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Impact of Beef Recall Widens, Involving Downstream Products

Last Tuesday, the USDA's Food Safety and Inspection Service (FSIS) held a conference call with industry stakeholders to provide information on how FSIS intends to proceed with the Hallmark/Westland Meat Packing Company meat recall, which was announced on Sunday, February 17th. Dr. Ken Petersen, Assistant Administrator, Office of Field Operations told participants that because of Agricultural Marketing Service (AMS) contractual provisions associated with the school lunch program, any products produced for that program which were made, in whole or in part, with recalled meat from Westland must be recalled and destroyed. Processors who produced such product are expected to notify their consignees that this product must be destroyed or returned to the processor for destruction, regardless of the amount of Westland beef contained in the product. However, he said that based on the associated low potential risks of the Westland recall, FSIS indicated that it would not expect processors to retrieve certain "comingled" products that used less than 100% Westland beef and were no longer under control of that grinder/processor. The agency planned to provide written instructions to its District Managers regarding four points to follow to facilitate the recall. FSIS later changed its position and its latest instructions are to recall products containing beef commingled with even tiny amounts of Westland beef. The scope of affected products is immense and will certainly test the ability of companies to track ingredients and downstream products. "It's almost overkill," William Marler, a leading plaintiff's attorney in *E. coli* cases, told *USA Today*. Given the low risk, destroying so much food "is just an enormous waste of resources," he said. "Recalls should be reserved for products that put the public at risk, and this isn't it." Unless something changes or we hear differently from FSIS, we recommend that members affected by the recall follow the recall directive instructions. Processors who aren't sure if an upstream supplier used Westland products should take no action until notification is received from them. FSIS Directive 8080.1 is available at www.fsis.usda.gov/OPPDE/rdad/FSISDirectives/8080.1Rev4.pdf. SMA will keep members apprised of recall clarifications from FSIS if they become available.

Recall May Permanently Close Hallmark/Westland

Anthony Magidow, the general manager of Hallmark/Westland Meat Packing Co., which recently issued the biggest meat recall in U.S. history, was cited as telling *The Wall Street Journal* late Friday that the plant in Chino, California will probably shut down permanently. "I don't see any way we could reopen. ... we are a small private company," he said, indicating that cash has become tight. Among other problems, Magidow said that some customers have already stopped payment on checks they sent the company. USDA said that they intend to require that Hallmark/Westland, a leading supplier to the National School Lunch Program, pay for the costs associated with destroying and replacing meat submitted to the program. Mr. Magidow, who has worked at the company for more than 15 years, was further quoted as saying, "If the USDA wants payment back, we're dead meat. We're done. There's no way we could pay it all back." The company's president and owner, Steve Mendell, was unavailable to comment Friday, and the company's controller, Juan Acevedo, referred an interview request to Mr. Magidow. Mr. Magidow said until the plant suspended operations, it was earning a modest profit on annual sales of roughly \$100 million, noting, "It's a low profit-margin business." Magidow also told the *WSJ* that some 250 workers have already been laid off, and only a small group of managers remain at the company to manage the recall.

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FSIS Hosts Regulatory Education Workshop

FSIS will hold a regulatory education workshop in Denver, Colorado on March 5, 2008 as part of the Agency's ongoing initiative to enhance outreach to small and very small plants. These workshops will cover prerequisite programs and the following notices:

- 65-07, Notice of Reassessment for Escherichia coli O157:H7 Control and Completion of a Checklist for All Beef Operations;
- 66-07, Multiple Follow-Up Sampling After FSIS Positive Escherichia coli O157:H7 Results; and
- 68-07, Routine Sampling and Testing of Raw Ground Beef Components Other Than Trim and Imported Raw Ground Beef Components for Escherichia coli O157:H7.

The regulatory education session will be held from 6:30 to 8:30 PM, at the Four Points by Sheraton Denver Southeast, 6363 E. Hampton Ave., Denver, CO. To register by phone, call 800-336-3747. Online registration forms and information about upcoming sessions can be found at www.fsis.usda.gov/News_&_Events/Outreach_Sessions_SVS_Plants/index.asp.

FSIS Amends Directive for Suitable Ingredients

FSIS amended Directive 7120.1, Safe and Suitable Ingredients Used in the Production of Meat and Poultry Products on February 20. This directive identifies the substances that have been approved in the Code of Federal Regulations for use in meat and poultry products as food additives, in generally recognized as safe notices, pre-market notifications and in letters conveying acceptability determinations. FSIS will continue to issue updates to the list as needed. For further policy information regarding the substances, contact FSIS' Labeling and Program Delivery Division at (202) 205-0279. This directive can be viewed on FSIS' website at www.fsis.usda.gov/Regulations_&_Policies/7000_Series-Processed_Products/index.asp.

DOJ Announces Higher Civil Fines for Immigration Violations

Last Friday Attorney General Michael B. Mukasey announced higher civil fines against employers who violate federal immigration laws. The announcement was made in a joint briefing today with Secretary of Homeland Security Michael

Chertoff about newly enacted border security reforms put in place by the Departments of Justice and Homeland Security. Under the new rule, which was approved by Attorney General Mukasey and Secretary Chertoff, civil fines will increase by as much as \$5,000. The new rule will take effect on March 27, 2008, and will be published in the *Federal Register* this week.

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Welcome, New Member!

**SMA is proud to introduce
our newest member:**



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Melissa Tucker, Regional Sales Manager - Food Security
Dennis D'Alfonso, Global Sales manager - Food Security
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Idaho Technology (ITI) is a biotechnology company that develops and manufactures both equipment and assays, and invented the Lightcyclor®, the instrument that is marketed by Roche Diagnostics. ITI has been in business since 1990 and is now entering the food security market with its R.A.P.I.D.® line of instruments.

Does Your HACCP Plan Need An Update? Are You Ready for an FSIS EIAO 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 27-28, 2008** at Texas A&M University.

This workshop will provide a review and evaluation of your company's HACCP plan, with hands-on help to improve it. Workshop topics will include: flow chart review and evaluation, review and scientific support of hazard analysis, defending the selection of CCPs, supporting the selection of monitoring and verification frequencies, HACCP plan validation schemes, composing decision making documentation, and compiling supporting documentation. Registration information and course outline are available on our website.

Sign up today!

POSITION AVAILABLE

A poultry slaughter/processing facility in Gonzales, TX has an immediate opening for a **Plant Manager**.

Poultry experience desired and meat experience a must! Qualified candidates should have good organizational skills, the ability to maintain good customer relations, great personnel skills and be aggressive, forward thinking, and able to deal with USDA. Bilingual a plus!

Interested parties may submit resume along with salary requirements to SMA via fax to: 979-846-8198 or by e-mail to: info@southwestmeat.org.

Briefly . . .

USDA Announces Increased Humane Handling Oversight: USDA said last week that it would step up oversight at 900 U.S. slaughterhouses to check for inhumane handling violations like those that led to the recent Hallmark/Westland recall. "I don't have reason to believe this is widespread, but the extra checks will give us a better handle on it," said Kenneth Petersen, USDA assistant administrator. USDA inspectors check cattle headed to slaughter to see if they can walk. If cattle pass and then go down, they must be checked again. They can be slaughtered if they've suffered an injury, such as a broken leg, and don't pose a food-safety risk. Of 11,000 cattle slaughtered monthly at the plant, the USDA banned 30 to 40 downers, an average number, Petersen said.

Mucklow Honored by AMI: Longtime meat industry leader Rosemary Mucklow, executive director emeritus of the National Meat Association (NMA), was presented with the prestigious American Meat Institute (AMI) Richard E. Lyng Award in recognition of her long and continued commitment and dedication to the meat industry. The Lyng Award is named after the late Richard E. Lyng (1918-2003), former Secretary of Agriculture under President Ronald Reagan. The award was presented to Mucklow at the NMA Annual Convention in Monterey, California last week. Rosemary served as NMA's director from 1982 until 2007. Congratulations, Rosemary!

UK Pig Farmers Sing for Cause: British pig farmers are asking consumers to back them in their fight with supermarkets to ensure that a fair and sustainable price for their pigs. Pig farmers from across the county have published ads and have now recorded a single as part of the campaign to raise awareness of their fight. "Stand by Your Ham," based on a 1968 Tammy Wynette classic, was recorded in a London studio by a group of 30 farmers. The lyrics have been reworked to reflect the crisis that the pig industry is currently facing: farmers claim they lose £26 on every pig they sell. The song is available for download at www.pigsareworthit.com/standbyyourham.html.

IN MEMORIAM



SMA offers our deepest condolences to the family, friends, and colleagues of Jerry Paul Owens, 74, Chairman Emeritus of Owens Foods, Inc. Jerry passed away February 20, 2008 at his home in Horseshoe Bay, TX, following a very short illness. A Dallas native and graduate of Southern Methodist University, Jerry served as a fighter pilot in the U.S. Air Force until his discharge in 1958. He then became vice president of Owens Country Sausage, the business his father founded in 1928, at the Owens Spring Creek Farm in Richardson. He became president in 1973, then chairman 14 years later. Under his leadership, Owens Country Sausage flourished, becoming a mainstay on breakfast tables in nine states. Jerry remained active in the business after it was purchased by Bob Evans Farms in 1987, accepting chairman emeritus status in 2003. Jerry also lent his considerable experience and wisdom to the governance of several business and civic organizations. He served as SMA president from 1964-65 and chaired several association committees. Survivors include his wife: Suzanne Stringer Owens, of Horseshoe Bay; two sons: Stewart K. Owens and wife, Cindy, of Columbus, OH; and Kevin P. Owens of San Francisco, CA; one daughter: Kimberly McCauley and husband, Scott, of Dallas, TX; their mother, Jeanne Owens, of Richardson; one stepdaughter: Michelle Burgess and husband, Mike, of Gilbert, AZ; one stepson: Shane Allman and wife, Christy, of Brookeland, TX; and nine grandchildren. Memorial services will be held at the First Baptist Church of Richardson at 2 PM, Monday, February 25; and at The Church of Horseshoe Bay, Horseshoe Bay, at 10 AM, Wednesday, February 27, 2008. In lieu of flowers, memorial contributions may be made to the Highland Lakes SPCA, P.O. Box 1275, Marble Falls, TX 78654; The Church at Horseshoe Bay, P.O. Box 8295, Horseshoe Bay, TX, 78657; or Richardson Regional Medical Center, 403 W. Campbell Road, Richardson, TX 75080.