
Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

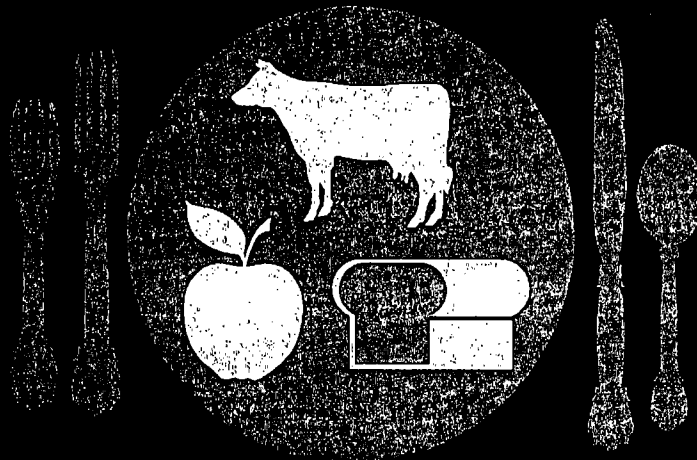
This marker identifies the place of a publication.

Publications have not been scanned in their entirety for the purpose of digitization. To see the full publication please search online or visit the Clinton Presidential Library's Research Room.

FOOD SAFETY FROM FARM TO TABLE

Food Safety

A National Food-Safety Initiative



A Report to the President
May 1997



Dear Tom,

for 4/2

FYI, attached is a copy of S.T.O.P.'s comments on USDA's proposed slaughter models project.

We have some serious concerns with this project. We're sure the Administration did not intend for the inspection system to be gutted when HACCP was implemented.

Call anytime if you'd care to discuss

Nancy Donley

773/404-3556

S.T.O.P. – Safe Tables Our Priority

335 Court Street Suite 100 Brooklyn, NY 11231

Phone (718) 246-2739 Fax (718) 624-4267 Victim Hotline (800) 350-STOP

September 28, 1998

FSIS Docket Clerk
Room 102, Cotton Annex Building
300 12th Street, SW
Washington, DC 20250-3700

Via FAX (202) 205-0381 and mail

Docket No. 98-009N—HACCP-Based Meat and Poultry Inspection Concepts: In-Plant Slaughter Inspection Models Study Plan

S.T.O.P.—Safe Tables Our Priority appreciates this opportunity to comment on the critically important issue of inspection in the slaughter plant, the point where the actual contamination of meat or poultry products by pathogens of animal origin occurs. Among S.T.O.P.'s founders are parents whose children died or were severely injured from eating contaminated meat. We know first-hand the devastating human toll of contaminated meat due to sloppy slaughtering and fast line speeds and the limitations of an inspection system that failed to address microbial contamination of meat and poultry.

We will begin our comments with some general statements about HACCP as a whole and the role of inspection within a HACCP-based slaughter production environment.

Definition of HACCP

S.T.O.P. has been a strong advocate for prevention of contamination. We believe that the utilization of HACCP principals within meat and poultry slaughter plants will help prevent contamination and will lead to safer product. The establishment of performance standards, coupled with routine microbial testing, is also components that will lead to safer meat and poultry.

We need to be very clear, however, about what HACCP is and what it isn't. HACCP is a *company's production management* tool that, when properly designed and implemented, should generate safer product. In order for it to work, a company's HACCP plan must address and control hazards indigenous or likely to occur in that particular facility and in the product that it produces.

HACCP *is not* a replacement for inspection. Nor does the implementation of a HACCP-based production system negate the need for inspection. The company's responsibility is to produce a safe product. The HACCP system is required to improve the probability of this happening. It is the government's responsibility to inspect product at key points along the process, and at the end, to ensure that the process was under control and the safest possible product is produced. This is achieved through organoleptic and microbiologic inspection.

Definition of Inspection

Webster's Unabridged Dictionary defines inspection as "1. Careful investigation; critical examination. 2. Official examination or review, as, the *inspection* of pork." FSIS is attempting to use HACCP as a replacement for inspection by reducing the inspection process to one of verification and oversight of the plant's HACCP plan. S.T.O.P. has never supported an "oversight and verification" program over actual inspection. We never have and never will support a government inspection program that fails to look at actual plant premises and animals on a continuous carcass-by-carcass basis, but instead relies primarily on verifying company paperwork and overseeing plant employees.

S.T.O.P. has stated from the time that HACCP was a proposed rule that we viewed HACCP as an "*enhancement to and not a replacement for*" carcass-by-carcass inspection of livestock. The government assured us that this was indeed the case. Secretary Glickman stated at a July 6, 1996 press briefing announcing the final rule that, "We will continue to look, smell, feel, and touch, because the human factor cannot be ignored from the inspection process." S.T.O.P. has stated *ad nauseum* that consumers expect and deserve government-inspected meat and not government-inspected paperwork. The sole role of government should not be just oversight. We agree with FSIS that there are certain functions that company employees can perform that are currently performed by government inspectors, thereby relieving some inspectors to perform different functions or in different areas.

Nowhere is the need for intense government inspection more necessary than in the slaughter plant. The slaughter plant is the point where contamination of meat by pathogens of animal origin occurs. Cross-contamination can occur further down the line, but it is in the slaughter facility where the most critical need to *prevent* fecal contamination and the shipping of contaminated product for further processing is needed. It is in slaughter plants where the most intense surveillance must be paid to see that all visible feces and ingesta is trimmed off and also where microbiological testing is needed to detect invisible bacteria. It is too late for actual contamination prevention further down the line. You can control for cross-contamination and for bacterial growth down the line, but the chance to actually prevent initial contamination is at the point of origin.

Re-deployment of the Inspection Force

It is precisely because of the critical importance of inspection in slaughter plants that S.T.O.P. questions the Agency's proposed plan to re-deploy many of the slaughter plant

inspectors to positions further down the food safety line. FSIS has stated that one of its goals is to re-deploy inspectors to areas currently not addressed in the farm-to-table food safety strategy that it has adopted. Several areas specifically mentioned by FSIS were transportation and distribution. But FSIS has repeatedly failed to provide an accounting for 1.) the number of inspectors they want to re-deploy; 2.) what positions they will pull inspectors away from; and 3.) the positions that the uprooted inspectors will be re-deployed to. Nor has FSIS produced any studies to prove that any changes will result in safer products. FSIS has made it impossible to intelligently assess whether or not re-deployment is a positive or negative strategy.

The re-deployment situation is further complicated when trying to factor in the announcement that FSIS made at the July 27, 1998 public meeting that they intend to raise the GS levels for inspectors. S.T.O.P. asked about the ramifications to the size of the inspection force that would result from higher pay levels for the higher GS levels. FSIS acknowledged that this would necessitate a cut in the number of inspectors but that they didn't know just how many because they "hadn't done the numbers yet." We find it difficult to believe that a government agency, which must financially justify its decisions, has not estimated the cost and impact of this proposal. Furthermore, it is irresponsible to suggest a change like this without knowing the effect it may have on public health and safety.

S.T.O.P. has been generally supportive of a strategy that would fill food safety gaps. But we have never supported a strategy that would fill gaps while creating new holes. We are especially against weakening government inspection in slaughter plants, the initial and most critical point in preventing contaminated product from entering the food chain. We again point out that it is "contamination management" and not "contamination prevention" that occurs in transportation and distribution. We are not saying that this area doesn't need attention; it does. But FSIS has failed to show how it intends to staff these areas and has not described, even in a general manner, what tasks inspectors would be performing.

Any change in inspection must be demonstrated to be an improvement over the current system. FSIS should conduct risk assessments on the proposed models to determine whether they will, or will not, result in less contaminated product in the slaughter plants than what we currently have. A risk assessment should be conducted on a task-by-task basis of what is being given up vs. what is being added. Any changes should be implemented only if marked improvement in food safety is ascertained.

Inspector Authority

S.T.O.P. has received numerous letters and phone calls from dedicated inspectors who are frustrated by having their decisions overturned and a general lack of support from their superiors. These inspectors are concerned about numerous, repeat violations occurring within their plants. According to agency policy, repetitive deficiencies of the same root cause are to be followed up by a compliance investigation, but too often this doesn't happen.

Secretary Glickman stated in his January 18th address at S.T.O.P.'s anniversary memorial service that plants would no longer be given a thousand chances to "get it right"; that government will be watching and they will "not hesitate to close down those plants that refuse to take their food safety responsibilities seriously." S.T.O.P. has no doubt regarding the Secretary's commitment to food safety and the sincerity of his remarks in advocating stronger enforcement of food safety regulations. But it is not happening in the real world.

One of eight HACCP review teams responsible for visiting plants during the first phase of HACCP implementation reported the following situations to FSIS in June 1998 in their Close-Out Report.

1. "Nine NR's [non-compliance records] documented from Jan. 26, 1998 to Feb. 12, 1998 were linked with repetitive zero tolerance failures. IIC withheld inspection, contacted DM, [District Manager] and Compliance was dispatched. Plant was down till following Monday, when suspension action was held in abeyance. Since Feb. 16, 1998 [until approximately mid-May] an additional 25 NR's documenting zero tolerance failures, but no further actions have occurred, and suspension is still in abeyance. During interview of SVMO [Supervisory Veterinary Medical Officer] IIC who withheld inspection referenced above, the statement was made by him that he did this once in his career, as instructed in his HACCP training. An explanation for this statement is he would NOT do this again, because the DO had instructed him he no longer had the authority to take any withholding actions. He must contact DO and any action would be initiated by them. The reason the DO provided for these instructions is that there are many other plants worse than this one and they had not been shut down once, so could not justify shutting plant down second time."
(Sumpter, SC poultry slaughter/processing plant)
2. "IIC [Inspector In Charge] instructed slaughter inspectors that the line could not be shut off unless there was feces up to their elbows."
(Columbus Junction, IA swine slaughter/processing plant)
3. "There was a barrier to initiate enforcement actions. Example was that the IIC will not allow it and would have a heart attack if we (inspectors) initiated any actions."
(Columbus Junction, IA swine slaughter/processing plant)

Consumers are concerned that inspectors do not receive the necessary support from superiors in order to do their job in protecting their families from unsafe meat and poultry. They understand the importance and necessity of government inspectors' decisions having the support of their superiors. Inadequate support undermines the authority the inspectors have in the plant.

Consumers know that inspector authority is especially critical when plant employees perform tasks previously done by government inspectors. Government inspectors must have the authority and support to demand immediate action to remedy situations that

could lead to unsafe food arriving on their tables. Without this authority and support, there will be continuous erosion of consumer confidence in the meat and poultry inspection system, leading to increased concern about the safety of the product itself.

Failure of FSIS to Establish a Definition of “Carcass-by-Carcass” Inspection

One of the most troubling and problematic aspects of the slaughter inspection models project has been FSIS’s repeated refusal to define the term “carcass-by-carcass” inspection for livestock. FSIS has repeatedly stated that they will perform according to the requirements of the Federal Meat Inspection Act for both ante mortem inspection [Sec. 3 (a)] and post mortem inspection [Sec. 4, 5 and 6]. Both call for all (emphasis ours) cattle, sheep, swine, goats, horses, mules, and other equines (ante mortem) and all carcasses and parts thereof (post mortem), as articles of commerce which are capable of use as human food, to be examined and inspected by inspectors appointed by the Secretary. FSIS has also made it clear that some functions currently being performed by government inspectors can and will be done by company employees in the future. But they have failed to identify, after repeated questioning, which functions plant employees will perform and which will be performed by government inspectors.

At a very minimum S.T.O.P. expects government inspectors to be looking at each animal carcass at the final rail and before entering the cooler, to determine that the zero tolerance standard for visible fecal contamination is being met. Fecal matter on carcasses is the crux of the contamination issue. Consumers will not accept industry self-inspection for fecal matter, which at times necessitates stopping or slowing down a line.

Furthermore, there has been no scientific evidence given by FSIS that this is sound, public health-based policy. It fails even being a “reasonable idea”. Under a program of industry self-inspection with government sampling, much contaminated product could be on consumers tables before a problem is even detected. Unbiased government inspectors, responsible for looking at every carcass, have a much higher likelihood of stopping and catching contamination on every carcass.

Animal Market Classes

FSIS has stated that these new inspection models are for establishments that “primarily” slaughter three specific market classes of animals—market hogs, fed cattle (steers and heifers) and young poultry (including turkeys). S.T.O.P. would like to have the word “primarily” defined. It is important to know if the definition is “more than 50%”, or “more than 75%” or “minimum 90%”, etc.

We want to reconfirm a statement made by FSIS at the July 27th meeting, that animals that do not fall within these classes, but which are to be slaughtered in the same establishment, will be inspected under the current traditional system. This would apply to plants currently involved in the models project and any other plants that get involved in the future. It is important that this be documented by FSIS in writing to avoid any misunderstanding.

End Product

At no time should product be put on the market carrying the USDA seal from plants in “study” mode unless it has been re-inspected under traditional inspection methods.

New Technologies

One of the realities of this model project missing from FSIS documents, is the utilization of new technologies that some of the pilot plants will be using during the study. S.T.O.P. has long supported the need for government to encourage companies to develop new technologies that will lead to microbially cleaner, and hence, safer, meat and poultry. The models as proposed, however, do not provide adequate safeguards to the public health if companies can institute new technologies at their own will with the only prerequisite that they satisfy some debatably arguable pathogen standards.

We recognize that under the current system, good, new technologies are often prevented or unnecessarily delayed from being implemented in the most progressive plants. However, there must be some mechanism in place that would assess a technology’s effectiveness and also control for both “new” and “old” technologies’ potential to intensify a contamination problem, for example, by releasing airborne water or particles. Random sampling further down the line will not fully address these problems and the public’s health and safety will be compromised.

FSIS needs to work on this further. While we believe in the concept of greater food safety through technological improvements, we also recognize the potential for abuse by giving carte blanche authority to plants to implement any technology at will.

Furthermore, some of the technologies going into the initial pilot plants are not cheap. Does FSIS have a plan to assess the technologies themselves, over and above the pilot study, to determine their merit alone in the event the inspection models themselves don’t work out?

We also question how has the use of new technologies been controlled for in the model studies?

We assume, and please correct us if we are wrong, that if the pilot study fails, that FSIS will revert to the current inspection system in the pilot plants. This is as it should be and, as mentioned earlier in the animal market classes comments, should be documented in writing. However, S.T.O.P. would hate to see technological advances suffer because of the failure of an alternate inspection process. FSIS needs to look at new technologies separately.

I. Microbial Study Project Plan

FSIS's original plan was to conduct microbial sampling over a 12-week period. That has now been cut down to 5-6 weeks. S.T.O.P. questions the rationale behind this change.

There are significant seasonality issues (as well as regional differences) for the different animal pathogens that make the design of this program nonsensical from a human health standpoint. To have the most merit, the sampling should be conducted over a 5-6 week period in each season of the year, and each market class should be represented in different regions of the country. Furthermore, the issue of species-specific pathogens is overlooked.

The recently released 1997 Foodnet data reported that 46.3% of human foodborne disease attributable to the seven pathogens studied were from *Campylobacter*. *Campylobacter* in poultry is the leading cause of food poisoning nationwide and is not even addressed in this model study. In fact, according to the March 1998 issue of Consumer Report, there appears to be a reverse correlation between the presence of *Salmonella* and *Campylobacter*.

FSIS cannot expect S.T.O.P. or consumers to take seriously any system of "reform" that does not address the number one pathogen.

II. Models Project

We have several comments on the basic design of the project itself. Under phase 1 of the model, plants have every incentive to use top quality personnel who will be best able to do a job equal to the government inspectors. These workers will be trying hard to "prove" they can do it. Our concern is that once the test period is over and the intense scrutiny is past, that the incentive to maintain that level of performance will be lost. Furthermore, with employee turnover, there is no assurance that the caliber of personnel doing critical food safety tasks will remain at the same level once the testing phase is over and the model is fully functioning. With most meat and poultry products on the market at a generic level, there is little accountability built into the system and even the best of intentions can fall by the wayside as market pressures bear down on the company.

The design of the slaughter model study is intrinsically flawed because it is not self-limiting. There is no set number of plants that have to go through the data collection in each market class before all the data is collected and put out for discussion publicly to see if the slaughter models are working and encompass sound public health-based policy changes. There is no point where it stops and gets analyzed.

Livestock Inspection Models

The summary section at the beginning of the Fed Cattle Slaughter Inspection Models states, "All current procedures may be considered for change as long as the Agency can fulfill its responsibilities to ensure that the industry produces safe, wholesome, and

properly labeled meat and poultry products.” S.T.O.P. reminds the Agency of its legal responsibilities that government inspection must be conducted on all (commonly referred to as “carcass-by-carcass”) livestock, both ante mortem and post mortem.

Ante Mortem Livestock Inspection Model

FSIS is suggesting that industry responsibilities include separating healthy from unhealthy animals and presenting only those healthy animals for slaughter. We would agree that industry should take on the “sorting” function but there must be suitable controls in place to ensure that unhealthy animals are permanently removed from the human food supply.

Employee Certification

Employees responsible for any functions that were previously done by government inspectors must be adequately trained and pass a certified program. This would include sorting in the ante mortem stage. We want company management to “invest” in these employees just as the consuming public is. These employees and the plant management should take an oath stating that they will perform according to the regulations, and if broken, could result in fines and penalties, both civil and criminal.

Employee Whistleblower Protection

It is critical to the public’s health and safety that employees responsible for performing food safety functions previously performed by government inspectors have whistleblower protection.

We ask government to set up a 1-800 line for company employees to report harassment or pressure from employers to not comply with the law.

FSIS Veterinarian

An FSIS veterinarian, not a company veterinarian, must be the final determination of suspect animals in both steps 1 and 2, and must be on the premises at all times during hours of operation.

In step 1, FSIS inspectors are required to observe 100% of all cattle at rest, 100% of abnormal animals in motion, and at least 10% of normal animals in motion (this is after the establishment has segregated normal from abnormal animals). This would fulfill the requirements of the Federal Meat Inspection Act, which requires that an inspector, appointed by the Secretary, examine and inspect “all (emphasis ours) cattle, sheep, swine, goats, horses, mules, and other equines before they shall be allowed to enter into any slaughtering, packing, meat-canning, rendering, or similar establishment, in which they are to be slaughtered and the meat and meat food products thereof are to be used in commerce;” [Sec. 3. (a)] because 100% of the animals are being observed.

However, in step 2, FSIS would function in an oversight and verification mode only and would not be meeting the law as written since it would not be observing 100% of the animals.

We also have concerns about the need for heightened inspection for abnormal cattle that are nevertheless considered suitable for food. FSIS states that these animals will be held and slaughtered as a separate group but it doesn't state whether or not they will be inspected under the new model system or under the current system. We maintain that abnormal animals would fall outside the acceptable market classes for this model study and hence would require the current form of inspection.

Post Mortem Livestock Inspection Model

We stated earlier that we understood and agreed with the concept of plant employees performing some organoleptic tasks that are currently being done by government inspectors. S.T.O.P. cannot support the degree to which FSIS wants to re-delegate these tasks and the level of oversight and verification that they propose to do. FSIS is proposing that plant employees do all of the organoleptic tasks and that "FSIS will oversee and verify that establishment slaughter process control systems meet organoleptic and microbial FSIS regulatory standards." That is the role of inspectors during the post mortem stage as defined by FSIS in this model. Period. Consumers do not consider this to be inspection.

Furthermore, there is no substantiation that switching to company employees performing organoleptic tasks, with FSIS providing oversight and verification, will lead to safer meat and poultry supply. These measures appear to address an economic issue for FSIS and not food safety.

"Hypothetical" Slaughter Inspection Models

At the July public meeting on the HACCP slaughter models, "current system" flow charts and FSIS-created "hypothetical" models were distributed. This was done for both poultry and livestock. We have attached them to our comments.

S.T.O.P. is frankly appalled at the de-regulation measures contained in the livestock slaughter inspection model created by FSIS. Under the current system, FSIS inspectors handle all ante mortem inspection functions including having the FSIS veterinary medical officer make final determination if suspect livestock should be withheld from slaughter. Also under the current system, FSIS inspectors examine all heads, carcasses and viscera. Lastly, FSIS inspectors check that the zero tolerance standard for visible fecal contamination is met for each and every carcass (100%) at the final rail, prior to the carcass being allowed to enter the cooler.

The livestock slaughter inspection model, created by FSIS, is completely unacceptable to consumers by creating an industry self-policing environment. It fails to meet any definition of "carcass-by-carcass" inspection by government employees. At no point on

this model does FSIS look at each and every animal or carcass. In this model, ALL ante mortem and post mortem functions are performed by plant employees, with FSIS inspectors operating strictly as verifiers and overseers.

In addition, the final rail has been completely removed. Carcasses will be allowed into the cooler without a government inspector looking to see if there is visible feces on the carcass. Instead, verification of the zero tolerance standard will be done by CHECKING 10% OF THE CARCASSES IN THE COOLER WHERE CARCASSES ARE ALL TOUCHING AND POSSIBLY CROSS-CONTAMINATING EACH OTHER.

S.T.O.P. questions how removing the final rail and gutting the zero tolerance program will improve food safety. Furthermore, we are exceedingly angry and disappointed by the agency's disingenuous marketing approach of this model. At the July public meeting, FSIS attempted to put a positive spin on this model by saying that if they could free up inspectors on-line, then they would be able to increase inspection for zero tolerance up from the 10% level. This is a clear distortion of the facts. The current level of inspection for the zero tolerance standard in livestock is 100%. FSIS, in its "hypothetical" model, reduced the level of inspection for visible fecal contamination by 90% and then attempted to look like a hero by espousing a desire to "increase" the level of inspection for zero tolerance up from 10%. We are outraged that FSIS would attempt to dupe the public in such a manner. It is acts like this that have led the public to lose confidence in the government.

Poultry Inspection Model

One of the strongest impediments to successful public health-based change in meat and poultry inspection in this country is our historic but incorrect notion and insistence that meat (livestock) and poultry products be treated "equally" or the same under inspection. They are very different entities with distinct differences in pathogens and contamination issues as well as there being an enormous difference in volume. It is wrong, wasteful of resources, and limiting in terms of developing the best models for inspection change to continue down this archaic path of species equality.

It may very well be that because of the characteristics unique to the poultry slaughtering process, that a different level of government inspection would be adequate than that for livestock. Whereas the level of government inspection detailed in the poultry model, combined with added protections such as company employee whistleblower protection, certified training programs for plant employees and a joint committee of industry, government and consumer representatives to debate new technologies, would be acceptable to the consumer community, it would not be considered acceptable or adequate for livestock slaughter.

Conclusion

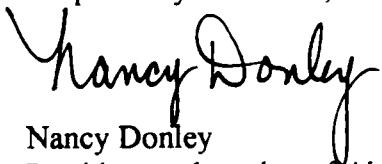
Secretary Glickman is quoted in a January 25, 1998 Associated Press article saying, "Rather than catching problems after they occur, we will now focus on preventing problems in the first place." S.T.O.P. agrees that prevention is a key component of a food safety program, but it must be coupled with inspection to ensure that preventive measures work. Consumers want the unbiased assurance that government inspection can provide. It is important to remember that the poor condition of the food supply is primarily a reflection of the industry's practices.

The preventive measures taken under HACCP are designed by the industry for individual production lines. The government is not checking the plans or identifying CCP's. This increased industry flexibility and responsibility must be balanced by an inspection program that assures the public that the product meets government standards. This is particularly important because the industry has not demonstrated that it can be held responsible for food safety.

To this day, a significant amount of meat and poultry products are sold without origin labels. Cases of foodborne illness are rarely linked to the source of contamination. Even when tainted food is linked to a processor or retailer, the chances of determining the source of contaminated raw materials are very slim. There is very little industry accountability. Without accountability, the market pressures that encourage the development of improved products will not materialize.

There is no better way to prevent tainted product from reaching the consumer than actually checking the products and the environment and systems under which they are produced and allowing only those products that meet government standards to be released into the marketplace. USDA has a continual inspection mandate and labels products with an "inspected and approved" federal government seal. The seal reflects the design of the USDA program: requiring government approval of all meat and poultry products before they reach the consumer. Other government programs merely urge good practices, make spot checks, and chase after contaminated product once it has reached the marketplace and perhaps sickened or killed innocent consumers. While we agree that some inspection tasks could be improved, we strongly urge the government to avoid the catastrophic mistake of weakening the strongest consumer protection inspection effort by allowing meat and poultry production without continuous inspection, spot checks rather than complete examination of product and facility, and recall rather than verification of efficacy.

Respectfully submitted,

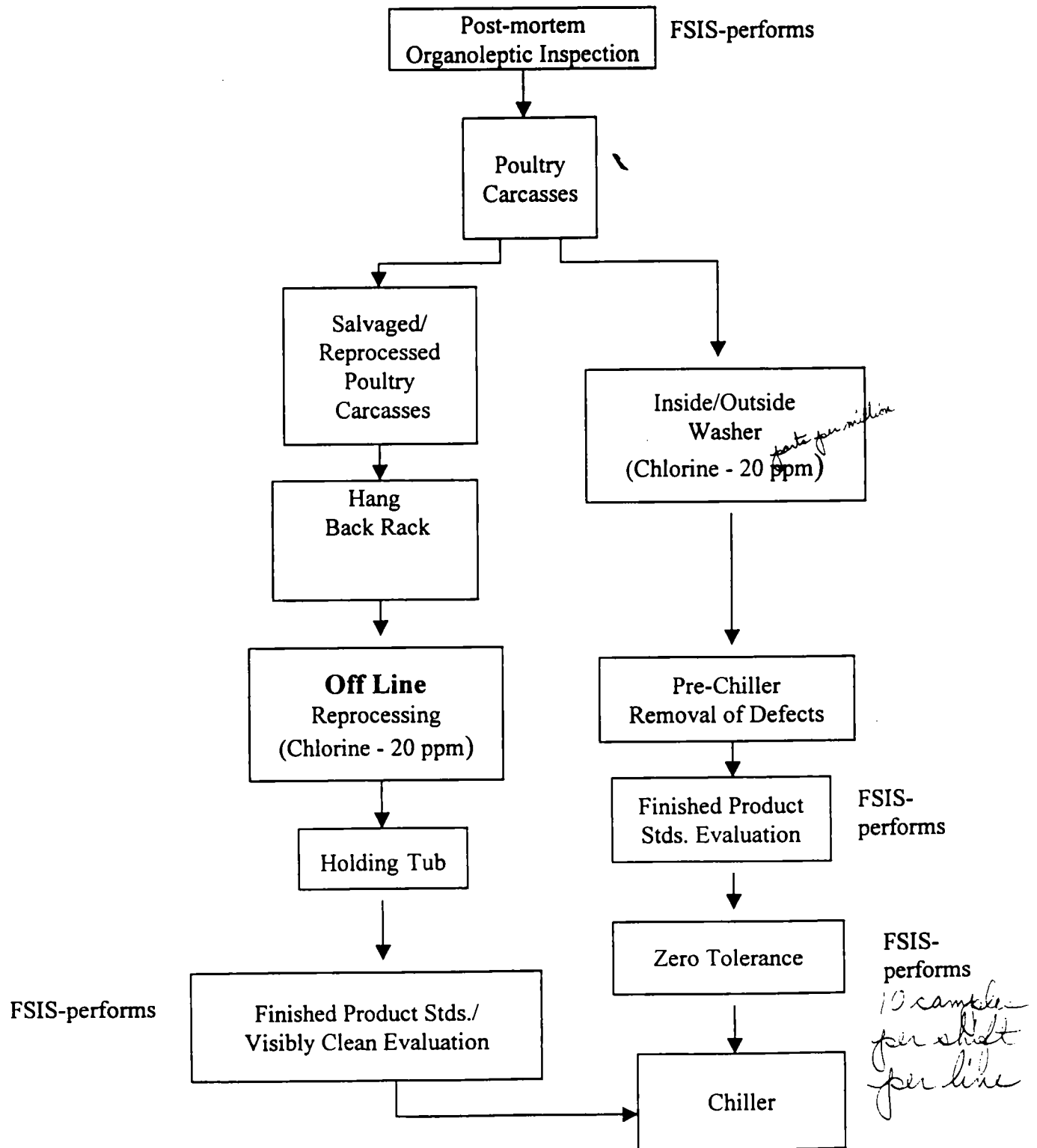
A handwritten signature in black ink that reads "Nancy Donley". The signature is fluid and cursive, with the first name being more prominent.

Nancy Donley
President and mother of Alex (1987-1993)

HACCP - Based Inspection Models Project

Poultry

Current System



HACCP - Based Inspection Models Project

Poultry

Hypothetical System

PLANT- receives records from supplier e.g. residues, disease treatments, adjusts equipment/process as necessary

(Ante-mortem)
Flock Testing

FSIS-verifies plant records and responses

PLANT-segregates healthy vs. non-healthy e.g. respiratory conditions

PLANT

(Ante-mortem)
Segregates Animals
Suitable for Food

FSIS-verifies plant activities

PLANT- as per FSIS regulatory stds., condemn for e.g. cadavers, grossly contaminated, septicemia, toxemia

(Post-mortem)
Organoleptic
Inspection

FSIS-verifies plant organoleptic activities

Inside/Outside
Washer(s)
(Chlorine - 20 ppm)

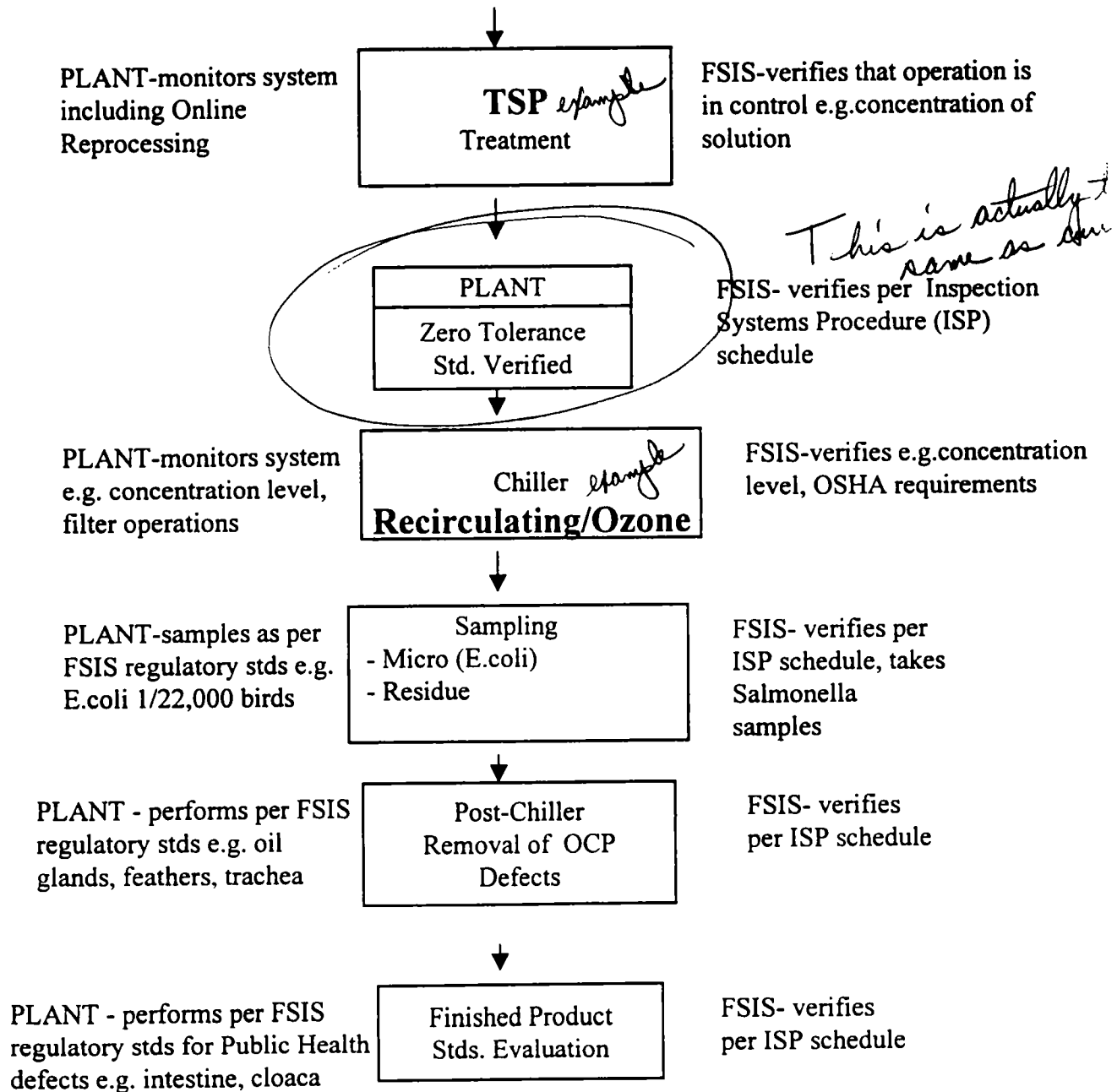
Continued on page 2

HACCP - Based Inspection Models Project

Poultry

Hypothetical System

(Continued)



CURRENT LIVESTOCK INSPECTION

FSIS ACTIVITIES

ESTABLISHMENT ACTIVITIES

No FSIS Activity

No plant activity unless intergrated.

PREHARVEST
TRANSPORTING

Inspection oversight
of humane handling

RECEIVING
HOLDING

Observation of all livestock for
abnormal conditions (animal disease,
zoonotic diseases, non-food safety defects,
APHIS identified animals, etc.).

Inspection oversight of humane h
andling and slaughter.

FSIS inspector signs pen cards,
indicating animals have passed ante-
mortem inspection and can proceed to
slaughter.

FSIS inspectors direct plant employees
to segregate suspected and condemned
livestock.

FSIS veterinary medical officer
examines segregated livestock.
Determining whether they may be
slaughtered or withheld from slaughter.

ANTE-MORTEM
INSPECTION

Provides satisfactory pens, equipment,
and assistants for conducting ante-
mortem inspection.

Segregates suspect and condemned
livestock.

Humanely handles and slaughter
as livestockas prescribed in regulations.

STUNNING
SHACKLING
BLEEDING

DEHAIRING
SKINNING

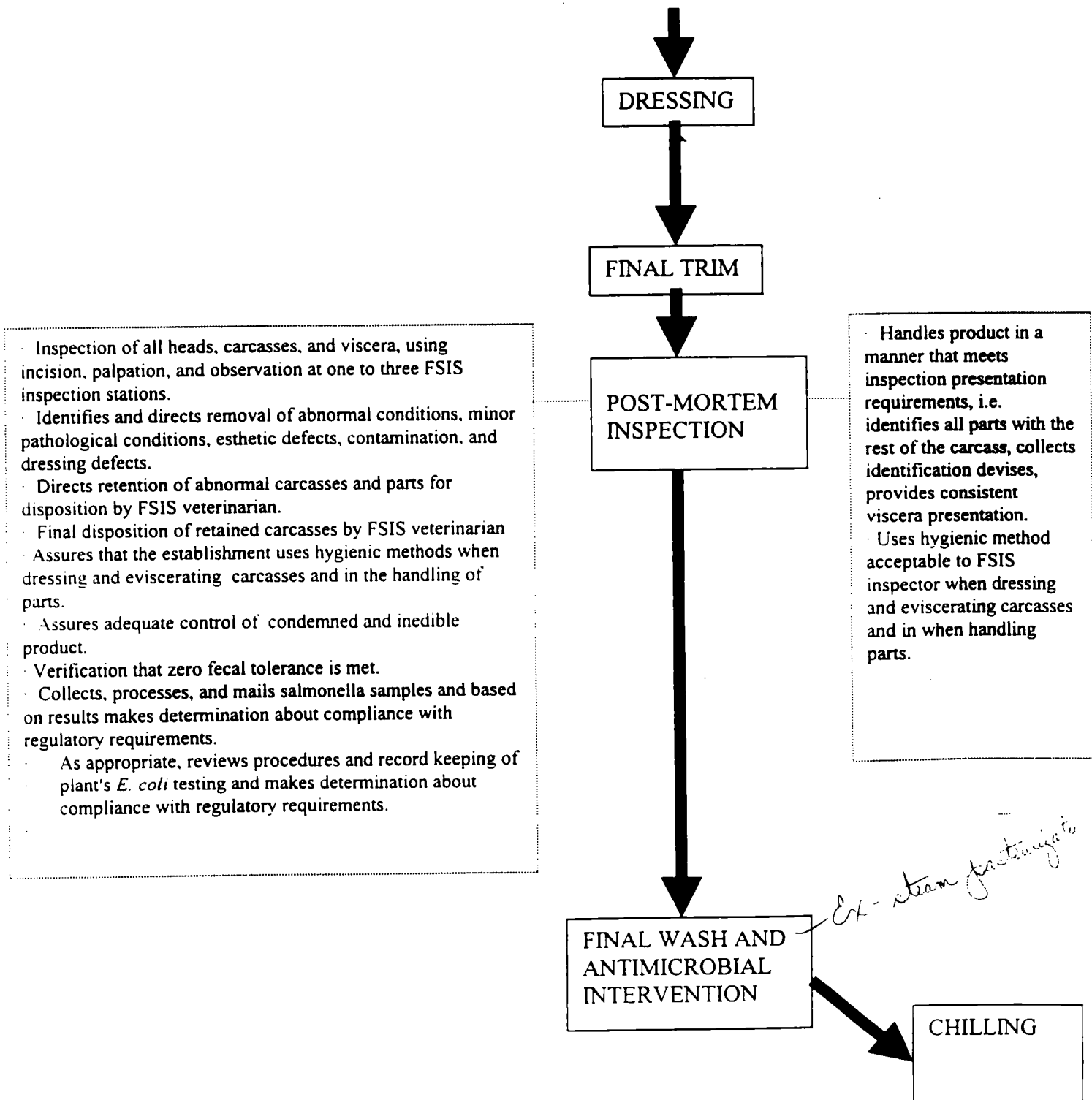
PRE-EVISCERATION WASH
AND ANTIMICROBIAL
INTERVERENTION

OK steam nac

CURRENT LIVESTOCK INSPECTION CONTINUED

FSIS ACTIVITIES

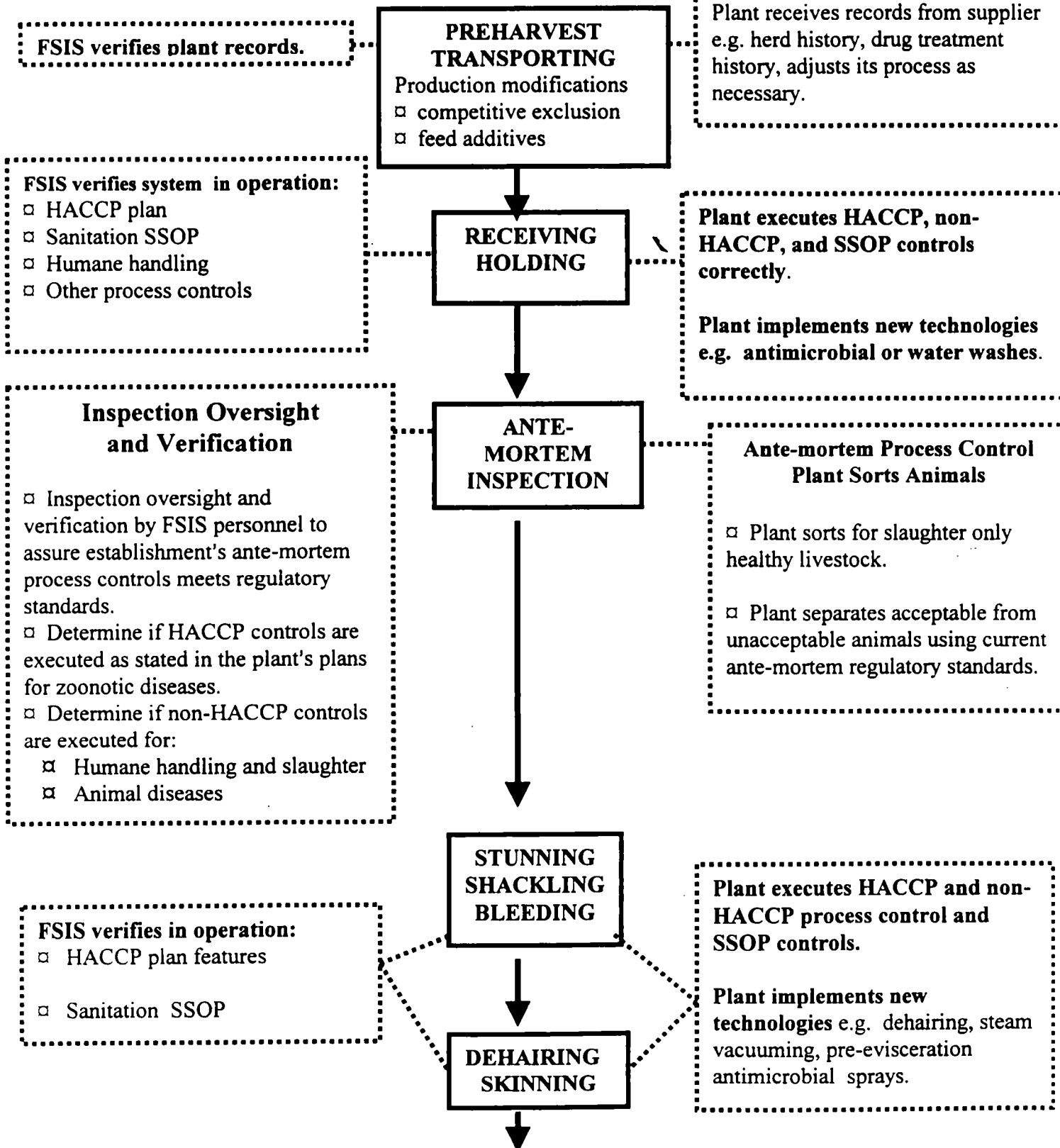
ESTABLISHMENT ACTIVITIES



HACCP-Based Livestock Inspection Models Project

FSIS ACTIVITIES

ESTABLISHMENT ACTIVITIES



HACCP-Based Livestock Inspection Continued

FSIS ACTIVITIES

FSIS verifies during operation:

- ❑ HACCP plan features, e.g. corrective actions
- ❑ Sanitation SSOP
- ❑ Other Process controls

DRESSING

ESTABLISHMENT ACTIVITIES

Plant executes HACCP and non-HACCP, and SSOP controls.

Plant implements new technologies e.g. dehairing, steam vacuuming, pre-visceration antimicrobial sprays.

POST-MORTEM INSPECTION

Inspection Oversight and Verification of Plant's Sorting of Carcasses

Assures that establishment's post-mortem process controls and meet regulatory standards.

Post-mortem Process Control

Plant Sorts Carcasses that are Suitable for Food

Provides only healthy carcasses and parts suitable for food, plant separates acceptable from unacceptable carcasses and parts using current post-mortem regulatory standards.

FINAL WASH

FSIS verifies operation of:

- ❑ HACCP plan features
- ❑ Sanitation SSOP

Plant executes HACCP and non-HACCP, and SSOP controls.

Plant implements new technologies e.g. steam-pasteurization, hot-water rinses, antimicrobial sprays, steam vacuuming, etc.

CHILLING

Collects, processes, and mails *Salmonella* samples on an unannounced basis and based on results makes determination about compliance with regulatory requirements.

As appropriate, reviews procedures and record keeping of plant's *E. coli* testing and makes determination about compliance with regulatory requirements.

Plant executes HACCP and non-HACCP, and SSOP controls.

E. coli testing

PROCESSING

Plant executes HACCP and non-HACCP, and SSOP controls.

FSIS verifies operation of:

- ❑ HACCP plan features
- ❑ Sanitation SSOP

10%
Verification that zero fecal tolerance is met.

Odwalla, Inc.

FAX IT AND THRIVE!



Date: 10/2/98

To: Tom Freedman

cc:

From: Chris Gallagher

Fax No: 650-712-5959

Phone No:

Total number of pages
including cover sheet

7

MS-
D-10
J
gk

Tom -
FYI attached. "NFMI" is the word
in the natural foods industry. See
stories on food safety and your
initiative.

Also attached: FYI, a recent globe
piece picks up campaign hacks'
perspective.

I enjoyed meeting you with Eli, Dan,
Lisa D. and the others last month
at the Americorps event. I hope
you're well. Best, *cg*

Confidentiality Notice

This message is intended only for the individual or entity to which it is transmitted and may contain information that is privileged, confidential, and/or exempt from disclosure under applicable laws. If the reader of this communication is not the intended recipient or the employee or authorized agent responsible for delivering the communication to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is prohibited. If you have received this communication in error, please notify the sender immediately by telephone and destroy the original transmission. Thank you.

OCTOBER 1998

NATURAL FOODS

MERCHANDISER™

VOLUME XIX, NUMBER 10

In The News

Food Safety Czar And Council Approved

WASHINGTON—With food safety concerns paramount among the public, President Clinton signed an executive order in August to create a Council on Food Safety. One of the weaknesses in the federal government's attempt to solve food safety issues is the disjointed nature of the system. Now one council headed by Dan Glickman, Secretary of Agriculture, Donna Shalala, Secretary of Health and Human Services and Neal Lane, head of the White House Science and Technology Policy will oversee food safety issues. *Page 7*

Woman Accused of Mailing Cyanide In Guise Of Supplements

MARINA DEL REY, Calif.—A California woman was arrested in August for allegedly intending to mail 100 envelopes containing fatal doses of powdered sodium cyanide in the guise of nutritional supplements. The woman attacked the poison to brochures she allegedly picked up at natural products stores. At press time, no poisoning deaths were reported and the woman's motive was unknown. *Page 9*

Anti-GMO Activism Crops Up Worldwide

PARIS—Taking their cue from the safe sex campaign to stop the spread of sexually transmitted diseases (STDs), Greenpeace activists have staged a "safe crop" demonstration to stop the spread of genetically transmitted disease or (GTDs). Various worldwide campaigns against GM crops have prompted activists to parade a giant condom-sheathed corn cob through European streets while protesters thrash about the English countryside destroying GM crops. Though the incidents around the globe were planned independently the goal was the same—stop the infiltration of GM crops into the food supply. *Page 18*

Hain Food Group Labels Products As Non-GEO

UNIONDALE, N.Y.—In an attempt to alert consumers about genetically engineered food ingredients, the Hain Food group products The label ingredient engineer label will its products are... *Page 28*

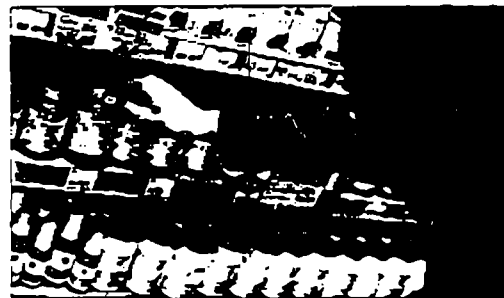
Money For Nothing—Natural Products And Slotting Fees

Mary Scott

A natural products manufacturer, renowned for its high-demand, high-quality products finally breaks into a major Northeast mainstream grocery chain. Six months later, a mainstream food manufacturer introduces a seemingly comparable product. The mainstream representative goes to the buyer and offers him a \$50,000 per SKU slotting fee. The buyer does some quick math, and before you know it, the natural products are ousted, and replaced with the mainstream brand.

A disconcerting and humbling story, but one that is all too familiar to many of the natural products manufacturers that have expanded their business into the mass market retail arena. Just ask the folks at Stonyfield Farm, Horizon Organic Dairy, Tom's of Maine, Celestial Seasonings or Health Valley; for years these companies have had to contend with what some say is the ugliest side of grocery retailing—paying up-front to acquire shelf space for your products.

Though natural products retailers and manufacturers have long conveyed a "not in my backyard" attitude about slotting fees, analo-



Slotting Fees may be a new trend in some natural product

gous programs are nevertheless becoming the norm. For example, Austin, Texas-based Whole Foods Market now expects its vendors to provide free fills, that is, enough free product to fill its cases when

See SLOTTING on page 60

Associations Nix Organics In Consumer Brochure

Kim Stewart
WASHINGTON

Seven mainstream industry groups want no mention of the "O" word in the soon-to-be-approved EPA/USDA consumer "right to know" brochure about the risks and benefits of pesticide residues. In a letter to the USDA and EPA, the groups contend that the focus of the

brochure is breaking away from Congressional intent and should not mention the option of buying organic produce as a way for consumers to reduce their exposure to pesticides in foods.

The rationale behind their argument is that raising the organic issue will increase consumer fear about food safety. Organic industry experts say the letter is an attempt to dilute the huge wave of consumer interest in organics. Some in the organics industry also are puzzled by the

groups' late response because the comment period for the brochure ended months ago. "These calls imply that consumers do not have a right to know basic information on pesticide regulation and exposure and clearly contravene Congressional intent," said Jeannine Kenney, policy analyst for Washington-based Consumers Union (CU) in a letter of response.

One of the provisions of the Food Quality Protection Act requires that a

See BROCHURE on page 16

McGwire Supplements Maris' Record

Marty Traynor
ST. LOUIS

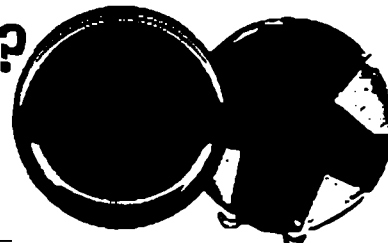
The brown bottle of androstenedione placed next to a can of spinach in St. Louis Cardinals' Mark McGwire's locker has sparked a debate among baseball fans and pundits: Will talent or nutritional supplements be the reason if McGwire breaks Roger Maris' 61-homer single-season record? Everyone has an opinion—a Lexis-Nexis search done a week after the

See BASEBALL on page 9

Got Hemp? Mals Non: Body Shop Raided

Pamela Wyss
AIX-EN-PROVENCE, France

US. hemp-seed oil product manufacturers agree that the seizure of a line of hemp bodycare products at the Body Shop is representative of ignorance about the



hemp plant. French police raided the Body Shop here Aug. 26 and seized several cartons of the store's new hemp product line including soap, lip-conditioner, oils and lotions as well as promotional materials related

See HEMP on page 9

Incidents

Incidents... *Page 10*

38 Personal Care Handbook

55 Defining The Nutraceutical Customer

68 Customer Appreciation

71 ABCs Of Homeopathy

News

Albertson's To Merge With American Stores

Pamela Wyngate
BOISE, Idaho

Albertson's announced its plan to merge with Salt Lake City-based American Stores Co. early next year. The new company, Albertson's Inc., with an expected total value of approximately \$11.9 billion, will form the largest retail food and drug company in the United States. Annual sales of the combined company are estimated at \$36 billion.

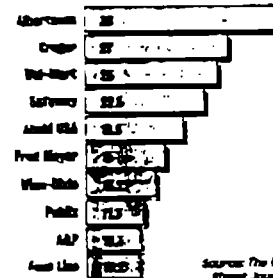
Albertson's presently operates 916 stores in 23 states, and American has 1,558 stores located in 26 states. Albertson's

expects to achieve a savings of approximately \$100 million from buying and distribution efficiencies as well as saving \$200 million from reduction of overhead. The merger also puts Albertson's in 14 new states, and urban Chicago and Philadelphia.

The transaction, approved by the boards of directors of both companies, is subject to shareholder and regulatory approval. Gary G. Michael, chairman and CEO of the current Albertson's Inc. will continue in his position. Victor L. Lund, chairman and CEO of American Stores Co. will serve as vice chairman of the new Albertson's Inc. Corporate headquarters for the combined company will be based here.

Grocery Goliaths

The top 10 mass-market retailers (with annual sales in billions of dollars)



Industry Lauds Food Safety Initiatives

FOOD SAFETY from page 7

one person with complete authority over the food safety budget, a "good first step." Together, CSPI and the Safe Food Coalition created the "Recipe for Safe Food," among whose ingredients is the recommendation that "all government food-related functions [be combined] into a single agency, the U.S. Food Safety Administration."

The Grocery Manufacturers of America (GMA), on the other hand, suggests that although increased attention to food safety issues is vital, the creation of a single agency constitutes an unnecessary federal bureaucracy.

"Agencies can do better by adjusting their priorities, efficiencies and focus, and by more effectively coordinating with their partners in the states, with whom they share the compliance responsibilities for food safety," said Stacey Zawel, Ph.D., GMA's director of scientific and regulatory affairs. "Consumers are best served by federal food safety agencies that develop policy based on the best science and build public

confidence in the nation's food supply."

A recent Institute of Medicine report commissioned by Congress had recommended the appointment of a "food czar" to set safety standards and combat disease outbreaks, suggesting that the numerous food-safety groups as well as FDA and USDA be united in a "food safety council."

Statistics show that more than 8,000 Americans die from food poisoning annually, and countless more become seriously ill. Recent incidents may have helped convince the Institute of Medicine, an independent government advisory group, and other organizations to call for this review of the nation's food safety standards and procedures. A 2-year-old child died and more than 20 children became ill in June when they were infected with E. coli, apparently during a visit to a suburban Atlanta water park.

Through DNA testing, scientists found the same strain of E. coli bacteria that infected the children in Georgia in beef recalled by Florida-based Bauer Meat Co. Georgia was among the destinations

for 37,500 pounds of Bauer Meat Co. beef patties, recalled in May after a school cafeteria hamburger made a child sick. USDA closed Bauer Meat's Ocala, Fla., processing plant on Aug. 12. The following day Max Bauer, the company's owner, took his own life. It is unknown whether Bauer was aware of the Atlanta connection.

Two of the Georgia families whose children suffered kidney failure as a result of the E. coli outbreak have filed suit against the White Water park. The families will be represented by William Marler, who represented five children in the case of the 1996 Odwalla apple juice incident. "We hope that the adopted strategy will help bolster early warning systems when outbreaks do occur," said Odwalla's Gallagher. "We were fortunate in our experience that Washington state has an advanced detection system that identified our outbreak at a relatively early stage. Higher quality and more consistent technologies across state lines may help prevent another tragedy."

See the difference!

Optifast is a low-calorie, high-protein meal replacement. It's the only meal replacement that's clinically proven to support the metabolism, burn fat, and support the immune system. Optifast is the only meal replacement that's clinically proven to support the metabolism, burn fat, and support the immune system.

Optifast is a low-calorie, high-protein meal replacement. It's the only meal replacement that's clinically proven to support the metabolism, burn fat, and support the immune system.

Optifast is a low-calorie, high-protein meal replacement. It's the only meal replacement that's clinically proven to support the metabolism, burn fat, and support the immune system.

See the difference!

Optifast is a low-calorie, high-protein meal replacement. It's the only meal replacement that's clinically proven to support the metabolism, burn fat, and support the immune system.

Optifast is a low-calorie, high-protein meal replacement. It's the only meal replacement that's clinically proven to support the metabolism, burn fat, and support the immune system.

Optifast is a low-calorie, high-protein meal replacement. It's the only meal replacement that's clinically proven to support the metabolism, burn fat, and support the immune system.

NATURAL FOODS

RISE PRILL, President/COO
New Hope Communications

Editorial Staff:
Editor: RISE PRILL
Executive Editor: MARY TRAYNOR
Managing Editor: KIM STEVENS
Business Editor: MARY SCOTT
Health & Fitness Editor: PAULINE BUTTS WYNGATE
Assistant Editor: THOMAS H. MAY
Editorial Assistant: KAREN S. HULL
Copy Editor: JEROME HAINES

Art Director: JEAN DAVIS WARD
Senior Designer: IAN DAVIS
Production Assistant: ALLISON JAMES

Vice President, Publishing Division: KIM PULASKI
Group Publisher: FREDERICK M. LINDEN
Associate Publisher: KEVIN GILLESPIE
Advertising Account Executives: CHRISTOPHER GEE, MARGARET LUND, DEBRA WILLIAMS

Marketing Assistant: MARGARET C. LEE
Marketing Director: WAYNE SHERMAN
Production Director: NICOLA FERRILL
Production Manager: CHRIS POWELL
Production Assistant: AERA SMITH
Sales Office Manager: JONI LYNN
Sales/Marketing Research Analyst: LARRA FORTH
Sales Assistant: LARRA LYON

NHI Education Director: JOANNE NEVILL
Internet Director: AIMEE SHAW
Vice President, Trade Show Division: KATE LAWRENCE
Trade Show Director: KAY KAZAVAT
Marketing Director: SCARAH BENJAMIN
Registration Services Manager: RALPH WELCH
Education Coordinator: AMY BAIRD

President/COO: DREW GRIFFIN
Chief Financial Officer: JONATHAN HIGGS
Controller: BLANDE BAYNE
Circulation Manager: MARLA FERRER
Circulation Manager: BRIGID FRANK
Customer Service Manager: DEBRA HALL LAFRANCE

New Hope Natural Media
 Printed in the U.S.A.

NATURAL FOODS MERCHANDISER (USPS 0471-470, ISSN 1066-318X) is published monthly by New Hope Natural Media Inc., located at 1301 Spruce St., Boulder, CO 80502-0812. Phone 303-440-8040, FAX 303-440-8554. Periodical postage paid at Boulder, CO, and additional mailing offices.

POSTMASTER: Send all address changes to Natural Foods Merchandiser c/o Southwest Fulfillment, P.O. Box 5046, Brentwood, TN 37024-0724.

Circulated to individuals or firms engaged in the marketing, wholesaling and brokering of natural foods in the United States. All other U.S. subscriptions, \$40 per year. Canadian subscriptions, \$75 (GST included). All other foreign subscriptions, \$80 (by surface mail) or \$140 (by air mail). Single copy: Guide issue (August), \$15; Market Overview issue (June), \$15; all other issues, \$8. Please include postage and handling \$3 U.S. or \$4 Canada, \$8 International. All payments must be in U.S. funds and drawn on a U.S. bank. Postal money orders drawn in U.S. funds also acceptable. Copyright © 1998. All rights reserved, including the right to reproduce in whole or part.

GST #R123456789



Circle Reply #109

this issue

tural Products Expo East '98 Show Issue



Natural Products Expo East returns to the Baltimore Convention Center Sept. 8 to 12. The sold-out show will bring industry members from around the United States and at least 43 other countries to add learn the latest on newly offered natural products, legislative issues and business and scientific trends. The seminar program will again feature speakers for each educational track as well as continuing education credits from the New Hope Institute of Retailing. See pages 42 and 145 to 188 for complete pre-show coverage and information.

- 4** E-Town Makes Music, Moves Money
- 14** Expo East Adds Educational Variety And Entertainment
- 146** Expo Schedule At A Glance
- 150** Expo Keynote Interview: Jim Autry
- 154** Farm Tour Celebrates Family Affair
- 1** Expo East Exhibitor List
- 18** Expo East Exhibitor Showcase

NEWS

38 Years To Modify Claims

Tom's of Maine will modify labeling of its natural mouthwash product following a decision by the National Advertising Division of the Council of Better Business Bureaus that declared Tom's natural mouthwash claims misleading.

BY KAREN S. HULL

20 Congress Discusses Alternative Cancer Treatments

The rivalry between the medical community and alternative health practitioners may be heating up as members of the two groups meet before Congress.

BY THOMAS G. MAY

Your Business

Accounting: Difficult To Resist To Ignore

Business owners write off shrinkage as the inevitable cost of doing business, but accounting that an emphasis on prevention will help more than they think.

BY JOSH DINAR

Food Focus

87 Natural Beef Sizzles With Consumers

Controversies about foodborne bacteria are literally pushing concerned consumers toward natural beef, and natural products retailers are gearing to promote this comforting alternative.

BY ELAINE LIPSON

92 Butter Sales Solid As Margarine Sales Soften

The bad boy of fats, butter, is making a comeback, but for those who can't welcome it with open arms, a new selection of trans fatty acid-free alternatives are on the horizon.

BY KIM STEWART

HBC/Supplement Buyer

111 Thwarting Teen Supplement Abusers

While most dietary supplements have a strong safety record, some products do have potential for abuse if use and dosage instructions are not carefully followed. Teens, in particular, are prone to disregard warning labels and take products for the wrong reasons. Here the warning signals and

News

September 1998

Warning Label Will Slow Fresh Juice Sales

Marty Traynor

WASHINGTON

Unpasteurized juice consumption will drop after warning labels appear starting Sept. 8 on juice packaging or on placards in stores that sell the product, according to FDA and sources in the industry. That's the one thing the two opposing factions agree upon. But they don't agree on how large the drop in sales will be.

FDA predicts a drop in fresh juice consumption of 5 percent to 16 percent. Marc Issacs, chairman of the American Fresh Juice Council sees the warning labels as much more devastating, predicting a drop in consumption of as much as 30 percent. The juice council's estimate is based on information from retailers who

may decide not to stock the fresh juice so they can avoid posting placards or signs with the warning in their stores.

FDA's recently approved warning for unpasteurized fresh juice reads:

This product has not been pasteurized and, therefore, may contain harmful bacteria that can cause serious illness in children, the elderly, and persons with weakened immune systems.

If packaging does not include the warning, the FDA rule says that warning signs or placards must be placed at points of sale.

The rule takes effect Sept. 8 for apple juice and cider, and takes place 60 days later, on Nov. 5, for other fruit and vegetable juices. FDA gave these juice makers extra time because of estimated harvest time for different fruit and vegetable crops.

FDA Fines Odwalla

Mary Scott

WASHINGTON

In what many consider a loud warning to all food manufacturers, FDA fined Half Moon Bay, Calif.-based Odwalla \$1.5 million for unknowingly selling tainted apple juice. FDA officials said that in light of increasing bacteria that cause food-borne illnesses, it was expanding the kinds of penalties it imposes in order to force companies to be more rigorous with safety practices.

Odwalla pleaded guilty to 16 counts of unknowingly delivering "adulterated food products for introduction into interstate commerce" in an

October 1996 incident that prompted the company to recall its fresh apple juice. (See related articles, NFM, page 14). "No finding about our plant came up and there were no charges against any individuals," said Odwalla chairman

Greg Steltenpohl responding to the announcement. "The FDA didn't find anything related to responsibility of manufacturing." Of the total fine, \$250,000 will go with three organizations that deal with food safety. Steltenpohl said the fine won't greatly impact company earnings. "It's a long-term pay-out. It won't cause undue difficulty for

the company financially." Odwalla's stock increased 75 cents to \$12.50 on the day of the announcement.



Greg Steltenpohl

Stolen Credit Cards Used In Sports Supplements Purchases