PRIORITY MEMORANDUM

To: Commissioners, Secretaries and Directors of State Departments of Agriculture
National Association of State Meat and Food Inspection Directors (NASMFID)

From: Rick Kirchhoff and Charlie Ingram

Date: December 11, 2001

Subject: URGENT ACTION REQUEST - SENATE ACTION ON INTERSTATE MEAT SHIPMENT

Today or tomorrow, Sen. Orrin Hatch (R-UT) intends to offer an amendment to the Senate farm bill (S. 1731) that will lift the ban on interstate shipment of state-inspected meat and poultry. The timetable is uncertain, but the Senate resumes work on the farm bill today and a vote on the Hatch amendment could occur at any time.

Your immediate help is needed to get interstate shipment legislation approved before Congress adjourns this year! Here is what we expect to happen and how you can help:

Basically, the Hatch amendment will be almost identical to the comprehensive interstate shipment legislation he introduced last year (S. 1988) along with Sens. Tom Daschle (D-SD), and Tom Harkin (D-IA). It will include revised language clarifying USDA's authority to set and enforce microbiological performance standards for meat and poultry products. As you know, the authority to enforce these standards was called into question by the Supreme Beef case in Texas last year. This issue has prevented Congress from moving ahead on interstate meat shipment.

The food safety and micro-standards issue remains highly contentious and complex. We expect a "second degree" amendment will be offered to the Hatch amendment. This "second degree" amendment would simply strike out the provisions dealing with micro-standards and USDA authority. It is not clear who will offer the "second degree" amendment, but it has strong support from the meat industry and food processors. They contend that the micro-standards language would give USDA new and unlimited authority to enforce Salmonella standards, which they believe are unscientific and flawed.

Meanwhile, it appears that consumer groups have reversed their position of supporting S. 1988 and language on micro-standards. They are now actively opposing any amendment that will allow interstate meat shipment. The consumer coalition has already sent several letters to the Senate stating that "opening interstate markets to state-inspected meat is ill-conceived and would weaken existing food safety protections." They are also circulating a 1996 Wall Street Journal article which claims that state inspection programs have sanitation and food safety problems and are vastly inferior to the federal inspection program. The consumer group letter further states that USDA's Inspector General and the General Accounting Office (GAO) have all reported "shocking deficiencies in state inspection programs." In addition, Sens. Richard Durbin (D-IL), Robert Torricelli (D-NJ), Hillary Clinton (D-NY), and John Kerry (D-MA) have separately distributed the consumer group materials and are urging opposition to any interstate meat shipment amendment.

All of this poses a significant challenge for Sen. Hatch to gain support for his interstate shipment amendment. It is also confusing to many senators who may not be fully educated on the issue and how state inspection programs work.

Your immediate help is needed to get interstate shipment legislation passed this year. Please call your Senators today and (1) ask them to support the Hatch interstate shipment amendment to the farm bill; and (2) remind them that state inspection programs are NOT inferior to the federal
inspection system. Attached are some more detailed talking points that may help you deliver these messages to your senators.

To keep NASDA members updated on the latest developments, we have scheduled a conference call for tomorrow morning (Wednesday, December 12th) at 10:00am (EST). The phone number to call in is 1-800-247-9979. Please tell the operator that Charlie Ingram is the moderator for the conference call.

SUPPORT THE HATCH AMENDMENT AND INTERSTATE MEAT SHIPMENT

• The Hatch interstate shipment amendment is designed to increase the viability of state meat and poultry inspection. It will improve food safety by creating a more uniform system with one set of rules, enhance consumer confidence in our food supply, and provide consumers with more choices at the supermarket. The status quo is not in the best interest of consumers.

• The Hatch amendment will require states to enter into new cooperative agreements with USDA. This includes an annual and comprehensive review of state programs which adds a margin of safety to the state inspection process.

• Since 1996, food safety standards and principles are the same for state and federal inspected establishments. The Hatch amendment would authorize state inspection programs to enforce the same inspection laws and regulations enforced under federal program. Consumer groups point to a 1996 Wall Street Journal article citing deficiencies between the state and federal inspection systems. HOWEVER, this was before USDA implemented new sanitation (SSOP) and pathogen reduction regulations under the Hazard Analysis and Critical Control Points (HACCP) system. HACCP is now fully implemented down to the “very small plant” level (plants with ten employees or less). This means every meat processing plant in this country—whether state or federally inspected—now must be operating under a HACCP system.

• The mission of state meat and poultry inspection programs is to provide consumers with a wholesome, unadulterated product that is properly labeled and safe. The programs exist to protect public health.

• FSIS has gone through a series of regulatory reforms that have removed many outdated requirements and regulations in the federal inspection program. The vast majority of these requirements had no bearing on the safety or quality of the food produced, but were exploited as “differences” between the two inspection systems and used as a diversionary tactic by those who argued that “equal to” inspection was not the “same as,” thereby implying state inspection programs were somehow inferior.

• The Hatch amendment would retain the right of states to impose additional inspection requirements. Many states already impose inspection requirements more stringent than USDA. For example, South Dakota includes retail meat processors in the State Meat Act, require continuing education in food safety for meat processors and by regulation prescribe conditions for storage and transportation.

• The Hatch amendment will level the economic playing field for small businesses and help small meat processors grow and expand into new markets. Current law places small meat processors at a competitive disadvantage. Foreign-produced meat and poultry products can be freely shipped and sold anywhere in the U.S. — giving them greater market access than U.S. state-
inspected processors while hard-working, small business owners in this country are denied the same opportunity. This is unfair.

• Without change, growing concentration in agriculture will continue to leave smaller farmers and ranchers with fewer buyers for their livestock and poultry, further depressing their financial situation which is already stressed by low commodity prices. Interstate meat shipment will spur more competition in the system by giving farmers and ranchers more opportunities to sell their livestock at better prices. This will create jobs and stimulate the rural economy.

• USDA's Food Safety and Inspection Service (FSIS) certifies that each state inspection program is "equal to" federal inspection requirements. This is accomplished by FSIS review of state performance plans, results of comprehensive reviews, feedback from Inspection Operations field supervisors, and documentations submitted with Annual Reports. In fact, this annual scrutiny of state programs is more frequent and stringent that the internal federal audits of FSIS conducted by the Office of Inspector General and other agencies. The annual State Performance Plan which is evaluated for "equal to" status, includes a review of state laws, state regulations, funding and financial accountability, resource management (staffing, training, program operations), facilities and equipment, labels and standards, in-plant reviews/enforcement, specialty programs, and laboratories. Since the late 1960s, FSIS has never unilaterally found that a state inspection program should be discontinued due to inadequacies in its inspection program.

• The current ban on interstate shipment does not apply to "non-amenable" meats such as venison, buffalo, pheasant, and rabbit. It does not make sense to allow these products across state borders while beef, pork, and lamb cannot be shipped interstate.