

FSIS RegulationsComments

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Subject: Comments Docket #05-024N

DEPARTMENT OF AGRICULTURE
 FOOD SAFETY AND INSPECTION SERVICE
 DOCKET # 05-024N

Comments submitted by Mark P. Schad, President, Schad Meats, Inc.

Schad Meats, Inc. is a very small meat plant with less than 10 employees. Schad Meats is located in Cincinnati, OH. The Pathogen Reduction; Hazard Analysis Critical Control Point Systems (HACCP) final rule (hereafter referred to as "final rule") has had a major financial impact on Schad's. Schad's is representative of a proactive plant that, previously and does today, takes responsibility for the operations of said plant.

The final rule required each plant regardless of size to have at least one (1) person trained in Introductory HACCP. Each plant was required to develop pre-requisite programs, conduct a hazard analysis and develop (write) a HACCP plan for each process. Plants are required to at least annually (or sooner, if a process, product, personnel or equipment change occurs) re-assess said programs.

Additionally, the supporting directives and notices change on a regular basis as does the requirements of HACCP supporting documentation. This plant is registered to get FSIS updates through eMail and checks FSIS' website on a regular (at least weekly) basis. The amount of paperwork and records required by this rule is significant.

The final rule is complex, as demonstrated by FSIS' continuing need to refine requirements and ever changing additional requirements, as indicated above. The final rule overlaps and duplicates activities to be performed by both plant personnel and inspection personnel. During the hazard analysis plants must consider process steps, amount of a specific ingredient, etc. even though said steps or ingredients have already been determined by regulation and/or administrative directives as to safe levels.

The final rule – HACCP –is intended to be a preventive program to insure food safety, yet FSIS does finished product microbial testing and requires plants to do food contact surface testing, in direct conflict with the intent of HACCP.

Schad's initial investment for HACCP training and program development cost Schad Meats approximately \$10,000.00. This number is based on actual costs incurred by Schad's. Schad's did not use a consultant but invested their time and money in meeting the initial requirements of HACCP implementation.

On-going Schad's spends on an annual basis approximately \$8,500.00. Included in this figure are the following:

- Continuing training/education (Advanced HACCP, Validation and Verification, Round Tables, etc.) at \$2,500. per year
- Plan re-assessment and maintenance, historical data, subscription costs, time in reviewing scientific literature, at \$1,000. per year
- Recordkeeping, including employee time for making record and review of records and cost of materials) at \$2,000. per year

- Post process testing, including lab costs for supplies and testing, product loss for actual samples taken by FSIS, cost of holding inventory, cost of employee time for additional clean ups to limit the amount of inventory held and cost of carrying additional inventory to meet customer orders, at \$3,000. per year

Considering the definition of a very small plant – less than 10 employees and less than \$2.5M- the cost annually is .4% of revenue. In reality, the meat industry has a very narrow margin often times only about 1% net profit.