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GIPSA Issues Report on Livestock, Meat Marketing Study

In fiscal year 2003, USDA's Grain Inspection, Packers and Stockyards Administration (GIPSA) received \$4.5 million in appropriations for a broad study of marketing practices in the entire livestock and red meat industries from farmers to retailers, food service firms, and exporters. In June 2004, at the culmination of a competitive bidding process, GIPSA awarded a \$4.3 million contract to RTI International (RTI) to conduct the study. RTI delivered an interim report in July 2005 describing alternative marketing arrangements (AMAs) and their terms, and reasons that industry participants give for using alternative arrangements. This month GIPSA released the final report with the results of the analysis of extent of use, price relationships, and costs and benefits of alternative marketing arrangements. The final report, entitled "GIPSA Livestock and Meat Marketing Study," focuses on AMAs used in the beef, pork, and lamb industries from the sale of live animals to final meat sales to consumers. It follows the publication of an interim report for the study that used qualitative sources of information to identify and classify AMAs and to describe their terms, availability, and reasons for use. The portion of the study contained in this final report is based on quantitative analyses using industry survey data from producers, feeders, packers, processors, wholesalers, retailers, and food service operators; transactions data and profit and loss (P&L) statements from packers and processors; Mandatory Price Reporting (MPR) data; and a variety of other published data sources. The report summarized that many meat packers and livestock producers obtain benefits through the use of AMAs, including management of costs, management of risk (market access and price risk), and assurance of quality and consistency of quality. The report issued primary conclusions by species and concluded that restrictions on the use of AMAs for sale of livestock to meat packers would have negative economic effects on livestock producers, meat packers, and consumers. The report and additional information about the report are available online at www.gipsa.usda.gov/GIPSA/webapp?area=home&subject=Imp&topic=ir-mms.

FSIS Extends Voluntary Inspection, Certification of Casings

Last Thursday, USDA's Food Safety and Inspection Service (FSIS) issued Notice 11-07, "Continuation of Interim Period for Voluntary Inspection and Certification of Natural Casings." This notice advises inspection program personnel that FSIS is extending the time that the natural casings industry has to bring itself into compliance with the Agency's expectations in its voluntary, fee for service program under 9 CFR Part 350 for the inspection of casings and the certification of casings for export. On November 17, 2006, FSIS announced in FSIS Notice 76-06, "Interim Period for Voluntary Inspection and Certification of Natural Casings," that certain measures to facilitate the industry's efforts would be in place until they expire on February 15, 2007. FSIS is extending that expiration date. FSIS intends to issue a directive that will replace the series of notices, including this notice, regarding the voluntary inspection and certification of natural casings that FSIS issued in 2006. When issued, the directive will include a specified implementation date. The Agency will issue the directive at least 30 days before its implementation date. Until FSIS issues the directive, however, inspection program personnel are to continue to follow the instructions from FSIS Notice 76-06. Notice 11-07 is available at www.fsis.usda.gov/regulations_&_policies/Notice_11-07/index.asp.

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Does Your HACCP Plan Need An Update? Are You Ready for an FSIS Team Review?

Register now for "Beyond Basics: HACCP Plan Improvement Workshop for Raw and Cooked Product Operations," hosted by SMA, NMA, and the Texas A&M University Department of Animal Science, **March 29-30, 2007** at Texas A&M University.

Do you have decision-making documentation for your HACCP plan? Can you justify and defend your CCPs? Do you have all of your scientific supporting documentation on file? Can you support the frequency of your monitoring and verification activities? Is your inspector asking for information that you don't have? We can help you with these issues and answer your questions! This two day workshop provides a review and evaluation of your company's HACCP plan, with hands-on help to improve it. The registration form and course outline are available on our website.

Sign up today!

Legislators Call for Single Food Agency

Senator Dick Durbin (D-IL) and Congresswoman Rosa L. DeLauro (D-CT) recently renewed their effort to consolidate food safety oversight by reintroducing their Safe Food Act, legislation that calls for the development of a single food safety agency and the implementation of a food safety program to standardize American food safety activities. The lawmakers have worked on this effort for over a decade and have gained momentum from recent events. Two weeks ago, the Government Accountability Office (GAO) deemed federal oversight of food safety as "high risk" to the economy and public health and safety. Under current law, food safety monitoring, inspection and labeling functions are spread across 15 agencies in the federal government, including the U.S. Department of Agriculture (USDA), which oversees meat, poultry and egg products; the Food and Drug Administration (FDA), which oversees most other food products; and the U.S. Commerce Department's National Marine Fisheries Service, which inspects fish. The agencies collectively administer at least 30 laws. Durbin and DeLauro said the involvement of so many agencies can result in duplication of responsibilities, service gaps, and inconsistencies and confusion about which agency oversees different types of food. They noted that while FDA, which has jurisdiction over frozen cheese pizza, inspects cheese pizza processors once every 10 years on average, USDA, with responsibility over frozen pepperoni pizza, inspects such processors daily. In another example, eggs still in the shell are under the jurisdiction of FDA, while USDA takes over

once the eggs are broken. "From the *E. coli* outbreak that pulled spinach off store shelves to the Taco Bell outbreak that sickened 71 individuals in 5 states, it is clear that our food safety structure is collapsing and endangering public health," said DeLauro. Responsibilities of the new agency created by the bill, dubbed the Food Safety Administration would include: regular, but random, inspection of all food processing plants; categorized review process for all foods to monitor and inspect them based on their risk, not their name; increased oversight of imported foods; and established requirements for tracing foods to point of origin.

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OUR CONDOLENCES

SMA offers our sincere condolences to the Hudson family on the loss of their mother and grandmother, Laura Minta Hudson, who passed away February 9, 2007 in Coleman, TX. She is survived by her daughter, Wannell Bowyer, of Abilene; her son, Derald Hudson, of Montgomery; two sons-in-law, Bobby Adams of Plano and Jim Polk of Abilene; 17 grandchildren; 29 great-grandchildren; 12 great-great-grandchildren; several nieces and nephews; and many friends. Memorials may be made to the First Baptist Church Building Fund, PO Box 268, Lawn, TX 79530.

Briefly . . .

Japan Suspends Beef Imports from Tyson Plant: Japan suspended beef imports from a Tyson Foods, Inc. processing plant after finding meat in a shipment that may violate regulations imposed over BSE concerns, their government said Friday. Japan's Ministries of Health and Agriculture said inspectors at the port of Yokohama found two boxes of rib meat sent by Tyson from its plant in Lexington, NE that were not recorded in the accompanying shipping documents. U.S. officials told Japan the boxes were erroneously included in the shipment. Shipments were suspended from the plant until Japan can obtain further information from U.S. authorities and the exporter.

Canadian Cattle Bypass USDA Safeguards: According to documents obtained by cattlemen in Washington state, hundreds of cattle from Canada have entered the U.S. without government-required health papers or identification tags. The documents, consisting largely of correspondence between state officials and American cattle and meat companies, suggest problems with numerous truckloads of cattle that are shipped into this country almost daily. USDA recently launched an investigation into the Canadian cattle trade based on the documents, according to a top department official. Many of the documents note that cattle arrived in the U.S. without identification tags, or they had tag numbers that did not match the accompanying health certificates. Overall, the approximately 700 pages of records suggest that officials from Washington and possibly other states are having difficulty tracking hundreds of cattle that arrive from Canada each week.

Harkin Seeks to Reform Government Livestock Oversight: Senate Agriculture Committee Chairman Tom Harkin (D-IA) introduced legislation Thursday that would dramatically boost the federal government's oversight of some U.S. agricultural markets. Harkin has faulted USDA's Grain Inspection, Packers and Stockyards Administration for not doing the job it should to ensure that market pricing is fair, in light of ongoing agribusiness consolidations. "Producers need to have a fighting chance in an industry that is becoming far too consolidated and vertically integrated," Harkin said. He hopes to incorporate his plan into the farm bill, creating an Office of Special Counsel within USDA that, in concert with the Justice Department and the Federal Trade Commission, would investigate and prosecute price fixing.

ConAgra Recalls Peanut Butter: The Food and Drug Administration (FDA) is warning consumers not to eat certain jars of Peter Pan peanut butter or Great Value peanut butter due to risk of contamination with *Salmonella* Tennessee. The affected jars have a product code located on the lid that begins with the number "2111." Both the Peter Pan and Great Value brands are manufactured in a single facility in Georgia by ConAgra. Great Value peanut butter made by other manufacturers is not affected. Consumers are urged to discard any jars purchased since May 2006. FDA's warning is based on a just-completed epidemiological study by the Centers for Disease Control and Prevention (CDC) linking 288 cases of foodborne illness in 39 states to consumption of varying types of Peter Pan peanut butter. FDA also announced the start of a six-month pilot program to help consumers identify and avoid recalled foods by releasing images of the recalled product's label. This pilot is one among other measures taken by FDA to proactively educate the public and improve food safety.



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