengthier time with which to comply then I think that's an objective we need to look at. So that was my point there.

MR. BILLY: Okay. Let's break for lunch.

MS. FOREMAN: Tom, could I?

MR. BILLY: Sorry.

MS. FOREMAN: Thank you. I just popped up. I'm Carol Tucker Foreman. I am a small business owner. I'm not in the meat business but I am a small business owner and I chafe at rules and regulations and paperwork, I suspect, just like all other small business owners do. However, and I have always been a very strong advocate of having USDA offer assistance to small plants in order to help them comply with those regulations, the purpose of which is to protect public health. I think it's incumbent on the Department to do everything it can to help small plants do those things that make it possible to stay in business without compromising the healthfulness of the products that they sell. Given that, there is no right just because you're a small business to sell dirty product or to violate the law. Unfortunately, the law applies to only that part of inspection that we're here talking about today. There is no federally mandated inspection of farms and it will be a cold day in hell, folks, the day there is. There is no federal inspection of restaurants. There's no federal inspection of retail stores. This -- here has no ability to act on the farm to table continuum except as it applies to the area from slaughter to final processing and sale. In
return for the burdens that are imposed on business in that particular
part of the continuum a value is returned and that is the USDA seal of
approval. The USDA seal that says wholesome inspected and it seems
to me that if plants -- small plants are going to be exempted in any
substantial fashion from complying with the new pathogen reduction
and HACCP regulations that then you must consider withdrawing the
seal that tells the American public this product's been inspected by the
federal government at a cost of 600 million dollars a year to the
American taxpayer and therefore you buy it knowing that it's not
inspected.

MR. CRANE: I've been here all morning and one thing I have not
heard is that we asked to be exempt. We have not asked for that --
none of us small meat processors.

MS. FOREMAN: Excuse me. I should be addressing that to the
Small Business Administration representative because I did hear that.

MR. BILLY: Rosemary?

MS. MUECKLOW: Tom, I'm sorry that Carol -- this is Rosemary
Muecklow, National Meat Association. Carol missed our earlier
discussions and, again, I would re-enforce the fact that nobody is
suggesting that anybody be exempt from producing safe food. In
addition to what I said earlier, maybe the pivotal point and certainly
this fifth day of discussion brings it into much clearer focus than
we've been able to see it before is that businesses would like to know
with some certainty the expectations of the government and it's been
very helpful to discuss with government officials what their current
thinking is but we're now talking about adopting a regulation that is
going to make substantial forever changes in the way that these people
are regulated by their government. And what they want to know is
some level of certainty about the kinds of changes that they're going to
have to make, whether they're as big as IBP or as small as some of the
firms around this table that you've heard from, they need to make
plans. When they buy the stainless steel wash cabinets or pave the
parking lot or whatever it may be they need to have certainty and every
day my telephone rings and my desk overflows because even the
present system does not provide certainty. And that's what people
expect. We've talked about some changes that are going to increase the
uncertainty -- the blueprint approval that we discussed a couple of
meetings ago. I'm here to tell you that I'm struggling with a very
innovative good sized company right now because their local assigned
IIC doesn't happen to like their viscera table and he won't let them fix anything else on the kill floor until he approves the viscera table. He's been told by his circuit supervisor, been told by his area supervisor, the viscera table's okay. But as soon as they disappear he pulls the plug again because he wears the badge of the federal government and he's in their plant every day he has the power of seeing whether they operate or don't operate. Nothing to do with food safety but it's the certainty issue. This is just a minor example of -- this guy doesn't happen to think it's minor but it is a minor example at this table that we've got a lot of pieces that we need to fix in changing what I described earlier as the freight system into a light rail system and until we can begin to tell people with certainty that this is the expectation that they have to meet and this is how they can be sure that when they open at six o'clock in the morning they're going to be able to run their business till two thirty without unnecessary or improper stoppages. They're building their lives on it. These people have a life long commitment for repeat business and most of them in the industry, as in all industry there's going to be one or two bad eggs, but most people want to do the right thing and want to meet the requirements of the law and it's the certainty issue that is very, very unnerving to people. They don't know and I'm not sure that they're going to take away from these meetings any more assurance of certainty of what their government is going to have in terms of an absolute requirement and those absolute requirements have to be reasonable.

MS. FOREMAN: Mr. Billy. Since Rosemary invoked my name I thought maybe I ought to have a point of personal privilege. Running a small business rather than representing a trade association I have difficulty being here all of the time although this is the first time I haven't been among the first to present. But having said that -- you know -- I agree with almost everything Rosemary just said. What I thought I heard on the first day of these meetings was that FSIS was moving through the top to bottom review to get rid of most of those very, very painful decisions and conflicts that arise between inspectors in plants because of the nature of the present inspection system and that HACCP would in fact, if implemented correctly, give you precisely the kind of certainty; that is, an approved HACCP plan and performance standards that you can clearly demonstrate with numbers that you need and that Rosemary seeks and certainly having had the
responsibility for this system for four years and experienced the
costant conflicts between inspectors and plant owners I think is way,
way overdue. It is something that’s needed. I got six hundred and some
odd pages of top to bottom review and there are commitments made on
the first day of this meeting certainly did make me think you were
moving in the direction of getting away from requiring stainless steel
cabinets and that sort of thing as long as you got a validated HACCP
plan and can meet the performance systems that the Department sets
for it. I think that’s what we're all in favor of.

MR. TAYLOR: This is Mike Taylor. Rosemary, your point is very
important one. I want to be very clear that I understand what the sort
of policy consequence is of this need for certainty and it really goes to
the point that Carol was making because a way to provide certainty is
for FSIS to approve every last thing in the plan and once we approve it
you've got certainty as much as it can be humanly provided. The other
way, what we're talking about is a fundamental shift along the lines
of, again, certainly provided by the company being responsible for
HACCP plan which meets a certain performance standards and then our
having more objective science based means of verifying whether you're
doing those things as you designed your system to do it. You help me to
understand what it is you were suggesting we do to meet the certainty
need.

MS. MUECKLOW: Again, and -- you know -- I can refer to this
case study example. How are we ever going to change, even through
training, the mindset that are in the minds of many of those sixty five
hundred people that you've got walking around plants? There are
people at this table that you had them even close plants because they
chose every obstruction they could to either slow a line or stop a line
and it happens every day in this industry and we're going to deal with
more of that. That retraining, that retraining of a mindset is going to
be one of the most enormous tasks that we have. We have it on our
side because we've got to retrain and -- you know -- when we talk, for
instance, about blueprints the other day, there is a belief that if you
submitted a blueprint and it got its stamp over in the blueprint office
then the structure, the facilities, and if you got the equipment okayed,
then you've got something to work with. If we're going to make every
assigned IIC an expert in whether the plant layout meets the HACCP
standard and there are no two plants alike in this country. I doubt
whether even Jim Lochner has two that are alike because they're all
very depending on climate, all sorts of variables, where the cattle
come from, where the road is, and all the rest of it. The -- if we're
going to make that IIC an expert in saying that this one meets their
HACCP system what is their appeal from that and especially when they
bring a new piece of equipment in. That is why I suggested to you the
other day that there may be some opportunity in order to give some
assurances on things like this that you have a cost recovery program to
find and to give people expert advice on whether that particular layout,
whether that particular piece of equipment, whether those particular
chemicals they're using are acceptable. I realize you want to get away
from that but that kind of certainty will give people an idea. It also
goes to all the other things that we've been discussing for the last few
days.

    MR. BILLY: Richard?

    MR. BECKWITH: Richard Beckwith. I think that certainty aspect
can be dealt with with a good appeal system. I think right now they
don't have really a good appeal system. That's the way it is and there's
no real good approach to a particular protest so maybe this is
something we might want to look at is a step of appeal.

    MR. BILLY: Okay. Anyone else sneaking up to the mike here? I'd
like to now break for lunch. Have everyone back in at two.

    (A luncheon recess was taken)
AFTERNOON SESSION

MR. BILLY: We'll get started. There are a number of people that indicated interest in speaking on the subject this morning -- economic impacts and those considerations. So I'd like to resume with that topic. We'll play it a little bit by ear but I sense that another half hour to an hour we may pretty well cover all of the key issues and have the discussion we need to on this area. We'll see. And then we'll start with the session that deals with taking account of the impacts on religious and ethnic slaughter and processing practices.

The first person I have on my list for this afternoon is Caroline.

MS. DEWAAL: Thank you, Tom. Caroline Smith Dewaal of the Center for Science in the Public Interest. With one exception, a lot of what I heard this morning I think was very, very promising. I heard that small businesses really don't want an exemption from the rule but there are a lot of concerns about implementation and that testing, I think Richard Beckwith made the point quite well, that testing needs to be more equitable. I think that one of -- there were quite a few things also that I found disturbing but focusing for the moment on the issue of the interim standards or the interim initiatives or the near term initiatives -- however we want to phrase it -- a statement was made by a representative of the American -- of AMI -- that said that the problem was that the near term initiatives were like putting the industry's feet in concrete as they were walking up the stairs of HACCP. Well, that's really not true at all. Temperature control and sanitation are fundamental aspects of food safety. There are aspects we teach consumers, there are aspects we need to teach food handlers. We need to do a much better job and there are aspects of slaughter and processing of meat products. The temperature, I think that we have seen and supported in the Administration's proposal was the concept that those elements of the HACCP system should be brought on line as soon as possible. They should be brought on line. They're basic, they're fundamental, and they should be brought on line quickly. We strongly support that. I think that you need to look at it in terms of moving towards HACCP by degrees and the first step is getting temperature -- your temperature control in line and your sanitation in line, getting your micro sampling programs up and running as you move towards fully doing the rest of HACCP -- your hazard analysis, developing all your other critical control points, and then finally validating plans and validation of plans is very important and I think is going to offer small
business a lot of the certainty that they are looking for in terms of making sure that the HACCP plans are effective and that the costs are worth -- the costs are worth what they're going to be gaining from them. So I think that at this point there are a lot of ideas on the table but I think the industry needs to be looking at solutions -- how to move -- this is the direction that the industry needs to go and there -- there is just -- I mean with few exceptions nobody wants to be exempt from that. People really do want to move in this direction. So I think it's up to the industry to move the debate forward in terms of how to get there as quickly as possible. From our standpoint these -- temperature control of red meat is long overdue and the fact that some plants it's going to be troublesome for some plants to come on line. I just have real concerns that we not delay needed food safety protections that the Department perceives with interim measures as a step towards final HACCP implementation and that there is really a lot of positive stuff being said by many of the small business people that I've heard speak today. Thank you.

#3 MR. BILLY: Steve?

MR. KRUT: Steve Krut with the American Association of Meat Processors and, I guess, Caroline, you were kind of looking at some of my notes. I had some of those same things to say. I think you missed a couple of items there but I'd like to cover those.

Just to understand the basic concept of HACCP that you are essentially examining, checking, and looking at all your critical control points and I kind of wish that FSIS would follow some of that same HACCP approach in designing its future inspection program. We have a number of these so-called critical control points that we don't have answers for, and, again, I am very concerned that we may make a commitment to move in a certain direction before we have key elements and those key critical control points identified. Some of those include the appeals system because what we have today absolutely does not work and, again, under the HACCP concern, with the HACCP concept, if that's not in place and it's not working, it's not a fair readily answerable type of system it will not work. I'll promise you that.

We also have the issue that small business was very concerned about dealing with layering and I understand that there are something like 600 pages of a top to bottom review that identifies large numbers of these regulations that will be eliminated and modified. We have
comment periods on some of these documents as early as the end of
October. I'm not trying to delay anything but that's a pretty heady
document to go through and see what is practical and what is not
practical. If we're truly asking for some things to be -- put it this
way -- obtain general consensus on I think we've got to give adequate
time to looking at that as a critical control point. We do have the
concern that in moving forward we have certain time lines that have to
be met and I'm -- whether you dispute the numbers of 97 percent or 95
percent or 50 percent we still have the area of consumer and public
education that has to be dealt with that answering calls on hot line
does not hack it. With the Secretary's forthcoming public affairs
conference I would like to suggest that one of the items on the agenda
for that meeting be requesting legislation that would mandate food
safety training at least at the fourth and fifth grade level. This is
something that the Department most likely already has the course
materials and basic information on. We teach our children everything
from how to fill out their income tax to how to do a forward roll but
we sometimes forget this is an important element in their lives that
they'll live with forever. The school systems are already in place in
providing that material would be very much a help. We feel that the
small plant sector still has not been shown the cost -- the true cost of
HACCP. In Gary Crane's plant, which was one of the pilot programs,
there are more than a hundred products and many, many processes that
take place in his operation, and the cost was identified for only one or
two key areas. We still do not have the price tag. Small business is
not fighting moving forward. They're fighting moving forward on a
HACCP based concept without critical control points being identified
and certainly the cost is one of those. I'm concerned when I hear that
we have businesses that are not willing to change with the times. I'll
assure you that if anyone in this room operates a plant under state or
federal inspection changes are made in that plant just about every day.
There is a constant upgrading, whether it's surface materials, whether
it's equipment, whether it's condition, whether it's any area of the
plant. That's subject to a continuous inspection and continuous change
policy and if you're skeptical about that, sit and visit with anyone in
this room that operates a plant. This is an ongoing improvement plan
and if you have a six month plan as soon as that's completed or before
it's completed you've got a new set of rules to follow and goals to
attain.
We would like to see, as I recommended at the earlier week's meetings, that we move forward with the training very quickly. We would like to suggest that HACCP training be expanded to include sanitation and microbiological training. And this would be very compatible with what the Department is recommending in terms of moving toward some control in the area of retail and transportation. Again, the concern we have is that certain things like the microbiological testing that that be done on an equitable basis. Even a plant producing handling a thousand steers a day is not going to have a hundred percent guarantee testing once. We just need to make sure that those areas are dealt with on an equitable basis. I'm sure that if we looked at the bottom line this association would strongly recommend that we follow the SBA definition until we see USDA establish a better one and justify why it's doing it at a 500 employee plant level and that we keep the mandatory HACCP for plants above that level until we have the data, whether it takes six months or whether it takes a year, or thirty days to develop a true cost and true effectiveness picture for HACCP as it applies to small complex plants.

MR. BILLY: Okay. Tom Devine?

MR. DEVINE: I want to respond to a couple of points that were made in that statement about layering and delay. I think it deals with the issue of consumer confidence. Of course we don't need an extra layer of bureaucracy but we do need an extra layer of protection -- food safety protection without delay and I think there is a consensus by everyone who's sitting around this table on the necessity for that. And the reason there has to be that consensus is until consumers believe that it's happened your market is going to be threatened and that confidence is not going to be achieved by having the inspectors checking records instead of food. Consumers are going to say that USDA seal is baloney if inspectors are checking paperwork instead of food. And let me give you a few examples why from the fact sheet we prepared from our latest investigations. It's about the quality of the records. One example is that numerous plants omitted testing procedures all together and simply created acceptable results for tests that were not performed. A second example that was caught and forced some actions initiated is that the date that meat and poultry is introduced into products were used to replace the kill rate which was earlier. A third example that's concerned us particularly about too much reliance on the sampling microbe for microbial testing is that a
quantity of known acceptable product is cut to the sampling center. When product fails a sampling test the quantity of the known product is substituted for the retest so the tainted batch will pass. These types of anecdotes certainly aren't the rule. They're the exception. But until -- if we end the premise that inspectors are checking food instead of the records the exception is liable to start getting discredited with having the identity of the rule and I don't think anyone here wants that to occur.

MR. BILLY: Okay. Nancy?

MS. DONLEY: I'm Nancy Donley, Safe Tables Are Our Priority. I too would like to say a couple of things about "layering" if you will. I made a point a couple of weeks ago when we were all here two weeks ago and that is is that consumers want to see USDA inspected meat, not USDA inspected paperwork. And I really feel that that is something -- that's a point I'd like to remake at this particular time. And also I was -- we ended this morning's session kind of with the whole idea of inspectors suddenly their whole role, their whole efficacy all being brought into question and two weeks ago I left these meetings with the feeling that there was pretty much a consensus that industry people thought that inspectors were still vitally needed, that they wanted inspectors to be looking and inspecting product and not just paperwork. That -- unless my memory serves me incorrectly that's what I recall about it. There's numerous, numerous accelerated deficiency notices that just spell out loudly and clearly why inspectors are needed to be on the lines and watched. We need to keep this on a carcass by carcass as a part of the HACCP proposal -- the HACCP system as far as any type of any type of inspection system. When I read things of feces and ingesta was observed on the brisket of one of two carcasses entering the cooler after the final wash, during the carcass final wash operations splash water contacted dirty overhead structures and dripped onto carcasses located below. Incidents of numerous, numerous incidents of rodents and pests. Here's another one -- ingesta unidentified black particles were observed on two out of ten beef carcasses in holding cooler number one and unidentified foreign particles -- black particles were observed on five out of approximately twenty beef carcasses in holding cooler number two. I mean we could go on and on all day with these. One that's really -- and these were all caught by inspectors. This is my point. A blood soaked cotton apron was used to deflect product into a plastic container at
the exposed product exit of the flaker machine. I just want to make the point loudly and clearly, we need the inspectors in there looking at making sure these things don't happen, that contamination can't get through in these particular ways, and looking at product and not just paperwork.

I'd also just kind of like to make one comment about the -- as far as -- also to clear up a couple of things earlier -- points made earlier. Number one is we do -- consumers do absolutely understand through the hard way that there is a farm to table necessity here to be looked at and just so that we're all very clear on this is earlier -- much earlier a point was made that we indeed expecting that if HACCP gets into place will we still have to clean our sponges and counter tops and exercise just as strong techniques of our own. We're very, very conscious of the fact that there is no such thing as a hundred percent guarantee. I find it rather interesting here that the industry is looking for a hundred percent foolproof before they'll accept any sort of a HACCP plan or they're looking for a hundred percent that it will -- you're looking for a hundred percent guarantees of things but yet we're not supposed to. And we're realistic enough to know that we're not going to get a hundred percent pathogen free meat or poultry and that we have a certain amount of responsibility. And, yes, do we need to educate? Absolutely. But let me tell you something. Food safety in the fourth or fifth grade -- I find that rather interesting. If my son were alive he would have been entering third grade this year. His classmates know food safety inside out and they had to learn it the hard way. They had to learn it because they had a little six year old classmate die because of pathogens in hamburgers that they all used to eat. These little kids can go up and they will tell you that they cut open their burgers and they look at it. But they had to learn it the hard way and they had to learn it as an after the fact type of situation. I'm just saying, yes, consumers, we do have to take on a responsibility that when they receive the product that they take certain precautions but, once again, we do expect it to be just as clean and pathogen free as possible and that you use every single technological process that you have available to get it to us that particular way.

Lastly, the -- I was invited and did give a speech at the AMI's conference in a workshop that they had interestingly titled "Beyond Your Doorstep -- How to Deal Successfully With Activist Groups". I was their activist. And I'd just like to give you a little bit of what I
had to say to this group and it was very, very warmly received. I prefer to call myself an actionist not an activist and every single person in this room needs to become an actionist along with me and that is identify who or what the enemy is in this world. Everyone's throwing stones in different directions. We're all saying we all want one thing but we're really not looking -- we're really not working together to make it work. The enemy, if we have to so-call name an enemy are the pathogens and we need to go after the pathogens and we all need to take the necessary steps to go after them and see to it that they get eradicated and if -- everyone stands to win because when consumers have increased and renewed confidence in the product and that their health and safety is not being jeopardized then that is going to contribute to the health and well-being of your industry. And lastly, I would just like to say that -- oh, I just forgot what I was lasty about to say and I'm sure you're all thrilled -- but I'll think of it and I'll raise my card again. Oh, I know what I -- sorry -- delay. I'm just begging all of you let's get this rolling as quickly as possible, no more false delays. Every single day of delay is costing ten people their lives just from meat and poultry pathogens. Every day fourteen thousand people are getting sick just from pathogens in meat and poultry. This price is too long. We can't -- we cannot afford to wait any sort of -- make any longer -- what we need to do is get rolling on this, not saying, hey, we need more time to digest, and just also remember HACCP is a dynamic concept. Adjustments will need to be made along the way and I just think we all just need to work together and get this thing going.

MR. BILLY: Dane?

MR. BERNARD: Thank you, Tom. Dane Bernard, National Food Processors Association. I don't know how I can follow that in any substantive way. I would agree that there are a lot of things we can work together on. Sometimes the vehicle to get to that point and to get agreement is blocked by some of the rhetoric that we use but when you listen at what we've talked about, not only this week but last week, there's a lot of things we basically agree on and I'll go back to the items that Caroline mentioned when she opened the afternoon session.

On temperature control, there wasn't any disagreement that temperature control is very, very important in producing and maintaining a safe meat and poultry supply. The real discussion came
in how we get to that. Do we mandate forty degrees in a specific temperature regimen. That was the real discussion that came about and the real problems. Mandating a specific regimen may involve very costly modifications to certain plants and the science on exactly what is necessary is not clear to say that that is absolutely necessary and that's where the discussion focuses. We did not achieve, as Caroline said yesterday, consensus on exactly how to approach that. But some solutions were laid on the table and what we can achieve consensus on, I think, is determining what performance criteria are appropriate, then using the methodology that Nick Nickleson talked about yesterday. We can come up with time temperature parameters for all kinds of species to give us a scientific basis for making concrete temperature control recommendations so we can get there. We had agreement on the fact that temperature control is absolute bedrock important and the disagreement was on what would be mandated.

On sanitation there wasn't any disagreement that sanitation is very, very important. The only disagreement was whether we go about mandating a structured way of going about it or whether we mandate the guidance and we don't need to wait on HACCP for that. That's a prerequisite program. We go ahead and make progress in those areas. There isn't any reason and I don't anybody is suggesting any delay in going back making any necessary improvements there. It's just mechanically how we go about doing that so that our ultimate goal of adapting a HACCP system which is more responsive and more flexible is not compromised by setting up a system that looks like HACCP and is command and control. So there is general agreement on the need but, again, it's just mechanically how we get to that point. The one where there isn't universal agreement is on the use of microbiological testing as a separate program. We've talked about microbiological testing and I guess the agency's just going to have to take the input and decide exactly how it's going to go about doing that. We've never debated whether microbiological testing is useful. It's just in what context we put it and what kinds of performance criteria we lay out there. I think we have -- I hope that there is some concept of, if not agreement with, if microbiological testing becomes the goal of what we do. That works against what we're trying to accomplish in HACCP. In HACCP we're trying to get process controls and process steps under control and documented such that we can have more confidence in every piece of meat and poultry that's produced in the system rather than only gaining
confidence over what's tested. As a microbiologist, I recognize the
problems in sampling and the statistical story that sampling
statistics and the inaccuracies in microbiological testing tell us, it is
not a panacea. HACCP is not. Nor should we sell and leave on the table
the fact that if we tested more we would have a safer meat and
poultry supply because the statistics just tell that that is not true.

Going back to what we said earlier, nobody has said we don't need
inspectors. What we've talked about is what the inspectors are going
to be doing. We hear over and over that we want USDA inspected meat,
not USDA inspected records. It will be a combination. Nobody's saying
that inspectors can't go and look and take action on adulterated product
but they must also now look on how to be more food safety specialists
rather than just inspectors who know to look at floors, rails, and
ceilings and specific dots which may be debated as to whether they are
rust, rail dust, or fecal material on a carcass. We've got to go beyond
that if the system is going to get better. Right now, the system has
capped the level of food safety at where it is. If we're going to get
better, we're going to go beyond where we are we need, we need the
new paradigm and we need something like HACCP if we can manage to
get it implemented without screwing it up. Thank you.

MR. BILLY: Marsha?

MS. ECHOLS: Marsha Echols, National Association for the
Specialty Food Trade. I'd like to go back to the issue of small
businesses and to -- I won't sum up as well as Dane did -- but raise
what I think are some important issues regarding small business. As
the proposal is now, FSIS has suggested that the same system be
implemented by an Oscar Mayer or a Jimmy Dean and by one of our
member companies in terms of personnel, expertise, financing, volume
of food put out on the market. There is no comparison between the
two. That affects how HACCP becomes implemented. Again, both
would be trying to sell and provide for consumers safe foods but how
do you do that and I'm not sure that you can ask a small company to do
it in the same way or in the same steps you can a large company. So
that for NASFT some provision that allows our members to make sure
they're producing safe products without having to fully implement
HACCP at the same time large companies do is very important.

A second matter that is very important for our members is to have
a reasonable definition of what a small business is and I think that
based on what was said by the SBA representative today, we just need
to take a look again at what that definition should be. I'll say again that even if the principal cost for all companies of HACCP and the interim measures leading to HACCP are those that Dane was just talking about, we still need to get a better idea of the cost of and the assistance that will be provided for training, for supplemental materials, training not just for company personnel but also for FSIS inspectors, but how everybody will be able to come on board and is there money enough to do that in the companies and in federal appropriations. We haven't talked a lot about what Pat Stolfa suggested FSIS is working on. My guess is that that won't be enough to make companies ready to implement HACCP quickly and well. And that's what we would like to do. So a reasonable definition of small business, some support for the small companies trying to switch over to HACCP, and sort of a supplement to that some special time arrangements for them switching over are issues that are important for us.

MS. DONLEY: This is just a general question to Ms. Echols. I'm really, really confused and maybe you can fix me up on this. I'm really confused why do the small businesses -- why is extra time needed over what large -- what large businesses would need? Why is there time differential there? It's the same steps and procedures, unless I'm missing something.

MS. ECHOLS: There are two reasons why, at least two reasons why more time is important. One is because the large companies very often have scientific personnel on staff. They have started this already. The smaller companies are maintaining procedures to provide safe food now but they're not the same thing that's being talked about with HACCP necessarily so it's a matter of understanding what new to look for, what new to do, and if you ask a company that has twenty employees to do that they have to arrange that in a different way than a company with 200 or 2,000 employees. The second has to do with cost. Many small companies grow by adding products. They're not adding volume, they're adding products. So once you have a system that is product specific there are costs associated with each product. If a company has twenty products and adds products at Christmas or at other times of the year you're saying to that company you've got to do everything twenty times. Your costs are multiplied twenty times. And if the company has a small volume of production they can't spread -- there's nothing to spread those costs over. There's not much to spread

the cost over so that it's prohibitively expensive for a small company. Let me give you an example. If the cost of HACCP is for one product is twenty thousand dollars and a company makes and sells 2,000 of a product you spread that twenty thousand dollars over 2,000 units and whatever you come up with is the cost. If, instead, the company makes 200,000 units you spread twenty thousand dollars over 200,000 and you get a very different impact on the company so they can adjust much more easily and more quickly. If the company is making two million units you've divided twenty thousand over two million and the cost becomes even less. So that you're getting a very disparate uneven cost impact on companies with your proposal. And we're just saying take the cost impact into account and allow companies some time to adjust.

Again, the underlying notion is that the food that's being produced is inspected, is ninety percent safe for most companies. We're saying the majority of the food is safe so that by asking for some special consideration for the small companies we're not trying to negate the need for food safety, we're saying it's there but take into consideration some other realities also.

MS. DEWAAL: Can I just ask where did you get the figure twenty thousand dollars for one HACCP plant?

MS. ECHOLS: I'm not giving -- I heard twenty seven thousand dollars here. I just used twenty thousand as a way of explaining the principle.

MS. DEWAAL: I mean I'm just wondering does anyone --

MS. ECHOLS: I don't think anyone knows what the costs are.

That's part of what we're saying.

MS. DEWAAL: Does anyone have an estimate for a small business that doesn't have to upgrade equipment, just has to do the hazard analysis, plan development, and validation on what that would cost for a small HACCP plant?

MR. KRUT: Steve Krut for the American Association of Meat Processors. Caroline, the only numbers that we have came from the studies based on the pilot plants which were done through Research Triangle Institute which was a contractor hired by FSIS. The numbers they came up with were approximately twenty seven thousand dollars. One was -- I think there was a number of twenty three thousand, one of twenty seven thousand. One was based on slaughtering and one was based on processing. So if a plant does both then in effect those
numbers are one on top of the other. We were not certain of the validity of those numbers because of certain things that happened during the pilot program, one of which USDA wrote the program, not the plant. USDA trained -- provided the training, not the plant. As far as verification, many of those steps were done by USDA. We don't really have an accurate number or an actual idea of what would be involved and USDA thus far has not provided that.

MS. DEWAAL: Okay. I just -- I've got some figures in front of me. One is the HACCP plan development -- just development's around two thousand dollars is what they're estimating.

One aspect, and I'll just -- this is in our comments but just -- I'm Caroline Smith Dewaal with CSPI. We went through and analyzed the cost impact on small business and we came in and said -- you know -- this is very expensive for a small business so we sat down and tried to look at ways they could reduce costs. One idea we came up with is simply that the USDA inspectors who are currently operating in all those small plants should do the recordkeeping and that's a huge chunk of the costs. I mean if they just had -- if you guys developed the plans but if they did the recordkeeping it's a huge cost that you could avoid. We threw that out as an idea. I don't know what the Administration's going to do with that.

MR. KRUT: I like that idea.

MS. DEWAAL: I mean I'm making sure that I'm talking about like records associated with cooling equipment and just the basic HACCP monitoring records could be done by the inspectors in the plant so I understand the inspectors might have different opinions.

MS. STOLFA: This is Pat Stolfa. I do want to point out that USDA has provided a fairly detailed cost estimate and tried for every item to give the basis that it used in formulating the cost and in many instances where assumptions needed to be made assumptions were made on the conservative side. Now, that's not to say a cost benefit analysis of this sort is in many instances based on some -- a certain set of assumptions and certain theoretical numbers and we are pleased to receive additional detailed data but we have provided a detailed cost analysis and, as I say, explained to the basis for which -- on which we constructed the costs.

MS. DEWAAL: One final point on that. It's important to remember those costs would be across the entire industry and as long as the costs -- I mean there are some aspects of the plan such as the
microbial sampling which are inequitable in the way the plan was proposed but assuming the Department did something to make that more equitable which I'm sure ninety nine percent of the commentors probably requested to make that microbial sampling more appropriate to the product -- to the volumes of the plants -- those costs would be across the board. It would be a level playing field for everyone in the industry so I mean that's part of our concern too in looking at any delay other than public health implications -- I mean you folks need to be up and running with these things as early as possible for your benefit as well as for our's.

MS. STOLFA: Pat Stolfa again. I need also to speak to the question of technical assistance resources and I find myself certainly in agreement with Marsha that what we do is not going to be able to fill the entire need but I think that we cannot hope to fill the entire need for technical assistance. One thing that -- and there are lots of people out there who are in various aspects of the training and technical assistance business with respect to HACCP. One thing we are trying to do is we are trying to maintain a current data base of those training courses, consultants, and other resource providers, and we started this up in, I guess it was about May of this year, and we and the Food and Drug Administration are doing this cooperatively so that hopefully people will put themselves into the data base if they're in the provider business and people will take advantage of the data base if they're looking for specific resources in their areas. We have a brief description of the data base which is among the papers out here. Thanks.

MS. DEWAAL: Could I just ask one more question? Can I ask the trade association representatives around the table what they're doing to assist all small meat and poultry processors in implementing HACCP and the near term initiatives?

MS. ECHOLS: This is Marsha Echols, National Association for the Specialty Food Trade. We, at an educational seminar, have had programs on HACCP and trying to explain to our companies what is involved and we took a very positive attitude towards it. That doesn't mean we're saying we can do it immediately but we're presenting it to them.

MR. HANKES: Jim Hankes, Illinois Association of Meat Processors. First of all, after the mega regs were proposed as early as last March, during our state convention, we held an educational
seminar, spoke with our members, got feedback as far as what we could interpret from the mega regs. We've had numerous communications. These have not been limited strictly to our association's members. We received like the state mailing list of all the state inspected plants from Illinois, made that mailing available to everyone, and that's part of the reason why myself and our technical advisor's here at these meetings.

MR. BILLY: Joe?

MR. POCIUS: Joe Pocius with the National Turkey Federation.

Caroline, that's a question you've asked before and I've given an answer to before and I guess we'll do it again for the record. But NTF, as you know, has not been reactionary to this thing. We've been proactive since 1987. We ran our own first baseline. Six years ago we developed our own on-product safety handling labels. Four years ago we developed a HACCP model for the industry which is pretty much adopted across the board now. We're currently working on a production of pre-harvest HACCP type program for the industry. We have been working with -- we have put on HACCP workshops. I've gone into some of our members' establishments and helped them train their on-line employees. I mean we've been very active with this long before this became an issue in a published proposal and I think that probably goes for many others here I know that have developed HACCP courses and have trained many people within the industry over the past three years.

MR. KRUT: Steve Krut, American Association of Meat Processors. AAMP members are a little different in that because of their small size they have very limited resources and AAMP felt probably the best approach and most economic approach was to be all inclusive to take advantage of what was already out there within the industry and not try to go out and reinvent the wheel, not try to have every individual plant develop as a single program from scratch and have to work with consultants. So we pledged our support to the establishment and working with the International Meat and Poultry HACCP Alliance. When I say all inclusive, certainly FSIS, FDA, governments in Canada, Mexico, Australia, New Zealand, Great Britain, were invited to join me here and share what in a sense would be common materials. Let's spread the word but let's make sure what we're spreading is agreed upon, that there has to be some type of, in a sense, peer review that people find what is being taught is in conjunction with what's acceptable by FSIS and sometimes you have to spend months infrastructure getting
something like this started but this has been an expanding role. We just have moved to the accreditation process. AAMP believes strongly in working with the land grant universities. We work with them. They, in a sense, are local teachers. Most of the small plants rely heavily on them and want to continue to do that. But they need to also have that help and some of the problems in moving forward have been brought to FSIS attention in terms of getting course materials that are acceptable to them so that when the inspector walks in a plant and says this HACCP plan is different from the one at that plant thirty miles away or a plant in another state that the plant isn't closed down because that's the penalty that is in this proposal. And if we're not on the same page and we're not looking at some type of a sign-off or an acceptance for what is being taught -- I know USDA proposed minimum standards in the course but we also have to make sure that training parallels with the training the inspectors are receiving and accepting and understanding and so, as I say, with the thirty five affiliated state, regional groups that AAMP works with, we've tried to provide as much information as possible to them so that they can develop these local programs themselves. And we will continue to do that. So, again, we are looking at some scheduling courses but a lot of the people, including university meat science people, that we talked to said don't go too far until you have an acceptance on the part of an official sanctioning agency that what you're doing doesn't fail to meet their standards so sometimes it looks like people aren't moving but I'm sure Devon Scott at National Association of Meat Purveyors and many others have been anxious to move forward with this training but sometimes you've got to await signals from those in authority to do that.

MR. BILLY: Rosemary?

MS. MUECKLOW: Rosemary Muecklow at National Meat Association. We were very proud and honored along with other trade groups in this room here today to be charter members of the International Meat and Poultry HACCP Alliance which I told you earlier today. As part of that, it's like setting up a discipline that probably will eventually become some kind of academic discipline. It isn't there yet but it has a lot of steps in it and we've made very strong progress in the one and a half years since that organization has been in place. The most recent, as Steve alluded to and I mentioned earlier today, is the accreditation program and we would urge very strongly that the Department, as Steve also alluded to, that we get together on some of
this so that we all are singing out of the same hymn book. As an
organization, we have provided an increasing number of education
programs. Like Steve's organization, we wanted to be sure that we
were providing something that people could take home and use as a
very base training program for developing their own HACCP program.
As I sit here today, we have one more session going in Portland,
Oregon. We do at least one a month now and they're beginning to be
sellout programs at each session. We try to address them to a nitch
market so that people really get something to take home and apply in
their business. There are a variety of programs through some of the
land grant universities that our members have gone to. Many of the
fast food processing operations have mandatory requirements and
standards. You have some representatives of those organizations here
today who go around and check plants to make sure that the people that
are their suppliers are meeting certain standards. We had an executive
training session with HACCP just a month ago. It is an ongoing
process. It is building like a snowball. But you don't start the
snowball. It has to gather momentum and speed. That momentum is
gathering but, again, it is extraordinarily important that we don't go
off and roll the snowball down one side of the mountain while USDA is
rolling it down a different mountain and we all end up with totally
incompatible programs. It's terribly important to tie it all together.
And it's one of the reasons that I view this rule making. Coming here
and participating and, indeed, being involved in this rule making all of
this year is so important and certainly the organization that I
represent explained that to me and that's why I passed up a nice visit
to Australia to come back here and be at these meetings ten days ago
and to be back here today. But, indeed, the industry is not standing
still. It is moving ahead with a lot of information through members,
through paperwork, support materials, through publications, through
distribution of information and providing hands on training sessions.

MR. HODGES: Caroline, this is Jim Hodges. I think it's safe to
say all the trade associations are doing quite a bit in this area. We
started our training program five or six years ago. I think we have
about six of them all around the country. This year we've had executive
conferences. We got a multi-page HACCP manual model programs and a
variety of other kinds of training programs and we're also in the
process of developing a series of videos. We have two completed -- an
introduction to HACCP and those will be all process specific. Our
board authorized us to spend a considerable amount of money to educate the industry and get us ready.

MR. BILLY: Okay. Any other -- Mike?

MR. TAYLOR: This is Mike Taylor. Just interject just an observation response to some of what we've heard including on the training issue. We fully share the goals. It's essential that our inspectors and your employees have the same understandings of what HACCP is about and how responsibilities are allocated, what the objectives are, and how it will work in practice, and that's clearly essential to the success of this. As we laid out in the paper from -- well, the sessions the week before last -- we believe the way best to achieve that is to work closely with groups who are conducting training and share curricula in terms of we'd be happy to review and comment on curricula that private groups have developed to train industry employees. As we refine and complete -- you know -- our curriculum and our training program for our inspectors we're happy to share that and let people see exactly how it is that we're training our inspectors. So we share that objective of being on the same page training-wise.

The suggestion's been made by some is that we literally conduct training in the same classroom with industry and FSIS inspectors. We've expressed reservation and do have reservation with the statistical difficulty of managing that as a practical matter. Obviously there are opportunities at a plant level for communication between the inspection force and the plants and employees in management and I think there can be a lot of exchange at that level but in terms of delivering formal training our current thinking on that issue is the logistics of, among other things, trying to finally do that in the same classroom are daunting.

I need to respond to the current thinking on Caroline Smith Dewaal's suggestion --

MR. HODGES: Can I ask a question in relationship to the joint training issue?

In terms of the logistics, if there's just simply spots open up during your training sessions where everybody may be, whether they be in the plant or whether it be in your training center, whether they be wherever else, I think that's appropriate those be opened up to the industry. That happened with the TQC programs and it gave everybody a general correlation and understanding of where everybody's at so it's
not just we invite you to join the industry's training programs but I think it's -- you know -- I would encourage you to look at it from the opposite direction and allow the industry to participate in your training programs with the inspectors and it's a matter of opening up a few slots and we use what's available.

MR. TAYLOR: We'll take that suggestion and certainly consider it.

The issue of cost of implementing HACCP, particularly for small plants, again, we talked about a deal and we know it's an important issue to a lot of companies. We have some cost estimates that are based on the best information we had available at the time and we welcome additional information to refine the cost estimates. Our sense of the contribution we can make to reducing costs is through the measures talked about today in terms of likely these changes we're considering in the approach to some of the particularly near term requirements that would add some flexibility, but also through the training that we've -- not training -- excuse me -- the variety of technical assistance activities that Pat Stolfa talked about this morning, including generic models, implementation, demonstration projects in small plants and so forth. The issue or the idea of FSIS bearing the cost itself of certain elements of implementing a HACCP plan in a plant, I understand the motivation for that suggestion but just, again, in today's budget environment that's -- it's unrealistic. I mean the prospects that we would have the resources to out of pocket assume the expense of a firm's implementing its HACCP plan is just not likely in the cards. We have an obligation and this is one thing that the generic models and the demonstration products can help us do is to be sure that the way in which HACCP principles are implemented in small plants reflect the flexibility that's inherent in HACCP and, in fact, is tailored properly to the needs of the particular plant so that we're not incurring costs for cost sake but costs that are necessary to implement HACCP principles in a particular environment. A small plant environment is different than a large plant environment. We will certainly work hard to be sure that, again, as we move forward toward implementing HACCP we arrive at the most practical possible manner to do that. But, again, I think we need to just realistically foresee that the expense of carrying out a HACCP plan, just the responsibility for having a HACCP plan is I think we have to assume will rest with the plants.

MS. MUECKLOW: Mike, to that point, can you tell us when the
generic models are going to be available? I learned just this week that we're running or you've run out of the booklets about the product specific models that you had available and they're not being reprinted because everybody's waiting for the new ones. How quickly will the new generic models be available? I think that would be a matter of interest Pat.

MR. TAYLOR: Pat spoke to that this morning. Let her --

MS. STOLFA: Yes. We certainly do expect to meet or be ahead of our commitments to have them available at least six months before the due date for any process category. The reason why I didn't reprint the other ones was because didn't feel that they were frankly good enough and so we didn't want to proliferate some models that we felt needed to be improved.

MS. MUECKLOW: So these new ones that are in process will be ready six months before you're going to require them. We'd start counting six months the day they're out? I mean is there any way in which they're going to be available sooner? HACCP is the wave at the moment.

MS. STOLFA: They'll be available as soon as they're done but the -- I mean and I say, we expect to meet the deadline so for the first three categories of products which would be expected to be coming on line twelve months after publication of the final rule, at least six months before that date or four or five months after publication of the final rule we are very certain that they will be available. As I think I mentioned last time, the raw ground model is presently in peer review but it needs to go through that process in order for us to be satisfied with its quality and we're also probably going to ask some of the relatively smaller establishments who might be participating with us in demonstration projects to give it a look also and we want to go through that process before we issue a model that we hope not to be doing again in two months.

MR. BILLY: I'll take a couple more but I think we need to move on to the next topic. Dane?

MR. BERNARD: Thank you. Dane Bernard, National Food Processors Association. I won't go through the list of activities we've been doing in HACCP but just to say we partnered with several of the other groups here around the table through our educational affiliate, the Food Processors Institute. This year the Food Processors Institute will do about forty HACCP workshops and it doesn't appear to be
slowing down so all of them are done at cost. Some of them have been underwritten. For example, we did one for the Pacific Seafood Processors which was underwritten by them. We did it at a nominal fee. We had a hundred people show up and for that they got a complete course text. We didn't provide them meals. They didn't get coffee but - - you know -- there are things that can be done on a low cost basis -- you know -- somebody's willing to underwrite some of the costs of travel and things like that so I'll just lay that out there. We've also participated in the Meat and Poultry HACCP Alliance, the Seafood HACCP Alliance, by the way, which hasn't been talked about, and through the Kodex Process, because, obviously, there's much more on the table even though meat and poultry is very, very significant and very important in terms of acceptability of foods traded internationally, HACCP is becoming an international standard, and so we view HACCP on a global basis and we've been participating as such.

Going back to the training of inspectors. I will throw this in one more time because I know what the current thinking is but through courses that we've conducted with the American Meat Institute and others where we have had inspectors and field people present the dynamic has been tremendous. While there is opportunity for dialogue in plants between inspectors and management I assert to you that in that environment we have the mentality that is existent in the plants which is on the inspector, on the boss, and you're not and in a classroom where you present people with a neutral model and say, okay, now work it out, the dynamic that develops over the course of a workshop is tremendous and if we are indeed talking about changing the mindset on both sides of the table, the industry and the inspection side, it is as the top to bottom review and I might quote "a golden opportunity to train together" and given the glowing recommendations in the top to bottom review about the advantages of training together I'm somewhat surprised that you haven't given it greater consideration.

I'd also like to remind on what I said two weeks ago in terms of the importance of these generics. I've told few people outside this room that that is probably the single most important activity in all of this that the agency will be conducting in the next few months. I urge you not to do it without developing some consensus behind those documents because what is in those generic models, whether we like it or not, is going to set pattern for our expectations for the coming years in what people are going to include in their HACCP plans within
plants. I mentioned the problem with what I saw with issue model SOP's yesterday. Unfortunately or fortunately, we can't go very far with HACCP without having a good understanding of what is going to be an acceptable HACCP plan. Sanitation is a bit different. It's not rocket science. We all know, I think, basically what we expect from a clean well run cleaned and sanitized establishment. On the other hand, HACCP is very new to most people in terms of what needs to go into a HACCP plan. We have seen many, many times because we work with small processors and large processors in putting together HACCP programs that while we all understand that there are seven principles and we can sometimes recite them by heart when we translate those seven principles into paper and try to put that paper to work on the floor it seldom is correct the first time. And the generics that we put out are going to be important in the fact that they will set a pattern so they need to be looked at carefully, carefully considered, and certainly we would offer to lend any assistance, I think, on the whole as an industry in reviewing those and if there's any expertise we could lend we'd be more than happy to do so. Thank you.

MR. BILLY: Okay. I've got four more and I'd like to ask each of the four to keep their comments very brief so we can move on to the next item. Richard? Bernie?

MR. SHIRE: Bernie Shire with American Association of Meat Processors. I just first of all want to very quickly add to what Steve said -- the fact that we are running -- we are running sessions with our state affiliates on HACCP and training and also at our meeting with all the membership meeting we've had HACCP events there also.

Beyond that, I was glad to hear that clarification a while ago about the responsibility of consumers in making sure that their food and the areas they use them in is clean. It was a reference to a laboratory-like setting and it sort of pointed to the fact that well, if the food was okay you really wouldn't have to do that and there was so much emphasis being put on education it certainly is needed that there has to be that training and recently -- you know -- Dr. Morris and a representative of industry made that very same point. In thinking about that, it made me think about the people that we have here and during the lunch hour there were some women were pushing their children through the restaurant or the cafeteria in baby carriages and I realized that the group we have here it's made up of industry and it's made up of industry and consumers and the government. I shouldn't say
consumers. I mean to say consumer activists. The group that's not here that really is missing is the consumers and I guess I don't think and I think a lot of people in industry would agree with me, I don't think that the consumers out there really have an idea -- have the idea that a lot of people think they do about this whole process. I was telling some friends and family about the whole process of meat inspection and this HACCP program and these people were amazed. They were amazed to find out that in these meat plants there are inspectors standing there every day watching what they do and approving what they do. There is no knowledge of this out in the general public about this and I guess the reason I'm a little concerned about it is because it sort of ties into how HACCP is going to be presented down the line. I think there are a lot of people and a lot of groups who feel that once a HACCP program is passed and the regulation is passed that's going to end all the problems. And I don't think that's a very responsible attitude to have. Again, recently Dr. Morris and the industry representative made that very point that it's not a simple thing that's going to be -- it's not a problem that's going to be ended with a HACCP proposal. And I think that's something that really needs to be kept in mind because I don't think it is. I think there's floating around here and in the whole setup an idea that once this regulation is promulgated that's going to be the end of it and I think if that's what goes out I think a lot of people are really deluding themselves.

MR. BILLY: Felicia?

MS. NESTER: Hi, I'm Felicia Nester. I'm with Safe Tables Are Our Priority and GAP. Just a quick response to the person who just spoke before me. I think there's another group that I've been finding conspicuously absent here and that's people that work routinely in the plants that we're talking about. I'm pretty sure that most of us around this table are not going to be slaughtering or processing meat. And it seems like if we're making plans on what's to happen we might want to at least run them by some people that do that.

I worked with Tom Devine and the inspectors on the fact sheet that he keeps annoyingly bringing up. The facts there are not pretty at all. And in talking to the inspectors one correlation that I saw which I'm surprised that no one's mentioning is the correlation between sanitation and time or man hours really. I don't percentage. Possibly half of all of the most common sanitation problems were linked to
accelerated line speeds, were just not enough time to do the work. I mean people urinating on the floor or in the carcass cooler because they don't have the time to go to the bathroom. People throwing abscessed cool meat into abscessed meat tubs because they don't have the time to run and get a clean meat tub or they don't have the time to take the meat tub and sanitize it properly. And I don't understand all the -- you know -- what HACCP plan is going to involve but I'm wondering if it will involve taking that into account and whether man hours will be sort of the minimum possible man hours to produce a certain amount of meat given a presumed average amount of problems such as abscesses or organs punctured and fecal material or ingesta being spilled on the meat or whatever. I know that the different plants will have different speeds and that we can't say that all plants are going to need this many man hours to produce this amount of meat but in developing a HACCP plan, if I understand it correctly, it seems like you could develop for a plan the minimum amount of man hours for that plant to produce that amount of meat and we know then that if the records don't show that that amount of man hours was spent on it there's a likelihood that the sanitation is not being -- that all sanitation aspects can't possibly be looked at.

MR. BILLY: Thank you. Suzanna?

MS. GOODMAN: I'm Suzanna Goodman from Public Citizen and I would just like to comment on the -- put this in sort of historical perspective of industry fighting regulations designed to protect public health and safety. My goal's been dedicated to fighting on behalf of the public interest for twenty years. In the 1970's we were fighting for the air bag and the Supreme Court called industry's fight against the air bag the regulatory equivalent of war. It took a lot of effort from all of us and took lots and lots of people time before the air bag got put in the car. And the same is with Reye Syndrome warning on aspirin. Kids used to die from Reye Syndrome from taking aspirin when they had a cold and now you put -- when they had the flu -- now you have a warning label on the bottle and few kids die from that today. So I think to put this in the context of -- ultimately I think we're moving towards HACCP without a small business exemption is the way to go because it will be across the board and it will instill consumer confidence in meat products which is eroding and it will reduce liability for meat processors so I think to put it in a broader context you look at automobiles today, they talk about -- -- automobiles. What
do they advertise? They advertise for air bags, they advertise for anti-lock brakes and that is what the auto industry fought for twenty years. And countless people needlessly died. And that's what's happening with meat today. Lots of kids die because they eat hamburger that is contaminated in some way. They eat other meat products that is contaminated in other ways and it can be stopped and slowed down and the solution isn't perfect, as this man said, but it certainly can be made better and I think there isn't a small business exemption for the auto industry for air bags. It covers the entire industry. And I think if we're serious about reducing food-born illness that's the way we should go. Thanks.

MR. BILLY: Okay. I'm going to move us on. I'm sorry but I think we need to move on to the next item which is taking account of impacts on religious and ethnic slaughter in processing practices. I'd like to ask Pat to introduce the topic and I refer you all to a paper that's available that sort of captures not only the comments we received but our thinking at this point in time. So, Pat.

MS. STOLFA: Thanks. Yes. I hope you did have a chance to pick up the paper regarding specific product considerations regarding religious, ethnic, and cultural food handling practices. As you recall, the objective of our proposal was a food safety objective and we made a proposal that put forward a comprehensive approach to improving the safety of meat and poultry products. The proposal occasioned comments from a number of religious, ethnic, and cultural groups regarding potential problems between certain of the requirements of the proposal and the practices of those groups. Most of the comments focused on two of the near term measures. The requirements for an anti-microbial treatment at a specific -- within the specific parameters in the slaughtering process and the very specific time and temperature controls and the potential problems raised by these groups. As I say, tend to -- they were not all exactly the same but they tended focus on those two aspects of the proposal.

Now, as you know, over the course of yesterday and earlier today we have tried to put forward our current thinking with regard to the technical aspects of these two proposed requirements. And what we have put forward is a couple, I think, in both instances, a couple of potential approaches to alternatives which we believe would enhance flexibility. Both of those alternatives take the form of performance standards, although they might work slightly differently in the two
separate instances in each case. For instance, in the case of the anti-
microbial treatments, rather than going with an across the board
requirement that everybody do an anti-microbial treatment before
carcasses enter the chilling process what we're suggesting is that
perhaps a way to handle that is that if companies can demonstrate that
their products meet an established microbial target then it would not
be necessary to introduce a new specific anti-microbial treatment as
was proposed.

Similarly, with the time temperature requirements we're
suggesting that a way to deal with the time temperature requirements
is either to look at the question as perhaps we just want to make sure
that between this point and this point in the process that growth of
pathogens or growth of microbial organisms is limited, or,
alternatively, perhaps, once again, we will just say this is the
microbial target we've established for product at this point in the
process and we would not take a specific and prescriptive interest in
how anybody achieved that target and we believe that within these
potential technical modifications there may lie sufficient flexibility
to address the concerns of the various religious, ethnic, and cultural
groups who have commented. We're certainly willing to continue
looking in that area. We have done a rather quick literature review and
don't find anything in the scientific literature which totally answers
that question for us although there are certainly some relevant
articles in the scientific literature. So this is what our present
thinking is that perhaps the technical flexibility which we're
considering across the board would be sufficient to address these
concerns.

MR. BILLY: Okay. I'd like to open the floor up then for some
discussion.

MR. COHEN: Good afternoon. My name is Abba Cohen. I'm the
Washington Director and Counsel for Agudah (phonetic sp.) Israel of
America, a National Orthodox Jewish organization. We, as an
organization, represent a community that strictly adheres to the
highest standards of kosher dietary laws. This is not an ethnic or
cultural issue for us. This is a defining religious issue for us. I want
to thank you, by the way, not only for making this a separate agenda
item so we could really concentrate on it. Certainly there were
opportunities in the previous days to interject comments but this way
we can deal with some complex and maybe some foreign issues to many
of us. I also want to thank your staff for being accommodating in
terms of the schedule in terms of scheduling this after the Rosh
Hashannah holidays.

As Americans and as Jews and as a religious community and as
consumers we care about religious liberty and our ability to adhere to
the ancient dietary laws -- the laws that we've observed for thousands
of years. Also, as Americans and as Jews and as a religious community
and as consumers and as people who love our families we care about
health and safety issues no less than anyone else. We congratulate the
Department for looking for ways to go about genuinely improving the
health and safety of the meat and poultry that we eat.

Since the regulations came out a very broad delegation of rabbis,
rabbinical authorities, of kosher food industry experts, rabbinic
certification agencies, of legal experts, have discussed these proposed
regulations and have identified two areas, as was suggested before. I
won't get into those areas. Many of the individuals I referred to are
sitting around the table. But they are certainly complex issues.
They're not issues that relate to the purpose or the concept involved
here but to some of the details involved. I just want to end up by
saying that Congress and the USDA has recognized the unique nature of
kosher dietary laws and of religious dietary laws in general and the
law and in the regulation in many areas has recognized the unique
nature and we urge the Department to continue in that tradition and in
that spirit.

What I'd like to do is I'd like to turn over really the microphone to
Nathan Lewin who is a noted constitutional expert and an individual
who has great scholarship in the area of religious liberty issues and
who has argued many cases in this area before the courts.

MR. LEWIN: Thank you very much. I think -- I mean I'm
appreciative as Mr. Cohen is and as the other members of the
delegation that had approached the Department has heretofore of
the fact that the Department is taking this subject as an independent
one to examine. I have to tell you that I am somewhat dismayed and
was somewhat dismayed to even read the heading on the paper that has
been distributed which says specific product considerations involving
religious, ethnic, and cultural food handling practices. The reason I
was dismayed is that what we represent and the interests that we
have presented to the Department is not a ethnic, cultural sort of
quaint kind of separate group that has some ethnic or national interest
of some kind. We're representing what really the Constitution specifically protects which is the free exercise of religion. And I think it's wrong constitutionally, legally, morally for the Department to simply subsume the interests of the religious observant public in the interest of ethnic and cultural food handling. The Constitution specifically requires that government and the Department of Agriculture accommodate the needs that we have expressed to the Department and that under Supreme Court precedent and not only Supreme Court precedent but under Congress's command and the Religious Freedom Restoration Act of 1993 requires that the Department of Agriculture not adopt a single regulation that would have an impact on the religiously observing community unless it -- the Department of Agriculture -- can show both that there is a compelling governmental interest to affect that community and that it is taking the least restrictive alternative in its regulation. And for that reason, it appears to me that an attitude that says as accommodating as it may appear to be to the interests that we've expressed, an attitude that says well, we're going to increase flexibility in terms of targets and provide alternative technologies which may help address some of the concerns expressed by religious and cultural groups is, I submit, legally inadequate and would be held so by the courts. We brought a lawsuit and if, in fact, a regulation did impinge upon the constitutional rights of the kosher observant public to have kosher meat and for reasons that have been laid out in great detail in letters to the Secretary, it is clear to us that if, in fact, any regulation is put into effect that requires meat packers or slaughter houses really to submit meat to an anti-microbial rinse immediately following kosher slaughter -- now this is kosher slaughter -- don't forget, we're talking about a very small percentage of the meat that's slaughtered in the United States -- but nonetheless meat that is slaughtered by people who are rabbinically certified to slaughter kosher meat. That if, in fact, that anti-microbial rinse is required or if the chilling that the regulations or the draft regulations that had been distributed were required -- were put into effect -- that that would make the kosher meat really unavailable because the salting could not follow the use of that rinse and be rabbinically acceptable and, in fact, in addition, the process of salting would be inconsistent with the chilling requirements that the regulations provide. So it appears to me that it is the Department's burden in the first instance to say we have to find
some reason why it is required that meat that is slaughtered kosher by someone who is certified by a rabbi -- cattle that's slaughtered kosher -- has to be -- we have to find some way in which it can be done in which either whatever it is that we're proposing to be done be done consistent with this requirement or else we have to abandon it as to that small percentage of meat that is slaughtered by kosher slaughterers. That is legally and constitutionally mandatory.

I have a great sympathy for ethnic and cultural food handling problems and I think that, in fact, the Department of Agriculture should, as a matter of decency, as a matter of consideration for those who have ethnic and cultural reasons for requiring certain kinds of foods, whether it's the hot pork process and I don't know what it is but as it's described it's one that's delivered to customers in some ethnic markets, I think the Department should certainly take account of that and other ethnic and cultural requirements but I protest very vigorously to any suggestion that religion can be subsumed within that very same approach and for that reason really we submit that to the extent that any regulation is put into effect that could have any impact on the rabbinically approved method of preparing meat that's available for the kosher market it has to be either exempted or delayed until such time as the Department of Agriculture in consultation with us, and we're prepared to provide rabbinic authorities and there are many around this table, leading people who are involved in rabbinic certification and representatives of kosher slaughter and kosher meat processing plants, the leading ones in the United States and the leading rabbinic certifying organizations, until the Department of Agriculture can find some way of overcoming this and meeting that objection I submit it is legally and constitutionally impermissible to implement.

MR. BILLY: Other comments?

MR. BABAY: My name is Meir Babay. I'm Rabbinic Administrator of the Orthodox Union -- OU. You might have seen the ubiquitous OU sign on many products throughout the United States. We certify 2,500 companies worldwide as being kosher. And first I want to again express my appreciation for this opportunity the Department offers us to comment on the proposed regulations.

As you indicated, there are really two issues of extreme concern. One is the suggested anti-microbial rinse. In order for kosher meat to be considered kosher part of the process is a salting process which purpose is to draw out the blood and in terms of Jewish Law if the
meat had been previously rinsed with another product, if it's a sharp
product as these proposed ones are, it would invalidate the salting.
Now, salting is done from a practical matter it's never done or rarely
done in the slaughter house itself. It's usually -- the facility may be
near the slaughter house or may be distant from the slaughter house.
The meat is sent to another facility. That facility is not necessarily
even a USDA inspected facility. Many of them are local butcher shops
in local areas where there's a Jewish population. So if the microbial-
- we're concerned for some kind of practical level some flexibility how
we affirm that some kind of microbial rinse was done -- anti-
microbial rinse. Beyond that, I think it's important for the Department
to understand this industry, the kosher industry, is a fragile industry.
The additional burden in terms of cooling the meat down over certain
time frame would have enormous economic impact on the already
fragile industry because the meat has to be salted within a three day
time span in order for it to effectively get out to the consumer in time
-- the time of cooling it and bringing it down to a proposed forty
degree carcass temperature within, I think it was, twenty four hours
would make it simply impossible to get the meat -- you know --
effectively and efficiently distributed. The impact would just be
disastrous for the kosher industry.

MR. BILLY: Yes?

MR. POLNAK: My name is Abba Polnak. I'm with the Star K Kosher
Certifications. We're located in Baltimore and we'd like the -- -- that
-- -- just addressed you do certifications. We're particularly involved
in the certification of both meat and poultry. In fact, sitting to my
right is Rabbi Moshe Heineman, our Rabbinic Administrator and
acknowledged worldwide expert in this area. We have somewhat of an
ambivalent attitude towards these hearings. On one hand we really are
representatives of kosher consumers and wearing that hat we certainly
applaud the regulations which try to enhance safety and hygiene in the
food products that we eat -- kosher food products that we eat. On the
other hand, our role as a kosher certifying agency is really to assure
that the consumers who look to us for guidance and as certifiers of the
product have not in any way endangered or tampered with that ancient
tradition and as previously speakers have already said these traditions
include salting some time within a three day period salting of the meat
and poultry products. The two areas which are the microbial rinse and
the chilling temperatures would interfere with not only the economics
of the small kosher slaughter industry but it would also interfere with
the ability actually practical ways of doing this. What I would like to
simply mention over here is we are prepared to work with
representatives of the United States Department of Agriculture to
assure that at one hand the safety of the product is being met but on
the other hand to do this within the guidelines of the kosher law and
tradition and for this I also would like to applaud the approach that the
Department of Agriculture is taking is that there will be some
flexibility. We feel that adequate safety measures can be met to
protect the kosher consumer as well as the general public. Thank you.

MR. BILLY: Yes, sir.

RABBI HOLZER: My name is Rabbi Emmanuel Holzer. I'm Chairman
of the Rabbinical Council of America. We are perhaps the largest
rabbinical organization in the United States. We have about a thousand
members, pulpit rabbis throughout the country. I sat by all day
listening and I commiserate with many of the consumer people here. In
fact, some of them I'd like to take with me when we try to get
different industries, especially meat industries, say, well, we need
more rabbinic supervisors. That's nothing more than your inspectors
who should see to it because we are the most highly -- let's put it this
way -- we are the most highly regulated community when it comes to
kosher meat. A lot of the things that you want to impose we've already
tried to impose and we do impose. We do insist upon certain
regulations and our's are very tedious and minute. Yet, and I will say
this to our credit, in over 3,000 years of experience we have not had
any outbreaks of mass outbreaks of salmonella or some of the other
diseases because we assist. Otherwise it ain't kosher. And, of course,
laymen will say, well, Rabbi, how can you say that, how can you do
that? And our laws require it. So we are regulated. But we cannot
permit -- there is no way -- you know -- today we make use of
computers, thank God, and so that we're able to cover a lot of ground. I
submitted the question within the -- -- computer to see can I find a
similar situation where there was an outbreak because of some
experience in thousands of years experience. This would be recorded in
some way or other which would be able to trace something. No, there
hasn't been. Where kosher law has been observed we have not had.
There has been individual cases where people don't have refrigeration.
-- -- observance of law but this law demand that we first kosherize
the meat and I'm not going to give you a lecture of koshering meat. I
want to get back to New York. But where the law -- but we insist the meat be kosherized first before anything else is done and the message so far displayed and I want to thank the Department of Agriculture and the gentleman who sent me the materials and all that and I've read them very carefully, and you describe all sorts of methods and some are very interesting, some I can't judge, but they would impede, they'd make impossible the kosherization of our meat. Now, once the meat has been kosherized then we are consumers, we're citizens, and we want what all of you want but we cannot permit that the by-laws adopted by you interfere. Our requirements are such that they cannot be adulterated in any form, fashion, manner by first -- by the regulations so far that's been proposed. I thank you.

MR. BILLY: Joe?

DR. MARSDEN: Thank you, Mr. Billy. This is Jim Marsden with Kansas State University. For the past several months I've been working with a kosher company in New York City on improving their whole food safety systems including processed meats as well as fresh meats and they asked me to speak up on their behalf of the way they view this issue. The company is Allied Processing and one of the things that they want to be certain of is to make it clear they're not looking for an exemption from safe food; that they very much want to produce safe food and they want the reputation of kosher food to remain intact with consumers -- that it's not exempt from food safety requirements, but rather that the measures used to assure the safety of kosher foods that they be consistent with kosher dietary law so that's one point.

Now, in terms of kosher slaughter, they can have knife trimming and there have been studies, in fact, studies that we did at Kansas State that show knife trimming, when done properly can be very effective in controlling microbiological contamination and microbiological pathogens. Water washing, not anti-microbial rinse, but water washing also is acceptable and when you look at the total kosher process which could include knife trimming and water washing and then the extensive washing in this salt solution that occurs subsequent to that it's quite likely that we have an equivalent process in terms of the safety of that overall process.

We've been asked to initiate a validation study to look at that entire koshering process and quantify the effectiveness that it has on reducing microbiological population and addressing pathogens on beef and once we have some data we will be happy to share that with USDA
and I think what you'll see is that indeed there is a safe process and
that 3,000 years of history is there for good reason.

And then the other issue that is important that's already been
raised, of course, is the issue of the carcass cooling requirement and I
think if we look at those latter two options that you brought to the
table here, those probably are consistent again with kosher dietary law
so we don't have that specific prescriptive temperature requirement
that was in the original proposal. Thank you.

MR. BILLY: Yes?

RABBI KORNBLUM: My name is Rabbi Kornblum, Vice President of
the Rabbinical Administration of Kosher Poultry. We are one of the
biggest companies of kosher and kosher industry for poultry. We're
serving approximately sixty percent of the kosher industry in poultry.
I just want to add on a few things.

We don't have really data that we can that was done scientifically.
What I have here something that we did we tried to use when we first
found out that there would be -- -- microbial would come out. We got
in contact with a company that has some trisodium phosphate and we
tried to see how that work concerning the -- --. After we tried that
we saw that and we went to different rabbinic organizations to find
out concerning what we found out and no doubt in my mind,
rabbinically, that we are not able to utilize trisodium phosphate before
the salting and it will interfere with the -- --.

At the same token, when we made our analysis concerning
trisodium phosphate we found out that the salt -- that re-salting our
chicken -- and that's by Jewish dietary law we supposed to salt the
chicken and have it for one hour sitting in salt -- made a hundred
percent job. In other words, we have to soak the meat and chicken has
to be soaked for half an hour before they are salted and normally if you
are aware or not, in kosher you have to use only cold water. You cannot
allowed to use any hot water. And everybody understands that cold
water is retarding the contamination. By non-kosher you're using hot
water. So by doing the salting we found out that before right to
soaking -- before the soaking we treated with trisodium phosphate
was a hundred percent positive on the salmonella. After it was treated
there was zero positive. When we used, for example, just plain salting
and three rabbinical -- -- that's supposed to come after the salting in
cold water we found out again that we had untreated zero positive and
after treated with salt and the three rinses zero positive. So the fact
is we also get in contact with one of the universities to make -- -- the scientific research on that so we'll be able later on to get it to USDA and to have some data officially.

On the same token, we, as a company, are willing to do whatever we have to do and already we institute in our company a HACCP program -- some kind of training. -- -- concerning HACCP and we have a special administration office that was -- -- person's whole job is on HACCP. And we work on it together with USDA people in our plant. The fact is, that I heard early on on another issue when we were talking about temperature control, the fact is when using cold water your temperature control is there because automatically the cold water reduce the bacteria and I hope that USDA and first I'd like to thank the Administration for inviting us to that location to bring our -- -- and I understand that -- -- always -- -- in one of the greatest things in United States as a free country kosher is recognized as Jewish recognized not like in different areas in the world like you have in Europe to you're still not able to slaughter kosher and I hope they will not happen here in the United States. Thank you very much.

MR. BILLY: Mike?

MR. TAYLOR: This is Mike Taylor, USDA. I just want to make a couple of points.

One is just to emphasize that we have by virtue of the comments that have been submitted in writing and the comments here, I think we feel we have a very clear understanding of what the concern is and I also just want to emphasize as well that we understand and respect the distinction that Mr. Lewin has drawn between the concerns associated with kosher meats and poultry products in contrast to the concerns that had been raised by others with respect to certain ethnic and cultural practices. We understand it and respect that distinction. And we are very serious about resolving the concern.

The thrust of this paper is that the concerns may be alluded by adjustments in the proposals that we are considering would apply generically across the board all processing and obviously we haven't made final decisions but we're considering changes that might well moot the issue entirely. If not, and again I hope the paper was intended to make this clear, I mean if that's not the case we certainly will sit and work with you to resolve the issue. We're very serious about addressing this issue in a way that resolves the concerns that you've raised and we're just quite confident that that -- you know -- that we
can do that and we'll certainly work hard to do that.

MR. LEWIN: I appreciate that and let me just say --

MR. BILLY: You need to -- sorry, but this is on the record so each
time you need to say your name.

MR. LEWIN: I'm sorry. My name is Nathan Lewin. I spoke
previously and I guess my charming neighbor here in an earlier
statement said that she wanted to make sure that we all sing out of
the hymn book. I guess my point really was that the Constitution
protects our right to sing out of different hymn books and so long as
the Department is receptive and understanding of that constitutional
right I think we'll certainly be satisfied.

MR. TAYLOR: Anything you can do to keep Ms. Muecklow squared
away we certainly appreciate. Thank you very much.

MR. BILLY: Yes?

RABBI HEINEMAN: My name is Moshe Heineman. I'm the Rabbinical
Administrator of Star K Kosher Certification. We're based in
Baltimore. That's up the road over here. We're neighbors. And we are
deeply involved in the certification of kosher meat and poultry. We are
very appreciative of the government's concern to protect our health.
We're just as interested -- our health should be protected as anyone
else who's interested in their health should be protected. Just because
we eat kosher doesn't mean that we want to die. We want to live.

It was mentioned before that the USDA's considering maybe you
relaxing some of the original regulations that were drafted to -- in
order to accommodate the kosher considerations. That doesn't mean
that we'll work out compromise that USDA will relax their regulations
a little bit and the kosher regulations will relax their regulations a
little bit. It's not our regulations that we made up that we can relax
them. You know -- this is kosher diet is a divinely ordained diet and
it's not up to us to relax anything.

So even though that we are very interested that kosher foods
should also be safe and should be free from all these pathogens which
can cause illness and maybe death but it would have to be worked out
in such a way that it would have to be kosher. It's either a hundred
percent kosher or it's not kosher. It can't be half way and there are
many people in this country -- American citizens -- and I believe that
it is over a million that are committed to a kosher diet which means
that if it would not be a hundred percent they just would not eat it,
that means it's possible -- you know -- we don't have to eat meat.
People can live without eating meat. But we would like to be like everyone else and live to be able to have what's considered a normal diet. And, as a matter of fact, in our religion there's actually a requirement to eat meat at certain times at certain holidays and that way we're free to work it out in such a way that we are open to all kinds of suggestions in order to make this meat completely safe. We want it but it would have to be completely kosher in order for us to eat it. Now there are another few million people who are not committed to a kosher diet. They eat kosher but if it's not available they'll eat whatever else is available. So I'm not talking about them. But those that are actually committed to kosher diet, if it's not going to be a hundred percent kosher they just will have to do without meat. We don't want to see that happen. Thank you.

MR. BILLY: Diana?

MS. AVIV: My name is Diana Aviv. I'm the Director of the Washington Action Office of the Council of Jewish Federations. Council of Jewish Federations is -- has approximately 800 localities with 200 federations associated with it in 800 communities and has the responsibility of providing assistance to thousands of social service agencies, hospitals, educational facilities, and other kinds of institutions to support Jewish life in the United States and internationally. And we come here today to express our concern because we know that many, if not all, of these institutions, certainly most of them, provide kosher meals and provide a kosher environment or religious environment that are consistent with those people who wish to live consistent with the religious traditions in the Jewish community and would be very concerned that those institutions and those social service agencies and facilities would not be able to do so because of limitations or the kind of burdens that have been described today. So the point that I want to make today is that there may be a million people for whom this is an absolute requirement. I would suggest to you that there many millions more within the six million people who our community serves for whom this is a fundamental part of their lives as part of the institutional involvement in the Jewish community and for that reason we join with our colleagues and friends here to make sure that we're able to resolve this consistent kosher dietary laws.

RABBI KORNBLUM: I just wanted to emphasize what I said before just in terms of the flexibility of the Department when they factor in
ultimately what the regulations are. 
There is clearly -- we don't know what level -- but there is an
anti-microbial element to the salting classes itself. After all,
trisodium phosphate is a salt.

Now, there was a study which -- -- from Empire that after the
salting process the level of salmonella poisoning dropped to zero
which was the equivalent of half of the trisodium phosphate. We don't
claim necessarily that the -- that it's as effective or as intense as
other anti-microbial agents that might be suggested but in terms of an
entire package between the slaughtering process, the trimming, the
salting, and the way the kosher meat is handled it may fall close to
within the goals that the Department is trying to set and given what
Dr. Lewin has mentioned, also overriding First Amendment issues. We
appreciate the flexibility of that the Department indicates it wants to
show.

MR. TAYLOR: This is Mike Taylor. Let me add just one request.
You've mentioned and we're aware of this was we discussed and, again,
any data that exists -- you mentioned data and Dr. Marsden has as well
-- and we're going to be open for thirty days to further written
comment on issues we've discussed here so --

RABBI KORNBLUM: We can leave you one study today.

MR. TAYLOR: Yeah, thank you.

MR. BILLY: Other comments regarding either religious or the
ethnic, cultural issues that were raised? Yes?

MR. KRUT: Steve Krut, American Association of Meat Processors.
AAMP strongly supports an exemption for the -- what we would call
the cultural aspect, particularly with chinese and poultry and pork.
These are long established traditional eating regimens. We have one of
our members in Hawaii and a number in other areas that serve that
market. That has had a -- I'll put it this way -- had a premium price
for delivering product as it's demanded by those ethnic markets and we
know of no alternatives to serve them and we would like to see an
exemption established for those specific product areas.

MR. BILLY: Rosemary?

MS. MUECKLOW: Yes. I think Steve makes a very valuable point.
As you know, the agency is currently engaged in taking over
designation responsibilities in Hawaii.

The Hawaiian people have submitted comments for the record
about some very specific practices that have been cultural practices in
Hawaii in the handling of meat and poultry for many years and certainly consideration needs to be given to them and other groups that in a responsible way bring their views to the Department. The group in Hawaii is very obsessed with getting used to what designation means and were not able to be here today but they are greatly concerned along with all the other things that are happening to them now. We will hope that you will give due consideration to their needs of maintaining some of their very specific cultural type products in Hawaii. It includes a lot in the cooling area.

MR. BILLY: Any other comments anyone wishes to make in this -- on this topic -- this area? Okay.

Earlier I stopped the discussion on small plant issues. We have a little bit of time so if there's any other points that anyone would like to make in that regard we'd welcome them.

Okay. Nancy.

MS. DONLEY: Nancy Donley from STOP -- Safe Tables Are Our Priority. The only comment I wanted to make is that today I've heard a lot of remarks made from a number of people here in the room from individual companies, trade associations, of everything that they've been doing and the work that they've putting into this and it sounds like a lot of effort has already been done as far as researching, HACCP, training, getting all their ducks in a row, if you will, that I'm now even more confused than ever as far as if we've done this much homework already up front why it seems to be such a problem to implement the whole procedure.

MR. BILLY: Is it Shawna?

MS. CARTER: Just a point of clarification here. Before the lunch break someone seemed to think that the Small Business Administration was in support of an exemption for the small businesses for the HACCP regulations. I don't recall mentioning that in my remarks to the group but if it was somehow misconstrued then that's not true. We're not in support of any sort of wholesale exemption for small businesses. We're simply asking for reasonable accommodations for reasons that I think Marsha clearly outlined earlier that small businesses do have a more difficult time recouping costs than do large businesses and so I just wanted to clear up that point.

MR. BILLY: Any other comments? Yeah, Richard?

MR. BECKWITH: Yes. Richard Beckwith. Monetary costs, of course, are one consideration why us small business people kind of
want a helping hand. We're not looking for a handout, but even more importantly, is a small business person -- we're often the butcher, the baker, and sometimes even the candlestick maker -- so what we need is a little bit of time.

What I also would like is that I guess what's in the back of my mind is we run into this being in small business with the Department of Transportation. In other words, with the recordkeeping. In our own particular situation, we have one person, which is my wife, that's the payroll secretary and also has to keep the records. And then periodically the DOT will come in and audit these records. And they don't really provide the proper training for keeping these records up. Basically, it's a slap on the wrist type of thing. So I just want to have that the recordkeeping with the HACCP is on more of a positive level than a negative level. Thank you.

MR. BILLY: Okay. Any other comments? Okay. I'd like to thank everyone.

Tomorrow we have a pretty full day. We'll start again at nine o'clock. Thank you very much.

(Whereupon, at 4:45 p.m., the meeting was adjourned.)
CERTIFICATE OF REPORTER, TRANSCRIBER AND PROOFREADER

PATHOGEN REDUCTION/HACCP RULE

Name of Hearing

____________________________
Docket No.

U.S. DEPARTMENT OF AGRICULTURE, Washington, D.C.

Place of Hearing

September 28, 1995

Date of Hearing

We, the undersigned, do hereby certify that the foregoing pages, number 2 through 163, inclusive, are the true, accurate and complete transcript prepared from the reporting by Joshua Connor Cagney, in attendance at the above identified hearings, in accordance with the applicable provisions of the current USDA contract, and have verified the accuracy of the transcript by (1) comparing the typewritten transcript against the reporting and recording accomplished at the hearings and (2) comparing the final proofed typewritten transcript against the reporting or recording accomplished at the hearing.

____________________________
Date             Name and Signature of Transcriber
Deposition Services, Inc.