

USDA/AGA /NSAC/ NMPAN Roundtable for Small/Very Small Meat Processing Plants

Tuesday, July 23, 2019

Louisville, KY

Notes

**8:30 – 9:00 Welcome & Introductions**

Dr. Mindy Brashears, Deputy Under Secretary for Food Safety, USDA, Welcomed everyone, brings her back to her days in Extension. Nice to have these events to know their stakeholders in this way. Thanked Rep. Massie and Senator McConnell's office for attending.

Carmen Rottenberg, Administrator, FSIS, Thanked NSAC, NMPAN, and AGA.

Carrie Balkcom, AGA, stated how there has been 6 regional meetings held around the United States between small and very small meat and poultry processors, high-ranking USDA Food Safety Inspection Service (FSIS) officials, and local meat sector stakeholders and support organizations. This is the 7<sup>th</sup> meeting.

**Policy Updates**

Carmen: The big questions is how to do regulatory work while allowing for innovation without imposing an undue burden.

Mindy: Data should support the modernization of the poultry processing system. These are not decisions made over night or quickly. 20 years of data to support this.

Carmen: Updating performance standards for salmonella; new standards for poultry; standards will be proposed and we seek comment from our stakeholders. Will look at whole carcass for chicken and parts over the next year. Testing changes to come too.

Appendix A and B- We heard a lot of comments from industry. We suspended the 2017 App. A and B to look at research that is out there. We will be putting out interim 2019 App. A and B.

Those who are using 1999 App. A and B still, we will be coming out with new interim guidance soon. Meat Institute funded some of this with land grant universities. We've heard the need for generic label approval, at this end of this calendar year we will expand generic labeling for things that right now must be submitted as special claims. We also staffed up our labeling staff in response to the concerns that we heard. We want to make sure to make sure it is accurately labeled. The labeling backlog is down to 15 days. We aim for 21 days.

Outreach – this is one way we conduct outreach- but also EIAOs outreach and district outreach. Please register for the FSIS constituent update.

5 year strategic plan: very clearly explains where the agency is headed. Paul and I have made it a priority that all projects are going into what is in our annual plan. We hope to accomplish the initiatives we set out to work on.

Phil Bronstein, OFO, FSIS: All of our employees are outstanding. I expect everyone to be professional. Our employees need to be respectful at all times in our plants. We also need to collaborate with the industry to make sure food safety is efficient and effective. We want industry to have access to information in a non-confrontational type of way; you can submit a request to the District Office to get outreach from EIAO. Questions about anything- ask for an outreach visit. We've asked DVMS to do the same thing. They are available too for outreach. This is to talk in a non-confrontational type of way. If they see something egregious, however, they would need to respond. But please let us know your experiences. We have 8,000 people in the field so hard to manage all of them.

Disagreement with inspector go to FLS, Dist. Office next, and then to D.C. Do not feel like there will be retaliation. Move it up if you need to. We do not tolerate retaliation. We think to make food safety effective and as good as possible we need to work together.

Participant: I have a large reliance on this. Inspectors ask for COAs – private labeling I get, but hard to get COAs efficiently from companies. Is there a central clearinghouse to get this?

Phil: MPI – site that helps with this.

Participant: I've been in the industry 60 years. Inspection of individual animals at small level plants need to be allowed as exemptions- we have exemptions- what it amounts to- an individual farm- small farms- a roadside stand for vegetables- no reason to not have exemption for person who raises animal on farm. No reason to have USDA or State Inspection standing on kill floor watching over 4-5 animals in one day. We have 3<sup>rd</sup> party certifiers – we also have cottage food laws. Small meat processor is no different than the grocery store in town. No reason to not have an exemption. Asking for an exemption for slaughter only- not food safety, sick animals, etc.

Carmen: Good for congressional folks to here. From a statutory perspective- there is no exemption in FMIA as there is in PPIA. It is about food safety to a large degree, but understanding industry has come a long way since 1906.

Mindy: I've spent a tremendous amount of time studying slaughter systems. Exemptions all over Mexico, there is no oversight. We did food safety monitoring at the retail level- where inspection is required. Salmonella presence was similar to US in retail. We went back and observed processors and reviewed humane handling. Disease is not relevant till you look at the animal. It is both an animal health issue to protect human health, and it is a food safety issue.

Denise, Lorentz Meats- we have had animals walk in that are perfectly healthy, when they walk in. You can't see cancer- I do not want to give our customer's animal with cancer. The same end goal is a safe product. I would not feel comfortable. We have thrown carcasses at times because there are so many things you cannot see if there isn't someone there to inspect it. There is value and safety to the inspection system.

Greg: With regulatory reforms, all the reform is aimed at large plants. Do you have anything in the works for very small plants. What is the process for us to present regulatory reforms applicable to little plants?

Roberta: Send it through Ask FSIS. We have received requests for reg. reform in the agendas. We are trying to take regs. Off the books and expand generic labeling.

Carmen: One initiative we have right now is to reduce the lbs and ounces requirement- a small producer wrote about the ink costs with having to put ounces on there- so eliminating requirement with both on the product.

Mindy: Dual jurisdiction- FSMA and HACCP- coordinate with both inspectors.

Roberta: we sat down with FDA- cross logged sanitation and HACCP regulations with FSMA PC Rule- we have agreed on a cross log- need to get this cleared- and put out there. It was really an exercise for small players to not have to keep two sets of books.

Participants: Interested in what you are doing for small farmers and farmers in the middle- important to grow and support local farming communities..

Carmen: We base it on driving down human illness- we set our policies based on where to have the biggest public health impact from the food safety side; you are doing deregulatory or setting standards that impact the big players, but we don't collect enough samples to categorize the small plants. We are looking at driving down rates of illness. There are initiatives with small and very small- AMS at some of these roundtables. If there are areas of overregulation or need more guidance about certain regs. This is how we can partner and collaborate to address what the issue is.

Mindy: I've been here for 6 months but my career focus on small and very small processors in Extension. Secretary's objectives is to reach rural America and reach out to small and very small. Guidance, outreach and assistance from our team, if you have other ideas and needs we need to know. Please let us know. That is how this begins. We listen.

Participants: We work with lots of small producers- quality issue- very touchy to tell that to a new beginning farmer – small plants could benefit from an inspector assigning the grade to producer- small producer would take it from the regulatory industry better than us. Grade? Easy to assign.

Greg: Outreach beyond small plants to the actual producer and farmer. I've seen no realization about this outreach.

Kentucky Department of Ag: We offer free grading service to the farmer.

Roberta: Guidelines do address on the farm- we need to get that to the farm. We rely on small processors to do this.

Carrie: Hard to grade grassfed carcass to the grain fed grading system.

Carmen: if you want expanded grading standards, petition government.

Participants: Farms do not always want USDA grading- AMP has put out the various grade photos – could this not be done on grading standards on a flip chart.

Carmen: Look into making it public from AMS side.

Denise: Moving targets from floor inspection staff in regards to facility changes. We had our CIS telling us to change a table and our line inspector was happy. Supervisor went through final decisions, but in small communities there is a revolving door of inspectors. And new inspectors come in and say I want one thing, I want another thing if it's a different inspector. We cater to USDA when it is something that

matters. But sometimes it can't wait. Small processors deal with this. Start conversation and get it out to officials on how this should work- the facility request and changes must be requested by FLS.

Carmen: if they ask for things outside of the reg, do not give them that.

Phil: We have to make regs. that will cover 6500 establishments. Some people think we can write perfect directive but this is impossible. There has to be grey area- but now there is a grey area and people interpret it differently. Everyone can always email us, call us. We will take any concerns that you have including your inspector. But continue doing what doing, we don't always know what everyone is saying all the time. If you disagree make sure you appeal. It is the way we get to consistency.

Carmen: We get information to inspectors through directives- front line supervisors are the messengers. They are our eyes, ears, middle managers.

Participant: Retaliation is a concern at small level and sometimes it is subtle retaliation. And then you hear from Front Line- they are unionized and we are not, so we can't do much. Inspector understanding of regs. is low.

Carmen: This issue was discussed. Supervisors are going to supervisor. It is a management right to hire and fire, but so do all of our employees. We still have work to do. If you are having those subtle issues and your front line is not addressing it please contact district office. We do investigate and look at how to course correct. Subtle goes to bad in a short period of time and we don't want that. There are bad fits sometimes. We have the ability to move people.

Participant: Most fits are good but bad fits.

Carmen: I know you are telling the truth.

Participant: I've had colleagues resubmit requests for inspectors; I would encourage you to try to do that.

Participant: It is a systemic issue inspectors have the least knowledge.

Phil: New Poultry Inspection system helps us out a lot; they have more education, more knowledge about HACCP and what they are seeing. Looking at ways to do the job smarter and better. We have been working across all offices. Trying to make hiring more complete to get people who are qualified to apply for the jobs. Takes 6 months though after hire to get into establishment. Trying to shorten the time to do this.

Carmen: We changed the way we are announcing positions.

Mindy: Vet inspector side too.

Denise: Modernizing structure on who you are looking for- is it critical for VMDs in every role- or another PHD, or other to focus on certain other things?

Phil: I know there are associates degrees that have more applicable experience and I can't hire them right now so looking at fixing this. Not every Vet wants to supervise 10 people. Looking at ways to utilize same skill set. We do look for PHD folks, asking our people to do a lot all the time.

Participant: lack of participants coming to rural areas – how to revise this?

Participant: Labeling- they will call in and they may not be pleased with the processors label and want to take it to another plant- can a farmer go and own his label so he can go to multiple processors?

Jeff, FSIS: When a label is approved it is for an establishment- but you can change the label number and send it over to co-packer- exceptions- for organic, need more certificates for co-packer. Or to get for approval. In most cases yes, I will be sure to emphasize this in outreach.

Participant: What is status of alternatively cleared curing labeling?

Jeff: Looking at this as well.

Jeff: Looking at establishment number for market – can preprint or apply at time of packing- gives more flexibility and can apply at time of packaging.

Participant: performance standards specific to pork? We get lumped in with beef or red meat which is concerning- how are we going to handle this?

Mindy: We are looking for parts- for salmonella for pork- not carcasses or others. Just based on exploratory studies over the past few years.

Carmen: it is just for pork, just salmonella not E. Coli.

Mindy: Share volumes for small and very small with frequency of standards based on performance standards.

Roberta, FSIS: There will be establishments we will not hold to the performance standards.

Carmen: Very small, small will not have performance standards.

Mindy: Tied to public health outcomes- cannot just take average – it is a risk assessment.

Roberta: Look at proportion of larger players- 95 or so products.

Mindy: We have the common goal across the industry.

### **Labeling Updates from FSIS and Labeling Questions**

Jeff: We've made improvement over the past three years. 20 day plus backlog- one thing that really helped us is we have increased our staffing; responsibility evaluation of labels- these label claims are not simple any more. Label consistency – our staff have to evaluate new labels- certainly frustrating if labels need to be resubmitted 4-5 times. If label returned, we need to reach out to the company. We encourage engagement and dialogue with the companies. If it is label approval. Reach out to staff officer directly. Encourage appeal process- we are working with contractor to improve system.

Special Label approved – and want to change net weight – the changes can be done generically so long as not related to claim.

Animal Raising Claims Guidance Document 2016-17: Final Version in Clearance and should be out shortly. Then we want to do webinars on this document specifically.

Downloading issues in last week or two- working with IT folks to figure out why. Please email me ASK FSIS if issues.

Guidance on kits- confusion on this. Open for comment period now.

Brian: Training on FLS with checklist- around labels- and how to submit this- cut down on back and forth?

Phil: We have this on the table for the next FLS meeting – specifically with labeling staff – I will move this up to the top of the list.

Brian, White Oak Pastures: Multiple labels this past round- with multiple reviewers- different species but claims similar- but now contradictions on what the approvals were and what they weren't and had to reach out – might be best just to have one reviewer per one company; otherwise they contradict each other.

Jeff: Yes, this happens, with different staff officers- don't need to reach out to both – doing a better job of document these decisions.

Participant: Customers want us to change graphics to USDA 2020 format.

Jeff: We are in the process of rulemaking- but we did receive that question. Just looking at format.

Participant: Will labels need to change to a new USDA format?

Jeff: Yes, if we publish a final rule most likely will need this – compliance date- FSIS requirements.

Participant: Omega 3s claims- Sept. 2016 guidance limits omega 3s on our label- it needs to be called out as that but we are only able to say all natural sausage. It is hard for us to gain product in market- hard to sell them on it. We are really struggling with prescriptive guidance.

Jeff: FDA does not endorse these – they take after-market enforcement – there are also regulations- around good source around the daily value % but no daily value for omega 3s. We are trying to be flexible. Flexibility with the prominence but limited to factual statements about amount or milligrams or grams per serving.

Participant: Where are you around the growing threat of cell based meat?

Carmen: Meetings and comments on cattlemen's association petition- it was lengthy- it was regarding the labels of cell cultured meat products and insect based products. Majority about naming conventions.

We do have a formal agreement between FDA and FSIS around this. We do not have details from those designing these items. Hard without more details to put regulatory framework on paper.

Roles and responsibilities: FDA responsible for live animals up until point of slaughter at which time authority is FSIS. FDA responsible for growing, etc. of cells up until point of self-harvest- so at this point jurisdiction will transfer to FSIS. The cell biomass will then be produced into food. We would likely put market inspection on it- the way we inspect and pass it- FDA needs to send us the inputs records. What is a reasonable amount that could be left? Regulatory framework reasonable. FDA also regulates all ingredients- even those put into meat and poultry products. Still a lot of questions.

Work groups forming now around labeling, regulation.

Greg: Question around false and misleading and how that changes over time- around the word natural- 34% of consumers think that means organic and animals on pasture; we see folks with natural labels- and no hormones and no antibiotics, but beta agonists – this is false and misleading- this is common in industry- green grass at bottom of picture- most hogs never see green grass in their life. Not enough animals raised in nonconfined situations. What are the agencies long term plan to address market place free for all? A lot of label approvals but you're not assuring misleading claims are not in the market.

Jeff: False and misleading- a lot of those decisions are made on a case by case basis- one thing we are doing – we said would add new things to the policy book. With animal raising claims guidance. We've received complaints and petitions to conduct rulemaking to ensure specific requirements – to ensure consumers are not misled- we have a surveillance program- started with nutrition labeling- expanded into antibiotics, etc. as well.

We receive complaints from consumers and will address those.

Greg: No hormone statement while ractopamine being used- consumers cannot make this distinction.

Roberta: if a group that feels strongly- petition.

Participant: Who owns the label claim? As co-packer- if we have a secondary company come in house who wants us to label this? Along as same documentation can we use this for the second farm?

Jeff: Yes, that would not affect the claim, supplier, etc. the same so no change in label.

Participant: What can be perceived as misleading with logos? Can we use certain logos? We've had them take the word Angus out until they provide documentation to support the claim.

Jeff: The Angus logos are issues. I agree best approach to have the Angus taken off for the time being.

Participant: But if we have this approved in house and they have documentation?

Participant: Relaxation of standards of identity? That is not traditional standard of identity ?

Jeff: We have policies for this.

Roberta: Product of USA still going through comments

Participants: Perception is that you are more willing to work with large producers over US domestic producers and I hear this a lot.

Roberta: We are staffed- I have 20 people that work in the international arena- and the other 90 work on domestic issues; I can honestly say we meet with small and very small more than with large to work through issues. We have several meetings every week; the issues are the issues we don't differentiate.

Phil: I answer all calls when my phone rings- and I answer the phone. I address every concern with the same level- Trade orgs. we work with as much as anyone else. My phone is on the website and I will address problems.

Roberta: Ask FSIS- safe harbors so folks do not have to do challenge studies because it is cost prohibitive for a lot of folks.

Carrie: We file FOIAs on grassfed claims- heavily redacted- I do not know the policy- but when I get a FOIA with 27 pages redacted- that is not transparent.

Denise: Appreciate your presence- I do know industry wide packing plants have relied on immigrant labor, our facility is fortunate to pay minimum wage. I know small processors can't do this but want to; we compete with a town that can provide better benefits. Minnesota has a labor participation rate 70% we have no one to fill our kill floor- we struggle to fill them. This impacts food safety- I have one knocker- if he disappears- it is me and my owner. If people in Washington could figure it out- why can't packers take advantage of visa- we would love to get people here legally and pay them living wages- they are some of our best workers.

Participant: Bottleneck- there is a lack of small processing plants. We need expansion. We can't find processors.

Senator Paul's office: Bills in congress to streamline H2A process- first time I heard of this issue.

KY Mobile Process: Waste water- is the problem for mobile processing and the dept. of public health.