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UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D. C.

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PATHOGEN REDUCTION/HACCP RULE :  
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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

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## PROCEEDINGS

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

1 that are participating. There is a large group so I want to do this in a  
2 way where it's fair to everyone so I just ask that you -- you know --  
3 work with me to make this work effectively in that regard. I think  
4 that occurred yesterday.

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

13 With regard to the agenda, today we're going to be focusing on  
14 specific economic and product considerations. We'll first deal with  
15 sort of the overall economic considerations. That is the impacts on  
16 everyone but we will have a particular focus in the discussions on the  
17 small plants and we'll get to that in just a minute. In addition to that,  
18 we're going to look at the special considerations related to religious  
19 and ethnic slaughter processing practices and in that regard explore  
20 how to bring an appropriate balance to the food safety objectives that  
21 this is about on the one hand while at the same time accommodating  
22 the special religious or ethnic requirements that people have. So that  
23 probably -- we'll get to that after lunch sometime this afternoon. On  
24 the 29th, tomorrow, sort of a remaining issues and review. We'll cover  
25 the international considerations and talk about that in some depth.  
26 Also, there's an item about incentive-based alternatives such as  
27 market claims on labels. That was an issue that was added to the  
28 agenda at our scoping session. We're going to talk about animal  
29 producer considerations and that will include -- someone reminded me  
30 this morning -- our particular economic considerations related to  
31 producers in relation to the issues at hand. Then I've added under "D" of  
32 the agenda a discussion on transportation and retail. It's part of the  
33 farm to table strategy. It's addressed in the preamble to the proposal  
34 of February 3rd and we wanted to share with you the progress that's  
35 been made in those areas, what's planned, and have a discussion about  
36 that. Then, finally, to wrap up tomorrow, there were two items that  
37 were deferred from earlier in the agenda. The first is the issue under  
38 the first day on FSIS oversight of HACCP, Item C, which was insuring  
39 compliance with HACCP requirements, and there are several billeted

1 items under that, and then, finally, also an item from the first day and  
2 that is the issue of timing; that is in terms of agency implementation,  
3 industry implementation, the time frames that a number of people have  
4 raised are very relevant to planning and phasing in and that kind of  
5 thing and I think a lot of that discussion will be based in part on  
6 what's already been discussed.

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

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

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

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

34 In the carcass cooling area we had, I thought, an excellent  
35 discussion yesterday of some of the problems -- the practical  
36 problems -- proposed by our proposals and, in particular, the proposal  
37 to require certain specific time and temperature parameters for  
38 carcass cooling in beef slaughter that the comments and, again, the  
39 discussion yesterday, were fairly clearly demonstrates don't take

1 account sufficiently of the diversity of practices in the industry. And  
2 as we said yesterday, we are -- we recognize that and we are working  
3 on alternatives that could achieve the objective but not be so  
4 prescriptive and potentially disruptive of current industry practices.  
5 Our purpose, again, the carcass cooling area was not to alter or upset  
6 current good manufacturing practices in beef slaughter that are  
7 working well to cool carcasses adequately. What we are looking for  
8 are some measure of accountability, some basis upon which to hold  
9 plants accountable for meeting their carcass cooling responsibilities.  
10 We have such a tool of accountability for poultry. We don't have it for  
11 red meat. So that's what we're looking for. And as we discussed  
12 yesterday, we're considering alternatives to mandating specific time  
13 and temperature requirements that might include a performance  
14 standard approach or some other approach that gives us a tool of  
15 accountability but does not clash with existing practices that are  
16 working well and to achieve -- you know -- some of appropriate level  
17 of performance when it comes to carcass cooling. This, as I  
18 understand it, was a -- you know -- was the issue cited by many in the  
19 small business community as the most costly potentially if you were  
20 to meet these specific time and temperature requirement plants had to  
21 make capital investments in cooling -- you know -- equipment,  
22 facilities, but that could potentially be the most costly element of the  
23 proposal. If we're able to come up with a more flexible approach that  
24 can achieve the objective but does not prescribe -- you know -- a  
25 single set of parameters then presumably those cost impacts would be  
26 reduced. Plants that are achieving -- again, our current thinking is  
27 that plants that are not currently dealing with the cooling issue -- the  
28 need to control pathogen growth in accordance with some appropriate  
29 current standard may still incur costs so this is not -- I mean we're  
30 not looking at a strategy that says the status quo is a one hundred  
31 percent satisfactory, but on the other hand, if they're acceptable  
32 practices in place it is not our purpose to disrupt those and impose  
33 costs that don't add to achieving our food safety objectives.

34 With respect to anti-microbial treatments, again, for some  
35 operations this is a potentially costly measure, although not, I think,  
36 in the small business setting, again, based on the comments, not rising  
37 to the level of the cooling proposal. We have discussed in our meetings  
38 yesterday and then in our paper that we released possibly we're  
39 considering performance standard alternatives to mandating an anti-

1 microbial treatment. We're still obviously in the midst of decision  
2 making about this but anything presumably that created more  
3 flexibility than the proposal embodies could have a positive impact in  
4 reducing costs. Again, yet to be determined in either of these cases --  
5 you know -- quantitatively what the effect will be but we're moving in  
6 both cases in a direction that is likely to increase flexibility  
7 consistent with meeting an appropriate level of performance and if we  
8 are able to devise those alternatives successfully that would have a  
9 beneficial impact on reducing costs.

10 We also, a week ago Friday, had a discussion about our testing  
11 proposal -- anti-microbial testing proposals -- and here we are, again,  
12 as we laid out in that meeting and in the paper, are considering  
13 alternatives to the proposal that would have an effect on the cost  
14 incurred by plant in meeting the testing requirement. In particular, as  
15 you recall, we explained an approach that would require slaughter  
16 plants to use generic E. Coli as a process control indicator and test for  
17 that organism as opposed to a testing for salmonella. That shift, in  
18 and of itself, just in terms of the cost of the test and the difficulty  
19 would, if we make that decision, have a cost impact. We also are  
20 considering in the context of slaughter plant testing in the small  
21 business area particularly we hear of scenarios in which plants are  
22 testing or slaughtering multiple species, perhaps very small numbers  
23 of animals, but multiple species in a small plant. So one option we're  
24 considering consistent with the process control objective of this  
25 microbial testing for E. Coli is to allow a plant in that sort of  
26 situation to meet the daily sampling or testing requirement by testing  
27 -- selecting a species to test and the criteria for selecting that  
28 species we need to work out and welcome comment but it may be  
29 possible to avoid the situation in which a very small plant slaughtering  
30 multiple species would be required to do multiple E. Coli tests to  
31 verify process control. So there are a number of respects in which  
32 solutions that would, again, be devised generally with respect to these  
33 proposals in order to be consistent with our whole thrust towards  
34 performance standards and our rethinking of what's an appropriate  
35 process control indicator for plants to test for, that thinking which  
36 would apply across the board to all plants we see as having significant  
37 promise to reduce some of the cost impacts that were of particular  
38 concern to small business. During today's meetings, I guess I would  
39 invite and it would be most helpful to us really to hear in very

1 concrete terms what those in the small business community as well as  
2 elsewhere believe are the practical right answers to some of the  
3 issues involving cost impacts on small business. We know what the  
4 problem is. I mean we've become very much to grips with the  
5 comments and I -- my plea today is that -- you know -- we focus as  
6 much as possible on what folks would propose if the proposal seems  
7 unsatisfactory from the standpoint of cost impact we welcome the  
8 most specific possible suggestions for alternatives so that those can  
9 be discussed in this meeting.

10 There's one issue, let me just mention finally before I ask Pat  
11 Stolfa to talk about the assistance element of our strategy for dealing  
12 with some of the cost issues, one issue that was raised by some of the  
13 comments was the idea of making HACCP voluntary for small plants.  
14 And the bulk of the comments, including from the small business  
15 community, said we don't want to be exempt from HACCP but we're  
16 looking for some flexibility in how we get there; that we don't want to  
17 be left out of the progress on food safety that's invited in HACCP and  
18 our current thinking is that the concept of some voluntary HACCP  
19 exemption, some categorical exemption based on plant size from  
20 HACCP is not our current thinking that that's the desirable way to go.  
21 There is one specific issue, however, with regard to the application of  
22 HACCP to certain very small operations that I simply want to put on  
23 the table so that during the course of the day with all the HACCP gurus  
24 that we have at the table and philosophers who can apply HACCP  
25 principles in their elegant purity to the debate, I look at Dr. Bernard,  
26 Dr. Tompkin -- we've got the experts here -- the question is, is there  
27 any circumstance in which -- and the question arises in my mind  
28 mostly really focuses on slaughter situations -- is there a point at  
29 which the volume of production in a slaughter plant is so small that  
30 HACCP conceptually no longer makes the same sense it makes  
31 elsewhere. The classic example that has been presented to me is the  
32 two head a day plant that's almost a custom exempt plant but does a  
33 little bit of -- you know -- selling sort of miscellaneous pieces of the  
34 carcass in commerce. It's an FSIS inspected plant. But there are  
35 plants, I gather, that are literally -- you know -- slaughtering two  
36 head a day or some very, very small number. And the question is, does  
37 HACCP still have value and applicability in a plant operating at that  
38 level of production? Our current thinking is certainly that elements of  
39 the proposal such as sanitation SOP's and -- you know -- obviously all

1 the general requirements -- you know -- for producing product in a  
2 safe and sanitary manner -- all those general principles would still  
3 apply and other elements conceivably -- you know -- I mean seem to  
4 have relevance but HACCP itself -- the question I'd just like to get  
5 some discussion on at some point during the day is, is there sort of a  
6 diminished level of production in a slaughter setting below which  
7 HACCP principles no longer have validity? That is just a question that  
8 we'd appreciate some input on.

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

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

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

24 In addition, we have two, what I would call, fairly major  
25 documents in close to final drafts actually. We have a general HACCP  
26 handbook or HACCP guidebook that at least the concept was simpler to  
27 what some people may have been familiar with as the old small plants  
28 handbook for facilities construction and it sort of was modeled on that  
29 kind of a manual. In addition, we have a hazards and controls book  
30 that, at least theoretically, takes its inspiration from the document  
31 prepared by the FDA for its seafood HACCP and I'm pleased to note that  
32 since the last meeting I've received a draft of this one. So I already  
33 had a draft of the other one so work is progressing on these  
34 substantial documents. In addition, we have a couple of other things  
35 which are probably supplemental to the general guidance which was  
36 offered by both the handbook and the hazards and controls book and we  
37 have been working, as I've mentioned informally with some people who  
38 have prepared how-to videos on HACCP as well as computer programs  
39 that may be of assistance to some people. And what we're trying to do



1 there is customize them to make them particularly useful for meat and  
2 poultry plants that are subject to our regulations. In addition, we  
3 made known last week or a couple of weeks ago our willingness to  
4 participate in demonstration plants with states or other groups or  
5 even individual plants who might as small plants be interested in both  
6 giving us some feedback on some of the materials as well as  
7 participating in exploration of approaches that would be particularly  
8 useful in small plants and in addition to the state that we were  
9 working with before the last meeting we've had some additional  
10 takers. I think the areas in which people have indicated they would be  
11 interested in participating in demonstrations is demonstrations of  
12 things like how you could get appropriate training at a small plant  
13 without having to leave your plant to go to a course either initially or  
14 initially and for a refresher and we're well willing to participate in  
15 that. I think other people have expressed some interest in perhaps  
16 demonstrations on how to conduct a hazard analysis, which, of course,  
17 is the important starting point for developing your HACCP plan. So --  
18 and we remain open to more possibilities and actually we've not yet  
19 been in a position of having to turn anybody down so we continue to be  
20 open to that and that's what we have in mind.

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

23 MR. KRUT: Steve Krut with American Association of Meat  
24 Processors. I'd like to thank the FSIS for particularly designating this  
25 topic because it underlines some concerns that we have as  
26 representatives of many of the smallest plants in the nation. Some of  
27 these same concerns we have brought a lot of people to your public  
28 meeting in Kansas City, driven more out of fear that their businesses  
29 were going to be lost, but also driven by a lot of concern that they did  
30 not feel this agency had a grip on understanding what small plants  
31 really were, what they do, and particularly how effective and how  
32 costly HACCP would be to be implemented in their operations. USDA  
33 has relied very heavily on the nine pilot plant studies that were  
34 conducted some time, I guess, in '91 and '92 which during the scoping  
35 session a few weeks back were asked that perhaps they would share  
36 that with those who were attending this meeting. That information  
37 apparently has not been made available. And in some of the comments  
38 that were made earlier this morning and during the last several days of  
39 sessions I don't think much has changed in the view that many of the

1 small operations have that USDA does not know particularly very much  
2 about how HACCP would work or how costly it would be in a small  
3 plant operation. I want you to understand that AAMP believes in  
4 HACCP. We're not adverse at all. We strongly support the International  
5 Meat and Poultry HACCP Alliance to move into training in these areas.  
6 We want to do all we can to look at a preventive type of system in our  
7 food inspection but at the same time we're not willing to jump from  
8 that stone we're on now with traditional inspection into a new area  
9 until we know where that stone is at and what we can expect from it.  
10 We have suggested since the comment period opened that USDA needs  
11 to actually demonstrate how these operations, how HACCP concepts  
12 would work in a small plant with multiple species and slaughtering and  
13 processing and cooking, retailing, wholesaling. We have not seen that.  
14 We understand that the Department is considering some demonstration  
15 projects and I think until those results are in and we have an  
16 assessment of the effectiveness, until we have the assessment of the  
17 actual cost, that it is a little premature to require this HACCP in all  
18 operations. Regarding the state programs, I think they're very much  
19 affected by this as well. I think there are probably twenty five  
20 hundred plant operations that your issue paper indicates probably all  
21 fit under that small plant category. We're talking here about people  
22 who are very concerned about the product and every time I hear it it  
23 grates my ears that USDA is going to hold the plant accountable. There  
24 is no one in small business today who is not accountable for what they  
25 produce. You're talking about shipping liability. I don't think it means  
26 a damn. That plant is responsible for its product and it always has  
27 been. I wish USDA would get that message straight. We feel there is  
28 an obligation on the part of our industry, including small plants, to  
29 move forward to do what we can to move in a direction that signals  
30 some additional improvement that meets the minimum requirement and  
31 standards. We want to do that. We don't think the interim near term  
32 initiatives as outlined are necessarily much more than expensive  
33 prescriptive approaches that have not necessarily been demonstrated  
34 to be effective or particularly cost effective as well.

35 I heard reference during several of the meetings to a deadline for  
36 an issuance of the final rule. We've heard December 1, we've heard  
37 January 1, we've heard February, early next year. I think if USDA has  
38 an opportunity as it has here with representatives of all the  
39 constituency groups that are concerned and it rushes to a judgment

1 about what needs to be done before the facts are in, it's making a fatal  
2 mistake and it will never have this opportunity again. We think there's  
3 an opportunity presented to FSIS to fix the system and fix it right and  
4 we don't know something will work let's find out before we try to beat  
5 a deadline here. Let's do it right the first time. The question will  
6 come up later about how long it would take to implement programs.  
7 Should we be looking at a year, three years, or five years, or seven  
8 years. We can't set a deadline until we know what it is we're setting  
9 it for. Small plant operators have constantly reminded us that if what  
10 is being suggested is impractical or it is not effective it doesn't  
11 matter if it's two years or five years. They're looking down the road  
12 and saying I will never invest another dime in my plant, I'll sell it.  
13 They've got to be able to see a future. They're more concerned about  
14 the quality and safety of their product than FSIS cares to imagine.  
15 Heard some reference late yesterday to people that don't believe in  
16 HACCP. We think anything you can do to prevent food-borne illness and  
17 reduce pathogens is important but I would suggest that we're  
18 representing some folks here today who will have to pay the bill for all  
19 of those costs that are coming on line. They're willing to go those  
20 costs and meet those expenses but they do need to see that it is going  
21 to be effective and it is practical.

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

31 MR. BILLY: Mike?

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

39 (Off the record discussion)

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

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

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

35 MR. TAYLOR: Let me just add one other -- Mike Taylor -- one  
36 other observation, Steve. I think your point about demonstration  
37 projects and ways to sort of see -- you know -- see HACCP in  
38 operation and really be able from that very practical perspective to  
39 provide guidance and assistance to small plants in complying with the

1 HACCP principles, I mean we think that's a good idea. And our notion is  
2 that, again, as you have said, the issue is not sort of the HACCP  
3 principle, the issue is how as a practical matter do you carry that out  
4 in a small -- in a variety of small plant settings and our intention is to  
5 in the year or so following the final rule is to carry out demonstration  
6 projects and to have the fruits of that be part of sort of the practical  
7 assistance and guidance that we can provide to small plants as they  
8 would then later come on line and be subject to the obligation to  
9 implement HACCP so the fruits of that will be available.

10 MR. BILLY: Richard?

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

24 MR. BILLY: Marsha.

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

28 I'd like to explain first what specialty foods are because many  
29 people have asked me. I think by explaining you might understand why  
30 some of the issues that have been discussed are -- don't completely  
31 address concerns of our members. Many people consider specialty  
32 foods gourmet foods. They are cooked prepared for the most part. For  
33 people from the Washington Area you'd find them in Dean and DeLuca or  
34 Sutton Place Gourmet or the gourmet section of a food market. So they  
35 are the pates, the Smithfield hams, there's some sausages that are  
36 sold raw, but most of the products are prepared. That is part of the  
37 concern we have with your statement, Mr. Taylor, about the economic  
38 impact of the proposal. I think several times you mentioned slaughter  
39 and your focus is on slaughter or operations that really don't include

1 what our members do. By not concentrating on them you don't have a  
2 full idea of the economic impact of your proposal on these companies  
3 so that any economic impact statement you have is incomplete.  
4 Without more information about not just what goes on in the plant in  
5 producing the product but the cost associated with training and  
6 implementation of HACCP by these small companies you are missing a  
7 part of the impact of what HACCP means economically on a broad scale.  
8 That's not to say that our members don't want HACCP or some  
9 assurance of food safety for consumers. The small companies want the  
10 same thing but as Mr. Beckwith said, the cost considerations are very  
11 different for the small companies and that has not been taken into  
12 account completely it seems. Thank you.

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

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

33 MR. BILLY: Okay. Dane?

34 MR. BERNARD: Thank you. Dane Bernard, National Food  
35 Processors Association. In answer to the question that Mr. Taylor  
36 asked earlier, there are, as usual, no simple answers. I'll ask Bruce to  
37 join me in this. Can HACCP work in small business? The answer is  
38 most definitely yes. Steve Krut has indicated that he has a lot of  
39 support out there in small businesses for doing HACCP. Let me digress

1 just a bit and remind you what Carol Foreman -- I don't know if she's  
2 here this morning but she said very well two weeks ago but whenever  
3 we take HACCP which is a concept that we're becoming more and more  
4 familiar with and we institutionalize it, we mandate it, we turn it into  
5 a regulatory program it will change. And whether it will be successful  
6 in all levels is going to depend on how that mandate comes out. So can  
7 it work -- it's working now as a voluntary program in all areas of the  
8 food industry in plants at all levels but how we end the day in terms of  
9 our regulatory programs and especially how we institute the concept  
10 of performance standards which keeps coming up and how that is  
11 executed, those are where some of the costs are that I think can be  
12 pretty scary, especially to small processors.

13 Let me go back. There was a World Health Organization  
14 consultation which Bruce Tompkin and I were part of. One of the areas  
15 that that consultation addressed was educational standards in HACCP  
16 at all levels. One of the big challenges there was on street vend foods.  
17 How do you incorporate HACCP programs for street vendors of foods?  
18 This is the smallest of any food business and obviously would present  
19 the greatest of challenges. The only way to get around those kinds of  
20 things is to go back and determine what we want to get out of HACCP.  
21 HACCP is a concept. It's a step back from an operation, look at that  
22 operation, determine what it is that we must do in that operation day  
23 in, day out, and do it right to produce cell transport, whatever it is,  
24 food, and keep it as safe as we can keep it. With that as the central  
25 concept, we've elaborated these seven principles which we have begun  
26 to interpret rather as a monolithic entity. They are not. We must be  
27 flexible in how those seven principles are expected to be complied  
28 with at different levels and especially in different sizes of companies.  
29 It's not logical to expect, for example, as we determined at the WHO  
30 consultation that every vendor of food in the street is going to have  
31 the scientific wherewithal to propose a HACCP plan to do a hazard  
32 analysis, nor, I would submit, can we expect that certain small  
33 processor would be entirely capable of doing that. Larger processors  
34 may have the resources to call in experts and gather certain scientific  
35 information. On a smaller basis we must provide collectively and  
36 through consensus building the kind of scientific information to allow  
37 that to happen without mandating that everybody go through every step  
38 to put together a HACCP program. We must also be cognizant that the  
39 testing regimen to prove and document that a HACCP program is indeed

1 functioning and giving us the kind of results that we want can be done  
2 in many ways, not just by a certain regimen of testing so many  
3 samples at the end of the day to determine whether we're producing  
4 the appropriate results. So can it work? Yes. We have got to be aware  
5 of the costs and we've got to be aware that there are options as we go  
6 down the road and we don't mandate a very rigid structure here.  
7 HACCP, by its very nature, is designed to be flexible. It was designed  
8 to take in the variations that occur from plant to plant and operation  
9 to operation and that includes the size of the operation and the  
10 technical capabilities. Thank you.

11 MR. BILLY: Richard?

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

20 MR. BILLY: Jim?

21 MR. HANKES: Jim Hankes representing the Illinois Meat  
22 Processors, small plant operator. Real briefly, there's some people  
23 here that probably haven't been in small plants. The issue we're  
24 dealing with is like one large multi-purpose facility. And, again, I use  
25 us as somewhat of an example. We slaughter beef, hogs, sheep. We do  
26 cold processing of our own products. We buy products probably from  
27 every large company represented here which in a way as HACCP gets  
28 implemented into their plants it can do nothing but help us insure that  
29 we're producing safer products ourselves as we -- you know -- use  
30 these raw products. We do the processing of hot products, fresh  
31 products ourself up to almost a hundred multi-ingredient products and  
32 we may only make two hundred pounds of one product in a year's time  
33 during a special holiday season. Custom processing -- and I don't know  
34 how custom processing in the federal plants will affect HACCP since  
35 it's a custom exempt and it's going on within the same facility. The  
36 same holds true for wild game processing. And you have to consider  
37 that wild game processing in this country is a large -- it's a large item  
38 and we actually do a tremendous service to the customers that bring  
39 their animals -- their game products into our plants because we can



1 take those products, clean them up, and produce a heck of a lot safer  
2 product than they can out in their garages. Retail, wholesale -- you  
3 know -- we provide our local areas with those services. Catering -- a  
4 lot of us have had to expand over the last -- you know -- several years  
5 into catering so basically that animal can walk in the back door and we  
6 can serve it on a plate out the front.

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

38 MR. TAYLOR: Can I just ask Jim a question? This is Mike Taylor  
39 and I don't want to put you too much on the spot and maybe I'll just

1 pose the question and you can think about it and come back. But -- you  
2 know -- you've suggested that the proposal as, I guess, it's what we  
3 published and you're referring to the proposal from February could add  
4 ten cents to a dollar a pound. I'd be interested in as much sort of  
5 detail as you can give us about the elements of the proposal that in  
6 your specific plant setting you envision you're contributing most  
7 significantly to those costs and then any specific suggestions you've  
8 got for how we ought to alter the proposal to deal with your cost  
9 concerns while still achieving the food safety objective we all agree  
10 on and welcome any point -- any details you can give me.

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

28 The refrigeration has been quite interesting. Unfortunately, a  
29 week ago I lost a seven and a half horse compressor. So we had to go  
30 in there and replace it. By the time we got done replacing that,  
31 changing some line sizes, building in some more capacity, that's going  
32 to cost me over eight thousand dollars. If I have to take that out of my  
33 operating budget for the year that doesn't leave me a whole heck of a  
34 lot as far as compliance and other fixed costs that may be associated  
35 with incorporating HACCP into the program. So, obviously, the  
36 refrigeration concept and the cost is a big item. I've been discussing  
37 with Dr. Floyd McKeith from University of Illinois down at the other  
38 end of the table who's a technical advisor to the Illinois Meat  
39 Processors Association, we've talked about the possibility of

1 increasing air flow in our coolers with maybe a simpler system, the  
2 possibility of incorporating more fans. We've also talked about the --  
3 you know -- maybe trying to improve the chilling with water -- a chill  
4 system in our small coolers -- you know -- this would obviously pose  
5 other problems but possibly there's a simple way we can do this. But  
6 the thing is -- you know -- we are on new ground here and these things  
7 haven't been tried in the small plants. We need to get out and try some  
8 of these things. Specifically in our plant we're going to try some of  
9 these things. As far as possibly there's a benefit -- you know --  
10 maybe if I do something like that in my hot box not only can I cool the  
11 carcasses better but maybe I can get a return by using less energy or  
12 using the energy I'm consuming now more efficiently. So in this whole  
13 process we do see a good coming out of it. Without taking a plant and  
14 documenting everything step by step it is difficult to say -- you know  
15 -- it's going to cost twenty three or thirty three thousand dollars in a  
16 year's time and even looking at the numbers -- you know -- that you  
17 had to come up with something to put out. Well, -- you know -- if you  
18 take the average small plant and there's a lot of small plants out there  
19 that maybe only produce a half a million dollars worth of product a  
20 year and they slaughter and they process and they start looking at fifty  
21 -- sixty thousand dollars cost to implement HACCP that's what scares  
22 the heck out of them. And I think in this whole process I'd like to add  
23 one more thing quick is that a lot of operations in the small plants  
24 have had to expand into other areas and when you work on a definition  
25 of small business or small operations I'd like that to focus on  
26 inspected meat products because there are other -- you know -- other  
27 plants that are selling other goods -- dry goods and what not -- that  
28 are inspected meat products and if that's included in their volume of  
29 sales or whatever I don't think that's a fair representation. A lot of us  
30 -- you know -- part of our shop comes under public health, part of it  
31 comes under inspection. You know -- I don't know where you draw the  
32 line on these types of things. I don't know if that helps any.

33 MR. TAYLOR: Thanks.

34 MR. BILLY: Eric?

35 MR. JUGANES: Eric Juganes, American Public Health Association.  
36 I think the concept of flexibility for small business is a good one.  
37 Definitely nobody wants to drive businesses out of business  
38 unnecessarily. But I think one other aspect of the HACCP regulation is  
39 dealing with economics is to address the fact that currently there are

1 substantial costs that are being passed on to the consumer in food-  
2 born illness and in some cases even death. I think one purpose of these  
3 regulations is to make businesses accountable for some of those costs  
4 and, of course, whenever you're addressing -- I guess I can introduce a  
5 new pseudo profession -- pseudo economics -- whenever you have an  
6 extranality such as this where a business is running and one of the  
7 costs of that business, food-born illness is being passed on to the  
8 consumer the point of regulation is to address the fact that the  
9 consumer is bearing the cost where the consumer can't always bargain  
10 for changes with all the individual plants. I think that's what is  
11 happening here and I think it's important to keep that in mind that if  
12 the unfortunate reality is that some businesses which are passing on  
13 those costs are not going to be able to make it under the new system  
14 and there's going to be some that's unfortunate but so is the food-born  
15 illness that we currently have. Thank you.

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

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

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

35 MR. BILLY: Tom?

36 MR. NEESE: I'm Tom Neese. Sir, may I take just a little bit  
37 different perspective. Under your definition we are a medium sized  
38 business with a small business outlook which is quality driven rather  
39 than quantity driven. I have already sent three to three different AMI

1 HACCP schools so I have the trained personnel. I am ready to go. In the  
2 near term the companies that are my size and smaller are not  
3 physically able, capable, of meeting the near term objectives. We have  
4 to learn and we have to have a commitment to write SOP's but you don't  
5 do that in ninety days. We have to endure the training of your  
6 inspection personnel who are going to be changing all of the things that  
7 we're going to be trying to do. We have to cope with physical changes  
8 if there are any involved and if we have to order machinery, micro --  
9 whatever you want to call it -- cleansing of carcasses, if we have --  
10 that takes time. If we have to do micro testing it takes time to get  
11 the equipment, to set up relationships. In many operations you cannot  
12 hire five extra Ph.D.'s and put them on the payroll and have this  
13 accomplished in ninety days. The important thing is the long term  
14 improvement in the food safety of this country from your perspective.  
15 And we would be better off with my time and my company's resources  
16 being channeled into the development of a HACCP program and given the  
17 time that is required to accomplish these objectives. That's point one.  
18 Point two, on cost. Just a little different approach on cost. It doesn't  
19 make any difference whether I talk it's going to cost me two cents or  
20 three cents a pound to do HACCP and the near term objectives. You  
21 should realize that if I raise my prices one cent in the category that  
22 I'm in in the deli counter that's a ten cent per pound retail change in  
23 price. Because the chains do not go up one cent. If I go five cents they  
24 will go ten. If I go more than five they're going to go twenty. I'd like  
25 to get by with six. That's the second point. The third point involves  
26 the testing that you all are planning to do in the small plants. Dr.  
27 Dwayne Pilkerton has approached me and pushed me pretty diligently to  
28 be a member of the fifteen test plants in North Carolina. This has been  
29 fully discussed with my production people and when I came to this  
30 meeting the decision had basically been made to participate. The  
31 decision has changed and may I quote you why. We don't know. We don't  
32 have the answers. The averages -- they're not developed yet. Pre-op  
33 sanitation -- a learning experience. Our thinking will develop over  
34 time. Demo projects we will do in the first year. Documents not  
35 currently available. We don't know when the final document will be  
36 ready. Sir, if I participate in that demo project when you folks do not  
37 have your parameters set I have done a disservice to my company and,  
38 therefore, I can't do that. I just can't do that.

39 MR. BILLY: Nancy?

1 MS. DONLEY: I'm Nancy Donley from STOP -- Safe Tables Are Our  
2 Priority. I guess what it's kind of boiling down to in a nutshell, at  
3 least what I'm hearing in the room, is life isn't fair. And I can share --  
4 you know -- attest to that very, very fact also. Life isn't fair and it  
5 gets -- we learn that lesson in a variety of ways. I certainly learned  
6 it the hardest way of all through the death of my son from E. Coli  
7 O15787. I wanted to make just a couple of comments.

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

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

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

36 MR. BILLY: Bruce?

37 DR. TOMPKIN: I'm Bruce Tompkin from Armour Swift Eckrich and  
38 I would like to respond to Michael Taylor's question relative to the  
39 very small business. I think the purpose of the whole proposal really

1 is to make a step forward toward improving food safety and the  
2 question is what's the best way to get there in terms of the very, very  
3 small operator -- the family operator -- or even so far as Dane  
4 mentioned, the street vendor. Yes, we could teach these people the  
5 principles of HACCP -- the seven principles and how to establish a  
6 HACCP plan, but I don't think that's really what we want to do to  
7 accomplish our near term food safety goals. I think much more could  
8 be gained by educating the smaller operator in terms of what are the  
9 hazards and the emphasis being upon food safety with regard to  
10 microbial pathogens. What pathogens are really of concern and how can  
11 we best minimize or preferably ideally prevent their occurrence and  
12 how they can cause food-borne illness? There's information from CDC,  
13 for example, that identifies the more common food safety handling  
14 errors -- time temperature being the most common. Cross  
15 contamination is another one. Does the really small operator -- and  
16 it's somewhere between the really small operator and the kind of  
17 company I work for there is a decreasing amount of understanding and  
18 knowledge of what's truly important for food safety and that's the  
19 message that I think that we should be focusing on for these smaller  
20 operators. What is important and what can they do to enhance the  
21 safety of the foods that they have? And it's through that knowledge  
22 then that they can assume responsibility. You can't assume  
23 responsibility for something for which you are ignorant. So I would  
24 place the emphasis for the very smallest upon education so that they  
25 really understand what the issue of E. Coli 0157 is and what their  
26 potential role can be toward preventing that kind of food-borne illness.

27 With a HACCP plan, the principles and so on, there's a certain  
28 amount of baggage that goes with it as we apply it in a larger company  
29 or as proposed in the rule. You have all the records, you have to have a  
30 written HACCP plan, you have to do some testing where appropriate. I  
31 think that given better guidance at this point in time to that very  
32 small operator would be the best thing to do. Do they, in fact, know  
33 what they need to know and how can we assure that they know that  
34 information? So that if something does go wrong -- a power failure  
35 occurs in their little establishment, do they understand that it is a  
36 food safety concern, it's not just spoilage, depending on the type of  
37 product and what the processing is. It could, in fact, be a food safety  
38 concern. They should know. They should pick up the telephone,  
39 assuming the telephone's still working. But that's the kind of thing.



1 They should be able to know the difference between well, I can just get  
2 by, I can save this product, they'll know that they need to call in an  
3 expert. It's important for that. So I think that's really where the  
4 emphasis should be placed on that smaller people.

5 MR. BILLY: Okay. Jim?

6 MR. HODGES: I'd like to try to sort out what is the most  
7 significant cost from what I consider the less significant cost of the  
8 proposal. Nancy, I do agree with you that in the terms that we use it at  
9 the American Meat Institute, safety is a non-negotiable item. It's not  
10 the cost that's the issue. We have an obligation to provide safe food to  
11 the consuming public and if we don't do that obviously those  
12 businesses will not exist, our industry will not exist in the long run.  
13 AMI membership, about seventy five percent of our member companies  
14 is one hundred employees or less. So we are sensitive to the small  
15 business concerns. We clearly believe, however, that the bulk of the  
16 cost of this proposal centers on the near term initiatives to be  
17 implemented within the ninety day time frame. The time frame  
18 obviously escalates the cost. I think Jim, Tom, and a variety of other  
19 people have highlighted their concerns centers more around the near  
20 term objectives. We need to keep a focus on what the HACCP program  
21 is supposed to do. A sanitation SOP that is designed in a very effective  
22 way to verify that the plant is clean before you start does not make  
23 the plant clean. It's the sanitation procedures that you use that makes  
24 the plant clean, not the verification of it. The same thing with the  
25 time temperature. It's not the thermometer that you put in the  
26 product. It's the system of refrigeration, cooling curves that make the  
27 time temperature systems work. It's not the microbiological testing.  
28 That only at best can verify that your system is appropriate and makes  
29 pathogens -- that will reduce pathogens. Microbiological testing will  
30 not do that. It has to be the system that is designed the manufacture  
31 the product. All the testing in the world, whether it be for  
32 temperatures or microbes or a variety of end product testing cannot  
33 build safety into those products. It is our clear belief that if the  
34 agency would seriously consider abandoning the mandatory near term  
35 initiatives including those where appropriate in the HACCP program it  
36 would serve a variety of purposes. It would keep our focus and it  
37 would reduce cost. We have competing objectives and I think you've  
38 heard me say this in different forms. Last night I was trying to  
39 visualize how to graphically portray that to the agency and this group

1 and it kind of reminds me of the -- of a person that's walking up a  
2 stairway to food safety and we're putting one step up and that's the  
3 HACCP step and we're all moving in that direction but with these near  
4 term initiatives in the microbiological testing the other foot is in a --  
5 is mired in concrete that we can't lift it up and move to the next step.  
6 The near term initiatives are counter productive in terms of how we  
7 want to proceed with the HACCP program. It's our opinion that you  
8 could save cost, you could keep your focus if those things are  
9 abandoned.

10 MR. BILLY: Jim Marsden.

11 DR. MARSDEN: Jim Marsden with Kansas State University. I  
12 think the discussion here has gone off track a little bit because I don't  
13 think anyone in the room disagrees with the requirement that we all  
14 operate using safe food processes and I think to accuse small  
15 businesses that that's their objective is not fair and I think really the  
16 discussion should be on how do we achieve that objective -- that  
17 shared objective -- and the most cost effective manner possible and as  
18 quickly as possible and one approach that we've discussed at length is  
19 using HACCP. And through appropriate hazard analysis, through  
20 developing appropriate HACCP plans with validated critical control  
21 points, that is clearly a viable option. But there are other options as  
22 well and I know the term command and control is kind of a dirty word  
23 nowadays here in Washington, D.C. but we do have a system that albeit  
24 imperfect does exist and could form the basis for a way to stage the  
25 implementation of HACCP for small businesses over some period of  
26 time. And I really -- from my perspective, what I see in the small  
27 business community is what I think is a valid fear that we're heading  
28 into unknown territory here and maybe food safety's our objective but  
29 the way we're approaching it may just as well result in thousands of  
30 HACCP plans that aren't worth the paper they're written on. And that  
31 is going to cause chaos. It's not going to promote food safety and so  
32 on. So one of the things that perhaps would get us through this would  
33 be to consider not an exemption from HACCP for small businesses but  
34 to make it voluntary perhaps for some period of time to allow a more  
35 orderly transition for small businesses, not that in the interim they're  
36 going to be producing unsafe food. On the contrary. They rely on  
37 regulations, we rely on perhaps if we could get some agreement on  
38 short term initiatives for pathogen reduction that we rely on the  
39 existing regulatory framework and also the 8,000 inspectors that we

1 have in meat and poultry plants around the United States. It seems to  
2 me that the question is not where we're going but the way we get there  
3 and how do we get there in the most orderly fashion possible. The  
4 agency also some serious concerns, I think, about how they get there  
5 across the entire industry in a fairly short period of time with the  
6 enormous training requirements and things like that that have to be  
7 developed. So I think that we need to get the discussion away from  
8 how do we get this done and not cost too much money for small  
9 businesses but rather how do we get this done in an orderly fashion and  
10 at the end of the day end up with safe food processes for all  
11 companies, large, medium, and small, that indeed accomplish our food  
12 safety objectives. Thank you.

13 MR. BILLY: Dell?

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

32 The final thing I would go to in terms of the testing process,  
33 again, I have suggested this already to several people in several  
34 different states, again, those land grant universities have laboratory  
35 facilities and there are state political mechanisms where small  
36 processors surely can set up an arrangement, may be a fee  
37 arrangement, but it is a fee arrangement at a minimal cost which  
38 allows them to utilize the testing facilities that are available to them  
39 in those land grant universities and/or their state agency lab. There's

1 got to be some simplicity in that that can be worked out and are going  
2 to minimize the cost to small processors. I think all of those things  
3 need to be kept in mind as we go forward.

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

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

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

31 (A brief recess was taken)

32 #2 MR. BILLY: Okay. I think the first person I have is Floyd who  
33 wants to say something specific with regard to what Dell said just  
34 before the break.

35 DR. MCKEITH: Floyd McKeith, University of Illinois. I guess I  
36 qualify in several cases relative to what Dell was talking about using a  
37 land grant institution extension people and a member of the American  
38 Meat Science Association as a source for small processors and how  
39 they can gain information in implementing HACCP. I think there's a

1 couple of issues that we should discuss relative to the logistics and  
2 the timing of the implementation of HACCP. The reason I'm here today  
3 is to gain a better understanding of what I need to do to help our  
4 processors conform to the HACCP program and changes in inspection.  
5 In the State of Illinois we have roughly four hundred to four hundred  
6 and fifty state inspected plants that are small as well as a couple  
7 hundred federally inspected plants that are small and as I look at the  
8 training issue that I'm faced with, if we figure two to three people  
9 from each of those plants to be trained it's eighteen hundred people.  
10 That's something that I'm not going to be able to accomplish overnight.  
11 It will require some time. Coupling with that, as we discussed, sample  
12 analysis and Dell pointed out there are state laboratories as well as  
13 university labs, I'm not confident that I could get my colleagues in  
14 microbiology to jump in and pitch in and say we're going to run all of  
15 these samples on a daily basis. I think with those six to seven hundred  
16 plants and a minimum of two to three samples per day depending on the  
17 operation we're somewhere between a thousand and two thousand  
18 samples going into one of those laboratories on a daily basis. Again,  
19 that doesn't include the daily sanitation operation, average plate  
20 counts, E. Coli, whatever you want to address on those issues, so I'm  
21 not sure that we have all of the infrastructure that we need for this to  
22 happen in ninety days is my point.

23 Couple of other issues that I'd like to point out or, I guess, bring  
24 up, I should say, more than point out. Right now we have custom plants  
25 versus inspected plants. As we go through, if we greatly change the  
26 regulations or create situations where there will be less plants that  
27 are inspected or they feel financially they can't comply with  
28 inspection their easiest option is to say I want to be custom exempt  
29 and I personally don't believe that's a good option. The control is less  
30 on a custom plant than it is under current command and control  
31 inspection. So I think that that has to be assessed in some way. How  
32 do we deal with custom plants and what role do they play? And I think  
33 the other thing that we haven't discussed much in the last two days is  
34 the issue as it revolves around food safety are all the problems  
35 relative to food safety directed solely at slaughter and processing? I  
36 know Mr. Billy made the point that we should talk about transportation  
37 and potentially retail but there are a host of people involved here and I  
38 think if we want to stand back and say we want to minimize or  
39 eliminate the risk of food safety we ought to put our arms around our

1 colleagues in food service, our arms around our colleagues in retail,  
2 and we probably should mandate some extensive training program for  
3 consumers if we want to truly address all the facets of food safety. I  
4 heard someone make the comments let's make a mandatory food safety  
5 course in high school for students. Make sure they understand how to  
6 use food. That's probably not a completely unrealistic approach for the  
7 future. There's a lot of different issues on the table and I think that  
8 all of them are important issues and I think that everybody agrees that  
9 food safety is extremely important. Thank you.

10 MR. BILLY: Marsha?

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

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

34 The second point is that I said before, many people have said I  
35 want to repeat, we are interested in producing safe food. We're  
36 interested in it for moral reasons, we're interested in it for business  
37 reasons. And that is a consideration of certainly the members in ASFT  
38 but I think of most companies. What we have to realize is that at this  
39 point we're trying to revise the system or devise a system so that the

1 majority of companies which make safe food change their procedures  
2 and perhaps their added cost because the small number of people who  
3 might make unsafe food and cause a catastrophe but the majority of  
4 companies are about to undertake something that they might not need.  
5 It's not that they're not making safe food right now. So that when we  
6 begin to say a company which might have to go out of business or bear  
7 huge costs should -- that's a minor consideration -- certainly it's a  
8 minor consideration in comparison to a life but it's not absolutely  
9 necessary in all cases because you're telling companies maybe to go  
10 out of business even though they already are making safe food. And I  
11 think those are the types of things we have to bear in mind. To have a  
12 company say I don't agree with the way you want to proceed towards  
13 safe food to make that company seem almost immoral is not  
14 appropriate. The company is just saying here is a time for discussion,  
15 we are offering alternatives, we are offering suggestions, we are  
16 offering information to be taken into account and that's the way, I  
17 think, the spirit in which we should proceed for the rest of the  
18 afternoon. Thank you.

19 MR. BILLY: Okay. Rosemary?

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

25 I would like to suggest to you that -- and some of you have heard  
26 me suggest this analogy previously -- that what we're really doing is  
27 talking about changing a system that might compare to a freight train  
28 rolling across at relatively modest speeds across this country coast to  
29 coast and we're devising a system that will more look like a light rail  
30 system and nothing that's on the freight train really fits the light rail  
31 system but people don't know how to operate it, it runs on different  
32 tracks, it serves a different purpose. We're changing from one very  
33 large system that has worked pretty well for ninety years but needs  
34 changing and how do you do it to make the new system to look like that  
35 light rail system. It's a very complex tricky problem. And the very  
36 fact that we're all here this week again to talk about some of the kinds  
37 of changes between what we have now and what would best serve us  
38 for the future is to be commended. The Department is to be commended  
39 even though they came kicking and screaming to this process, but

1 they're to be commended for being here today to realistically talk with  
2 the people who make the system operate. And it is terribly complex.  
3 The -- certainly the constituency I represent, and I know some other  
4 organizations who are not here today but who were here last time feel  
5 like this, and there are other groups around this table who you have  
6 heard from, nobody is saying that people, because of the size of their  
7 business, should be exempt from producing safe food. And anybody who  
8 suggests that we are need to listen to the message very, very  
9 carefully. We've certainly heard from some people this morning who  
10 talk about what many, many small companies have done and it's  
11 possible the companies that belong to organizations are higher  
12 achievers than some low rangers out there. Not always a true  
13 statement for every consideration but they clearly gone out and sought  
14 advice and information on how to improve their business because  
15 running your business better, producing safer food, and producing food  
16 that people don't have problems with when they eat it, assures you of  
17 repeat business. It's not even like buying a car which you may do every  
18 once in every three, four, five, ten years, whatever. It's food we eat  
19 every week. And we like people to eat meat every week. Because of  
20 the concerns that we had as an organization, we joined with other  
21 organizations and we got together and we put the ground stones around  
22 an organization called the International Meat and Poultry HACCP  
23 Alliance back in early 1994 and I'm pleased to tell you Steve Krut is  
24 the president of that outfit -- Steve? Whatever. He's the chief  
25 official and I submit to his authority when he tells me to jump. He  
26 didn't tell me to jump today on this one but the organization has just  
27 concluded developing its accreditation program and this is an  
28 organization that has reached out to people in other countries, some of  
29 our major foreign competitors, the people down under, Canada, etc.,  
30 who are already participants in this activity. And we've talked some  
31 about all playing off the same hymn book. It would be very useful and I  
32 would strongly urge that the Department consider working with the  
33 HACCP Alliance in order to develop training programs that can be open  
34 to anybody who wants to take a training program on HACCP and they  
35 can all get the same kind of accreditation from it. This is a big, big  
36 task out there and if we get some standardization to the training then  
37 they're all going to end up five -- ten years hence with a better  
38 system. If we perpetuate the separate systems for USDA doing their  
39 own thing separately in their own training center then we will have



1 lost a major cooperative effort to bring safe food faster to the tables  
2 of American consumers. So we would certainly urge the involvement -  
3 - the active involvement in that kind of training with all of the other  
4 people who are interested. We understand that as you take HACCP and  
5 you use it for a regulatory purpose you may have some things that you  
6 need to add for regulators and -- you know -- you should certainly have  
7 the right to do that but for basic HACCP I've listened to Dane Bernard  
8 long enough, I've listened to Bruce Tompkin long enough, they're experts  
9 and I would hope that they would say yes, we all need to start from the  
10 same basic learning book and there may be some bells and whistles  
11 that different people need to put on to it for their different  
12 applications and that will certainly apply to regulators. But let's all  
13 get in and learn together. Let's not start people on different tracks. I  
14 believe that there are firms in this industry and probably some in this  
15 room who already have operational HACCP programs for their  
16 businesses. I think as you look towards bringing this light rail system  
17 into our inspection program that those firms are ones that can -- are  
18 ready to begin to cooperate with the government much more closely  
19 than firms who are learning about it first time and so as we look to  
20 how we move forward and the agency has a huge responsibility because  
21 it has lots of people that it has to train and I heard some discussion  
22 last time that they're going to get three weeks of training. That's a lot  
23 of time and we already heard from Illinois today about how long it's  
24 going to take to train plant employees in three day trainings if FSIS --  
25 they won't be ready by the year 2020. And so we need to think about  
26 how to take again the freight train system and put it on to a light rail  
27 and one of the suggestions that I would make is that as we do this talk  
28 about a phase-in and at first you might want to welcome into the  
29 world of HACCP with the numbers of people that you can make  
30 available that will be trained to inspect by these principles invite in  
31 firms in the first round that are capable and have developed and  
32 instituted HACCP programs. I think that that might serve us very well  
33 to phase into this because I don't see an exemption. There's no  
34 exemption from food safety. You ask Dane Bernard if a firm with two  
35 employees ought to be exempt. Nobody should be exempt. But there  
36 does need to be a recognition that what applies to a firm with 20,000  
37 employees may be significantly different from what applies to a firm  
38 with two in the way that it is applied. They all need to understand the  
39 same safety issues. But the firm with the 20,000 may have the

1 resources to jump on this light rail system next year. The firm with  
2 two may need a lot more time to get there. Kim muttered beside me  
3 when we talked about having a class in high school, she said why not in  
4 junior school or in elementary school. That's right. I mean the nine  
5 and ten year olds are cooking the meals now at home and selecting food  
6 in the counters. We need to start a lot earlier than kids in high school  
7 in teaching food safety and it needs to become part of a basic  
8 curriculum and our industry needs to work with the government to that  
9 end.

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

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

34 MR. BILLY: Well, the seafood industry as a general matter is  
35 broadly supporting moving to a HACCP based system for inspection and  
36 has embraced the idea of a phase-in over a one year period of time. It  
37 may well be that in the case of the seafood industry they're starting at  
38 a different point in terms of their responsibilities under a different  
39 kind of inspection regime, what they recognize as their

1 responsibilities and in terms of looking at process control type  
2 systems across the whole spectrum of that industry. With regard to  
3 your question about size, using a similar definition I think it was three  
4 million dollars worth of sales -- either two or three -- I can't  
5 remember for seafood. The vast majority of that industry is smaller  
6 than the definition that was used similarly in our proposal for  
7 identifying a small plant from a large plant so there's a very close  
8 parallel in terms of a preponderance of very small plants in that  
9 industry like there is in the meat and poultry industries.

10 Diane?

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

15 It's important to all our members and indeed to all consumers that  
16 raw meat and poultry we buy be safe enough for us to cook and put on  
17 the table for our families and I'm heartened that this discussion has  
18 focused primarily on how do we get to HACCP, how do we get to safe  
19 meat and poultry when we're a small business and can we reduce the  
20 cost in that how and I think we very much support that there be  
21 performance standards that apply across the board for every size but  
22 we also see flexibility in how USDA and others work through the  
23 problems of small business of getting here to there. I just want you to  
24 know that consumers just feel, frankly, that meat produced and sold to  
25 them should not be so contaminated that people in their own homes  
26 have to maintain a sterile surgery for every implement, counter top, or  
27 cutting board that is touched by meat and poultry. Those of us who have  
28 gray hair here know that we didn't used to have to do that. There have  
29 been new emerging bacteria and germs which are much more  
30 threatening than they used to be. We also know that it's been  
31 estimated at the real low end by CDC experts that food-borne illness is  
32 responsible for a minimum of 6.5 million illnesses at least and 9,000  
33 deaths in a year. But maybe even more important to think about is that  
34 the very young, the elderly, the pregnant, the chronically ill and those  
35 with weakened immune systems are at risk for very serious illnesses  
36 and death from food contaminants. Now when you are cooking at home  
37 for your family and you think about it, a great, great many families  
38 have one of those at risk people sitting around the dining table at  
39 night. And -- you know -- it's not any wonder that today's home cooks

1 begin to look for substitutes for meat. So I'm talking not only about  
2 consumer health, I'm also talking about consumer confidence and I  
3 think it would be shared by both business and consumers that we all  
4 want to shore up that seriously eroding confidence in the meat and  
5 poultry that consumers buy. It's a real problem. In order to rebuild  
6 that confidence we have to have these microbial and sanitary  
7 standards to be set for everyone and enforced for all types of business,  
8 small and large. Unless that's done you can't regain consumer  
9 confidence. How does the consumer know where that particular  
10 package of ground meat came from -- that it came from a very small  
11 operator and they couldn't phase it in until six years from now and  
12 therefore you would have actually preferred to buy it from another  
13 company that did have a HACCP plan. This doesn't work. I mean from  
14 the consumer point of view it's got to be a uniformed standard and I  
15 think that that is the only way that you in the meat industry will be  
16 able to halt this kind of dip in people's confidence and therefore their  
17 minds of meat.

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

33 DR. MCKEITH: I'd like to make one comment. Floyd McKeith,  
34 University of Illinois. I don't think that we can make the statement  
35 that our food is less safe today than it was in the past. I think there's  
36 probably less pathogens in food today than there's ever been. Twenty  
37 years ago we had to clean the kitchen or we had to have a better  
38 immune system or we had to have something to protect our food just  
39 as much, if not more, than we do today. I don't think we can make the

1 assumption that pathogens are on the increase and that we're creating  
2 a host of new genre of microbes that are hazardous to our health.  
3 We've had a lot of them around for a long time.

4 MR. HANSEN: My name is Bernie Hansen. I'm a small food  
5 processor from the State of Kansas and I'm also serving as the  
6 President of the National Association of Meat Purveyors so I represent  
7 a group of those people that are highly involved and have been for a  
8 long time from the HACCP round table to today. We have never, ever  
9 wanted to sacrifice food safety. It enlightens me that there are so  
10 many approaches to where we need to go. I think the thrust of the  
11 thing is obviously how we get there. In my realm of business  
12 responsibilities I also run a cheese company which is under FDA, very  
13 much different than USDA, but my focus for management and food  
14 safety are no different about the products that we put out. Certainly  
15 as business people we have one side of our brain that says we have to  
16 address costs to stay in business. That's simply survival of the  
17 fittest. The other side says that we have to be accountable for what  
18 we do. Dane mentioned earlier or he was asked by Mr. Taylor if HACCP  
19 applies to the smallest of businesses and I guess Dane will get hung  
20 with that all through the day clear down at the end of the table. I think  
21 that somebody opted to talk about the operation -- call it whatever you  
22 want -- that kills one sheep and one beef per day may have the best  
23 HACCP program of anybody in the country because once you get outside  
24 of the realm of one or two people what this becomes is education and  
25 training in order to accomplish the same thing but they've probably  
26 been accomplished and that's doing all the work themselves and doing it  
27 correctly. They may not be documenting but they are, in fact, doing the  
28 steps that makes the product right at the end and would probably be  
29 subject to be the first ones to go out of business if they do it wrong  
30 because they're probably doing it for an individual and if they do it  
31 incorrectly they would be out. So I think that it does apply. When you  
32 start looking at near term initiatives, when you start putting command  
33 controls on it, that's when the fear factor sets in -- can I meet that.  
34 The cost thing obviously then becomes a factor if they think the  
35 answer to HACCP is to put another cooler unit -- refrigeration unit in  
36 the cooler to meet the time criteria which may not affect food safety.  
37 So we've always been an advocate that we do have to have some  
38 testing. We do have to have some baselines to work towards and that  
39 can happen through the Meat Alliance, through the HACCP Alliance,

1 through the scientific people. And so we're very concerned that there  
2 is flexibility and that's a phase-in period but not from a standpoint of  
3 not having food safety but merely from establishing guidelines that we  
4 can work with and avoid the overlap which has and continues to be a  
5 problem for all of us. We've got one very definite of standards and as  
6 we transfer to critical control points those at times can stand in the  
7 way of making those two function together. So I think back to what  
8 Bruce said, it's very much a training and education. During the round  
9 table there was a fair consensus that our people and your people  
10 needed to be trained out of the same book and on the same lines and  
11 were talking about the same critical control points, and how they do,  
12 in fact, affect the end product and our accountability. I think that I  
13 have never in my twenty some years of business, and I've always had a  
14 meat inspector in my operations, that they were the ones that were  
15 accountable for safe food. I have never understood where that came  
16 from from my standpoint as a business person. If I thought the  
17 inspector was there to do that I had the wrong approach about running  
18 my business. My contention's always been that HACCP is merely a way  
19 of identifying the critical control points that makes us better business  
20 people, not only from an economic standpoint but certainly from a safe  
21 food standpoint and I think those two are certainly tied together. So I  
22 think that that obviously is a perception out there that we as an  
23 industry have to overcome with the consumer. I still contend -- and  
24 we are talking meat but we really need to be talking about overall  
25 education, farm to table. We have lots and lots of people out there. I  
26 was in a tofu plant not too many years ago and I guarantee you that  
27 cockroaches like tofu and I was startled by what I saw in that  
28 industry. I would not have operated one minute in the environment that  
29 I was in with some very intelligent people that didn't understand about  
30 food safety. I was also startled a couple of weeks ago when it was all  
31 over the news and in the newspaper that some scientists found out and  
32 announced that your dish rag contains bacteria when you leave it lay on  
33 the sink for a week. That tells me that we have some certainly  
34 devastating problems in front of us. That applies to food safety and it  
35 doesn't matter whether it's meat or what it is. That's the education  
36 part. So we have to grow into where we need to be at the level we  
37 need to operate together and I think the fear factor obviously comes --  
38 one of the concerns I've always had is that mom and pop doing the two  
39 head a day could certainly test themselves out of business from a

1 financial standpoint. I'm not sure it creates better food safety. The  
2 other fear is is if they're over documenting and in fact taking away  
3 from what they were doing good before they started documenting and  
4 so there has to be some tolerance in there from that standpoint but not  
5 from a food safety standpoint. So I think we're all talking about very  
6 much the same things -- how we get there -- because it is a big task  
7 that's certainly important to all of us. Thank you.

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

31 MR. BILLY: Richard?

32 MR. BECKWITH: Richard Beckwith. I think one of the big bones of  
33 contention in regards to small business is the sampling error -- the  
34 whole daily area of sampling. It's kind of a quick and dirty approach  
35 and I think it could probably could come up with a more scientific  
36 basis for sampling, sort of prescribed confidence that's either one  
37 percent or five percent or something like that, maybe not so much on a  
38 daily basis but I'm sure these two gentlemen down at the end of the  
39 table -- I took -- -- years ago and I gnashed my teeth through that

1 course -- but I think we can set it up so that it's equitable and not  
2 discriminatory towards small business. I think the one daily sample is  
3 quite inequitable and discriminatory towards one business. It doesn't  
4 put the small business on the same level as the IBP's and Montfort's  
5 and so on, but I think if we can come up with a scientific basis what  
6 we take two samples out of a thousand or whatever, this gets us past  
7 the problem of doing two head a day and having to take one sample for  
8 the two head or if you do one a day then you're testing a hundred  
9 percent. So maybe we want to get away from the thought of maybe a  
10 daily testing putting this in the realm of a scientific confidence limit  
11 with certain prescribed limits on a certain set sample size for the  
12 number of head that we do. And I think that would eliminate a lot of  
13 the under current as far as the sample goes. Thank you.

14 MR. BILLY: Eric?

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

30 The second point that has been alluded to by Illinois and Rosemary  
31 Muecklow and Jim Marsden, etc. is that we have been discussing the  
32 impact really on the impactees as it relates to rapid and effective  
33 implementation of HACCP. We have not at all yet with a couple of  
34 illusions to it referenced the economic and logistic impact disallowing  
35 rapid implementation because of impact on the impactor, i.e., training.  
36 Approximately 8,000 staff of the FSIS in plant are grossly  
37 undertrained in even basic knowledge that would allow them to  
38 understand the HACCP training. So you have to bring the people up to  
39 speed in microbiology and truly assessing what is a risk as opposed to



1 the smelly shoes, etc., etc. or the condensate even before you think or  
2 in conjunction with the HACCP training. And we have also  
3 recommending this for years and years. But this is not going to be done  
4 quickly or without adequate support from congressional appropriations  
5 or other rearranging of appropriations. And this also must be  
6 understood because otherwise it can only impact implementing HACCP,  
7 even a proper HACCP adversely. Thank you.

8 MR. BILLY: Eric?

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

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

29 MR. BILLY: Bill?

30 MR. GAINES: Bill Gaines, USDA. As I stated yesterday the  
31 requirements for carcasses, whether they're livestock or poultry,  
32 either going into the chiller or cooler is the same. There should be no  
33 visible feces or ingesta. It is true that for poultry that has  
34 contamination on the skin or the internal surface of the carcass may be  
35 washed with a twenty parts per million chlorine solution. That  
36 practice has been substantiated by the Agricultural Research Service  
37 in a couple of studies that have been published. So the standard for  
38 visible contamination is the same going into the chiller or the cooler.

39 MR. BILLY: Jim?

1           MR. LOCHNER: Lochner, IBP. I'm going to take exception to this  
2 standard is the same and I'm going to go back to what is proposed in  
3 the February HACCP pathogen reduction on fecal matter in poultry and  
4 my biggest criticism of that lies in two areas. First, ingesta is not  
5 included and ingesta, to me, is indicative of broken intestine which is  
6 indicative of a process out of control. Secondly, fecal matter on  
7 poultry may be allowed to be washed and I know we're going to have a  
8 trim wash hearing -- I guess we're calling it a hearing in October on  
9 beef carcasses which I think at that point in time we ought to be  
10 talking about how to handle the source of enteric pathogens which is  
11 fecal. And I keep hearing why you can't do it in poultry and I keep  
12 reading results by generated and baseline data on ground turkey, ground  
13 chicken, and ground beef, and I still see enormous differences in the  
14 percent positive salmonella. And I think we have to address fecal as a  
15 source of enteric pathogens and quit worrying about why we can't do it  
16 and figure out how to do it in a very effective fashion.

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

25           UNIDENTIFIED VOICE: Amen.

26           MR. BILLY: Gary?

27           MR. CRANE: Thank you. My name's Gary Crane from Perkins,  
28 Oklahoma, small meat processor. A few things I'd like to address.  
29 First off is food safety. I'm a very firm believer in food safety. I know  
30 just about all of your fellow -- my fellow small meat processors are,  
31 even the big packers are all concerned about food safety. That's  
32 something you can talk to my wife or you can talk to my daughters.  
33 I've preached to them over the years we don't leave something laying  
34 out on the counter. You either keep it warm or you refrigerate it. I  
35 preach this to my employees. That's one thing. I know that's really  
36 part of the HACCP program and a lot of the HACCP concepts like Bernie  
37 mentioned a minute ago, I feel like a lot of it is being done already in  
38 these small plants. It's not a matter of it not being documented.  
39 Whatever we do, I preach it to my employees about food safety, the

1 proper way to handle products, but something else we also do is we  
2 have to preach it to our customers, the people who come in and buy  
3 products. It's amazing sometimes the way people will handle a piece  
4 of raw meat or a piece of cooked meat. In our particular location in  
5 Oklahoma we roast a lot of whole hogs. I had a customer last week  
6 wanted to pick up a hog at three o'clock in the afternoon. He wanted to  
7 pick it up hot. We cook them all night. In this situation we put them in  
8 a clean box, the customer pays for the hog, and they go off to their luau  
9 party or whatever. After talking to this customer for a while, he  
10 wasn't going to use this hog till ten o'clock that night. He had no  
11 provisions to keep it warm. He wasn't planning on refrigerating it. So  
12 it's -- as has been said here many times before, it is a -- it's a  
13 education process that we got to do. I mean all the way from the  
14 farmer to the processor, whether it be a large processor, small  
15 processor, the employees, all your food service people. Being a small  
16 processor we run through delivery trucks. We get like a sixty mile  
17 radius from Perkins. Perkins is not a very big town. But being small  
18 like we are a lot of our customers are small. We don't get to sell to  
19 the big chain stores in our area. We sell to the small stores. You'd be  
20 amazed at whenever you go to some of these grocery stores you have a  
21 front quarter ordered or a beef ordered or a side of hog ordered where  
22 you put this hog. You put him into a walk-in. You open that door and  
23 there's a case of lettuce sitting there and it's got spilt milk on it, it's  
24 busted eggs laying on the floor, you got to be real careful just so you  
25 don't fall down in this and that's where you lay this piece of meat. So  
26 there's a lot of education that's got to be done there. You know -- we  
27 can keep this meat just as clean and sterile as we can but once it  
28 comes off of that delivery truck it's out of our control.

29 Another point I'd like to make, in 1991, in 1992 for one year, OSU,  
30 under the guidance of Dr. Jim Lanke, did a pilot HACCP study at our  
31 plant. Their study was done on three products. One was a fully cooked  
32 product. One was a partially cooked product and one was a raw  
33 product. The results from this study -- the one thing it showed is that  
34 sanitation does make a difference as the product goes through the  
35 plant but as far as the end product the products -- you know -- they  
36 were -- they were wholesome products -- they were safe products but  
37 the whole point about doing this one year of HACCP study -- this went  
38 from September to September -- was the amount of paperwork  
39 documentation that was done at that time and that, for a small

1 processor like myself, I mean I understand the documentation, the  
2 reason for it, but to have to document every single step like we were  
3 doing back then I feel like that's something that really needs to be  
4 looked at. In a small plant like mine, for example, one of the products  
5 that was studied was product we have in Oklahoma called hot links but  
6 in a small plant I have one guy. His duty is to make the hot links. We'll  
7 make a hundred pounds at a time. That will last us for a week or ten  
8 days. We don't make it in ten thousand -- twenty thousand pound  
9 batches. I've got one guy that oversees it. He's my HACCP program on  
10 that particular product. He weighs out his meat, he weights his non-  
11 meat ingredient, he mixes it, he stuffs it, he's the one that cooks it.  
12 He knows how hot he's getting that. He knows what kind of meat he's  
13 putting in that, whether it's clean meat, fresh meat.

14 One other thing I'd like to address real quick is we've been hearing  
15 about this cost all morning and cost does concern me being as small as  
16 I am. Say, for example, I don't have any idea now on the anti-  
17 microbiological treatments we were talking about yesterday. Say I  
18 have to buy a cabinet and say this cabinet would be made out of  
19 stainless steel. Anytime you're talking stainless steel you're out there  
20 on the gold market. And just for example if the cabinet costs me  
21 twenty five thousand dollars I kill fifty hogs a week, say there's  
22 approximately fifty weeks in a year so that's my twenty five hundred  
23 hogs, that cabinet's going to cost me ten dollars per hog the first year  
24 just to have it. That's not to operate it, that's just to have it. Of  
25 course, after I've owned it for two years maybe I'll have it paid off by  
26 then and then it's only going to be costing me five dollars per head. I  
27 do agree with some of the talk this morning that I think the HACCP  
28 should be phased in. I don't think we ought to dump our present system  
29 which I have a lot of faith in our present system and I know it has its  
30 faults. Can't think of anything in the world that doesn't have faults but  
31 I do think we ought to phase it in. One of the reasons I say this, it's  
32 like nutritional labeling was. I was exempt under the rules of  
33 nutritional labeling but since it's been in effect for three years we are  
34 starting to get our nutritional labels. And I feel like HACCP would be  
35 the same way with the small processors. The big companies that  
36 already have their HACCP plans in place, they already have their in-  
37 house laboratories, they already have their microbiologists, hey,  
38 they're ready to go, they're ready to run with this thing. To me, they  
39 would be an ideal situation to see how it works, to train the field

1 inspectors, start getting them on line, and I'm a believer in HACCP. I  
2 was around for a year. I do believe it will work but I do believe we  
3 need to phase it in. We can't just walk over to a switch and turn off  
4 one set of lights and turn on another set of lights. Thank you.

5 MR. BILLY: Caroline?

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

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

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

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

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

22 MR. BILLY: Richard?

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

1 today's regulations you can't have that. So thank you.

2 MR. BILLY: Okay. I'm going to -- did you want to speak?

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

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

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

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

38 MR. TAYLOR: This is Mike Taylor. Let me make a couple of  
39 general comments. There are different ways in which you referred to

1 the possible relevance of designating a plant as small. In our proposal  
2 the one significance of that had to do with the time that we proposed  
3 to allow certain plants to comply with HACCP specifically and the  
4 proposal says that if you live within our proposed definition of small  
5 plant and we chose, as you know, 2.5 million dollars annual sales, we  
6 would allow thirty six months -- three years -- to comply with HACCP  
7 as opposed to shorter time frames for various types of plant  
8 operations that exceeded the 2.5 million so that slaughter plants  
9 generally, I think, were thirty months and -- you know -- the first  
10 plants I think were ground product plants, for example, would have  
11 come on soonest if not in the small category at twelve months after  
12 the final rule. So that's the purpose for which we proposed to  
13 designate certain plants as small. 2.5 million -- there is no magic  
14 figure. I mean there's no magic to this. I think we estimated roughly a  
15 third of the plants that we inspect, and correct me if my recollection  
16 is off, fall within that definition of small plant.

17 MS. CARTER: Federal as opposed to state inspected?

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

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

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

30 MS. CARTER: All right. The number of firms with 500 or fewer  
31 employees is 241 which represents 77.5 percent of the industry.  
32 Establishments number 250 which represents 47.3 percent of the  
33 industry. Total employment in numbers represents approximately  
34 16,500 and estimated receipts -- annual receipts are 2.5 billion which  
35 is 2.7 percent of the industry.

36 MR. TAYLOR: On this issue of time frame for implementation  
37 what we're grappling with is some basis for judging what's a  
38 reasonable rationale time frame for plants of varying types as well as  
39 size that would be expected to comply with the HACCP requirement and

1 so we need some way of differentiating it's practical in light of our  
2 particular need. I know we have certain legal obligations that our  
3 lawyers will be sure we comply with as far as the statutes that Small  
4 Business Administration administers.

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

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

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

20 MS. FOREMAN: Tom, could I?

21 MR. BILLY: Sorry.

22 MS. FOREMAN: Thank you. I just popped up. I'm Carol Tucker  
23 Foreman. I am a small business owner. I'm not in the meat business but  
24 I am a small business owner and I chafe at rules and regulations and  
25 paperwork, I suspect, just like all other small business owners do.  
26 However, and I have always been a very strong advocate of having USDA  
27 offer assistance to small plants in order to help them comply with  
28 those regulations, the purpose of which is to protect public health. I  
29 think it's incumbent on the Department to do everything it can to help  
30 small plants do those things that make it possible to stay in business  
31 without compromising the healthfulness of the products that they sell.  
32 Given that, there is no right just because you're a small business to  
33 sell dirty product or to violate the law. Unfortunately, the law applies  
34 to only that part of inspection that we're here talking about today.  
35 There is no federally mandated inspection of farms and it will be a  
36 cold day in hell, folks, the day there is. There is no federal inspection  
37 of restaurants. There's no federal inspection of retail stores. This --  
38 -- here has no ability to act on the farm to table continuum except as  
39 it applies to the area from slaughter to final processing and sale. In



1 return for the burdens that are imposed on business in that particular  
2 part of the continuum a value is returned and that is the USDA seal of  
3 approval. The USDA seal that says wholesome inspected and it seems  
4 to me that if plants -- small plants are going to be exempted in any  
5 substantial fashion from complying with the new pathogen reduction  
6 and HACCP regulations that then you must consider withdrawing the  
7 seal that tells the American public this product's been inspected by the  
8 federal government at a cost of 600 million dollars a year to the  
9 American taxpayer and therefore you buy it knowing that it's not  
10 inspected.

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

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

16 MR. BILLY: Rosemary?

17 MS. MUECKLOW: Tom, I'm sorry that Carol -- this is Rosemary  
18 Muecklow, National Meat Association. Carol missed our earlier  
19 discussions and, again, I would re-enforce the fact that nobody is  
20 suggesting that anybody be exempt from producing safe food. In  
21 addition to what I said earlier, maybe the pivotal point and certainly  
22 this fifth day of discussion brings it into much clearer focus than  
23 we've been able to see it before is that businesses would like to know  
24 with some certainty the expectations of the government and it's been  
25 very helpful to discuss with government officials what their current  
26 thinking is but we're now talking about adopting a regulation that is  
27 going to make substantial forever changes in the way that these people  
28 are regulated by their government. And what they want to know is  
29 some level of certainty about the kinds of changes that they're going to  
30 have to make, whether they're as big as IBP or as small as some of the  
31 firms around this table that you've heard from, they need to make  
32 plans. When they buy the stainless steel wash cabinets or pave the  
33 parking lot or whatever it may be they need to have certainty and every  
34 day my telephone rings and my desk overflows because even the  
35 present system does not provide certainty. And that's what people  
36 expect. We've talked about some changes that are going to increase the  
37 uncertainty -- the blueprint approval that we discussed a couple of  
38 meetings ago. I'm here to tell you that I'm struggling with a very  
39 innovative good sized company right now because their local assigned

1 IIC doesn't happen to like their viscera table and he won't let them fix  
2 anything else on the kill floor until he approves the viscera table. He's  
3 been told by his circuit supervisor, been told by his area supervisor,  
4 the viscera table's okay. But as soon as they disappear he pulls the  
5 plug again because he wears the badge of the federal government and  
6 he's in their plant every day he has the power of seeing whether they  
7 operate or don't operate. Nothing to do with food safety but it's the  
8 certainty issue. This is just a minor example of -- this guy doesn't  
9 happen to think it's minor but it is a minor example at this table that  
10 we've got a lot of pieces that we need to fix in changing what I  
11 described earlier as the freight system into a light rail system and  
12 until we can begin to tell people with certainty that this is the  
13 expectation that they have to meet and this is how they can be sure  
14 that when they open at six o'clock in the morning they're going to be  
15 able to run their business till two thirty without unnecessary or  
16 improper stoppages. They're building their lives on it. These people  
17 have a life long commitment for repeat business and most of them in  
18 the industry, as in all industry there's going to be one or two bad eggs,  
19 but most people want to do the right thing and want to meet the  
20 requirements of the law and it's the certainty issue that is very, very  
21 unnerving to people. They don't know and I'm not sure that they're  
22 going to take away from these meetings any more assurance of  
23 certainty of what their government is going to have in terms of an  
24 absolute requirement and those absolute requirements have to be  
25 reasonable.

26 MS. FOREMAN: Mr. Billy. Since Rosemary invoked my name I  
27 thought maybe I ought to have a point of personal privilege. Running a  
28 small business rather than representing a trade association I have  
29 difficulty being here all of the time although this is the first time I  
30 haven't been among the first to present. But having said that -- you  
31 know -- I agree with almost everything Rosemary just said. What I  
32 thought I heard on the first day of these meetings was that FSIS was  
33 moving through the top to bottom review to get rid of most of those  
34 very, very painful decisions and conflicts that arise between  
35 inspectors in plants because of the nature of the present inspection  
36 system and that HACCP would in fact, if implemented correctly, give  
37 you precisely the kind of certainty; that is, an approved HACCP plan and  
38 performance standards that you can clearly demonstrate with numbers  
39 that you need and that Rosemary seeks and certainly having had the

1 responsibility for this system for four years and experienced the  
2 constant conflicts between inspectors and plant owners I think is way,  
3 way overdue. It is something that's needed. I got six hundred and some  
4 odd pages of top to bottom review and there are commitments made on  
5 the first day of this meeting certainly did make me think you were  
6 moving in the direction of getting away from requiring stainless steel  
7 cabinets and that sort of thing as long as you got a validated HACCP  
8 plan and can meet the performance systems that the Department sets  
9 for it. I think that's what we're all in favor of.

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

23 MS. MUECKLOW: Again, and -- you know -- I can refer to this  
24 case study example. How are we ever going to change, even through  
25 training, the mindset that are in the minds of many of those sixty five  
26 hundred people that you've got walking around plants? There are  
27 people at this table that you had them even close plants because they  
28 chose every obstruction they could to either slow a line or stop a line  
29 and it happens every day in this industry and we're going to deal with  
30 more of that. That retraining, that retraining of a mindset is going to  
31 be one of the most enormous tasks that we have. We have it on our  
32 side because we've got to retrain and -- you know -- when we talk, for  
33 instance, about blueprints the other day, there is a belief that if you  
34 submitted a blueprint and it got its stamp over in the blueprint office  
35 then the structure, the facilities, and if you got the equipment okayed,  
36 then you've got something to work with. If we're going to make every  
37 assigned IIC an expert in whether the plant layout meets the HACCP  
38 standard and there are no two plants alike in this country. I doubt  
39 whether even Jim Lochner has two that are alike because they're all

1 very depending on climate, all sorts of variables, where the cattle  
2 come from, where the road is, and all the rest of it. The -- if we're  
3 going to make that IIC an expert in saying that this one meets their  
4 HACCP system what is their appeal from that and especially when they  
5 bring a new piece of equipment in. That is why I suggested to you the  
6 other day that there may be some opportunity in order to give some  
7 assurances on things like this that you have a cost recovery program to  
8 find and to give people expert advice on whether that particular layout,  
9 whether that particular piece of equipment, whether those particular  
10 chemicals they're using are acceptable. I realize you want to get away  
11 from that but that kind of certainty will give people an idea. It also  
12 goes to all the other things that we've been discussing for the last few  
13 days.

14 MR. BILLY: Richard?

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

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

22 (A luncheon recess was taken)

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AFTERNOON SESSION

1  
2 MR. BILLY: We'll get started. There are a number of people that  
3 indicated interest in speaking on the subject this morning -- economic  
4 impacts and those considerations. So I'd like to resume with that  
5 topic. We'll play it a little bit by ear but I sense that another half hour  
6 to an hour we may pretty well cover all of the key issues and have the  
7 discussion we need to on this area. We'll see. And then we'll start  
8 with the session that deals with taking account of the impacts on  
9 religious and ethnic slaughter and processing practices.

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

11 MS. DEWAAL: Thank you, Tom. Caroline Smith Dewaal of the  
12 Center for Science in the Public Interest. With one exception, a lot of  
13 what I heard this morning I think was very, very promising. I heard  
14 that small businesses really don't want an exemption from the rule but  
15 there are a lot of concerns about implementation and that testing, I  
16 think Richard Beckwith made the point quite well, that testing needs  
17 to be more equitable. I think that one of -- there were quite a few  
18 things also that I found disturbing but focusing for the moment on the  
19 issue of the interim standards or the interim initiatives or the near  
20 term initiatives -- however we want to phrase it -- a statement was  
21 made by a representative of the American -- of AMI -- that said that  
22 the problem was that the near term initiatives were like putting the  
23 industry's feet in concrete as they were walking up the stairs of  
24 HACCP. Well, that's really not true at all. Temperature control and  
25 sanitation are fundamental aspects of food safety. There are aspects  
26 we teach consumers, there are aspects we need to teach food handlers.  
27 We need to do a much better job and there are aspects of slaughter and  
28 processing of meat products. The temperature, I think that we have  
29 seen and supported in the Administration's proposal was the concept  
30 that those elements of the HACCP system should be brought on line as  
31 soon as possible. They should be brought on line. They're basic, they're  
32 fundamental, and they should be brought on line quickly. We strongly  
33 support that. I think that you need to look at it in terms of moving  
34 towards HACCP by degrees and the first step is getting temperature --  
35 your temperature control in line and your sanitation in line, getting  
36 your micro sampling programs up and running as you move towards  
37 fully doing the rest of HACCP -- your hazard analysis, developing all  
38 your other critical control points, and then finally validating plans and  
39 validation of plans is very important and I think is going to offer small

1 business a lot of the certainty that they are looking for in terms of  
2 making sure that the HACCP plans are effective and that the costs are  
3 worth -- the costs are worth what they're going to be gaining from  
4 them. So I think that at this point there are a lot of ideas on the table  
5 but I think the industry needs to be looking at solutions -- how to move  
6 -- this is the direction that the industry needs to go and there -- there  
7 is just -- I mean with few exceptions nobody wants to be exempt from  
8 that. People really do want to move in this direction. So I think it's up  
9 to the industry to move the debate forward in terms of how to get  
10 there as quickly as possible. From our standpoint these -- temperature  
11 control of red meat is long overdue and the fact that some plants it's  
12 going to be troublesome for some plants to come on line. I just have  
13 real concerns that we not delay needed food safety protections that  
14 the Department perceives with interim measures as a step towards  
15 final HACCP implementation and that there is really a lot of positive  
16 stuff being said by many of the small business people that I've heard  
17 speak today. Thank you.

18 #3 MR. BILLY: Steve?

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

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

36 We also have the issue that small business was very concerned  
37 about dealing with layering and I understand that there are something  
38 like 600 pages of a top to bottom review that identifies large numbers  
39 of these regulations that will be eliminated and modified. We have

1 comment periods on some of these documents as early as the end of  
2 October. I'm not trying to delay anything but that's a pretty heady  
3 document to go through and see what is practical and what is not  
4 practical. If we're truly asking for some things to be -- put it this  
5 way -- obtain general consensus on I think we've got to give adequate  
6 time to looking at that as a critical control point. We do have the  
7 concern that in moving forward we have certain time lines that have to  
8 be met and I'm -- whether you dispute the numbers of 97 percent or 95  
9 percent or 50 percent we still have the area of consumer and public  
10 education that has to be dealt with that answering calls on hot line  
11 does not hack it. With the Secretary's forthcoming public affairs  
12 conference I would like to suggest that one of the items on the agenda  
13 for that meeting be requesting legislation that would mandate food  
14 safety training at least at the fourth and fifth grade level. This is  
15 something that the Department most likely already has the course  
16 materials and basic information on. We teach our children everything  
17 from how to fill out their income tax to how to do a forward roll but  
18 we sometimes forget this is an important element in their lives that  
19 they'll live with forever. The school systems are already in place in  
20 providing that material would be very much a help. We feel that the  
21 small plant sector still has not been shown the cost -- the true cost of  
22 HACCP. In Gary Crane's plant, which was one of the pilot programs,  
23 there are more than a hundred products and many, many processes that  
24 take place in his operation, and the cost was identified for only one or  
25 two key areas. We still do not have the price tag. Small business is  
26 not fighting moving forward. They're fighting moving forward on a  
27 HACCP based concept without critical control points being identified  
28 and certainly the cost is one of those. I'm concerned when I hear that  
29 we have businesses that are not willing to change with the times. I'll  
30 assure you that if anyone in this room operates a plant under state or  
31 federal inspection changes are made in that plant just about every day.  
32 There is a constant upgrading, whether it's surface materials, whether  
33 it's equipment, whether it's condition, whether it's any area of the  
34 plant. That's subject to a continuous inspection and continuous change  
35 policy and if you're skeptical about that, sit and visit with anyone in  
36 this room that operates a plant. This is an ongoing improvement plan  
37 and if you have a six month plan as soon as that's completed or before  
38 it's completed you've got a new set of rules to follow and goals to  
39 attain.



1           We would like to see, as I recommended at the earlier week's  
2 meetings, that we move forward with the training very quickly. We  
3 would like to suggest that HACCP training be expanded to include  
4 sanitation and microbiological training. And this would be very  
5 compatible with what the Department is recommending in terms of  
6 moving toward some control in the area of retail and transportation.  
7 Again, the concern we have that certain things like the microbiological  
8 testing that that be done on an equitable basis. Even a plant producing  
9 handling a thousand steers a day is not going to have a hundred percent  
10 guarantee testing once. We just need to make sure that those areas are  
11 dealt with on an equitable basis. I'm sure that if we looked at the  
12 bottom line this association would strongly recommend that we follow  
13 the SBA definition until we see USDA establish a better one and justify  
14 why it's doing it at a 500 employee plant level and that we keep the  
15 mandatory HACCP for plants above that level until we have the data,  
16 whether it takes six months or whether it takes a year, or thirty days  
17 to develop a true cost and true effectiveness picture for HACCP as it  
18 applies to small complex plants.

19           MR. BILLY: Okay. Tom Devine?

20           MR. DEVINE: I want to respond to a couple of points that were  
21 made in that statement about layering and delay. I think it deals with  
22 the issue of consumer confidence. Of course we don't need an extra  
23 layer of bureaucracy but we do need an extra layer of protection --  
24 food safety protection without delay and I think there is a consensus  
25 by everyone who's sitting around this table on the necessity for that.  
26 And the reason there has to be that consensus is until consumers  
27 believe that it's happened your market is going to be threatened and  
28 that confidence is not going to be achieved by having the inspectors  
29 checking records instead of food. Consumers are going to say that  
30 USDA seal is baloney if inspectors are checking paperwork instead of  
31 food. And let me give you a few examples why from the fact sheet we  
32 prepared from our latest investigations. It's about the quality of the  
33 records. One example is that numerous plants omitted testing  
34 procedures all together and simply created acceptable results for  
35 tests that were not performed. A second example that was caught and  
36 forced some actions initiated is that the date that meat and poultry is  
37 introduced into products were used to replace the kill rate which was  
38 earlier. A third example that's concerned us particularly about too  
39 much reliance on the sampling microbe for microbial testing is that a

1 quantity of known acceptable product is cut to the sampling center.  
2 When product fails a sampling test the quantity of the known product  
3 is substituted for the retest so the tainted batch will pass. These  
4 types of anecdotes certainly aren't the rule. They're the exception. But  
5 until -- if we end the premise that inspectors are checking food  
6 instead of the records the exception is liable to start getting  
7 discredited with having the identity of the rule and I don't think anyone  
8 here wants that to occur.

9 MR. BILLY: Okay. Nancy?

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

1 the exposed product exit of the flaker machine. I just want to make  
2 the point loudly and clearly, we need the inspectors in there looking at  
3 making sure these things don't happen, that contamination can't get  
4 through in these particular ways, and looking at product and not just  
5 paperwork.

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

36 Lastly, the -- I was invited and did give a speech at the AMI's  
37 conference in a workshop that they had interestingly titled "Beyond  
38 Your Doorstep -- How to Deal Successfully With Activist Groups". I  
39 was their activist. And I'd just like to give you a little bit of what I

1 had to say to this group and it was very, very warmly received. I  
2 prefer to call myself an actionist not an activist and every single  
3 person in this room needs to become an actionist along with me and  
4 that is identify who or what the enemy is in this world. Everyone's  
5 throwing stones in different directions. We're all saying we all want  
6 one thing but we're really not looking -- we're really not working  
7 together to make it work. The enemy, if we have to so-call name an  
8 enemy are the pathogens and we need to go after the pathogens and we  
9 all need to take the necessary steps to go after them and see to it that  
10 they get eradicated and if -- everyone stands to win because when  
11 consumers have increased and renewed confidence in the product and  
12 that their health and safety is not being jeopardized then that is going  
13 to contribute to the health and well-being of your industry. And lastly,  
14 I would just like to say that -- oh, I just forgot what I was lastly  
15 about to say and I'm sure you're all thrilled -- but I'll think of it and  
16 I'll raise my card again. Oh, I know what I -- sorry -- delay. I'm just  
17 begging all of you let's get this rolling as quickly as possible, no more  
18 false delays. Every single day of delay is costing ten people their lives  
19 just from meat and poultry pathogens. Every day fourteen thousand  
20 people are getting sick just from pathogens in meat and poultry. This  
21 price is too long. We can't -- we cannot afford to wait any sort of --  
22 make any longer -- what we need to do is get rolling on this, not  
23 saying, hey, we need more time to digest, and just also remember  
24 HACCP is a dynamic concept. Adjustments will need to be made along  
25 the way and I just think we all just need to work together and get this  
26 thing going.

27 MR. BILLY: Dane?

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

37 On temperature control, there wasn't any disagreement that  
38 temperature control is very, very important in producing and  
39 maintaining a safe meat and poultry supply. The real discussion came

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

16 On sanitation there wasn't any disagreement that sanitation is  
17 very, very important. The only disagreement was whether we go about  
18 mandating a structured way of going about it or whether we mandate  
19 the guidance and we don't need to wait on HACCP for that. That's a  
20 prerequisite program. We go ahead and make progress in those areas.  
21 There isn't any reason and I don't anybody is suggesting any delay in  
22 going back making any necessary improvements there. It's just  
23 mechanically how we go about doing that so that our ultimate goal of  
24 adapting a HACCP system which is more responsive and more flexible  
25 is not compromised by setting up a system that looks like HACCP and  
26 is command and control. So there is general agreement on the need but,  
27 again, it's just mechanically how we get to that point. The one where  
28 there isn't universal agreement is on the use of microbiological testing  
29 as a separate program. We've talked about microbiological testing and  
30 I guess the agency's just going to have to take the input and decide  
31 exactly how it's going to go about doing that. We've never debated  
32 whether microbiological testing is useful. It's just in what context we  
33 put it and what kinds of performance criteria we lay out there. I think  
34 we have -- I hope that there is some concept of, if not agreement with,  
35 if microbiological testing becomes the goal of what we do. That works  
36 against what we're trying to accomplish in HACCP. In HACCP we're  
37 trying to get process controls and process steps under control and  
38 documented such that we can have more confidence in every piece of  
39 meat and poultry that's produced in the system rather than only gaining

1 confidence over what's tested. As a microbiologist, I recognize the  
2 problems in sampling and the statistical story that sampling  
3 statistics and the inaccuracies in microbiological testing tell us, it is  
4 not a panacea. HACCP is not. Nor should we sell and leave on the table  
5 the fact that if we tested more we would have a safer meat and  
6 poultry supply because the statistics just tell that that is not true.

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

21       MR. BILLY: Marsha?

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

37       A second matter that is very important for our members is to have  
38 a reasonable definition of what a small business is and I think that  
39 based on what was said by the SBA representative today, we just need

1 to take a look again at what that definition should be. I'll say again  
2 that even if the principal cost for all companies of HACCP and the  
3 interim measures leading to HACCP are those that Dane was just  
4 talking about, we still need to get a better idea of the cost of and the  
5 assistance that will be provided for training, for supplemental  
6 materials, training not just for company personnel but also for FSIS  
7 inspectors, but how everybody will be able to come on board and is  
8 there money enough to do that in the companies and in federal  
9 appropriations. We haven't talked a lot about what Pat Stolfa  
10 suggested FSIS is working on. My guess is that that won't be enough to  
11 make companies ready to implement HACCP quickly and well. And  
12 that's what we would like to do. So a reasonable definition of small  
13 business, some support for the small companies trying to switch over  
14 to HACCP, and sort of a supplement to that some special time  
15 arrangements for them switching over are issues that are important  
16 for us.

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

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

1 the cost over so that it's prohibitively expensive for a small company.  
2 Let me give you an example. If the cost of HACCP is for one product is  
3 twenty thousand dollars and a company makes and sells 2,000 of a  
4 product you spread that twenty thousand dollars over 2,000 units and  
5 whatever you come up with is the cost. If, instead, the company makes  
6 200,000 units you spread twenty thousand dollars over 200,000 and  
7 you get a very different impact on the company so they can adjust  
8 much more easily and more quickly. If the company is making two  
9 million units you've divided twenty thousand over two million and the  
10 cost becomes even less. So that you're getting a very disparate uneven  
11 cost impact on companies with your proposal. And we're just saying  
12 take the cost impact into account and allow companies some time to  
13 adjust.

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

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

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

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

26 MS. ECHOLS: I don't think anyone knows what the costs are.  
27 That's part of what we're saying.

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

32 MR. KRUT: Steve Krut for the American Association of Meat  
33 Processors. Caroline, the only numbers that we have come from the  
34 studies based on the pilot plants which were done through Research  
35 Triangle Institute which was a contractor hired by FSIS. The numbers  
36 they came up with were approximately twenty seven thousand dollars.  
37 One was -- I think there was a number of twenty three thousand, one of  
38 twenty seven thousand. One was based on slaughtering and one was  
39 based on processing. So if a plant does both then in effect those



1 numbers are one on top of the other. We were not certain of the  
2 validity of those numbers because of certain things that happened  
3 during the pilot program, one of which USDA wrote the program, not  
4 the plant. USDA trained -- provided the training, not the plant. As far  
5 as verification, many of those steps were done by USDA. We don't  
6 really have an accurate number or an actual idea of what would be  
7 involved and USDA thus far has not provided that.

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

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

22 MR. KRUT: I like that idea.

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

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

37 MS. DEWAAL: One final point on that. It's important to  
38 remember those costs would be across the entire industry and as long  
39 as the costs -- I mean there are some aspects of the plan such as the

1 microbial sampling which are inequitable in the way the plan was  
2 proposed but assuming the Department did something to make that  
3 more equitable which I'm sure ninety nine percent of the commentors  
4 probably requested to make that microbial sampling more appropriate  
5 to the product -- to the volumes of the plants -- those costs would be  
6 across the board. It would be a level playing field for everyone in the  
7 industry so I mean that's part of our concern too in looking at any delay  
8 other than public health implications -- I mean you folks need to be up  
9 and running with these things as early as possible for your benefit as  
10 well as for our's.

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

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

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

37 MR. HANKES: Jim Hankes, Illinois Association of Meat  
38 Processors. First of all, after the mega regs were proposed as early as  
39 last March, during our state convention, we held an educational

1 seminar, spoke with our members, got feedback as far as what we  
2 could interpret from the mega regs. We've had numerous  
3 communications. These have not been limited strictly to our  
4 association's members. We received like the state mailing list of all  
5 the state inspected plants from Illinois, made that mailing available to  
6 everyone, and that's part of the reason why myself and our technical  
7 advisor's here at these meetings.

8 MR. BILLY: Joe?

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

24 MR. KRUT: Steve Krut, American Association of Meat Processors.  
25 AAMP members are a little different in that because of their small  
26 size they have very limited resources and AAMP felt probably the best  
27 approach and most economic approach was to be all inclusive to take  
28 advantage of what was already out there within the industry and not  
29 try to go out and reinvent the wheel, not try to have every individual  
30 plant develop as a single program from scratch and have to work with  
31 consultants. So we pledged our support to the establishment and  
32 working with the International Meat and Poultry HACCP Alliance. When  
33 I say all inclusive, certainly FSIS, FDA, governments in Canada, Mexico,  
34 Australia, New Zealand, Great Britain, were invited to join me here and  
35 share what in a sense would be common materials. Let's spread the  
36 word but let's make sure what we're spreading is agreed upon, that  
37 there has to be some type of, in a sense, peer review that people find  
38 what is being taught is in conjunction with what's acceptable by FSIS  
39 and sometimes you have to spend months infrastructure getting

1 something like this started but this has been an expanding role. We  
2 just have moved to the accreditation process. AAMP believes strongly  
3 in working with the land grant universities. We work with them. They,  
4 in a sense, are local teachers. Most of the small plants rely heavily on  
5 them and want to continue to do that. But they need to also have that  
6 help and some of the problems in moving forward have been brought to  
7 FSIS attention in terms of getting course materials that are  
8 acceptable to them so that when the inspector walks in a plant and  
9 says this HACCP plan is different from the one at that plant thirty  
10 miles away or a plant in another state that the plant isn't closed down  
11 because that's the penalty that is in this proposal. And if we're not on  
12 the same page and we're not looking at some type of a sign-off or an  
13 acceptance for what is being taught -- I know USDA proposed minimum  
14 standards in the course but we also have to make sure that training  
15 parallels with the training the inspectors are receiving and accepting  
16 and understanding and so, as I say, with the thirty five affiliated  
17 state, regional groups that AAMP works with, we've tried to provide as  
18 much information as possible to them so that they can develop these  
19 local programs themselves. And we will continue to do that. So, again,  
20 we are looking at some scheduling courses but a lot of the people,  
21 including university meat science people, that we talked to said don't  
22 go too far until you have an acceptance on the part of an official  
23 sanctioning agency that what you're doing doesn't fail to meet their  
24 standards so sometimes it looks like people aren't moving but I'm sure  
25 Devon Scott at National Association of Meat Purveyors and many others  
26 have been anxious to move forward with this training but sometimes  
27 you've got to await signals from those in authority to do that.

28 MR. BILLY: Rosemary?

29 MS. MUECKLOW: Rosemary Muecklow at National Meat  
30 Association. We were very proud and honored along with other trade  
31 groups in this room here today to be charter members of the  
32 International Meat and Poultry HACCP Alliance which I told you earlier  
33 today. As part of that, it's like setting up a discipline that probably  
34 will eventually become some kind of academic discipline. It isn't there  
35 yet but it has a lot of steps in it and we've made very strong progress  
36 in the one and a half years since that organization has been in place.  
37 The most recent, as Steve alluded to and I mentioned earlier today, is  
38 the accreditation program and we would urge very strongly that the  
39 Department, as Steve also alluded to, that we get together on some of

1 this so that we all are singing out of the same hymn book. As an  
2 organization, we have provided an increasing number of education  
3 programs. Like Steve's organization, we wanted to be sure that we  
4 were providing something that people could take home and use as a  
5 very base training program for developing their own HACCP program.  
6 As I sit here today, we have one more session going in Portland,  
7 Oregon. We do at least one a month now and they're beginning to be  
8 sellout programs at each session. We try to address them to a niche  
9 market so that people really get something to take home and apply in  
10 their business. There are a variety of programs through some of the  
11 land grant universities that our members have gone to. Many of the  
12 fast food processing operations have mandatory requirements and  
13 standards. You have some representatives of those organizations here  
14 today who go around and check plants to make sure that the people that  
15 are their suppliers are meeting certain standards. We had an executive  
16 training session with HACCP just a month ago. It is an ongoing  
17 process. It is building like a snowball. But you don't start the  
18 snowball. It has to gather momentum and speed. That momentum is  
19 gathering but, again, it is extraordinarily important that we don't go  
20 off and roll the snowball down one side of the mountain while USDA is  
21 rolling it down a different mountain and we all end up with totally  
22 incompatible programs. It's terribly important to tie it all together.  
23 And it's one of the reasons that I view this rule making. Coming here  
24 and participating and, indeed, being involved in this rule making all of  
25 this year is so important and certainly the organization that I  
26 represent explained that to me and that's why I passed up a nice visit  
27 to Australia to come back here and be at these meetings ten days ago  
28 and to be back here today. But, indeed, the industry is not standing  
29 still. It is moving ahead with a lot of information through members,  
30 through paperwork, support materials, through publications, through  
31 distribution of information and providing hands on training sessions.

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

1 board authorized us to spend a considerable amount of money to  
2 educate the industry and get us ready.

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

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

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

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

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

34 In terms of the logistics, if there's just simply spots open up  
35 during your training sessions where everybody may be, whether they be  
36 in the plant or whether it be in your training center, whether they be  
37 wherever else, I think that's appropriate those be opened up to the  
38 industry. That happened with the TQC programs and it gave everybody a  
39 general correlation and understanding of where everybody's at so it's

1 not just we invite you to join the industry's training programs but I  
2 think it's -- you know -- I would encourage you to look at it from the  
3 opposite direction and allow the industry to participate in your  
4 training programs with the inspectors and it's a matter of opening up a  
5 few slots and we use what's available.

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

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

39 MS. MUECKLOW: Mike, to that point, can you tell us when the

1 generic models are going to be available? I learned just this week that  
2 we're running or you've run out of the booklets about the product  
3 specific models that you had available and they're not being reprinted  
4 because everybody's waiting for the new ones. How quickly will the  
5 new generic models be available? I think that would be a matter of  
6 interest Pat.

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

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

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

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

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

34 MR. BERNARD: Thank you. Dane Bernard, National Food  
35 Processors Association. I won't go through the list of activities we've  
36 been doing in HACCP but just to say we partnered with several of the  
37 other groups here around the table through our educational affiliate,  
38 the Food Processors Institute. This year the Food Processors Institute  
39 will do about forty HACCP workshops and it doesn't appear to be



1 slowing down so all of them are done at cost. Some of them have been  
2 underwritten. For example, we did one for the Pacific Seafood  
3 Processors which was underwritten by them. We did it at a nominal  
4 fee. We had a hundred people show up and for that they got a complete  
5 course text. We didn't provide them meals. They didn't get coffee but -  
6 - you know -- there are things that can be done on a low cost basis --  
7 you know -- somebody's willing to underwrite some of the costs of  
8 travel and things like that so I'll just lay that out there. We've also  
9 participated in the Meat and Poultry HACCP Alliance, the Seafood  
10 HACCP Alliance, by the way, which hasn't been talked about, and  
11 through the Kodex Process, because, obviously, there's much more on  
12 the table even though meat and poultry is very, very significant and  
13 very important in terms of acceptability of foods traded  
14 internationally, HACCP is becoming an international standard, and so  
15 we view HACCP on a global basis and we've been participating as such.

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

32 I'd also like to remind on what I said two weeks ago in terms of  
33 the importance of these generics. I've told few people outside this  
34 room that that is probably the single most important activity in all of  
35 this that the agency will be conducting in the next few months. I urge  
36 you not to do it without developing some consensus behind those  
37 documents because what is in those generic models, whether we like it  
38 or not, is going to set pattern for our expectations for the coming  
39 years in what people are going to include in their HACCP plans within

1 plants. I mentioned the problem with what I saw with issue model  
2 SOP's yesterday. Unfortunately or fortunately, we can't go very far  
3 with HACCP without having a good understanding of what is going to be  
4 an acceptable HACCP plan. Sanitation is a bit different. It's not rocket  
5 science. We all know, I think, basically what we expect from a clean  
6 well run cleaned and sanitized establishment. On the other hand,  
7 HACCP is very new to most people in terms of what needs to go into a  
8 HACCP plan. We have seen many, many times because we work with  
9 small processors and large processors in putting together HACCP  
10 programs that while we all understand that there are seven principles  
11 and we can sometimes recite them by heart when we translate those  
12 seven principles into paper and try to put that paper to work on the  
13 floor it seldom is correct the first time. And the generics that we put  
14 out are going to be important in the fact that they will set a pattern so  
15 they need to be looked at carefully, carefully considered, and certainly  
16 we would offer to lend any assistance, I think, on the whole as an  
17 industry in reviewing those and if there's any expertise we could lend  
18 we'd be more than happy to do so. Thank you.

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

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

27 Beyond that, I was glad to hear that clarification a while ago  
28 about the responsibility of consumers in making sure that their food  
29 and the areas they use them in is clean. It was a reference to a  
30 laboratory-like setting and it sort of pointed to the fact that well, if  
31 the food was okay you really wouldn't have to do that and there was so  
32 much emphasis being put on education it certainly is needed that there  
33 has to be that training and recently -- you know -- Dr. Morris and a  
34 representative of industry made that very same point. In thinking  
35 about that, it made me think about the people that we have here and  
36 during the lunch hour there were some women were pushing their  
37 children through the restaurant or the cafeteria in baby carriages and I  
38 realized that the group we have here it's made up of industry and it's  
39 made up of industry and consumers and the government. I shouldn't say

1 consumers. I mean to say consumer activists. The group that's not  
2 here that really is missing is the consumers and I guess I don't think  
3 and I think a lot of people in industry would agree with me, I don't  
4 think that the consumers out there really have an idea -- have the idea  
5 that a lot of people think they do about this whole process. I was  
6 telling some friends and family about the whole process of meat  
7 inspection and this HACCP program and these people were amazed.  
8 They were amazed to find out that in these meat plants there are  
9 inspectors standing there every day watching what they do and  
10 approving what they do. There is no knowledge of this out in the  
11 general public about this and I guess the reason I'm a little concerned  
12 about it is because it sort of ties into how HACCP is going to be  
13 presented down the line. I think there are a lot of people and a lot of  
14 groups who feel that once a HACCP program is passed and the  
15 regulation is passed that's going to end all the problems. And I don't  
16 think that's a very responsible attitude to have. Again, recently Dr.  
17 Morris and the industry representative made that very point that it's  
18 not a simple thing that's going to be -- it's not a problem that's going  
19 to be ended with a HACCP proposal. And I think that's something that  
20 really needs to be kept in mind because I don't think it is. I think  
21 there's floating around here and in the whole setup an idea that once  
22 this regulation is promulgated that's going to be the end of it and I  
23 think if that's what goes out I think a lot of people are really deluding  
24 themselves.

25 MR. BILLY: Felicia?

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

34 I worked with Tom Devine and the inspectors on the fact sheet  
35 that he keeps annoyingly bringing up. The facts there are not pretty at  
36 all. And in talking to the inspectors one correlation that I saw which  
37 I'm surprised that no one's mentioning is the correlation between  
38 sanitation and time or man hours really. I don't percentage. Possibly  
39 half of all of the most common sanitation problems were linked to

1 accelerated line speeds, were just not enough time to do the work. I  
2 mean people urinating on the floor or in the carcass cooler because  
3 they don't have the time to go to the bathroom. People throwing  
4 abscessed cool meat into abscessed meat tubs because they don't have  
5 the time to run and get a clean meat tub or they don't have the time to  
6 take the meat tub and sanitize it properly. And I don't understand all  
7 the -- you know -- what HACCP plan is going to involve but I'm  
8 wondering if it will involve taking that into account and whether man  
9 hours will be sort of the minimum possible man hours to produce a  
10 certain amount of meat given a presumed average amount of problems  
11 such as abscesses or organs punctured and fecal material or ingesta  
12 being spilled on the meat or whatever. I know that the different plants  
13 will have different speeds and that we can't say that all plants are  
14 going to need this many man hours to produce this amount of meat but  
15 in developing a HACCP plan, if I understand it correctly, it seems like  
16 you could develop for a plan the minimum amount of man hours for that  
17 plant to produce that amount of meat and we know then that if the  
18 records don't show that that amount of man hours was spent on it  
19 there's a likelihood that the sanitation is not being -- that all  
20 sanitation aspects can't possibly be looked at.

21 MR. BILLY: Thank you. Suzanna?

22 MS. GOODMAN: I'm Suzanna Goodman from Public Citizen and I  
23 would just like to comment on the -- put this in sort of historical  
24 perspective of industry fighting regulations designed to protect public  
25 health and safety. My goal's been dedicated to fighting on behalf of the  
26 public interest for twenty years. In the 1970's we were fighting for  
27 the air bag and the Supreme Court called industry's fight against the  
28 air bag the regulatory equivalent of war. It took a lot of effort from  
29 all of us and took lots and lots of people time before the air bag got  
30 put in the car. And the same is with Reye Syndrome warning on aspirin.  
31 Kids used to die from Reye Syndrome from taking aspirin when they had  
32 a cold and now you put -- when they had the flu -- now you have a  
33 warning label on the bottle and few kids die from that today. So I  
34 think to put this in the context of -- ultimately I think we're moving  
35 towards HACCP without a small business exemption is the way to go  
36 because it will be across the board and it will instill consumer  
37 confidence in meat products which is eroding and it will reduce  
38 liability for meat processors so I think to put it in a broader context  
39 you look at automobiles today, they talk about -- -- automobiles. What

1 do they advertise? They advertise for air bags, they advertise for  
2 anti-lock brakes and that is what the auto industry fought for twenty  
3 years. And countless people needlessly died. And that's what's  
4 happening with meat today. Lots of kids die because they eat  
5 hamburger that is contaminated in some way. They eat other meat  
6 products that is contaminated in other ways and it can be stopped and  
7 slowed down and the solution isn't perfect, as this man said, but it  
8 certainly can be made better and I think there isn't a small business  
9 exemption for the auto industry for air bags. It covers the entire  
10 industry. And I think if we're serious about reducing food-born illness  
11 that's the way we should go. Thanks.

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

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

33 Now, as you know, over the course of yesterday and earlier today  
34 we have tried to put forward our current thinking with regard to the  
35 technical aspects of these two proposed requirements. And what we  
36 have put forward is a couple, I think, in both instances, a couple of  
37 potential approaches to alternatives which we believe would enhance  
38 flexibility. Both of those alternatives take the form of performance  
39 standards, although they might work slightly differently in the two

1 separate instances in each case. For instance, in the case of the anti-  
2 microbial treatments, rather than going with an across the board  
3 requirement that everybody do an anti-microbial treatment before  
4 carcasses enter the chilling process what we're suggesting is that  
5 perhaps a way to handle that is that if companies can demonstrate that  
6 their products meet an established microbial target then it would not  
7 be necessary to introduce a new specific anti-microbial treatment as  
8 was proposed.

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

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

30 MR. COHEN: Good afternoon. My name is Abba Cohen. I'm the  
31 Washington Director and Counsel for Agudef (phonetic sp.) Israel of  
32 America, a National Orthodox Jewish organization. We, as an  
33 organization, represent a community that strictly adheres to the  
34 highest standards of kosher dietary laws. This is not an ethnic or  
35 cultural issue for us. This is a defining religious issue for us. I want  
36 to thank you, by the way, not only for making this a separate agenda  
37 item so we could really concentrate on it. Certainly there were  
38 opportunities in the previous days to interject comments but this way  
39 we can deal with some complex and maybe some foreign issues to many

1 of us. I also want to thank your staff for being accommodating in  
2 terms of the schedule in terms of scheduling this after the Rosh  
3 Hashannah holidays.

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

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

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

29 MR. LEWIN: Thank you very much. I think -- I mean I'm  
30 appreciative as Mr. Cohen is and as the other members of the  
31 delegation that had approached the Department has been heretofore of  
32 the fact that the Department is taking this subject as an independent  
33 one to examine. I have to tell you that I am somewhat dismayed and  
34 was somewhat dismayed to even read the heading on the paper that has  
35 been distributed which says specific product considerations involving  
36 religious, ethnic, and cultural food handling practices. The reason I  
37 was dismayed is that what we represent and the interests that we  
38 have presented to the Department is not a ethnic, cultural sort of  
39 quaint kind of separate group that has some ethnic or national interest

1 of some kind. We're representing what really the Constitution  
2 specifically protects which is the free exercise of religion. And I  
3 think it's wrong constitutionally, legally, morally for the Department  
4 to simply subsume the interests of the religious observant public in  
5 the interest of ethnic and cultural food handling. The Constitution  
6 specifically requires that government and the Department of  
7 Agriculture accommodate the needs that we have expressed to the  
8 Department and that under Supreme Court precedent and not only  
9 Supreme Court precedent but under Congress's command and the  
10 Religious Freedom Restoration Act of 1993 requires that the  
11 Department of Agriculture not adopt a single regulation that would  
12 have an impact on the religiously observing community unless it -- the  
13 Department of Agriculture -- can show both that there is a compelling  
14 governmental interest to affect that community and that it is taking  
15 the least restrictive alternative in its regulation. And for that reason,  
16 it appears to me that an attitude that says as accommodating as it may  
17 appear to be to the interests that we've expressed, an attitude that  
18 says well, we're going to increase flexibility in terms of targets and  
19 provide alternative technologies which may help address some of the  
20 concerns expressed by religious and cultural groups is, I submit,  
21 legally inadequate and would be held so by the courts. We brought a  
22 lawsuit and if, in fact, a regulation did impinge upon the constitutional  
23 rights of the kosher observant public to have kosher meat and for  
24 reasons that have been laid out in great detail in letters to the  
25 Secretary, it is clear to us that if, in fact, any regulation is put into  
26 effect that requires meat packers or slaughter houses really to submit  
27 meat to an anti-microbial rinse immediately following kosher  
28 slaughter -- now this is kosher slaughter -- don't forget, we're talking  
29 about a very small percentage of the meat that's slaughtered in the  
30 United States -- but nonetheless meat that is slaughtered by people  
31 who are rabbinically certified to slaughter kosher meat. That if, in  
32 fact, that anti-microbial rinse is required or if the chilling that the  
33 regulations or the draft regulations that had been distributed were  
34 required -- were put into effect -- that that would make the kosher  
35 meat really unavailable because the salting could not follow the use of  
36 that rinse and be rabbinically acceptable and, in fact, in addition, the  
37 process of salting would be inconsistent with the chilling  
38 requirements that the regulations provide. So it appears to me that it  
39 is the Department's burden in the first instance to say we have to find



1 some reason why it is required that meat that is slaughtered kosher by  
2 someone who is certified by a rabbi -- cattle that's slaughtered kosher  
3 -- has to be -- we have to find some way in which it can be done in  
4 which either whatever it is that we're proposing to be done be done  
5 consistent with this requirement or else we have to abandon it as to  
6 that small percentage of meat that is slaughtered by kosher  
7 slaughterers. That is legally and constitutionally mandatory.

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

29 MR. BILLY: Other comments?

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

36 As you indicated, there are really two issues of extreme concern.  
37 One is the suggested anti-microbial rinse. In order for kosher meat to  
38 be considered kosher part of the process is a salting process which  
39 purpose is to draw out the blood and in terms of Jewish Law if the

1 meat had been previously rinsed with another product, if it's a sharp  
2 product as these proposed ones are, it would invalidate the salting.  
3 Now, salting is done from a practical matter it's never done or rarely  
4 done in the slaughter house itself. It's usually -- the facility may be  
5 near the slaughter house or may be distant from the slaughter house.  
6 The meat is sent to another facility. That facility is not necessarily  
7 even a USDA inspected facility. Many of them are local butcher shops  
8 in local areas where there's a Jewish population. So if the microbial -  
9 - we're concerned for some kind of practical level some flexibility how  
10 we affirm that some kind of microbial rinse was done -- anti-  
11 microbial rinse. Beyond that, I think it's important for the Department  
12 to understand this industry, the kosher industry, is a fragile industry.  
13 The additional burden in terms of cooling the meat down over certain  
14 time frame would have enormous economic impact on the already  
15 fragile industry because the meat has to be salted within a three day  
16 time span in order for it to effectively get out to the consumer in time  
17 -- the time of cooling it and bringing it down to a proposed forty  
18 degree carcass temperature within, I think it was, twenty four hours  
19 would make it simply impossible to get the meat -- you know --  
20 effectively and efficiently distributed. The impact would just be  
21 disastrous for the kosher industry.

22 MR. BILLY: Yes?

23 MR. POLNAK: My name is Abba Polnak. I'm with the Star K Kosher  
24 Certifications. We're located in Baltimore and we'd like the -- -- that  
25 -- -- just addressed you do certifications. We're particularly involved  
26 in the certification of both meat and poultry. In fact, sitting to my  
27 right is Rabbi Moshe Heineman, our Rabbinic Administrator and  
28 acknowledged worldwide expert in this area. We have somewhat of an  
29 ambivalent attitude towards these hearings. On one hand we really are  
30 representatives of kosher consumers and wearing that hat we certainly  
31 applaud the regulations which try to enhance safety and hygiene in the  
32 food products that we eat -- kosher food products that we eat. On the  
33 other hand, our role as a kosher certifying agency is really to assure  
34 that the consumers who look to us for guidance and as certifiers of the  
35 product have not in any way endangered or tampered with that ancient  
36 tradition and as previously speakers have already said these traditions  
37 include salting some time within a three day period salting of the meat  
38 and poultry products. The two areas which are the microbial rinse and  
39 the chilling temperatures would interfere with not only the economics

1 of the small kosher slaughter industry but it would also interfere with  
2 the ability actually practical ways of doing this. What I would like to  
3 simply mention over here is we are prepared to work with  
4 representatives of the United States Department of Agriculture to  
5 assure that at one hand the safety of the product is being met but on  
6 the other hand to do this within the guidelines of the kosher law and  
7 tradition and for this I also would like to applaud the approach that the  
8 Department of Agriculture is taking is that there will be some  
9 flexibility. We feel that adequate safety measures can be met to  
10 protect the kosher consumer as well as the general public. Thank you.

11 MR. BILLY: Yes, sir.

12 RABBI HOLZER: My name is Rabbi Emmanuel Holzer. I'm Chairman  
13 of the Rabbinical Council of America. We are perhaps the largest  
14 rabbinical organization in the United States. We have about a thousand  
15 members, pulpit rabbis throughout the country. I sat by all day  
16 listening and I commiserate with many of the consumer people here. In  
17 fact, some of them I'd like to take with me when we try to get  
18 different industries, especially meat industries, say, well, we need  
19 more rabbinic supervisors. That's nothing more than your inspectors  
20 who should see to it because we are the most highly -- let's put it this  
21 way -- we are the most highly regulated community when it comes to  
22 kosher meat. A lot of the things that you want to impose we've already  
23 tried to impose and we do impose. We do insist upon certain  
24 regulations and our's are very tedious and minute. Yet, and I will say  
25 this to our credit, in over 3,000 years of experience we have not had  
26 any outbreaks of mass outbreaks of salmonella or some of the other  
27 diseases because we assist. Otherwise it ain't kosher. And, of course,  
28 laymen will say, well, Rabbi, how can you say that, how can you do  
29 that? And our laws require it. So we are regulated. But we cannot  
30 permit -- there is no way -- you know -- today we make use of  
31 computers, thank God, and so that we're able to cover a lot of ground. I  
32 submitted the question within the -- -- computer to see can I find a  
33 similar situation where there was an outbreak because of some  
34 experience in thousands of years experience. This would be recorded in  
35 some way or other which would be able to trace something. No, there  
36 hasn't been. Where kosher law has been observed we have not had.  
37 There has been individual cases where people don't have refrigeration.  
38 -- -- observance of law but this law demand that we first kosherize  
39 the meat and I'm not going to give you a lecture of koshering meat. I

1 want to get back to New York. But where the law -- but we insist the  
2 meat be kosherized first before anything else is done and the message  
3 so far displayed and I want to thank the Department of Agriculture and  
4 the gentleman who sent me the materials and all that and I've read  
5 them very carefully, and you describe all sorts of methods and some  
6 are very interesting, some I can't judge, but they would impede, they'd  
7 make impossible the kosherization of our meat. Now, once the meat  
8 has been kosherized then we are consumers, we're citizens, and we  
9 want what all of you want but we cannot permit that the by-laws  
10 adopted by you interfere. Our requirements are such that they cannot  
11 be adulterated in any form, fashion, manner by first -- by the  
12 regulations so far that's been proposed. I thank you.

13 MR. BILLY: Joe?

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

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

36 We've been asked to initiate a validation study to look at that  
37 entire koshering process and quantify the effectiveness that it has on  
38 reducing microbiological population and addressing pathogens on beef  
39 and once we have some data we will be happy to share that with USDA

1 and I think what you'll see is that indeed there is a safe process and  
2 that 3,000 years of history is there for good reason.

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

9 MR. BILLY: Yes?

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

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

24 At the same token, when we made our analysis concerning  
25 trisodium phosphate we found out that the salt -- that re-salting our  
26 chicken -- and that's by Jewish dietary law we supposed to salt the  
27 chicken and have it for one hour sitting in salt -- made a hundred  
28 percent job. In other words, we have to soak the meat and chicken has  
29 to be soaked for half an hour before they are salted and normally if you  
30 are aware or not, in kosher you have to use only cold water. You cannot  
31 allowed to use any hot water. And everybody understands that cold  
32 water is retarding the contamination. By non-kosher you're using hot  
33 water. So by doing the salting we found out that before right to  
34 soaking -- before the soaking we treated with trisodium phosphate  
35 was a hundred percent positive on the salmonella. After it was treated  
36 there was zero positive. When we used, for example, just plain salting  
37 and three rabbinical -- -- that's supposed to come after the salting in  
38 cold water we found out again that we had untreated zero positive and  
39 after treated with salt and the three rinses zero positive. So the fact

1 is we also get in contact with one of the universities to make -- -- the  
2 scientific research on that so we'll be able later on to get it to USDA  
3 and to have some data officially.

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

19 MR. BILLY: Mike?

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

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

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

1 can do that and we'll certainly work hard to do that.

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

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

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

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

14 MR. BILLY: Yes?

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

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

31 So even though that we are very interested that kosher foods  
32 should also be safe and should be free from all these pathogens which  
33 can cause illness and maybe death but it would have to be worked out  
34 in such a way that it would have to be kosher. It's either a hundred  
35 percent kosher or it's not kosher. It can't be half way and there are  
36 many people in this country -- American citizens -- and I believe that  
37 it is over a million that are committed to a kosher diet which means  
38 that if it would not be a hundred percent they just would not eat it,  
39 that means it's possible -- you know -- we don't have to eat meat.

1 People can live without eating meat.

2 But we would like to be like everyone else and live to be able to  
3 have what's considered a normal diet. And, as a matter of fact, in our  
4 religion there's actually a requirement to eat meat at certain times at  
5 certain holidays and that way we're free to work it out in such a way  
6 that we are open to all kinds of suggestions in order to make this meat  
7 completely safe. We want it but it would have to be completely kosher  
8 in order for us to eat it. Now there are another few million people who  
9 are not committed to a kosher diet. They eat kosher but if it's not  
10 available they'll eat whatever else is available. So I'm not talking  
11 about them. But those that are actually committed to kosher diet, if  
12 it's not going to be a hundred percent kosher they just will have to do  
13 without meat. We don't want to see that happen. Thank you.

14 MR. BILLY: Diana?

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

38 RABBI KORNBLUM: I just wanted to emphasize what I said before  
39 just in terms of the flexibility of the Department when they factor in



1 ultimately what the regulations are.

2 There is clearly -- we don't know what level -- but there is an  
3 anti-microbial element to the salting classes itself. After all,  
4 trisodium phosphate is a salt.

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

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

21 RABBI KORNBLUM: We can leave you one study today.

22 MR. TAYLOR: Yeah, thank you.

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

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

34 MR. BILLY: Rosemary?

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

38 The Hawaiian people have submitted comments for the record  
39 about some very specific practices that have been cultural practices in

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

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

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

15 Okay. Nancy.

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

26 MR. BILLY: Is it Shawna?

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

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

38 MR. BECKWITH: Yes. Richard Beckwith. Monetary costs, of  
39 course, are one consideration why us small business people kind of

1 want a helping hand. We're not looking for a handout, but even more  
2 importantly, is a small business person -- we're often the butcher, the  
3 baker, and sometimes even the candlestick maker -- so what we need  
4 is a little bit of time.

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

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

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

19 (Whereupon, at 4:45 p.m., the meeting was adjourned.)

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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.

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