

**USDA FSIS – NSAC – NMPAN – AGA**  
**Small/ Very Small Meat Processing Plants Stakeholder Meeting**  
Denver, CO  
Tuesday, June 18, 2019

**Welcome & Introductions**

Ferd Hoefner, NSAC: Welcomed everyone and provided context on NSAC's point of intersection with connecting FSIS leadership with small and very small plant owners. Ferd provided a brief overview of these session that started in late 2016 in Indiana. This is the 6<sup>th</sup> regional meeting, and the largest meeting. Then Ferd asked for opening comments from participants:

Mike Callicrate, Ranch Foods Direct: I want to discuss the lack of preference for small plants.

Greg Gunthrop, Gunthrop Farms: I want to discuss how to increase processing for small and very small plants.

Alan Lewis, Natural Grocers: Mentioned the need to address the product of USA label, which allows fake grassfed to be on the market.

Carmen Rottenberg, FSIS Administrator: Welcomed everyone and explained the FSIS partnership for the 6<sup>th</sup> regional meeting. Carmen stated how FSIS has found these meetings to be extremely valuable. As a result, FSIS has been working with congressional members to get out in districts to meet with member and producers. Carmen mentioned how one of the real benefits of this location is the great bison contingent today and that are not in other locations.

Dawn Sprouls, FSIS Denver District Manager (Interim): Stated the goal is to hear concerns and work through how to best address the concerns.

John Linville, FSIS Office of Policy and Program Development: Stated the OPPD office will be taking over the small plant help desk and would like to hear how FSIS can make this a better service.

James, National Bison Association: 1200 folks raising bison across north America- how will FSIS support small plants with niche products

Bob Dineen, Sidney Tay-Tse, Ace Ward, Rocky Natural Mountain Meats: Wanted to get questions answered on generic labeling for bison products and assistance with labeling; nonamenable issue with label approval is a problem and causes blockage from market place when we are required to have approval for every change- no in house option and would like to see that change.

Campbell Burgess, Southwest Bison: Labeling questions on grassfed and natural bison.

Carrie Balkcom, Executive Director, American Grassed Association: Welcomed everyone to the meeting. Carrie discussed how these have grown since the first one in Greg Gunthorp's house. Carrie thanked the Western Stock Show for the meeting space, and CSU and Brad and the ranch for being our tour hosts. I am thrilled you all are here- we have a diverse group of voices and pleased to see that. We know the problems let's find solutions.

Rebecca Thistlethwaite, Director, Niche Meat Processors Assistance Network: I hope we can be solutions oriented as well and she is thrilled with the diversity of stakeholders in attendance.

### FSIS Updates

Carmen Rottenberg provided updates on the following (when she says "we", she means FSIS):

- It is great when you have conversations with Congress, but these direct conversations are really valuable for us. Contacting members of Congress is great, but this is another avenue so do not be shy to reach out to us. There is a shift at FSIS to be more customer focused. We are here to be both regulating and assisting with our outreach efforts. Haney touch on this today.
- FSIS has been updating guidance documents based on these meetings. The guidance are primarily to assist very small plants. Where they do not help FSIS needs to hear it. You do not need a lengthy comment on why guidance is not clear; submitting a few sentences are often the most helpful to the agency.
- FSIS will soon have animal raising claims guidance available. They will expand generic labeling and propose to expand what might be approved through generic labeling. This is based in large part based on what we have heard from these meetings across country. FSIS will also have new labeling rules to allow labels in either pounds or ounces.
- We also proposed and are working on final amendment to allow establishments that prepare uninspected products like pet food to do this outside the hours of operations when also preparing food for human consumption. So we proposed a rule to amend this to allow pet food to be processed outside of federal inspection hours.
- Performance standards for salmonella for poultry standards updated; pork parts will be next focus. This is not regulatory limits. Proposed performance standards will be out this fall.
- New FSIS policy on if you take a product that's inspected and put it into a meal kit; it will clarify this does not need to be done under inspection if not further processed in any way.
- We have been working a lot with Congress; our inspection personnel get paid by appropriated funds for inspectors for only 40 hours a week. Then, we are reimbursed by

industry through overtime fees. The inspector has to be on overtime status over 8 hours a day for us to bill industry for this time. We have inspectors – and specifically veterinarians – with shortages because many do not want to work 60 hours a week. If we could hire more vets, we could still bill industry and pay people but still make sure they work only 40 hours a week. If we have a happy work force it might cost industry a little less. We have been making Congress aware of this and encouraging this flexibility for vets. We are seeking this statutory change through either appropriations or legislation.

### **EIAOs and Outreach**

Hany Sidrak, FSIS Office of Field Operations, stated there is an expectation that 25% of EIAOs' time is spent for outreach and achieving better understanding of regulations. This will result in better compliance; compliance should not just be achieved through inspections. EIAOs are reaching out to plant owners and operators. They are only to have outreach hats on; they should not tour the facility – strictly outreach and sharing information. There are guidelines and materials for HACCP programs – these types of materials an EIAO could identify for plants. They could also discuss updates on policies; there are a lot of opportunities to make sure we are on the same page. The agency does expect the EIAO to reach out when notices or directives are out related to implementation; the weekly exit meeting is set for this. But EIAO could have very valuable settings for this kind of information exchange – extending to DVMs – that they are looking at humane handling, different types of criteria, and making sure everyone is on same page. The goal is to send that message to industry, and we hope this is something we can encourage. Should be a discussion- what are the challenges locally. IF you get a call from DVMs or EIAO to set up outreach meeting- I hope they can reach more this year. We are trying to prioritize meetings to establishments with concern in an area, whether it is HACCP or Humane Handling issues.

Denise Perry, Lorentz Meats: I did reach out to my EIAO. I met her at a neutral site, with the intent to meet about validation. It was a great meeting with great recommendations, but then she also ended it with I suppose you are due for a FSA. Small plants are scared because of this reason. I followed up with Ask FSIS to make sure we did not have to schedule a FSA so soon.

Hany: I understand the general concern. I think it works out when you do reach out. We are happy to reach out to an association instead if plant owners feel better about this option.

Carmen: I appreciate the feedback. That is not how we want the EIAO outreach meetings to close. We started this with catfish when they were regulated for the first time. We do talk internally about this; we have EIAOs to go to plants instead where they are crossing districts or so they do not feel like they must conduct an FSA right away. This is supposed to be helpful for the reasons we met. We don't want a threat at the end of the meeting. We have emails from the years with Greg [Gunthrop] and we follow up quickly and it is helpful. If you have a third party contact us we are happy to hear from as well.

David James, FSIS, Denver District Front Line Supervisor: You can get emails sent to you directly on directives coming out instead of relying on outreach. All of our directives and notices are public now; it used to be some were public and some were not.

Greg Gunthorp: We did the EIAO ask for help on validation; it took me contacting the district office before anyone was aware they were even doing that (EIAO outreach). Any information you can send out on how plants can ask for EIAO meetings would help.

Carmen: You should contact your district office when you want an EIAO meeting.

Dawn Sprouls, FSIS Denver District Manager: Contact any of us. We are also working on quarterly newsletters too where we can send out to everyone notices and directives that came out over the last quarter.

Denise: I saw the newsletter last week and the EIAO I worked with is not the person listed for outreach.

Dawn: I need to know about concerns because the expectation is they [EIAOs] will do outreach. We can work with John and the policy team to make sure you get this information.

### **Labeling Updates**

Roz Murphy- Jenkins, FSIS Director of Labeling: Right now there is a 21 business days backlog- this is our goal number. We haven't been at this number in over a year. We hired 15 more people to work on labeling. We receive 200-300 new labels per week, and half are special statements and claims including animal raising claims. Exotic labels like bison have to be submitted for approval, but this gave me an idea until we can expand our generic label approval. Not all special statements and claims have to be submitted every time you have a claim on it. If you are making a change not related to that claim it does not have to come back for approval again. You can submit a blanket approval. We are updated the labeling guidance on our page including what types of labels and changes can be made without resubmitting for approval. Also you can submit ask FSIS questions. Most recently, we put biweekly articles in the Constituent Update to give people idea of labeling backlog including how to submit labels to make the process quicker. We are looking to expand situations where labels can be generically approved- including bison labels. Hopefully if we get the proposed rule moving and into a final stage that would be a situation where such products would not have to be submitted for approval.

Carmen: The timing would be a 60-90 day proposed rule comment period and then final rule; it usually takes 18 months- so we are working on this.

Roz: Now that we have better staffing this may be a way to get those labels approved. Because they (bison) are under voluntary inspection- they have to come in. I can work with staff and we can think how to move this approval process forward.

- Animal raising claims guidance should be out soon.
- If you may see a label not approved and not enough clarity in the return or comment. Reach back to that staff officer or Ask FSIS- if that does not work please contact me or Jeff Canavan.
- Our LSA system is hopefully working for everyone – submit online- we still submit labels on paper but online facilitates quicker approval.
- There will also be an expansion of generic labels proposed rule Sept. 2019.

Bob Dineen, Rocky Mountain Natural Meats: There are issues with same claims with prior approval taking a long period of time to be approved on other labels.

Roz: If there are issues with prior approval, submit a copy of the prior approval with the label.

Denise: Appreciate group input with Appendix A and B.

Carmen: There were research gaps and we appreciate the team working on this.

### **Research Questions**

Rebecca: Are there any specific funding programs that would be best for land-grant university meat labs?

Carmen: NIFA- National Institute Food and Ag- they are the grant giving body- with projects – we work with them to take up the projects we want them to work on, but it is helpful for NIFA to hear from industry “this is what we need.”

Rebecca- NMPAN organized a small poultry processors conference call regarding salmonella performance standards. In that call we discussed the need for more research about salmonella and sanitizers (types, concentrations, residence times, dunking methods, etc), there is no research on this- what program would fund this- try to funnel some money into more meat science related programs.

Carmen: new food safety undersecretary is having these conversations with NIFA and ARS

- Appendix A and B was perfect example of research gaps, we felt science could close gaps, industry said no you are wrong, we listened and new research out there might close those knowledge gaps
- Ben: think about contacting USDA ARS- they might have some ideas for you as well

Alan: Product of USA label- Fortenberry office had no idea issues with this. Consumers being grossly misled because animals raised in other countries are being labeled as Product of USA if they are processed in a US plant. What is the way forward on this? This is difficult for smaller processors to compete with.

Carmen: we do have petition right now asking for change. Product coming into this country must be labeled product of whatever country they came from. Once processed in U.S. facility through can be labeled product of USA – because inspected by US inspector. I understand the labeling when just repackaged- However, at what point do you not permit product of USA\_ cattle from Mexico slaughtered in US? These are the things we need to think about- what is consumers understanding of product of USA- producers raising and harvesting in U.S. can have a label saying “raised in USA” but understand product of USA consumers think the same thing.

- Roz: we have talked about this – we received 2,500 comments on the petition. We hope there will be options in there that will be beneficial. That will allow for another way. It is our policy standards- 1980. There are other programs that AMS offers at a cost for certain claims being put on a label. Right now, we will approve labels that have claims, born, raised, slaughtered, harvested, in USA- other than that still looking at comments.
- Carmen: this issue has a lot of attention- some producers want change and others that do not want to change.

### **Bison Processing Topics**

Jim Matheson, National Bison Association: Nonamenable species are struggling with voluntary inspection primarily, and sometimes with labeling.

Carmen: Roz will try and find a solution to reduce the amount of time it takes for labeling.

Bob Dineen, Rocky Mountain Natural Meats: It takes 8 weeks to get a label back, and this creates a market access issue. Customers think you are lying when it is delayed.

Bob also mentioned the issues with the Country of Origin labeling. It all comes from Canada or US. Big issue is grassfed people have big competition. If it is not slaughtered here it is not a product of USA. The consumer would back this. Significant issue with grassfed- most of it is being imported. Consumer has no clue. Water buffalo issues- processed under FDA and not sure how this happens (zero label on it, sold into retail)? This we were worried would be a bigger issue- seems to have died down. FDA pet food side too- don't need to go there- needs to be directive on product labeled as water buffalo and then told to consumer as just buffalo. FSIS has this, but FDA does not. If they go with FDA then the companies can get away with it.

Carmen: Any species that enters country must go through a facility of ours. If it goes to FDA it goes to wherever its processed. It is impossible to know when it goes to processing facilities instead of stopping at an import facility. We don't have jurisdiction over this but for voluntary inspection. We referred this to FDA.

Roz: We had meeting with FDA last year and can re-visit this. We posted two Ask FSIS questions that clarified this- referring back to our regulations. We can follow up with FDA.

Bob: This is still all over shelves on the east coast- uninspected red meat product (water buffalo) on the shelves.

Carmen: FDA does inspection more like an audit. If you look at inspection resources they go after most egregious conditions; when we get these issues, we have also heard this from plant based products, we send these things to FDA for enforcement.

Bob: We know this is still being sold, and nothing on package on inspection, where it is from, or anything. We (bison producers) jump through hoops on voluntary side because we think this is worth it and important for our industry – significant threat for bison industry here (water buffalo being called bison).

Carmen: We've had members inquire about exotic species being added to amendable species – it is voluntary not mandatory.

Steve Christensen, High Plains Bison: I'm not sure the bison industry is uniform on this. We would like to become amenable species so no longer voluntary inspected. What is the path to this?

Carmen: It takes an act of congress under FMIA legislation to change this definition to include bison, but we have heard of others doing this; quail considering it; squab; catfish; others added to FMIA.

Mike Calicrate, Ranch Foods Direct: We never have united industry. I want preference for small plants. It seems with two people on advisory committee and global actors who want no rules, they seem to get their way. The idea that the meat industry not united needs to be thrown out because it will never be. We need consumers to be the priority. They deserve clear, accurate labeling of meat.

### **Denver District Specific Topics**

Ben Meyer, Marks Meat/ Revel Meat Co.: We had a NOIE humane handling issue this spring 2019. One of the underlying causes that extended this into the process we ended up in (consent decree), not to say we weren't at fault, but NOIE had a 30 day visit but never a 60 and 120 day visit. So the NOIE was open for months and a mistun put us back into suspension. The main reason I heard this happened was Denver had short staff and one DVMS we finally have one other and she's great – her visit was great insight and excellent- and she had good feedback about our program. In getting that new DVMS- we were excited about annual visits again and the staff with the humane handling side of things. Now, we are told we are back down to 1 DVMS in the Denver district now and no plan to rehire for 2<sup>nd</sup> DVMS.

Dawn: Dallas and Des Moines both have two DVMS, so as we work through this, we still are trying to determine how to deal with this and we are utilizing DVMS from other districts, so we do not run short.

Ben: This is our concern- regular annual visits- if 1 DVMs hit up 1 plant a day she would be short 30 plants this year. If small and very small plants have humane handling violations and mistuns, without that annual visit to talk about your program and get input from DVMS it will continue for decades as a result.

Hany: we are aware there are no policies for frequency of visits for DVMs; so looking at risk based visit. So not all plants need a visit on same frequency as other locations. Outreach being an important component for this- this one on one discussion- this is key moving forward. Nationwide we are looking at going from 15 to 10 districts and are in the process of taking a closer look at what local PHVs and other inspectors in plants and how they do this with antemortem. I know there is a lot more to it, but I understand the concern.

Ben: Our last 4 inspectors were new trainees and it was all learning on the job. We trained them on HMSA rule and beginning to regain consciousness state. If DVMs were doing more outreach for inspection staff it would be good. We had new inspectors say we had a mistun when there was no signs of consciousness and I said you should call vet right now because you should understand signs of consciousness.

Hany: I appreciate you helping our folks. There is the expectation they are fully trained before this, but we aren't perfect. We will take that feedback as well.

Rebecca: What training do inspectors go through to understand consciousness?

Hany: They have both classroom and on the job training. I work closely with training programs. The supervisor is usually a PHV that follows up on humane handling and reviews directives and notices to the topic with them, and follows up on site to see how they implement this. But unless you see it you end up questioning it. Sometimes in practice you want to see it for yourself to appreciate it. Trying to help with this through videos and other ways of conveying these situations.

Denise: Is there a rule that says we can't hire PHD in Animal Science as part of the PHV shortage issue? Majority of vets have never seen large animals before.

Hany: We had a program nationwide last year to make sure PHVs are trained in humane handling. This will be ongoing. We agree to a degree with providing help to vets especially in operations with too much to do.

Kathryn: It seems to me to solve this problem we need to go back to education. Why isn't there a small and large animal education in this and recruit students from the beginning with vet school to go into this line of work?

Carmen: New recruits are women coming out of vet school and they usually say they had no idea this job existed. We have a new scholarship program for people who want to work for us while in school and we pay their school and they work for us after school. We cannot get away



from hiring vets. They also do tasks for APHIS and other countries require for exports vets are there. We are looking internally at structure of this and getting students in ag sciences to come right into CSI position- you will see this in the coming months.

Denise: Is there a role for PHVs so they are not strung out?

Carmen: We have to do a better job of recruiting and retaining employees.

Carrie: We want solutions. From the perspective of the plant who can't get their animals processed because the plant was shutdown and the leading animal welfare person is not a veterinarian. I am thinking of people in positions that are not DVMS, but we need to rethink a solution at some point and the role of PHDs in Animal Science. State and local vets might help solve the problem. If you can't get processed, you are economically challenged from beginning and have animals with nowhere to go.

### **Inspection Topics**

#### 1. Inspector Consistency/training

Greg Gunthorp: The line inspector changed recently and did not have adequate training because we are a multi-species plant and the inspector came out of a large poultry plant. The FSIS move to modern inspection for big plants will get worse for small plants when inspectors are at a different place (experience wise). Ante mortem puts small plants in an awkward place. There is an issue with consistency. We have to go to district offices to get anyone to listen to us and D.C. is also responsive and listening. I realize it takes a while to filter down to the local level. I am proud of the fact that we have one of the only on farm processors for red meat and poultry; but there are not a lot of methods to address this without getting plants in trouble.

Hany: We certainly need the local level to be as responsive. We have 7,500 personnel and the challenge is to properly train and to ensure ongoing training. I would not know unless something is flagged in a given situation. The goal is to make sure the inspection standard is applied consistently across the board. "I'm being treated differently," I've heard. I could see a different combination of situations and sometimes challenges on how this may not be the same. I hear you. This is our number 1 priority -- to establish consistency. We have regular meetings with District Managers and the District Managers have regular meetings with front line supervisors. Carmen and others bring issues to our attention and then it is addressed right away. I encourage everyone to bring these all to our attention. Everyone here will get access to my email and phone number -- please contact me.

Carmen: This is a big ship to steer with turnover, but there is opportunity to build a really strong team of District Managers. We hear this and have mechanisms to deal with this. If we don't measure employee performance standards won't make a change. We need to hear about local issues to make the changes at the District Level.

Dawn: We work with front line supervisors. We are trying to make sure we work with front line supervisors so they get experiences in plant with another CSI. We are looking more carefully at these things.

Denise: Moving Dawn Sprouls to Denver is great. She is great in Des Moines. If this is a move to improve this, I fully support that.

## 2. Corrective Actions for Inspectors

Denise: The problematic inspection staff with Riley's Meat issue are still at FSIS. I know it is hard to let go of good inspectors and its hard to be sensitive to this. I understand need to protect inspectors but we also need honest and open dialogue.

Bart Riley, Riley's Meats: We have been lied to in Montana and don't trust anyone at FSIS anymore. The Front Line Supervisor we've been fighting for 14 years and no one cares. If it wasn't for Montana governors and Senators we would be out of business. They helped us when we got shutdown. It doesn't matter who we talk to they only believe the Front Line Supervisor. In some plants in Montana he told lies to about the regulations. We would like to know how to get a new front line supervisor? The Montana Legislature is so tired with FSIS a study bill was passed on this topic.

Carmen: I reviewed the issues; if there are issues with small plants in Montana not getting grants. I've heard from congressional delegation about your establishment but I have not heard from other establishments. There were some roundtables that were held in 2005. But we've had steady stakeholder dialogue with 6 regional meetings with NSAC to get at the issues you raised.

Bart: My last formal complaint was in 2016.

Carmen: We can have a side conversation talk about this. What we received in 2016 was the same as 2005 so if there are other things need to be addressed I am happy to do this. I know OIG is conducting investigation, but I can't be involved with a third party investigation.

## 3. How Many NOIE's or NOS's are Allowed Annually Per Plant Before They are Sent to the Office of Investigation, Enforcement, & Audit's Enforcement & Litigation Division.

Hany: NOIEs and NOS's are really the enforcement tools the agency uses and are not taken lightly. There are so many triggers for EIAOs for them to consider. They look at recall actions or positive pathogens results or it could be a new establishment. If we look at if everything is okay, then the establishment flagged as needed this assessment- I want to make sure people understand the pre-step where we take a look at what the results of the inspection at the plant are and what information is available for both FSIS and maybe the plant. This assessment – whatever the result– recommends the food safety assessment or not. This gets us into a NOIE situation not a suspension. Most suspension we see are an egregious act of humane handling.

In FY18 the agency performed 1,056 PHREs and 450 resulted in FSA- majority of FSA issued a noncompliance record. The number of suspensions for food safety are very small. The only time the agency would consider forwarding a case to ELD is when there is a repeat incident; suspension, then others following up, typically local inspection staff. The verification plan once in suspension includes feedback from onsite inspectors. The bottom line is while a plant may be in this type of mode – if another situation takes place, the suspension is reissued, and we start again from the same place. What is the next step? I suspend again and it becomes ineffective- field operations find themselves in a problem area. Cannot repeat that again – maybe again possibility outside of plants control. If an incident happens, I understand it cannot happen sometimes, but usually that assessment goes into this. If I don't take action with the enforcement strategy you find yourself stuck. There has to be a point where this is escalated so another group takes a look at it for us to reach an agreement- this is the consent order.

Denise: I understand multiple time in a row- but in small and very small there are multiple species- sometimes 3-4 suspensions- but not all pigs, not all beef, not all lamb. Only allowed one shot. I have to train someone to do this on one shot. I've missed, not on purpose or lack of training. That training period in the meat packing area is tough. People do not knock down our doors for jobs and they don't want to show up the next day. So how can we work together when you have to follow the one shot law. I work with my trainers – can we just immediately have the experienced person behind them do it immediately after with a security stun right after?

Hany: The agency listened to this and wants to address it. We changed policy a few years ago- if plant has robust approach should not be automatic suspension and we stress this very much and I tell DVMs this and the districts. Sometimes when small establishments with multiple species – I have to have a different retaining technique for different animals. Establishment should consider at that point a different restrainer for smaller animal. Maybe over time people do not check the backup device and whether it is functional or not or someone loses the experienced knocker and its hard to get someone trained because it takes time. So they need closer supervision. These are the types of situations. I would say what is the point where the plant manager goes at it to really fix the issue.

Denise: Is there a place for EIAO outreach- with average of 10 days to get back up. In Des Moines they get me up the next day- but others are not as fortunate- is this a good opportunity for EIAO outreach in this situation?

Haney: We recognize need on humane handling; want DVMs to be main outreach from district perspective so they could give expertise. We also know of PHDs Vets that changed to EIAO.

Ben: Lucky to have Dr. Sally Dixen in our area. She does verification visits and has a lot of experience. We get audited from Greg Sherman – great level of experience too which is great.

Haney: Share this experience- ultimate goal compliance- high on our priorities.

Greg: This on the list because of their plant scenario- in other districts would not have played out the same; they (Mark's Meats) were closed down for 7 weeks.

Ben: Three days before Dr. McKiver submitted paperwork before misknock; under NAMI guidelines we would not have been noncompliant but under our current plan we would not be in this situation. We did not know about this because we do not go to NAMI seminars. We discovered from ex-EIAO as our paid consultant- we had to get him vetted for 7 weeks even though he was an EIAO and ex- DVM. The blueprints for these agreements make it difficult for small plants to get third party auditors and consultants. All ex- EIAOs and DVMs – that are these consultants. PACO had no idea in their agreements, there are only 5 in the region. We are lucky we found consultant that is not PACO certified but its okay because of his experience. PACO was surprised to be listed in these consent orders.

Carmen: I am sure this is added because from legal side we have folks that left agency under different circumstances and this will make it worse for smaller processors. I am pretty sure the lawyers make them review and approve them because of this concern. But good perspective for us to hear.

Ben: I understand that Ex- FSIS maybe not best for relationship with current inspection staff.

Hany: What I have seen over the years is ultimately a plant works at the issue and then its ultimately back to normal and inspection.

Ben: You mentioned certain point its sent to ELD- is this from District side or from ELD side?

Hany: There is the consent piece. The district says to EDL here is history of what is going on, ELD looks at this and decides if fits or does not fit based on historically what agency has done.

Ben: Two other plants in western states had more issues, and they weren't referred but the big difference we noticed was we had open NOIE and they did not. We got an NR – 15 months prior this happened. These were all called systematic failure of humane handling program. For us on a small plant side it was difficult because no roadmap on this process; no communication- moved from desk to another; took 5 days to know who had it.

Carmen: We need better communication between field ops.

Ben: And a guide for this process.

Carmen: We have to look from legal standpoint looking at totality of these circumstances and with court cases. We would love to have a meeting with you- or a call from our staff in D.C.

Ben: Part of consent order is you forfeit right to appeal decision up to that point – no way to appeal to move forward- at 7 weeks closed.

## Humane Handling

Mike: Small plants are held to different standard. Most people are driving 5 hours to process- there is nowhere to go; in my plant they walk- they don't sit on trucks and we talk about humane handling. What about humane handling prior to arrival at plant? Big plants have multiple mistuns every day and small plants you fear for your life if one mistun. CSU meat lab not shut down for seven weeks even though they had a misstun on their first batch of animals. Why are big plants operating at all- they have multiple mistuns per day- 3-5% mistuns?

Hany: To me no difference between criteria.

Ben: There are big plants, but other plants with same number of mis knocks. One took 17 minutes to drop a bison, and yet they operated in 6 days. Someone from the district was in their office the next morning to discuss corrective actions. For small plants it's not same. The big plants just fire everyone. Small plants can't do this and that is not a good corrective action.

Hany: We don't usually receive these corrective actions. What we get in writing is we will re-train our employees. We can talk to ELD about this. We know the consents are not always humane handling related, they are mostly food safety related.

Ben: Number one issue for small plants is humane handling.

Alan Lewis: As a retailer we choose not to buy from large processors. We buy AGA beef from known producers. When one plant gets shutdown, now that customer's shelf is empty- and if we were a different retailer, we would fine you, that's what retailers do; the consequences are staggering- ranchers to the plant business to retailer business. FSIS – I understand you are sympathetic and, on our side, but your undermining other dollars on rural efforts.

Carmen: I take issue with that statement. FSIS staff have to uphold Humane Slaughter Act. We are training- and clearly in this situation there was a time lapse that was not appropriate. If you look across on enforcement action- you see big and small on the list. I'm sympathetic to needs of small and very small producers.

Rebecca: Have you ever done an internal research effort to see how quickly large establishments get back under inspections vs. small plants and use that data to change systems?

Haney: Typically, a suspended plant for humane handling is back up in 24 hours.

Dawn: I've been in two districts, but I would say our goal is if you send corrective actions, I review them at midnight, and our goal is to review and provide feedback and allow you to start operations as soon as possible- regardless of size. I look at it as a manger providing actions to get company back up and operating. I don't put one plant ahead of another. I will give feedback and provide clarification and get appropriate feedback to make sure it is something you can

implement, and talk through and think do you have all this and how long will it take and what can you do in the interim. We need to provide feedback to make sure folks understand this. Corrective action is what you determine- training might be it. I can share what types of corrective actions I've seen too. Our goal is not to keep in place forever, but to look at corrective actions and get you up and operating asap.

Carmen: When I hear from members, "you all shut this down and it's still shutdown, we have a new humane handling problem and can't get anyone to slaughter" because of the corrective actions plant chose or new equipment or training, the plant says still needs to do this before shutdown. In farm bill there is a requirement for a university to look at policies and impact and what we can be doing better.

Carrie: If a plant is in operation 10-12 years and then all of sudden problems, 7 week shutdown does not make sense to me? If operating correctly up until that point?

Ben: It was that transition, from Denver to DC- these situations are not as frequent. I'm sure there is some level of how to treat this- each situation is different.

Greg: I recommend looking at the last quarterly enforcement report. Clemens plant is the only large plant not removed same day and for the small plants it is weeks.

Hany: When we look at this data we also need to consider is this second or third time? This information is not there. District Managers look at this say okay, then retrain employee but some reluctance to accept the same action taken to address issue if it is a second or third violation. We really need to address something else if the first corrective action did not work. If you have a new employee doing knocking, this might be part of it. This information is not readily available.

Denise: This data is also not saying when the plant responds.

### **Closing Comments: FSIS**

Nate Burk, Consultant/ Audubon, stated the product of USA label is a very significant barrier to the grassfed industry but maintaining product identity does add cost.

Maggie, CDA: State Vet: Keep in mind traceability- we are here in state office with record keeping let us know.

Tiffany Weekly, Morning Glory Farms: Organic farmers are held to grueling standards but imported products for organics are not held to same standards.

Roz: Thank you for opportunity.

Chris Romero, FSIS Front Line Supervisor, Greeley District: We are working on alleviating CSI workload; very grateful for Dr. Sprouls and the district team's work to get additional people in plants.

Ben: Appreciate feedback.

Hany: Thank you I will bring this up with district managers and leaders.

Carrie: Product of USA- 85% of this is from offshore; as these meetings morphed and larger- we have these egregious stories. We hear them every meeting and know of people who have issues. We need solutions and communication moving forward. I can't tell you how much the meetings help me. If animals are not processed we are shutting down rural America.

Rebecca: The issue with small plants vs. large plants and getting back up is it needs further research and investigation. I would like to see this – what rules are there to assure everyone on same field in terms of responsiveness that this gets.

Hollis, Colorado Department of Agriculture: Bison water buffalo - we are very involved in regulation of animal feed and this is something in pet food issue, and we are looking into this. What can we do from a labeling standpoint on this? Pet food might be good trial and error for human food.

Alan: There are two sides to the industry, what I've seen is cow- calf operators argue against own best interests. There is now COOL label at state level and they will argue against it and its breathtaking because it is people we know. We ask about wouldn't you be better off? Yeah, but if you put my name on this statement, I will lose buyer from my calves. Look at who represents small producers.

Greg: Thank you for showing up and listening and I appreciate sending you emails and getting quick responses.

Mike: Thank you for listening- I want to second what Alan said, but troubled by USDA grants helping to build this local food system only to have major barriers for this, including predatory practices of big meat packers whether grassfed or finished meat from South America, antitrust issues, but FSIS issue is deadly on the first blow. When you shut down a plant the guy who mis-knocked leaves and drives away and we never hear from him; that is big deal.

Kathryn: I am thankful for listening, but depth of difference among differences.

Ben: I appreciate being heard and believe having roundtables levels things out. We need to act more as an industry block. We are all small and have voice together. Ben would be happy to share about humane handling. Marks Meat has a real economical design if anyone wants to see it and training videos, and Ben would love to help and share this with others.

Chad Bullinger, Golden Bison Company: Bison industry is working to identify best practices, whether food safety, label transparency; We are a growing industry.

Denise: Thank you, appreciate it.

### **AMS: Grading & Market Reports**

#### **1. Increasing Access to Grading Services for Small Plants**

Angie Snyder, USDA Agriculture Marketing Service: We are working on camera technology and using it (pilot) in handful of plants. It is tracking accuracy and strong reporting. The camera will take picture – the plant grader assigns grade, and USDA can override it if needed. Rolled out camera in lamb plant that assigns grade of choice or higher to the lamb carcass. We expect this technology to grow as we learn.

Denise: What is the sample size or expectation to approve a new grading type standards?

Angie: USDA writes standards; if the industry says you need to expand this, this is something we could talk about. They are industry standards that AMS just holds.

Carrie: We talked to FSIS about wanting to change nutritional on label (for grassfed beef). The study FSIS said would have to come through University and cost \$1 million. If we could get funding, we would but we don't have money.

Greg: If there was a standard for grading pasture poultry, pork and grassfed beef- would AMS actually have to verify this to ensure they were meeting this grading standard?

Angie: If we had grade standards, they might be backed up by affidavits. Process Verified Program standard solution is where you write it and we post it. We audit it once you have a Quality Management System (QMS) system in place. The standard is on website and can use USDA Process Verified shield.

We also have small and very small programs for producers to be certified for grass fed: the animal must only consume grass and forage, no grain product. This is a strictly producer verification. If you needed to label at the plant the plant needs PVP to use the USDA verification.

Angie: Humans still verify grade with cameras, but some cameras pick up on the color differences and some struggle more. Some have hard time reading prime carcass – USDA grader ultimately verifies.

#### **2. Improving Market News Reports for Value Added Meat Sector (Grass-fed, Pastured Raised, etc.)**



Angie- If report could be improved please let us know. About 6 years ago we introduced first grassfed beef report and since then we have had a total of 13 reports. It is voluntary and we could always use more data. We will be publishing a weekly report in the future including open pen gestation, create free, antibiotic free, etc.

Kathryn: Is this completely domestic numbers?

Carrie: All numbers- anyone can report.

Angie: I would have to check to see if we can break this out – we are looking at ways to differentiate how grassfed is defined and make the report easily read.

Rebecca: Please reach out to NMPAN to make the list more robust data-wise. We can reach out to producers who want to voluntary report.

Angie: We protect confidentiality and we will not tell what prices are or what the volume is. In the lamb sector have 0 for the report because if we give information, we would reveal information that is confidential. Our lamb overview report is a three page report on what we can show. If there is an area where we need more reporting, we can do it but need ideas and need feedback.

Jim: Thank you for reporting on Bison, we would like to include live market prices.

Angie: I'll find out next steps.

Carrie: You collect resource for funding – what is available and what is not available; people here might want to know what to apply for with grants?

Angie: Yes we can refer to the Transportation and Marketing Program for this.

Rebecca- We analyzed grant funding over last 20 years related meat sector and it will be on our website soon. We also have one webinar in a couple of weeks on how to get meat into institutions like hospitals and schools. We will do a webinar this winter with AMS and dried cured products and value added specialty products to install smokers and value added processing.

Angie: We buy fresh, frozen, etc. but the shelf stable products dried are a huge winning point.

Greg: Packer & Stockyards Act under AMS now? Will AMS take an active role?

Ferd: Proposed rulemaking coming up and we do not know exactly when. This will be going back to 2008 undue preference rule and we need to make sure a lot of public comment. Very shortly there will be a petition in advance of the proposed rule telling AMS what farmers and ranchers would like to see.

Greg: The organic rule- we have 270 acre- 200 certified organic and processing plant certified organic – we can't compete in market as organic because certified organic broilers have no meaningful access to outside. I have birds that run outside and I can't play in market place. The pasture rule (or lack of it) is problematic in the organic poultry industry.

Ferd: There was a ton of congressional pressure not to do the pasture rule- we need to do our job to make sure members of congress are not blocking organic integrity.

Greg: Help little processors- we don't get into grading because of cost to bring out grader- but camera cost would not be as bad.

Angie: We have two different rates for our service- 5 days a week, M-F 8 hours a day is a certain rate or someone can call for one off grading, or unscheduled grading. This is a higher cost- we have to pay for travel. We tell partners if you like this and do not want someone 5 days a week- we may be able to put someone 2 days in your plant and 3 days somewhere else. Talk to us and we are willing to work with you.

Angie: Thank you for having me and stating concerns. We work closely together with sister agency- especially with labeling issues- they are great partners for us.

### **AMS Auditors Issues**

AMS auditor issue: Whether FSIS could conduct audits of these claims?

Angie: Our auditors are voluntary – where we do do auditing for voluntary services or something mandatory is where the law requires it. We would have to have FSIS demonstrate they have authority to do on farm audits and give us that authority; or they could require for the grassfed label claim that rather than affidavits there is a third party audit requirement. AMS could then conduct those audits or they could use another third party certifier – but right now we don't see a path forward to do this without additional discussion – a statutory change on FSIS authority or FSIS change rule on backing up that claim.

Ferd: On second option: do they have the authority? Not sure?

Carrie: We were filing FOIAs on these label claims when they gave feedlots grassfed label claims and they come back very redacted. I raised the question can we cross utilize resources with PVP programs so when we know someone is using this claim, we can ask them to inspect? The industry does not have resources to do this. I'm thrilled this is being discussed.

Angie: We also have a number of auditing and verification programs, export, process verified, and some other things we try to make them scalable so anyone can take advantage of them. We started purchasing bison 2-3 years ago for school lunch programs, DOD, other federal programs. If you are a bison supplier that is not an approved vendor and would like to please let me know. We can help you leap over those hurdles.

Steve C. : One requirement is audited financial statements is that correct?

Angie: I will follow up. [ams.usda.gov](https://ams.usda.gov)- tab on selling food to USDA- shows requirements and all food we purchased over the last year.

Steve: When is next bid period going out for bison?

Angie: I will find out. There was also a trade mitigation plan to allow us to purchase food from industry harmed by higher tariffs and we purchased a lot of meat. The Secretary announced 1.6 billion allocated to help farmers again in second phase. Not sure how much will be what we purchase- a high amount will go to beef, lamb, pork, poultry purchases.

Carrie: Is there a sliding scale on minimum purchases?

Angie: It helps us to know ahead of time and we estimated to buy so much pork at about a range and bids were astronomical. Then when we looked at capacity for plants to deliver on and to run multiple shifts for first time. This is helpful to know – the more information we have the better suited we are.

Carrie: Give them guidance on what is realistically available in this market.

Greg: Any preferential treatment this time around to give preference to US companies?

Angie: We learned this and had conversation about this. I wasn't directly involved at the time, but saw this and started asking questions.

Greg: Consider percentage to niche meat portion of the industry? Consider this position required to go to that portion of the industry ?

Angie: We do purchase pasture poultry and grassfed. We allow a few premium companies.

Kathryn: This is not on same scale as we are thinking.

Mike: This does not end up in farmers pocket; this does not go back to producers; when faced with an increase we can buy cheaper and dictate local price to producer. It is offensive to see any money at all given to this company (JBS).

Angie: U.S. product for us means not born but raised and harvest in US.

Carrie: Asked several times for grassfed reporting- quantifiers- market news- we pointed out people reporting grassfed that they saw grass- would like to put quantifiers on this- so when grassfed prices are actually grassfed products- we notice this on the reporting.

## Colorado Department of Agriculture Topics

Greg: Can you explain status of exempt poultry processing in the state – exempt is great opportunity for people to get into this industry.

Steve Blunt, Colorado Department of Ag: We have hobby farms that sell directly to consumer off farm to CSA or farmers market without a license. You have to raise and process yourself- no more than 1,000 birds. Licensing process if less than 20,000 birds- if you want to market to grocery stores you can get licensed with us and we will work with health dept. By being licensed you are an approved source- so when health dept. goes to that grocery store, they know it is from an inspected facility. We do not inspect birds. They do have to be properly labeled and under 20,000 can be cut. Being seasoned may require additional permits from health dept. and HACCP plan- depends on what value you add to the product. What we would do is similar to large red meat domestic: sanitation and records keeping inspections, make sure you keep records properly, refrigeration and freezing proper. Take environmental samples at no cost to producers. Usually we have limitations on when we can get those samples to the lab. The new rule for poultry just started March 30, 2019.

Hollis Glen, CDA: The new commissioner- Kate Greenburg supports next generation farming and we are working to help family farms transition. Second big initiative is soil and water health and the third is support rural ag. We are not adverse to having conversation about how CDA can be part of the solution and thinking outside the box on these issue- our custom meat processing is limited but happy to sit at table and have dialogue on these issues including with colleagues at USDA.

Maggie, CDA State Vet. Office: If something doesn't look right (animal health wise) call USDA inspector- but you can also call state Vet office.

Carrie: a lot of farmers coming in to alt. ag: not imprinted farmers- people who want to farm but don't have knowledge- there needs to be a pathway from regulatory agencies to have a primer if you want to start farming and ranching – I think outreach from CDA to provide basic information – what NRCS means- I think this is important – we have people with 3 bison or 4 milk cows.

Rebecca: We are working on meat marketing school with CSU; webinar series – 5-6 weeks long- different topic each week- how to communicate with processor, transport, fresh or frozen, packaging, marketing, etc. CDA could help promote this. I hope esp. beginning ranchers can participate it.

Maggie: We support animal disease preparedness- swine fever threats to pork industry and processors would be affected- we are holding a series of exercises- CO, KS, TX, etc. how to keep product moving in region- if anyone here interested let us know. This would affect processors.

## Closing Thoughts and Comments

Susan and Campbell, Southwest Bison: Very Informative.

Rosalie Geselbracket, Shamrock Foods: I would like to know where the timing for testing is for small plants? Anytime I have to keep products on hold affects my business- so want to know where FSIS is at with testing.

Denise: Constructive.

Bart Riley, Riley's Meats: Happy, this helped us get answers; successful.

Steve Christensen: Tired.

Chad Bullinger: Informative.

Ben: Abandoned.

Donna Zerger: Good Variety.

Kathryn: Collaboration; common issues and open space – getting everyone working together.

Mike: Still troubled; but want to be at table and make CO example of what is possible.

Greg: Hopeful but disappointed.

Alan: Same

Rebecca: Collaborative

Carrie: Grateful

Kelly: Thankful for everyone's attendance and participation.

Ferd: Hopeful.

Angie: Willing to keep listening and answer questions – will follow up.

Hollis, CDA: Exciting opportunity- paradigm shift or not – we deal a lot with FDA- we see a softening or change in attitudes and discussion from the Federal level. I encourage to continue to dialogue – don't let any time lapse – continue to talk and push them- keep them engaged.

Jacy, Bytable: Appreciative – from tech background understanding pieces of problems are good to finding the best solution

Steve: interesting.

Mark: communication piece; I run our mediation program and there is an expansion of cases on what might be handled after the 2018 farm bill. Reach out to your state coordinator to see if this is a fix. I don't know if FSIS would go to the table, but there is opportunity. It is refreshing- to sit at table with small producers.

Jim: Who was going to address the steps from amendable to nonamenable?

Maggie: Thankful.

Nate: heard; got messages to top people/

Eddie: Great.

Sidney: Thankful for opportunity to hear all viewpoints from different companies- happy to be in same room to hear from agency personnel on these topics and issues instead of hearing from people I work with and reading it. Good to hear it directly; opportunities in future I would like to attend. NEW FDA label for nutrition labeling- some customers that we also have FDA labels for and nutrition labels. USDA contemplating new label format- timeline on this?

Bob, Rocky Mountain Natural Meats: Impressed; I've never been to anything like this with potential to collaborate on private side is really good. I wish FSIS didn't have to leave but I understand I'm lucky to get them here. Really great.

Ace, Rocky Mountain Natural Meats: This is my first one- I thought this was great.

Ferd: Dialogue is important; but need to get to a point to shift federal policy change so this sector can thrive and exist in a world where big ag often has the upper hand. While the focus is on FSIS it is very helpful to have AMS here.

Carrie: If not a member of NSAC please join- they are our voice and ears in Washington. We encourage you to join and be a part of what they are doing. NMPAN for processors – please sign up for listserv. AGA- we help facilitate because producers and processors we represent need it.