

UNITED STATES DEPARTMENT OF AGRICULTURE
FOOD SAFETY AND INSPECTION SERVICE

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PRODUCT LABELING:
DEFINITION OF THE TERM "NATURAL"
PUBLIC MEETING

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December 12, 2006
9:00 a.m.

USDA South Building Cafeteria
Washington, D.C.

MODERATOR: MR. ROBERT TYNAN
Deputy Assistant Administrator,
Office of Policy, Program and
Employee Development
Food Safety and Inspection Service
U.S. Department of Agriculture

PARTICIPANTS:

CURT J. MANN, D.V.M.
BARBARA J. MASTERS, D.V.M.
BRYCE QUICK
ROBERT C. POST, PH.D.
MARTIN O'CONNOR

I-N-D-E-X

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1 P-R-O-C-E-E-D-I-N-G-S

2 (9:04 a.m.)

3 MR. TYNAN: Good morning. We're going to
4 delay starting the meeting just a bit. There seems to
5 be a backup at the second wing for people coming in to
6 participate. So we're going to wait for a few more
7 minutes to allow those folks to come in and get seated
8 so they can participate from the beginning. So I
9 apologize for the slight delay. We will get started
10 as quickly as we can.

11 I also want to make one comment that those
12 of you who, during the comment period, would like to
13 make some comments, if you could, there is a
14 registration book out at the registration desk to sign
15 up so that we can have sort of a considerate way to
16 have the comments presented. So if you have not done
17 so already and are planning to make some comments, if
18 you could perhaps register out at the front table, and
19 we'll try and take everybody in sort of the sequence
20 that they signed up.

21 Thank you. It'll be just another couple of
22 minutes.

1 (Off the record.)

2 (On the record.)

3 MR. TYNAN: Good morning again. We have a
4 capacity crowd. It's almost standing room only. If
5 you have a seat next to you that has your briefcase,
6 if we could impose on you to move the briefcase and
7 put it underneath your chair to allow some folks that
8 are coming in a little bit late to also have a seat.

9 My name is Robert Tynan. I'm the Deputy
10 Assistant Administrator of the Office of Public
11 Affairs, Education and Outreach at FSIS. And I'm
12 going to be moderating today's meeting.

13 I want to welcome you all to our discussion
14 of the definition of the term "natural." I know it's
15 an important topic to all of you, and obviously by the
16 number of people that we have here.

17 Our goal this morning is to hear your views
18 and your comments on how we can move forward with
19 regard to the term "natural."

20 As you see from our agenda, I believe you
21 all received a copy of the agenda, you can see from
22 the agenda that everything is pretty well designed to

1 give you some basic information, but it is largely
2 intended to receive your comments.

3 Because there were so many as I mentioned
4 earlier, if you intend to comment during the comment
5 period, if we could ask you to take a moment to go out
6 and sign up so we can have some orderly process.
7 We'll go over this again when we get to the comment
8 period, but we'll be asking each commenter to comment
9 for up to five minutes, no more than that, to hit the
10 basic points. We will remind everybody that there
11 will be an opportunity to submit more extensive
12 comments as part of the Federal Register Notice.

13 If anybody has brought comments with them,
14 we have Levon Johnson, I thought I saw Levon just a
15 minute ago, Levon is right there. If anybody has
16 brought copies of their written comments and would
17 like to give them to Levon sometime during the
18 session, she will take them and they will become part
19 of the record.

20 One of the more important logistical issues
21 I wanted to mention to you, if all of you have had a
22 couple of cups of coffee, probably this will be

1 particularly important. Going back out into the
2 hallway, right here near the door, if you go up to the
3 right, on the left-hand side, you'll see the ladies'
4 room. The men's room, however, when you go out that
5 doorway, is to the left and is further down. It's on
6 the right-hand side. If you get to the security
7 guards or past the security guards, you've gone too
8 far. So that's an important thing to know during
9 these meetings when you're sitting for a long time,
10 and I have done that a few times as well.

11 I'd like to take a moment to introduce our
12 panel before we get into our opening remarks and
13 introduce the panel members. It's not really a panel
14 per se. We set it up this way to make it little bit
15 more convenient so that you can see the speakers.

16 Dr. Curt Mann is our Deputy Under Secretary
17 of Agriculture for Food Safety. Dr. Mann was
18 appointed to Deputy Under Secretary on August 12,
19 2005. In his position, Dr. Mann works with Under
20 Secretary for Food Safety, Dr. Richard Raymond, to
21 develop food safety and food defense policy, as well
22 as oversee the program for Food Safety and Inspection

1 Service. Dr. Mann brings to his position an extensive
2 background in developing and formulating and
3 evaluating health issues related to food safety and
4 food defense.

5 Prior to his appointment, Dr. Mann served
6 with the Biological and Chemical Defense Policy
7 Directorate of the White House Homeland Security
8 Council, as the Director of Food, Agriculture and
9 Water Security. Dr. Mann was instrumental in the
10 development and drafting of Homeland Security
11 Presidential Directive 9, which was entitled "Defense
12 of the United States Agriculture and Food," and that
13 was signed by President Bush in January of 2004.

14 Dr. Mann earned his veterinary medical
15 degree from Kansas State University, spent five years
16 in practice as a large and small animal clinical
17 veterinarian, and continued working as a small animal
18 clinician for several years while working on various
19 policy decisions in Washington, D.C. So if anybody
20 has a problem with your cat or your horse, for that
21 matter, Dr. Mann is available to talk with you about
22 that.

1 And let me go through the other members of
2 the panel.

3 To Dr. Mann's right, and to your left, is
4 Dr. Barbara Masters. She was named Administrator of
5 the Food Safety and Inspection Service on August 1 of
6 2005. In this position, she is responsible for
7 leading FSIS and its mission for protecting public
8 health through food safety and food defense.

9 Dr. Masters began her FSIS career in 1989 as
10 a Veterinary Medical Officer near Hot Springs,
11 Arkansas, and has held a ranking post throughout the
12 Agency, both in the field and at Headquarters. Since
13 March 2004, Dr. Masters served as the Acting
14 Administrator. During that time, she raised the
15 Scientific Training Investment in the 10,000 employee
16 workforce to a record \$20 million, as well as enhanced
17 communications with both internal and external
18 audiences. I know that she's very interested in that.
19 She put me to work on a couple of cases regarding
20 internal communications.

21 To Dr. Masters' right is Mr. Bryce Quick.
22 Bryce Quick was named Deputy Administrator for the

1 U.S. Department of Agriculture, Food Safety and
2 Inspection Service on September 1, 2005. In his
3 position, he helps lead FSIS in its mission of
4 protecting public health through food safety and food
5 defense.

6 Mr. Quick has been an FSIS employee since
7 2001 and previously Mr. Quick served as the FSIS
8 Assistant Administrator for Public Affairs, Education
9 and Outreach, and as Director also of the FSIS
10 Congressional Public Affairs Office.

11 Before coming to FSIS, Mr. Quick worked as a
12 Legislative Aide in the office of the Honorable Thomas
13 Foley. He also served as a professional staff member
14 of the House Committee on Agriculture, Director of
15 Legislative Affairs for the American Nursery and
16 Landscape Association. He was Senior Legislative
17 Representative for the American Bankers Association,
18 as Director of the Business Development for
19 greentogo.com. Is that still operating?

20 MR. QUICK: No, it is not.

21 MR. TYNAN: It is not. Okay. Mr. Quick
22 earned his Bachelor of Arts Degree in Political

1 Science from Morgantown University.

2 And to Mr. Quick's right is Dr. Robert Post.
3 Dr. Post is the Director of Labeling and Consumer
4 Protection Staff, Food Safety and Inspection Service.
5 As part of the Office of Policy and Program
6 Development, the staff has primary responsibility for
7 the development and delivery of USDA consumer
8 protection policies and programs in the area of food
9 labeling, food standards and food additives that are
10 used in the safe production of meat, poultry and egg
11 products distributed in domestic commerce and exported
12 to the United States.

13 Before becoming Director, Dr. Post served as
14 Deputy Director of the Office of Policy, and prior to
15 this, he served as Branch Chief and other leadership
16 positions in four other FSIS program areas, including
17 regulatory programs, technical services, inspection
18 operations and science and technology. So Dr. Post
19 has quite a bit of experience in FSIS and FSIS
20 programs and policies.

21 Dr. Post earned his Ph.D. Degree in Public
22 Health and Science Education Policy and Program

1 Administration from the University of Maryland.

2 And at the end of the table, we have an
3 honored guest, Martin O'Connor. He is with our sister
4 Agency, the Agriculture Marketing Service, and
5 Mr. O'Connor is the Chief of Standards, Analysis and
6 Technology Branch, Livestock and Seed Program, for
7 AMS. He's responsible for the development and
8 promulgation of revisions to the official U.S. grade
9 standards for red meat species, livestock and
10 carcasses, that we derive from them.

11 In addition to grade standards, he's
12 responsible for various meat purchase specifications,
13 development of USDA certified branded meat programs,
14 voluntary marking and claims standards, used by
15 various segments of the industry to mark livestock
16 meat and meat products. Mr. O'Connor has devoted
17 about 28 years to Government service in the area of
18 livestock and meat science disciplines. He received
19 his Bachelor's of Science Degree from Western Illinois
20 University, and is here today not as a speaker but to
21 sit in along with FSIS to listen to your comments. I
22 believe yesterday Mr. O'Connor had a meeting on

1 natural --

2 MR. O'CONNOR: Naturally raised.

3 MR. TYNAN: I'm sorry.

4 MR. O'CONNOR: Naturally raised.

5 MR. TYNAN: -- naturally raised livestock.

6 So he has an interest in this similar topic that we
7 have here today.

8 And with that, that's our panel or our head
9 table I should say, and with that, I'm going to begin
10 the meat of the agenda, but before we do, are there
11 any questions at this point from the audience?

12 (No response.)

13 MR. TYNAN: Okay. Without further adieu,
14 let me introduce Dr. Mann again. He is our Deputy
15 Under Secretary for Food Safety, and he has a few
16 opening remarks.

17 DR. MANN: Thank you. Good morning,
18 everyone. And I need to clarify something. Mr. Tynan
19 might have misled you a little bit. Although I was a
20 clinical veterinarian at one time, they don't let me
21 touch any live animals anymore.

22 (Laughter.)

1 DR. MANN: I'm not allowed anywhere near a
2 live animal. I just do policy. But on behalf of the
3 Office of Food Safety, I want to welcome you to
4 today's public meeting, and we're obviously here to
5 discuss an important issue that's confronting the Food
6 Safety Inspection Service and has been confronting the
7 Food Safety Inspection Service for sometime now, and
8 is the definition of the term "natural."

9 Recently, the Agency did receive a petition
10 to codify the definition of natural and clarify when
11 that term can be used on product labeling. Needless
12 to say, the petition was timely.

13 This is an issue that is ripe for public
14 discourse. The definition of natural is timely today
15 because of consumer preferences and product marking.
16 The definition of natural is timely today because of
17 the evolution of knowledge. Science is constantly
18 revealing new and wonderful things to us all. We know
19 now more about food chemistries than we did 25 years
20 ago.

21 The policy guidelines that define a product
22 that can be considered natural have not been changed

1 for over 20 years, and considering the controversy
2 surrounding this issue, it is timely here for the
3 public to comment on.

4 There are a lot of strong opinions about
5 what type of or even if change is necessary and
6 whether that change fairly meets the needs of the
7 public, industry and consumers. And I'm also sure
8 that there are just as many opinions about what FSIS
9 should have done instead.

10 However, I think we can all agree that with
11 time, as new knowledge marches on, and our
12 understanding that things change, and after all these
13 20 something years, consideration of a policy related
14 to the definition of natural is necessary. It's clear
15 to everyone that as industry evolves and grows and
16 changes, so must regulations that govern that
17 industry.

18 Change and growth is a fact of life. It can
19 be positive and sometimes can lead to confusion. That
20 confusion has no place in Government and regulation of
21 public policy.

22 That's why we're holding the meeting today,

1 to begin the process of seeking clarify. Clarity is
2 our intent, clarity is our purpose, and clarity is our
3 action. The goal is clarify, but we must do it with
4 wisdom.

5 There was a Chinese philosopher who lived
6 500 years B.C., that became the foundation of all the
7 political philosophies of several Chinese dynasties,
8 Confucius. Confucius said by three ways we may learn
9 wisdom, first, by reflection, which is noblest;
10 second, by imitation, which is the easiest; and third,
11 by experience, which is the bitterest.

12 I submit that we approach the issue today
13 Confucius' first way of wisdom, the noble way, by
14 reflecting upon an open and honest dialogue and build
15 a policy that best serves the needs of the United
16 States consumer and creates a fair business
17 environment.

18 I look forward today to a productive forum.
19 I know all of you took sometime out of your schedule
20 to be here. Thank you for that because we need your
21 opinions. The Food Safety Inspection Service will be
22 listening to your thoughts and comments and will go a

1 long way in helping this Agency develop a sound
2 labeling policy.

3 With that, I'll turn it over to our
4 Administrator of the Food Safety and Inspection
5 Service, Dr. Barbara Masters.

6 DR. MASTERS: Thank you and good morning. I
7 also want to welcome you here today.

8 Your input regarding the ideas that will be
9 shared today are important, and we look forward to
10 hearing your thoughts.

11 I think it's important to emphasize that
12 it's normal for FSIS to hold a meeting of this nature
13 prior to entering the rulemaking process. We
14 typically as an Agency decide to move forward on
15 policymaking and rulemaking and then solicit only
16 written comments after we've made a determination.

17 In this case, as Dr. Mann's indicated, we
18 believe it's important to have your thoughts and your
19 verbal comments, as well as your written comments,
20 prior to even drafting a proposed rule.

21 We're holding this meeting because we
22 realize it's imperative to consider your opinions and

1 your thoughts as food safety partners as we consider
2 this subject. We think it's important to insure that
3 we're doing everything possible to have as much
4 information as we can to move forward as we consider
5 this topic.

6 We fully understand the importance of
7 providing and having important transparency of data
8 and maintaining open communication with our
9 stakeholders. We have been doing everything possible
10 to move forward and diligently improve our
11 communication with our food safety partners on all
12 levels.

13 We realize, as Dr. Mann indicated, that
14 there are a lot of strong views on this issue and that
15 it's important for you to have an opportunity to
16 provide your comments on the action that we're taking.
17 We believe that it will be valuable for all our
18 stakeholders to hear each others comments to help form
19 any comments that you might want to submit to the
20 Agency, and we think this forum will be valuable for
21 that reason.

22 We think that you will want to submit your

1 comments verbally today, and then you may want to
2 follow up with written comments. So please remember
3 that you can submit them to fsis.regulationcomments,
4 that's one word, at usda.gov. And if you go to our
5 website right now, it's the first section on our
6 website, and it's got all of the information from this
7 meeting including the PowerPoint, Federal Register
8 Notice and all information and we will subsequently
9 post the transcript very quickly after this meeting so
10 you will have all of the information.

11 I want to stress that we are committed to
12 open and transparent process on this issue. We think
13 this meeting will be very useful as we move forward on
14 defining the use of the term natural. We need your
15 feedback, and we want to communicate with you early
16 and along the way as often as possible.

17 So again, we thank you for coming today, and
18 we look forward to hearing your insight as we listen
19 to you on this issue. Thank you very much.

20 MR. TYNAN: Thank you, Dr. Masters. I'd
21 like to introduce now to present the History of the
22 Policy Issue Regarding the "Natural" Labeling Claim by

1 Dr. Robert Post.

2 DR. POST: Thank you, and good morning.
3 I've been asked to present a brief history on the
4 claim natural as it has been applied to the labeling
5 of meat and poultry products.

6 I hope that the points I raise will give you
7 some useful perspective and a context to base your
8 comments on this issue.

9 As many of you know, FSIS conducts a --
10 approval system that is mandated by the Federal Meat
11 Inspection Act and the Poultry Products Inspection Act
12 as part of the Agency's meat and poultry inspection
13 responsibilities.

14 On a daily basis, the Agency's labeling
15 program applies the misbranding provisions of the FMIA
16 and PPIA, in making judgments about whether labeling
17 is accurate, truthful and not misleading.

18 In general, manufacturers must submit all
19 labels that bear claims and special statements for
20 evaluation and approval by the FSIS Labeling and
21 Consumer Protection staff before applying the labeling
22 to products.

1 Many years ago, the Agency decided that
2 policy guidance would provide a helpful and
3 transparent way for the Agency to set up factors that
4 the Agency considers in making judgments about whether
5 particular types of labeling are truthful and not
6 misleading.

7 Usually we develop a policy guide when we
8 see a trend developing in the marketing of products
9 with certain labeling features, statements or claims
10 that have not been explicitly addressed by the Agency
11 in its regulations. The guidance is intended to set
12 out how the statutory provisions and the regulations
13 on labeling apply to the developing trend and to
14 provide consistent and timely advice to help
15 manufacturers develop labeling that could be improved
16 by the Agency.

17 About 30 years ago, the Food Standards and
18 Labeling Policy Memo System and the Food Standards and
19 Labeling Policy Book, in which policy memos are
20 incorporated, were created as the primary vehicles for
21 disseminating labeling guidance. Over the years, many
22 policy guides have been added to the Policy Book. For

1 example, the Policy Book has guides on claims about
2 smoke flavoring, the characteristics of a product
3 identified as cooked bacon, and the factors to
4 consider to insure that geographic claims, such as
5 Mexican style are truthful and not misleading. Many
6 of the entries in the Policy Book were developed
7 decades ago.

8 In 1982, in recognition of the industry's
9 growing interest in marketing products, bearing the
10 voluntary claim natural on labeling, FSIS' Food
11 Standards and Labeling Division, published Policy Memo
12 55 which is dated November 22, 1982, and it was on
13 natural claims. The policy was developed using a
14 definition recommended at that time by the Federal
15 Trade Commission. It was intended to guide
16 manufacturers in the development of labeling bearing
17 the claim natural that FSIS was likely to find
18 truthful and not misleading.

19 The policy guide states that the term
20 natural may be used on labeling for meat and poultry
21 products provided the manufacturer of the products
22 bearing the claim demonstrates that the product does

1 not contain artificial flavor or flavoring, coloring
2 ingredient or chemical preservative or any other
3 artificial or synthetic ingredient, and the product
4 and its ingredients are not more than minimally
5 processed.

6 The Policy Memo indicated that minimal
7 processing was described as those traditional
8 processes used to make food edible or preserve it or
9 to make it safe for human consumption, and the
10 examples given were smoking, roasting, freezing,
11 drying and fermenting. Or, it went on, minimal
12 processing refers to those physical processes that do
13 not fundamentally alter a raw product or that only
14 separate a whole intact food into component parts.
15 For example, grinding meat to make ground beef and
16 pressing fruits to produce juices. Simply put, at
17 that time, these were viewed as things that Grandma
18 could do in her kitchen.

19 Relatively severe processes, on the other
20 hand, solvent extractions for example, acid hydrolysis
21 and chemical bleaching, were considered more than
22 minimal processing. Thus the policy memo explained

1 the use of a flavor, for example, that has undergone
2 more than minimal processing would in general mean
3 that the product in which the ingredient is used,
4 could not be called natural.

5 The Policy Memo acknowledged, however, that
6 there are exceptions to the general view, and that the
7 presence of an ingredient that has been more than
8 minimally processed would not necessarily preclude a
9 product from being called natural. The Policy Memo
10 stated that the exceptions of this type would be
11 granted by the labeling program on a case-by-case
12 basis, if it could be demonstrated that the use of
13 such ingredient would not significantly change the
14 character of the product to the point that it no
15 longer could be considered a natural product.

16 In such cases, the natural claim would need
17 to be qualified to clearly and conspicuously identify
18 the ingredient. For example, all natural ingredients
19 except for hydrolyzed milk protein or all natural
20 ingredients except for dextrose and modified food
21 starch.

22 Policy Memo 55 further stated that all

1 products claiming to be natural or a natural food,
2 should bear a brief statement that explains what is
3 meant by the term natural, and that is that the
4 product is a natural food because it contains no
5 artificial ingredients and is minimally processed.
6 This statement needs to appear contiguous to or linked
7 to the term natural on labeling.

8 The 1982 policy also stated that the
9 decision of the Agency to approve or deny the use of a
10 natural claim might be affected by the context in
11 which the claim is made. For example, identifying a
12 product as a natural "turkey roast" would be
13 unacceptable if the product contained beet color which
14 artificially colors the product. However, the claim
15 all natural ingredients might be an acceptable claim
16 for such a product because the beet color itself can
17 be shown to be a natural ingredient.

18 Since 1982, FSIS has modified the guidance
19 on occasion to make it consistent with prevailing
20 policies, to reflect case-by-case decisions made by
21 the Agency, and to update references to the
22 regulations.

1 In August 2005, FSIS modified the guidance
2 by acknowledging that sugar, sodium lactate from a
3 foreign source, and natural flavorings from oleoresins
4 or extractives could be acceptable for products
5 bearing natural claims. These modifications were
6 simply intended to record decisions about these
7 ingredients that the Agency had made over several
8 years in improving labels bearing natural on a case-
9 by-case basis.

10 Many times advances in marketing, newer
11 processing methods that become commonplace and new
12 ingredients that service multiple functions test
13 policies, and that's the case with natural. Over the
14 past several months, the Agency has received a growing
15 number of requests by manufacturers to permit the
16 natural claim on products that result from processing
17 techniques and uses of ingredients that probably would
18 not have been found in Grandma's kitchen. For
19 example, techniques such as high pressure processing,
20 packaging methods such as modified atmosphere
21 packaging and multiple function ingredients such as
22 sodium citrate and sodium nitrate which are regulated

1 as flavoring agents and to antimicrobial effects.

2 The Agency understands based on controversy
3 that has arisen about the effort to match up these
4 advances with the 1982 policy, that there is
5 significant disagreement about aspects of the 2005
6 policy modification, particularly the recognition of
7 sodium lactate as an ingredient that could be included
8 in products bearing a natural claim.

9 The Agency received a petition about which
10 we are seeking comment along with information that
11 raises the question or questions about when, and if, a
12 food to which sodium lactate is added can be fairly
13 characterized as natural. The Agency has come to
14 believe that this question, like others we received
15 about whether the products with new processing
16 techniques, packaging systems and containing multiple
17 function ingredients, can be considered natural, is
18 best resolved through a rulemaking process. And so
19 we're here today to start that process.

20 To benefit from this public meeting, the
21 Agency asked four questions in the Federal Register
22 notice concerning the issues I described, to which

1 responses will help focus rulemaking. And the
2 questions are as follows. They're synopsised in the
3 slides that you'll see.

4 The first question has two parts.
5 Considering the types of food processing methods that
6 are commonplace today, as opposed to 24 years ago when
7 the policy on "natural" claims was established, is it
8 reasonable to include as part of the definition of
9 natural, a stipulation that products, to be eligible
10 to bear the claim, can be no more than minimally
11 processed? The question goes on. Are there any
12 accommodations necessary to allow for certain
13 operations because food processing and packaging
14 techniques for enhancing safety may disqualify a
15 product as "natural?"

16 Another question we asked was, what are the
17 implications and conflicts that exist with regard to
18 using current and new food processing methods, for
19 example, chlorine in poultry chillers, steam
20 pasteurization of carcasses, high pressure processing,
21 modified atmosphere packaging and uses of certain
22 classes of ingredients, and the meaning of the claim

1 "natural" on the labels of meat and poultry products?

2 Another question is, are there available
3 data, in addition to the data provided by the
4 petitioner, from consumer studies on views,
5 perceptions, and beliefs about what the claim
6 "natural" means on the labels of food products,
7 including meat and poultry products? What do
8 consumers think about the terms "minimal processing,"
9 "artificial and synthetic," and "preservatives?"

10 And lastly, the question we asked was, do
11 food safety and consumer protection benefits of using
12 what historically had been considered more than
13 minimal processing techniques and antimicrobial agents
14 outweigh conflicts with the meaning of "natural?"

15 And to this, I'll add, in recent years FSIS
16 has put a great deal of emphasis on improving food
17 safety. In some ways, however, some definitions of
18 "natural" might unnecessarily undercut this objective.
19 For example, some definitions of "natural" could
20 discourage the use of antimicrobials, which are used
21 to reduce and prevent the growth of *Listeria*
22 *monocytogenes* in foods. The Agency is seeking

1 comments on how to best determine an appropriate and
2 rational balance between the need to ensure the safety
3 of the food supply and the need to ensure that labels
4 are truthful and not misleading. It is mandated to
5 serve both purposes.

6 It's our intention, as you've heard, to
7 listen very carefully what you have to say here today,
8 to consider what we hear and receive written comments
9 under the notice, and then institute our rulemaking on
10 "natural." The content of the rulemaking will be
11 derived from our consideration of what we hear and
12 receive.

13 While we move through the stages of
14 rulemaking, we will continue to evaluate natural
15 labeling claims on a case-by-case basis using the
16 factors that are set out in our policy. We look
17 forward to hearing your views today. And with that,
18 I'll say thank you.

19 MR. TYNAN: Good morning again. Just to
20 refresh your memory, I'm Robert Tynan, and I am going
21 to be moderating. This is the probably the substance
22 of the meeting as far as you all are concerned in

1 terms of presenting your views.

2 As I mentioned earlier, our focus today is
3 to try and hear those views, and so we've set aside a
4 considerable amount of our agenda for that purpose.
5 We're allowing approximately five minutes, no more,
6 for each commenter. I would ask the commenters to
7 come to the microphone at the center of the room, give
8 your name, your affiliation and for purposes of our
9 transcription, we also have a nice young lady here,
10 Aileen White (ph.), who is going to help us in terms
11 of making sure that we stay within the five minute
12 timeframe. The five minute timeframe is not to limit
13 you or because we don't value your comments. We do
14 have a number of people that do want to comment, and
15 we want to be fair to everyone and make sure everybody
16 has an opportunity to present their views. It's
17 certainly possible that as you're listening to some of
18 the commenters before you, that there will perhaps be
19 some disagreement with how they perceive or how they
20 view the "natural" labeling. I think the important
21 thing is not to rebut somebody else's comments but to
22 focus on how you see us moving forward.

1 And with that, I have a list of individuals
2 that have signed up. As I mentioned earlier at the
3 break, we'll be taking a break probably about 10:45,
4 and at that time, if you have not signed up, and you
5 have some comments, if you could do it at that point
6 for us. Ms. White, as I say, is going to give you a
7 heads up on the -- a two minute warning as they do in
8 football. So there will be a two minute warning so
9 that you know you have to sort of finish up. But
10 again, we'd like to hear your major points and if you
11 have other expanded comments, those can be made part
12 of the public record, as Dr. Masters pointed out, by
13 submitting them to our website.

14 The first commenter that I have on my list
15 is Dr. Philip Minerich. Did I pronounce that
16 correctly? And I apologize to anyone in advance if I
17 mispronounce your last name. That's not my intention.
18 Dr. Minerich.

19 DR. MINERICH: Yes. Thank you. My name is
20 Dr. Philip Minerich with Hormel Foods. Consumer
21 interests in natural food products is rising. The
22 Agency and manufacturers it regulations have an

1 obligation to consumers to insure that product
2 labeling is clear and consistent. The original two
3 part definition of natural provided that clearly and
4 consistency. However, exceptions added to the natural
5 policy in the 2005 revision created inconsistencies
6 that threatened to undermine consumer confidence and
7 erode the meaning of natural.

8 Hormel Foods filed this petition with the
9 USDA, Food Safety and Inspection Service, to confirm
10 the original natural policy. The original natural
11 policy excluded chemical preservatives and other
12 artificial and synthetic ingredients. Recent
13 exceptions have the effect of allowing both chemical
14 preservatives and synthetic or artificial ingredients
15 in natural products. We believe this is inconsistent
16 with the consumers understanding of natural and
17 creates consumer confusion.

18 We filed this petition encouraging the USDA
19 to return to a definition that is consistent with
20 consumers' expectations.

21 While chemical preservatives such as sodium
22 lactate are safe and effective, we do not believe that

1 they belong in natural products.

2 So there is no misunderstanding, we do not
3 object to dual-purpose natural ingredients that may
4 also have preservative properties. Our petition does
5 not intend to exclude natural ingredients simply
6 because they may have naturally occurring preservative
7 properties. Many natural flavorings, spices and
8 extracts have preservative or antioxidant properties.
9 These are natural substances that in our view should
10 not be excluded from the natural definition.

11 What our petition does attempt to prevent is
12 the addition of specific, refined chemicals that are
13 synthesized using a separate chemical manufacturing
14 process. The general commercial process for making
15 sodium lactate is to first create lactic acid by a
16 fermentation process. The next step is to combine the
17 lactic acid with a chemical, sodium hydroxide. The
18 resulting sodium lactate must then be isolated and
19 purified through additional processing. It is this
20 isolated chemical that is then added back into the
21 food product. In our view, the addition of an
22 isolated chemical derived through a separate

1 manufacturing process is different from adding a
2 natural vegetable juice or spice extract.

3 Again while manufactured and refined
4 chemical preservatives are a safe and effective means
5 of increasing shelf life, they simply have no place in
6 food products that bear a natural label. There are
7 many other means for fully achieving the goals of
8 adequate shelf life that do not include the addition
9 of chemical preservatives.

10 For example, the policy suggests smoking,
11 roasting, freezing, drying and fermenting as examples
12 of approved processes to make the food edible or
13 preserve it. These processes preserve food without
14 adding chemical preservatives. These and other
15 processes are widely available to manufacturers, large
16 and small, to meet the definition of natural without
17 the use of chemical preservatives.

18 MR. TYNAN: Dr. Minerich, you have one
19 minute.

20 DR. MINERICH: At this point, I'd like to
21 make some general comments in response to the concerns
22 raised by the Agency in its notice. The requirement

1 for minimal processing has been part of the policy
2 since its beginning. However, the requirement for
3 minimal processing need not stifle innovation in food
4 processing and packaging techniques. A minimal
5 processing requirement is widely directed toward the
6 impact on the food product and its ingredients and not
7 to the size and complexity of the equipment in which
8 it's processed. For example, cooking is a traditional
9 process. Modern day manufacturers cook products in
10 huge complex ovens that look nothing like the stove in
11 our mother's kitchens. But there's no doubt that the
12 products processed in this manner qualify as natural.

13 In the same fashion, regardless of the
14 sophistication or complexity of the equipment, food
15 products produced using high pressure are virtually
16 unchanged by the process. They are minimally
17 processed as defined by the policy. This focus on the
18 product and its ingredients rather than on the
19 equipment that produces them encourage innovation and
20 advances in food processing and packaging
21 technologies.

22 MR. TYNAN: Dr. Minerich, I'm sorry. Your

1 time is up. If you have additional comments, if you
2 want to submit those as part of the Federal Register
3 Notice.

4 DR. MINERICH: Thank you very much.

5 MR. TYNAN: The next name I have on my list
6 is, and again, I'm apologizing in advance if I do
7 violence to this name, Urvashi Rangan. Mr. Rangan,
8 are you here?

9 (No response.)

10 MR. TYNAN: The next name on the list is
11 Rick Hull. If you would come to the microphone and
12 identify yourself and your organization.

13 MR. HULL: Yes, good morning everyone.
14 Thank you for allowing us to attend.

15 My name is Rick Hull. I'm with World
16 Technology Ingredients. We're a specialty ingredients
17 company that's focused on natural ingredients and
18 ingredient systems.

19 Our concern is that we built our business
20 based on dialogue, continuing dialogue with the FDA
21 and the USDA with respect to labeling. We tend to
22 look for guidelines and published regulations, and

1 we've built our business around that. We are an FDA
2 regulated manufacturer because we make ingredients but
3 we do so in the USDA regulated products.

4 The quandary we face today is that
5 throughout the evolution of our company, we've made
6 investments based on dialogue with this very Agency
7 and the traditional longstanding label approvals.

8 We're now in a situation where with
9 inconsistent and continuing policy changes, through
10 the case-by-case go forward position that you're
11 talking about, we're faced with an unknown. We're in
12 a situation where our customers submit labels
13 regularly. We have customers submit the same labeling
14 in more than one location. One day it's approved.
15 Another day it's not approved. Sometimes it's
16 approved for the wrong reasons, and in essence what
17 we've got is a state of confusion now where even
18 simple things, where there's consistency between Title
19 9 and Title 21 with words such as natural flavor could
20 be a distillate, for example, even distillation's in
21 question.

22 We can't run a business that's based on

1 definitions from Grandma's kitchen.

2 We would submit that if the U.S. FSIS were a
3 business right now, we'd be out of business because we
4 have no clear definition going forward.

5 For us, what this represents today is the
6 loss of jobs and revenue. We invested millions of
7 dollars based on longstanding label approvals and
8 policy that's on the record, and now we're hearing
9 case-by-case basis, and my question is, when do I
10 start laying off employees? We're now losing, just in
11 the past few months, hundreds of thousands of dollars
12 based on inconsistent policy actions, and what we're
13 looking for is a clear, internal relief, something
14 that pays deference to what the published regulations
15 are and what the longstanding policy is.

16 The other concern we have is we keep hearing
17 the term longstanding policy, but as we hear that, we
18 hear, and there's words omitted from things, things
19 like natural, being specific and chemical
20 preservatives. Now we're throwing antimicrobial into
21 that definition.

22 Ingredients such as vinegar, for example,

1 have been on the books and is the exception. If
2 you're talking about multifunctional ingredients not
3 qualifying for natural, you might as throw out salt.
4 You might as well throw out sugar. And our dilemma
5 is, we just need consistency, and that's what we're
6 here for. We appreciate the time.

7 MR. TYNAN: Thank you, Mr. Hull. And the
8 next name I have on the list is Robert -- I beg your
9 pardon -- Robin Peterson. Robin, are you here?

10 MS. PETERSON: I did not sign up to speak.

11 MR. TYNAN: I beg your pardon.

12 MS. PETERSON: I did not sign up to speak.

13 MR. TYNAN: You did or did not?

14 MS. PETERSON: Did not.

15 MR. TYNAN: Okay. The next name I have is
16 Lampkin Butts. Mr. Butts, if you would go to the
17 microphone, we'd appreciate it.

18 MR. BUTTS: Good morning. My name is
19 Lampkin Butts, and I'm the President and Chief
20 Operating Officer of Sanderson Farms. We're
21 headquartered in Laurel, Mississippi. We operate
22 eight processing plants in Mississippi, Georgia,

1 Louisiana and Texas.

2 Sanderson Farms has long distinguished
3 itself by offering consumers 100 percent natural
4 poultry products that contain a single ingredient and
5 that is chicken. We produce -- we will produce over 2
6 billion pounds of poultry in 2007 and pride ourselves
7 on offering consumers a vanishing, but still valued
8 product, single ingredient, case ready, fresh poultry.

9 For many years, Sanderson Farms and others
10 in our industry have advertised natural, 100 percent
11 natural and 100 percent chicken claims as a shorthand
12 for single ingredient poultry products. Others may
13 see the value of adding broth solutions that include
14 salt, phosphates, carrageenan, sea salt and other
15 additives to their fresh chicken products but these
16 are so-called enhanced products. For many years until
17 here recently, consumers have relied on the natural
18 claim as a basis for distinguishing single ingredient
19 from enhanced poultry products.

20 Sanderson Farms commends that Food Safety
21 and Inspection Service for a single focus on
22 protecting consumer expectations by following a

1 flexible approach that will vary depending on the
2 product segment. Since 1982, and until recently, FSIS
3 has maintained a natural policy that has met consumer
4 expectations. We do not believe that a single
5 regulation can capture consumer expectations
6 concerning natural nor do we think that such an effort
7 is necessary.

8 We're encouraged that the Agency recognizes
9 that natural is an important claim. It is vital that
10 meat and poultry labels bearing the USDA mark of
11 inspection use the natural term in a manner that is
12 appropriate in the context of a product bearing the
13 claim and how that claim appears on the label.

14 Sanderson Farms is alarmed by an apparent
15 shift in FSIS policy allowing multi-ingredient
16 enhanced poultry products to bear prominent natural
17 claims. We think this practice is wrong for the
18 simple reason it misleads consumers.

19 How do we know that enhanced products
20 marketed as natural misleads consumers? We asked
21 them. We shared our proprietary consumer research
22 with Agency officials and are disappointed that to

1 date FSIS has not taken any action with respect to the
2 growing number of misleading fresh poultry labels
3 that's got natural, notwithstanding that they contain
4 far more than poultry.

5 Under any definition of the term, natural
6 chicken does not contain salt, phosphates, sea salt,
7 preservatives, carrageenan, nor is it pumped with up
8 to 15 percent solution and other ingredients.

9 Sanderson Farms believes that the term
10 natural should be regulated on the basis of a single
11 goal, protect consumer expectations. The notice
12 raises several questions that are surprisingly limited
13 in scope beyond questions of sodium lactate and
14 advance processing methods, FSIS must not lose sight
15 of its paramount role in protecting consumer
16 expectations whenever a natural claim is made.

17 In the case of raw fresh poultry, natural
18 means to consumers a single ingredient. Using the
19 term natural to describe multi-ingredient fresh
20 poultry is misleading, for the simple reason that
21 consumers believe natural means a single ingredient,
22 nothing added. Natural means as it comes from nature,

1 not marinated, tumbled, injected or with added salt
2 and seaweed.

3 At the outset, we urge FSIS to extend the
4 comment period. We understand there are good reasons
5 for the short notice for this meeting, but the issues
6 of natural and consumer deception warrant full
7 consideration that for many is not easily achieved in
8 a short 30-day comment period.

9 MR. TYNAN: Mr. Butts, you have one minute.

10 MR. BUTTS: Thank you. And in conclusion,
11 let me say we have done much research on this matter,
12 to make our decisions about consumer expectations.
13 And in conclusion, I would say that the 100 percent
14 natural terms have no meaning if they are used
15 indiscriminately to describe any sort of multi-
16 ingredient fresh poultry product. Consumer research
17 confirms that in the case of fresh poultry, consumers
18 expect a natural product. Confusion among consumers
19 who shop for fresh chicken has increased this year
20 because prior to 2006, any enhanced or marinated fresh
21 chicken products did not use the term natural on their
22 labels if phosphates or high levels of salt were used.

1 In 2006, some poultry processors replaced phosphates
2 with other ingredients and began using the natural
3 claim.

4 MR. TYNAN: Mr. Butts, your time's up.

5 MR. BUTTS: Thank you.

6 MR. TYNAN: Thank you. The next name I have
7 on the list is Sylvain Norton. Sylvain.

8 MR. NORTON: Yes, Sylvain. I represent
9 Fleischmann's Vinegar and as our name indicates, we
10 are producers of vinegars.

11 I'm here today to express our concerns with
12 the direction that the USDA may be going with regard
13 to the definition of all natural meat products.

14 Fleischmann's Vinegar has been making
15 vinegar for well over 70 years now and never before
16 has the natural status of our products been challenged
17 by an Agency like it is now. Vinegar has been
18 produced by mankind ever since -- vinegars were
19 produced, and that probably brings us back to about
20 4,000 B.C. or so. And we were taken by surprise with
21 the abrupt change in the direction of the USDA, which
22 is already affecting our sales, present and future,

1 and is forcing us to place investment projects on
2 hold. Every day that passes, without clear labeling
3 directions, is costing us money and is paralyzing our
4 business decision process.

5 We could comment on several aspects of the
6 natural definition today, but since comment time is
7 limited, we have chosen to concentrate on one point
8 only.

9 On point of particular concern to us, which
10 is a section in the petition, the Hormel petition,
11 where they said and I quote, "Beyond the definition of
12 chemical preservatives, found in 21 C.F.R. 101.22, it
13 is intended that any substance, either natural or
14 chemical, which serves to retard product
15 deterioration, as a result of microbial action would
16 not be allowed in products which carry an all natural
17 claim."

18 Dr. Minerich has somewhat addressed this
19 particular section it seems. I'm not sure if Hormel
20 intends to amend the petition to effect its oral
21 comments today, but I will address the petition as
22 written.

1 That section of the petition seems to mean
2 that even though no substance is specifically excluded
3 from being a chemical preservatives by 21 C.F.R.
4 101.22, would disqualify natural claim for meat
5 products and let me remind you what these products
6 are, these substances, common salt, sugars, vinegars
7 or oils extracted from spices, substances added to
8 food by direct exposure to smoke.

9 There's a reason why these particular
10 substances were excluded from 21 C.F.R. 101.22. That
11 is because they have been used for centuries. I can't
12 imagine why these substances would be considered
13 anything but natural in any application, if it's
14 smoke, salt, sugar, vinegar and spices.

15 This section of the petition defies common
16 sense, and it flies in the face of human history. I
17 don't see why -- what can be more natural than to
18 carve a piece of meat from a hunted animal and tossed
19 over a fire pit to get smoked or placed in a barrel
20 with salt, vinegar, honey, spices or a combination
21 thereof. Throughout human history, meat preservation
22 through these techniques have been the cornerstone of

1 entire civilizations, from the most -- huntsman
2 through the Roman Empire to any society of sailors,
3 these means have been used to preserve meat products,
4 as reserve for the winter, travel rations or for
5 planning a culinary delight.

6 One of the results of this rulemaking
7 process could be to decide that from 2006 onwards, all
8 of that history is no longer true. From now on,
9 smoked meat, salted meat, pickled meat are no longer
10 natural. If these processes are not natural, what
11 will be?

12 What about adding salt for taste? I don't
13 know if anybody can say if salt was first used on meat
14 products for a preservative or just for taste. So
15 which application is more natural than other?
16 Personally, I have no idea. I'm giving you those
17 examples to show that any doctrine when pushed to an
18 extreme, can lead to absurdities. This is an example
19 of such an absurdity.

20 We must be careful to avoid, let us not to
21 get carried away in our good intentions to regulate
22 the industry towards an absolute -- that will yield

1 such monsters.

2 Therefore, I propose in this rulemaking
3 process, at the very least, the substances listed in
4 21 C.F.R. 101.22 as not being chemical preservatives.
5 I also recognize that as natural antimicrobial agents,
6 they will be allowed in products, which carry an all
7 natural claim.

8 MR. TYNAN: Mr. Norton, you have one minute.

9 MR. NORTON: There is an existing regulation
10 to support this notion. There is overwhelming
11 historical evidence and there's just plain common
12 sense. We need this clarification and we need it
13 soon. Thank you for your attention.

14 MR. TYNAN: Okay. Thank you, Mr. Norton.
15 The next name I have on the list is Bob Hibbert.
16 Mr. Hibbert, if would you come to the microphone
17 please.

18 MR. HIBBERT: Good morning. Thank you. My
19 name is Bob Hibbert, and I'm with the law firm of
20 Kirkpatrick and Lockhart Nicholson Graham, and I'm
21 here on behalf of a number of ingredients suppliers to
22 meat and poultry industries. I'd like to focus not so

1 much on question of substances as much as process.

2 The Agency is launching the rulemaking
3 proceeding here, which is obviously its prerogative
4 and which may be beneficial in the long run. It's
5 fair to say that one should be skeptical as to whether
6 that process will ever complete itself. History
7 suggest that it's very difficult for the Agency in a
8 situation where it has mutual interest, number one,
9 controversial; number two, not related to its core of
10 food safety function; and number three, not driven by
11 any mandate from the Courts, Congress, of that ever
12 getting done. History would suggest otherwise.

13 However, the Agency may well be able to
14 overcome those odds and get something done, but if
15 that happens, it's going to take a long time. And
16 that's, that's a problem here. I would respectfully
17 suggest that whatever happens in rulemaking is largely
18 relevant to the -- concerns that a lot of the people
19 here today who have an immediate problem. And in some
20 respects, this meeting is a bit like having a meeting
21 to approve the fire safety code when there's all sorts
22 of buildings around town that are on fire. It's

1 almost funny. If you want to approve the safety code,
2 that's fine, but someone's got to do something about
3 the fires that are going on here, and I think what we
4 need pretty quickly is the coherent, interim process.
5 I would suggest that that ought to be guided by three
6 principles which are transparency, consistency and
7 accountability. Those of you who are fond of
8 acronyms, might notice that sometimes we reduce it to
9 the word CAT, but in terms of transparency, as
10 Dr. Post mentioned, the original natural policy took
11 the form of what is termed a Policy Memo. That
12 reflected a commitment the Agency made back in the
13 early eighties, which was discussed in specific detail
14 in a Federal Register Notice, to have a system where
15 it made determinations of this nature, it would
16 explain them, would give the Agency's rationale. On
17 a quarterly basis, it would go to the Federal
18 Register and notice the existence of these memos.

19 For reasons that have never been explained
20 to the public, that process has been abandoned. So
21 you have less transparency in the system and that is
22 leading to some of these problems. That system --

1 there's nothing sacred about that system. If someone
2 could build a better mouse trap, they're more than
3 welcome to do it but I think the Agency either needs,
4 starting with natural, to restore that system or come
5 up with something better, because that lack of
6 transparency is a major contributor to the current
7 problems.

8 The second interlocking question is
9 consistency, and that's the issue that probably
10 everyone in this room can agree on, the cliché that
11 is always used in this area is, I need a level
12 playing field. There is not a level playing field.
13 There's too much inconsistency, and that has already
14 been alluded to. A bigger problem with inconsistency
15 is when people are building their business in
16 reliance upon these determinations, and then have the
17 rug pulled out from under them. That's happening,
18 and that needs to stop.

19 The third and related concept is
20 accountability. The Agency has got to be partly to
21 -- more transparency and partly to other reasons, has
22 to be accountable for its decisions. And there's

1 this strange notion that's taken over that the label
2 approval record is somehow distinct from policy, and
3 they're not. You make policy through the label
4 approval record, and one of the things that has to be
5 done is, in the interim, is if there have been
6 precedent, through label approvals, and reliance upon
7 that precedent, the Agency is accountable for that
8 precedent. That is policy. It is established and it
9 has an overwhelming reason to do so, that established
10 policy needs to be honored. And again, my point is
11 that there needs to be quickly an interim process
12 that reflects these, that reflects these concepts so
13 that if there's rulemaking, fine, but that that needs
14 to be done sooner rather than later. Thank you.

15 MR. TYNAN: Thank you, Mr. Hibbert. The
16 next name I have on the list is Deb O'Donnell.
17 Ms. O'Donnell.

18 MS. O'DONNELL: Hi. Deborah O'Donnell. I
19 work for Kayem Foods. I'm a product developer. And,
20 you know, we have brand of Alfresco. It's a chicken
21 sausage. It's all natural. We're growing at a 40
22 percent growth rate. We -- I think we did about \$14

1 million worth of business last year. So on our
2 labels we have our phone number, we have our e-mail.
3 We get thousands of responses from consumers. And a
4 couple of quick points I want to speak to is the
5 consistency issue. I also have labels that go back
6 and forth, and they're sometimes accepted, sometimes
7 rejected, same label. So which leads me to quandary
8 as the product developer, do I now reformulate this
9 product and which I've invested millions of dollars
10 of marketing, vinegar being one of the issues among
11 them. That no longer qualifies for all natural or do
12 I try resubmit it again and hope it's a different
13 case-by-case basis. So the consistency is a huge
14 issue.

15 The other issue I wanted to speak to was
16 the consumers. Because of the overwhelming response
17 we get, e-mail and phone calls from the consumers, I
18 mean literally we have probably 10,000 in our
19 database, I noticed one of the Hormel petitions
20 specifically excluded talking about the source of
21 meat but consumers will get their food hopefully --
22 They do not separate the chicken from the added

1 ingredients and flavors. The consumers want to know
2 what goes into their chicken. Are there antibiotics?
3 You know, what's in the feed of the chicken? Are
4 there growth hormones which is a huge marketing ploy
5 that goes on labels now, even though it's forbidden
6 by USDA to add growth hormones, you know, we have
7 consumers totally confused because other, you know,
8 companies can put this on their labels.

9 So I just think that we need to consider
10 the meat itself as an ingredient and clarify that for
11 consumers going forward.

12 Minimally processed is a huge question. We
13 don't know what technology to invest in, in terms of
14 gaining shelf life for our products in a natural
15 manner. Consumers see pasteurization as all natural.
16 Is high-pressure pasteurization all natural? It
17 fundamentally alters the product. It, you know, air
18 radiation is not obviously not accepted as all
19 natural by consumers but to begin really investing,
20 we're talking capital expenditure here, you know,
21 we're in a quandary where to go. We need some
22 definition that will be consistent going forward in

1 the future.

2 You know, that's about all I'm going to
3 say. I want to leave time for everybody else but
4 again, there are very big concerns going forward to
5 the consumer as well as the manufacturer of the
6 products. Thank you.

7 MR. TYNAN: Thank you, Ms. O'Donnell. The
8 next name I have is Rex Moore. Mr. Moore.

9 MR. MOORE: Good morning. My name is Rex
10 Moore, and I'm here representing the National Meat
11 Association as well as Maverick Ranch Natural Meats.
12 So I will be entering into the record the NMA's
13 position statement that I want to read for you at
14 this time.

15 Maverick Ranch opposes the petition and the
16 changes recommended if they are only limited to that
17 extent. We understand the need for changes. We
18 appreciate the petitioner's desire for a more concise
19 definition, and it's time that we really did. But we
20 need to go beyond what's in the petition, and if
21 we're going to open up rulemaking on this whole
22 process about natural, we need to go back to the

1 original intent and why the original Policy Memo was
2 done, and that is for production claim, antibiotics,
3 growth hormones, and how the animals are raised.

4 We need to -- there's too many definitions
5 today out there for natural under the current Memo
6 Policy. So let's strengthen it. Let's go to
7 production claims. Let's add testing on top of the
8 production claims which is how the organic policy
9 works today because there is testing in the organic
10 rules and regulations. We should be prohibiting the
11 use of pesticides as well in those livestock
12 production practices.

13 A year and a half ago, Guarantek Analytical
14 Laboratories found heptachlor epoxide, which is a
15 banned FDA pesticide in a load of beef on production
16 claim cattle. Five head of cattle had violative
17 levels of heptachlor in it. The entire load of beef
18 ended up being destroyed as hazardous waste, and it
19 was kept out of the food supply.

20 We need to first define natural by its
21 production claims and secondly by its ingredients.

22 Let's not confuse the consumer when we look

1 at organic being perceived as a higher standard than
2 natural. Organic does not allow artificial
3 ingredients in its products. By allowing or not
4 allowing the organic list to be also used in the
5 natural list, we are confusing the consumer because
6 now we're saying organic ingredients are not good
7 enough to be in natural products, and we don't want
8 to send that signal to them.

9 The current rules should remain in place.
10 We're going to create an unfair economic advantage
11 for small companies versus large companies because we
12 do not have the same processes that the petitioner
13 has. Food safety is of paramount importance to FSIS
14 and the American consumer.

15 If there are multiple reasons that sodium
16 lactate, at under a two percent level, should be
17 considered, it should be a benefit and remain
18 unchanged.

19 We are a producer of nitrate free bacon
20 formulated with sodium lactate in it as a flavor
21 enhancement. If we take the product out, we drop the
22 quality of our products to the consumer.

1 When we look at what the petitioner is
2 asking for here, it is primarily for deli meats
3 versus bacon, and the sodium lactate when taken out
4 of deli meats is more easily done and they petitioner
5 also has processes which the small companies do not
6 have access to. So there's going to be an unfair
7 economic advantage.

8 We strongly recommend that FSIS harmonize
9 the definition of natural with other agencies such as
10 AMS, FDA. We should have a detailed list of what is
11 acceptable and not acceptable for natural
12 ingredients. There is none today. However, if we do
13 have a list --

14 MR. TYNAN: Mr. Moore, you have one minute.

15 MR. MOORE: So we need to have the same
16 standards that we hold organic to that natural is in
17 terms of definitions, claims and ingredients.

18 We urge that FSIS take no immediate action
19 by leaving the current rules in place unless we are
20 going to dramatically broaden the scope and include
21 production definitions, and we do not want to confuse
22 the consumer out there anymore than they already are.

1 We feel that sodium lactate should be left in at the
2 under two percent level for flavor enhancement and if
3 we get additional microbial benefits, then that is a
4 plus.

5 Thank you for your time.

6 MR. TYNAN: Thank you very much. At this
7 point, I will remind everybody that if you have
8 written comments and want to provide them to Levon,
9 she can make them part of the public record.

10 The next name I have on the list for
11 presenting comments is Mack Graves.

12 MR. GRAVES: Good morning. My name is Mack
13 Graves, and I serve as CEO of Western Grass and do
14 business with Panorama Meats of Vina, California.

15 Our company markets both natural and
16 organic grass-fed beef from our base in California to
17 the mainstream conventional retailers, specialty
18 product retailers, natural food retailers and food
19 service operators on the West Coast and across the
20 U.S. We have 43 rancher producers supplying us
21 cattle raised to protocols we have developed that far
22 exceed the current definition of natural.

1 Panorama Meats welcomes the opportunity to
2 respond to Hormel's petition and commends Hormel, and
3 certainly FSIS and AMS for starting the process to
4 develop a complete definition of the use of the term
5 natural.

6 The vagueness of the current national
7 definition minimally processed with no artificial
8 ingredients first established some 23 years ago, has
9 sown the seeds of consumer confusion and encouraged
10 clever marketers to trumpet the word natural on
11 packages of their meat and poultry even though such
12 meat may have come from animals that were hardly
13 natural. Such confusion has lasted far too long, and
14 more meaningful definition of natural is necessary.

15 My background also includes serving as the
16 present CEO of Coleman Natural Beef -- of Meyer
17 Foods, the parent company of Meyer Natural Angus, the
18 largest and second largest natural beef companies in
19 the U.S. and Senior VP of Marketing and Sales for
20 Perdue Farms. Both natural beef companies have
21 learned that a natural program exists from the
22 conception to consumption is workable, believable,

1 and consumer trusting.

2 My experience at Perdue taught me that
3 using the marketing term natural originates with
4 consumers but needs a definition that could be easily
5 understood.

6 The question we at Panorama ask is how do
7 you take meat or poultry raised from animals raised
8 unnaturally, meaning with growth stimulants,
9 antibodies, questionable inhumane practices, poor
10 environmental stewardship, et cetera, that make the
11 meat natural by minimally processing it with no
12 artificial ingredients. Separating livestock,
13 raising for processing and marketing and developing a
14 definition of natural will only add to the consumer
15 confusion that current surrounds the term. Use of
16 natural must be clearly defined for meat and poultry
17 I say again from conception to consumption.

18 Although Hormel implies in their petition
19 that some consumers or animal raisers may confuse
20 natural products with those that are free from
21 antibodies and growth stimulants, there is no
22 confusion at Panorama with our consumers or with our

1 ranch and producers. Our consumers expect our cattle
2 to be raised according to the natural protocols as we
3 have defined them and trust the resultant meat
4 products will be naturally processed, marketed and
5 labeled accordingly. They are not confused.

6 Our rancher producers have to adhere to our
7 natural raising protocols, or they know that the meat
8 from their cattle will never bear the Panorama grass-
9 fed natural organic label. They aren't confused
10 either.

11 However, in our view, Hormel seems confused
12 in its zeal to define natural as simply minimally
13 processing meat and poultry with no artificial
14 ingredients.

15 Specifically, the questions asked, is it
16 reasonable to include the first minimally processing
17 necessary to accommodations to the question we have.
18 I think the first question begs the issue. Minimal
19 processing is a part of the natural definition that
20 begins with the animal raising practices and
21 concludes with a finished product.

22 New food processing techniques, the

1 question. I think this is parsing words of
2 contentious meaning, and it's really not the issue.
3 Our society thrives and continues for improvement and
4 to disregard any processing improvement may not be in
5 the best interest of food safety. New processing
6 methods must, however, be judged on whether they
7 change the naturalness of the kind of product.

8 Consumer studies, we have not done consumer
9 studies at Panorama, but we are continuously asking
10 consumers as we do demonstrations in stores about
11 natural. We recognize these are not slanted with the
12 ground rule, but we find consumers want the term
13 natural to mean from the animal all the way through
14 to the meat.

15 MR. TYNAN: Mr. Graves, you have less than
16 one minute.

17 MR. GRAVES: Okay. It is not a race. In
18 summary, the Hormel petition seeks to dilute the term
19 natural by codifying it in its current confusing and
20 mistrusted form. It justifies a strict codification
21 approach in terms of a race to beat another Federal
22 Agency, the FDA, in their response to the Sugar

1 Association petition. There is no justification for
2 the race. Too many live animal producers, meat and
3 poultry processes and marketers and most importantly,
4 consumers rely on a thorough and complete definition
5 of natural, for it to be recklessly and -- defined
6 simply to win the definition race.

7 In conclusion, the definition of natural
8 must stretch from the livestock's lifestyle to the
9 diet, to the processing and marketing of meat and
10 poultry. If the new definition describes a process
11 from conception to consumption, it is verified to be
12 followed, then the other words USDA natural can be
13 competently and meaningfully placed on the resultant
14 packages of meat. Thank you very much.

15 MR. TYNAN: Thank you, Mr. Graves. The
16 next name I have on the list is Jesse Waller. Jesse,
17 if you'd come to the microphone.

18 MR. WALLER: Good morning. Jesse Waller,
19 Farmland Foods, Incorporated, out of Kansas City,
20 Missouri.

21 We would like to request that the USDA
22 conduct a consumer survey so that you can determine

1 the knowledge level of what the definition of natural
2 foods means to the consumer. We, the industry, have
3 conducted many surveys as told this morning.

4 However, Hormel petition does not show you
5 all sides of the consuming public, and it should be
6 challenged.

7 As a manufacturer, we try to anticipate
8 what consumers want to purchase and supply a safe and
9 suitable food to those people.

10 This information could then be utilized by
11 FSIS and the industry in establishing the codified
12 regulation to meet the consumers' demands.

13 So I ask that you also participate in this,
14 in helping us to determine what it is by going to the
15 consumer and asking them what they think in a
16 structured environment. Thank you.

17 MR. TYNAN: Thank you, Mr. Waller.
18 Christopher Ely or Ely. I apologize. I thought one
19 of those two must get it right.

20 MR. ELY: The first one was right.

21 MR. TYNAN: The first one. Okay.

22 MR. ELY: My name is Christopher Ely, and

1 I'm the cofounder of Applegate Farms. We're one of
2 the leaders in the natural organic meat business of
3 processed meats.

4 Applegate Farms would like to commend the
5 USDA for considering standards that define the term
6 natural. Since Applegate began making products free
7 of nitrates and phosphates since 1987, we've seen the
8 definition of natural change.

9 The current definition is not only watered
10 down, but incorporates terms that are not clearly
11 defined. Terms like minimally processed and
12 artificial are words which the consumer does not
13 understand because the definition is so broad.

14 We encourage a more meaningful and clear
15 definition and completely support the redefining
16 process for the term natural. Through this
17 confusion, Applegate Farms has come to define natural
18 as never administering antibiotics to livestock,
19 from conception through consumption -- I'm sorry --
20 disallowing rations that include animal byproducts
21 for growth promotence (ph.) and using only a
22 vegetarian grain or 100 percent grass-fed diet.

1 Using humane standards to raise this livestock in
2 open space facilities, pastures that allow plenty of
3 sunlight and outside air, using only humane standard
4 methods as defined by Dr. Temple Grandin.

5 Producing finished meat products by never
6 adding nitrates or nitrites, the traditional methods,
7 any phosphates or fillers. That term, adopted term,
8 natural flavors or flavorings on labels are not used
9 but instead state to the consumer all of the
10 ingredients in the product. No ingredients have ever
11 been irradiated. If an ingredient such as a -- beet
12 powder or paprika has either a dual or single purpose
13 such as coloring or flavor or both, it is still a
14 natural ingredient regardless of its function.
15 Changing the appearance of the food with a natural
16 spice, herb or vegetable is a common practice in all
17 foods, which has been done for hundreds of years. We
18 use all of our senses when we eat foods.

19 Traditional processing methods such as
20 cooking, baking, smoking, steaming, distilling are
21 totally natural. On the other hand, irradiation,
22 whether used on meats or other ingredients such as

1 spices or high pressure pasteurization, which
2 subjects foods to over 80,000 pounds per square inch,
3 would be considered non-traditional processing
4 methods and therefore should not be considered
5 natural.

6 Traditional preserving methods that change
7 the environment of meats such as salting or drying,
8 fermenting or pH alteration, with either vinegar,
9 citric juices or other acids, are all natural
10 methods. For hundreds of years we have used these
11 methods to extend shelf life and create safe foods.

12 Ingredients such as sodium chloride, sage
13 and other ingredients of natural origin exhibit dual
14 functionality for enhancing flavors and extending
15 shelf lives.

16 Applegate would never support prohibiting
17 ingredients with a natural origin because they
18 exhibit both flavor and antimicrobial properties.
19 The use of natural substances with dual functionality
20 should be encouraged. If we were to rely on sodium
21 chloride alone to extend shelf life, we would have to
22 use it at such levels that it would not only make an

1 inedible product, but also contain sodium levels that
2 dramatically exceed the recommended daily allowances.

3 Fortunately, we have available a salt
4 derivative from a natural fermentation of sugars of
5 either corn or beets that help extend shelf life.
6 This salt of lactic acid or sodium lactate works much
7 in the same way and in conjunction with sodium
8 chloride creates a meat product that increases food
9 safety and enhances consumer protection.

10 We've also discovered that the natural
11 consumer accepts sodium lactate in products that are
12 sold in the natural arena. Again, this ingredient is
13 derived from natural sources and are produced from a
14 simple fermentation process.

15 MR. TYNAN: Mr. Ely, you have less than one
16 minute.

17 MR. ELY: It is inconceivable to us that
18 the natural food segment would not be able to use
19 such antimicrobials from natural origins and still be
20 able to label the product natural. It does not make
21 sense to prohibit the process simply because they
22 increase consumer protection.

1 Applegate Farms welcomes the broader
2 definition of defining natural. It would encourage a
3 more meaningful and clear definition, one that meets
4 higher standards like ours and most importantly one
5 in which consumers not only understand but embrace.
6 Applegate would like to thank you for your time. We
7 urge you to consider more closely with many of the
8 leaders of the natural meat segment who through the
9 natural consumer base have acquired over 20 years of
10 experience and knowledge. Thank you.

11 MR. TYNAN: Thank you, Mr. Ely. As a
12 moderator, I'd be remiss I think. The next name I
13 have here is Lampkin Butts. However, I think
14 Mr. Butts has already -- was that a trick, Mr. Butts,
15 to see if I would notice it?

16 MR. BUTTS: I just wanted five more
17 minutes.

18 (Laughter.)

19 MR. TYNAN: I couldn't believe that there
20 were two people in the room with the same name. I
21 thought I'd better check.

22 The next name I have on the list is

1 Collette Kaster. Ms. Kaster, if you'd come up to the
2 microphone.

3 MS. KASTER: Thank you. I represent
4 Premium Standard Farms, a pork company that raises
5 both natural and conventional pork and processes pork
6 products. And we agree and commend the Agency for
7 the movement to try to address and become more
8 consistent in this arena as I think many other
9 speakers have stated, and with the efforts with AMS
10 that were at the meeting that we attended yesterday
11 as well.

12 We would ask initially that the comment
13 period be extended so that the Agency and the
14 constituents would have time to gather more
15 information on what consumers truly think natural
16 means because you've heard that there are many
17 different definitions of consumers, and I'll speak to
18 that a little bit as I go.

19 Relative to lactates, lactates have been
20 used in natural products for a number of years and
21 our focus groups, like the speaker from Applegate
22 indicated, have had no concerns with them as

1 currently labeled. In fact, focus groups indicate
2 that their interpretation of natural is far more tied
3 to production practices than the ingredients that are
4 incorporated into the label and fully disclosed as
5 part of that labeling.

6 To say that something that is currently
7 recognized as organic is not natural is pretty
8 confusing to consumers as well. So I urge you to
9 give that further consideration.

10 If we are in fact going to be made to
11 remove lactates from existing labels, this will be a
12 pretty significant economic hardship. As you know,
13 packaging materials are preprinted, products need to
14 be reformulated and if we have to supply the
15 information that Mr. Post's letter has requested,
16 this will probably take longer than 60 days even to
17 just get through the renewed shelf life
18 considerations. So we would request that you make
19 that a 60-day timeframe as well.

20 Additionally, we think that as your
21 questions have indicated, that there may be times
22 when food safety considerations override the sort of

1 definition of natural and I'll stick with my comments
2 from above, but I'll speak to ready-to-eat products
3 in particular. There's a difference between putting
4 in an ingredient that impacts a known pathogen like
5 Listeria and putting in an ingredient to address
6 shelf life that's used. And so we commend the Agency
7 for recognizing that distinction, and we need to
8 consider that as we look at these reformulations and
9 the products that are affected.

10 We do question whether or not advanced
11 processing methods are to be considered minimally
12 processed. We also question whether or not these
13 processing methods are truly accessible to the whole
14 industry. We're a large, medium, small, large type
15 company from a sales perspective, and even this is a
16 very significant capital investment for us, and
17 requires a lot of volume to be able to justify that
18 kind of investment. So I do wonder how accessible
19 that type of technology will be and whether or not it
20 is attached to minimally processing.

21 And finally, we do request synergy between
22 FSIS and AMS on claims for naturally raised

1 livestock. We do believe that consumers expect a
2 product labeled as natural to come from livestock
3 that is produced in a natural fashion. If it is not
4 going to come from livestock produced but be used in
5 a process product, we ask that the Agency consider a
6 definition like naturally processed on the product or
7 some kind of disclaimer indicating that it's not from
8 livestock reared in a "natural" fashion.

9 It is not enough for products to just have
10 natural ingredients or be minimally processed. It
11 should be tied to the production practices as well.

12 Thank you.

13 MR. TYNAN: Thank you, Ms. Kaster. The
14 next name I have on the list is Joe Harris.
15 Dr. Harris.

16 DR. HARRIS: Good morning. I'm here
17 representing the Southwest Meat Association, and we
18 appreciate this opportunity to comment today.

19 We support the idea of rulemaking to
20 clarify and codify the rules for natural labeling
21 claims and look forward to submitting comments on any
22 proposed rule once it's petitioned.

1 However, until the rulemaking process can
2 go forward, we urge the Agency to not make changes to
3 the existing policy interpretation that has been in
4 effect since only 2005. Many of our member firms
5 have formulated products and obtained label approvals
6 under that interpretation. Now the Agency has
7 expressed through letters to these establishments,
8 its intent to rescind existing natural label
9 approvals, unless establishments can document to the
10 Agency's satisfaction that a specific ingredient has
11 a preservative effect in addition to its flavoring
12 characteristics.

13 Many of these natural meat and poultry
14 producers are small firms whose entire production and
15 livelihood is geared specifically to the natural
16 product --

17 The Agency's recent letters are creating a
18 tremendous burden on these firms to quickly change
19 their labels or reformulate many of their products.
20 Dr. Post acknowledged this morning that there's much
21 controversy around this issue. I think the comments
22 today bear out that level of controversy as to

1 whether or not certain ingredients should be allowed
2 in natural products and that the Agency believes the
3 issue is best resolved through rulemaking. And we
4 tend to agree, that that is the best way to resolve
5 the issue.

6 In that regard, we strongly urge FSIS to
7 not move forward with this latest round of letters or
8 policy clarification until this rulemaking process
9 can move forward.

10 MR. TYNAN: Thank you, Dr. Harris. The
11 next name I have is Rob or Bob Sindt. Did I
12 pronounce that correctly? If I didn't, I apologize
13 in advance.

14 MR. SINDT: Apology accepted. Good
15 morning. It's Sindt. My name is Bob Sindt, and I'm
16 an attorney here in Washington. I'm here on behalf
17 of one of my clients, Danisco USA, a manufacturer of
18 a full array of food ingredients that are utilized in
19 numerous technical and functional effects in meat and
20 poultry products regulated by both FSIS and the FDA,
21 -- and microbial agents, binders, enzymes, flavors,
22 colors, et cetera.

1 I should first of all say that Danisco and
2 its predecessor companies have been very involved in
3 the whole process to develop antimicrobials which are
4 effective for pathogen control going back to the
5 establishment of on-line -- processing poultry as
6 well as the recognition of the effect of
7 antimicrobials in the meat and food products. And
8 they consciously targeted and developed in their
9 research and efforts those types of naturally
10 occurring substances and utilizing natural processes
11 in the development and manufacturer, research and
12 finding these types of products, and certainly are
13 troubled by any Agency policy that says that
14 substances that are otherwise natural cannot be
15 considered natural for these purposes, whether it is
16 in a natural product or in a statement to the effect
17 that which contains the natural ingredient.

18 So we're very interested in clarity, in
19 consistency in FSIS policy as well as harmonization
20 with FDA policies as this process moves forward.
21 It's very important that there is a level playing
22 field for manufacturers and processors, and to meet

1 consumer expectations as well as achieving food
2 safety goals. We need to be very concerned that
3 those food safety goals are not impeded by well
4 intended, although excessively restricted rules that
5 get promulgated to provide disincentives to the food
6 safety goals or that would preclude the use of
7 effective antimicrobials for pathogen control in
8 these foods.

9 So we're primarily interested in this as
10 this process moves forward and urge the Agency to
11 characterize antimicrobials by their primary food
12 functionality and hopefully the Agency will recognize
13 those that meet natural criteria in that process.
14 We're generally supportive of the concerns that have
15 been raised in the petition. Because of the
16 inconsistencies that have occurred within the Agency
17 recently, those need to be addressed. We're troubled
18 by the characterization in the petition as others
19 have mentioned here as the characterization of
20 microbial agents, and further that the recent changes
21 did not create a level playing field.

22 As the policy moves forward, we are most

1 intent not only the process as Mr. Hibbert has
2 outlined here, but that a level playing field is
3 maintained and to the extent that, without looking at
4 the substances, the lactates at issue, but to the
5 extent that that exception does create not a level
6 playing field, we're supportive of the recent
7 modifications to that, and urge you to treat all
8 antimicrobials equally as the process moves forward
9 and is resolved.

10 Companies such as Danisco have spent much
11 time, research, resources to develop natural
12 antimicrobials, not chemical preservatives as has
13 been mentioned here by the other commenters.
14 Substances whose functionality is to kill and control
15 potential pathogens in meat and poultry products, we
16 feel FDA's somewhat outdated definition of
17 antimicrobial agent is not appropriate to present
18 FSIS food needs. In fact, the definition is on its
19 face inconsistent with FSIS goals, nor is the
20 definition, the current steps that FSIS is taking to
21 control or support, to enhance the food safety in
22 meat and poultry products. Those steps strongly

1 encouraged or require the use of effective
2 antimicrobial agents for the purpose of killing or
3 controlling pathogens such as E. coli, Listeria,
4 Salmonella, et cetera, but -- in the use of effective
5 processing aids as well as recognition as
6 antimicrobial agents.

7 MR. TYNAN: You have just a couple of more
8 seconds.

9 MR. SINDT: A couple of more seconds.
10 Well, let me say that -- can you give me a minute?

11 MR. TYNAN: Okay. We'll give you 30
12 seconds.

13 MR. SINDT: Okay.

14 MR. TYNAN: We're negotiating.

15 MR. SINDT: Well, let me just say that I
16 think it's important that you specify functionality
17 for antimicrobial agents, recognizing those that are
18 natural in their origin and function, as opposed to
19 chemical preservatives.

20 Lastly, I would also like to join the other
21 commenters who are requesting an extension of the
22 comment period because of the shortness of notice of

1 this meeting and the importance of the issue and the
2 holidays and year end, year beginning activities, et
3 cetera. We suggest that you consider at least a 30,
4 or if not, a 60-day prolonged extension. Thank you.

5 MR. TYNAN: I apologize for the timing. I
6 got so engrossed in your comments that I forgot to
7 keep track.

8 The last name I have on the -- or the next
9 to the last name I have on the list is Regina Hildmne
10 (ph.). Did I pronounce that correctly? Probably
11 not.

12 MS. HILDMNE: Thank you very much. My name
13 is Regina Hildmne, and I represent GMA/FPA, an
14 organization formed by the merger of two food
15 industry associations, the Grocery Manufacturers
16 Association and Food Products Association. GMA/FPA
17 appreciates this opportunity to express our views
18 regarding FSIS' intention to develop rules to define
19 the label saying natural. We acknowledge that this
20 is a term of high interest to our members and the
21 public.

22 GMA/FPA believes that this issue can be

1 adequately addressed through policy with public
2 comment and not through rulemaking, but it does
3 remain an issue with many facets.

4 It's important to deliberate
5 conscientiously the implications of such policy for
6 food business overall. Careful consideration of this
7 matter cannot be accomplished by January 11th, not
8 only because of the importance and complexity of this
9 issue, a diversity that industry has used, but also
10 because of the intervening holidays.

11 The food industry does need to carefully
12 consider whether there would be any intended
13 consequences with such a policy change particularly
14 considering that the FDA has a different definition
15 of the term natural and FDA ingredients are
16 frequently used as ingredients in the meat and
17 poultry products regulated by FSIS.

18 The effects of many context dependent
19 definitions of natural claims apply to food also and
20 must be considered.

21 GMA/FPA also notes that the term natural
22 and policy related thereto, does not constitute a

1 regulatory emergency that could arguably justify a 30
2 day comment period. All stakeholders need an
3 opportunity to assemble and address and analyze data
4 to support their views.

5 GMA/FPA urges FSIS to be mindful of
6 international obligations. Some firms might
7 contemplate using the term natural for meat products
8 exported to the U.S. These firms, and their national
9 or regional governments, cannot give this issue
10 careful consideration during a 30-day comment period.
11 Therefore, GMA/FPA requests that USDA FSIS keep this
12 comment period open for an additional 60 days until
13 about March 15, 2007, for the development of
14 responsive comments and GMA/FPA will be submitting
15 written comments. Thank you very much.

16 MR. TYNAN: Thank you, Ms. Hildmne. The
17 last name I have on my list here is Lampkin Butts.
18 Just kidding.

19 On that note, we've completed the list of
20 folks who have registered to make comments.

21 We're a little bit ahead of schedule. I
22 would suggest that we all should take a break perhaps

1 at this point, maybe 15 minutes. I have my watch. I
2 can't see the clock out there, because of the aging
3 process. So we're almost at 10:45. So if we can
4 come back at 11:00, and we'll resume comments. We
5 will allow those folks, Mr. Butts included, to make
6 additional comments if you'd like to do that, and
7 we'll have the same rules.

8 (Off the record.)

9 (On the record.)

10 MR. TYNAN: We have with us representatives
11 from the Food and Drug Administration. I know some
12 of you in your comments mentioned FDA, and actually
13 in the audience we have Geraldine June. Geraldine,
14 are you still with us? There she is, way back there,
15 and you have two of your colleagues, maybe if they
16 could stand up. Thank you. My apologies to FDA.

17 When we ended the break, I've got to tell
18 you this, there's a bit of humor here. I was given
19 the list for those who signed up earlier, and the top
20 name on the list is Lampkin Butts.

21 (Laughter.)

22 MR. TYNAN: Sorry, we digress.

1 We have three other people that signed up,
2 and then what I propose to do is cycle back and allow
3 comments from anyone in the audience, whether you
4 signed up, whether you've spoken before, or not. But
5 we will maintain the same rules. We'll do the five-
6 minute rule, and I will try to remember not to get
7 engaged in conversations, so that I give you at least
8 a one-minute warning.

9 So what I propose to do right now, I think
10 I have Evelyn Cadman. Evelyn, are you here? We'll
11 let Evelyn start off, and then I'll let you know when
12 we cycle back through. Ms. Cadman.

13 MS. CADMAN: I'm Evelyn Cadman, and I'm
14 here from Boston Market Corporation, and I very much
15 appreciate the Agency's attempt to respond to the
16 developing marketplace for natural foods, and I
17 support a transparent rulemaking process that result
18 in clear rules that would be consistently applied.

19 We market a line of products that are
20 labeled as containing natural ingredients, and the
21 various producers, that manufacture these products
22 for us, have come under a lot of tension lately due

1 to change in policy that has been applied but not
2 written out.

3 I just wanted to comment, I like the idea
4 bringing forth a naturally processed claim, if it
5 would be possible, that would be consistent with what
6 we use in our products, and I think would also
7 accommodate the needs of the natural foods community
8 that is looking for something from farm to fork that
9 would be naturally produced as several commenters
10 have said earlier.

11 In Dr. Post's speech earlier today, he said
12 that while we move through these stages we will
13 evaluate natural labeling claims on a case-by-case
14 basis using the factors that are set in policy. And
15 in the interim to this rulemaking policy, I would
16 like to urge FSIS and the labeling consumer
17 protection staff to follow the policy that they have
18 written down in August 2005 standard on labeling
19 policy or issue some other written policy. We're
20 pleased to follow whatever rules come out but the
21 difficulty is when we produce labels and a similar
22 product, we submit a label and it's not approved, my

1 understanding would be that that means my previous
2 label may now be in error, but I have tens of
3 thousands printed at considerable cost. We've
4 invested in the ingredients for the products and I
5 just urge that again through written policy as it
6 currently stands be applied. Thank you for your
7 time.

8 MR. TYNAN: Okay. Thank you. The next
9 name I have on the list is Marsha Echols.

10 MS. ECHOLS: Thank you. Good morning. My
11 name is Marsha Echols. I am an attorney and law
12 professor here in Washington. I represent the trade
13 association, the National Association for the
14 Specialty Food Trade. It's based in New York City
15 and represents all segments of the specialty food
16 industry, what many would call the gourmet food
17 industry. So the products of members are located in
18 stores like Dean and DeLuca or Balducci's here in
19 Washington, but also in supermarkets.

20 Many of the member companies that are in
21 the association are very small compared to food
22 companies and others in the United States. They

1 create products that are innovative. They try to
2 adapt to niche markets. So the whole issue of label
3 terms like natural and what must be done to meet that
4 label term are very important to them.

5 The companies or manufacturers are also co-
6 packers and retailers. So they have very different
7 interests and views of what might be important for
8 the use of the term natural.

9 I would just like to make a few comments
10 that are important. One is that for small food
11 companies, the harmonization of label terms is
12 crucial. So for those who have said FSIS' definition
13 of natural should to some extent coordinate with that
14 of FDA, we would certainly support that view.
15 Harmonization within the Federal Government, between
16 the Federal Government and states is fairly
17 important. It's also, as someone has mentioned, at
18 this point necessary to consider international
19 definitions of natural, for U.S. exporters and for
20 those companies that are exporting into the United
21 States.

22 Another point that I'd like to make is I

1 support those who say more time is needed. Clearly
2 this is a very complex issue. Our members are
3 concerned by consumer perceptions of what is natural,
4 what should be natural, at a quality to meet notion
5 of natural, but the real consideration of that, the
6 harmonization issues, the relationship between
7 quality and safety, whether it should be in the
8 definition of natural, are all issues that require
9 much more time for consideration.

10 So we would join with those who suggest
11 that the comment period be extended probably for 60
12 days. Thank you very much.

13 MR. TYNAN: Okay. Thank you. The last
14 name I have on the list for folks that have signed up
15 is Tim Sontag.

16 MR. SONTAG: Thank you. I'm Tim Sontag.
17 I'm representing Wixom, Incorporated, which is a
18 spice, seasoning and food flavoring manufacturer.

19 We are a FDA regulated facility. However,
20 a lot of our products are sold to meat and poultry
21 processors. So basically what I want to just comment
22 on is in the initial petition, there was concern

1 about the potential alteration of spices, additives,
2 oleoresins products, of salt and extraction from
3 using products with a natural claim. It sounds like
4 from previous comments that perhaps that's being
5 changed in the petition, and I would urge that there
6 would be a change in the petition by the petitioner.

7 I'd also like to say that I think FSIS in
8 their looking into defining what can go into products
9 with a natural claim, needs to also focus on
10 ingredient constituents and whether those ingredients
11 have things like anti-caking agents or a seasoning
12 blend, a processing agent and trying to make sure
13 that as defined, including things like spices or raw
14 materials that may have undergone treatment, either
15 steam treatment, ethylene oxide treatment, radiation
16 treatment, which are defined really to make the
17 product safer.

18 Finally, I support harmonization of
19 natural, really the natural claims across all
20 agencies, between FDA and USDA. And we would also
21 like to say that extension of the period for I'd say
22 an extra 60 days as the FPA and GMA proposed, would

1 go a long in helping to really focus on such an
2 important issue.

3 I did want to mention one other thing, that
4 perhaps a labeling definition similar to how the
5 organic product, in making organic claims are perhaps
6 something that 100 percent natural could contain
7 absolutely no artificial or synthetic, and you'd have
8 to show that the product is 100 percent natural.
9 Maybe natural could be like 95 percent all natural
10 with other natural ingredients, something along the
11 lines of how the organic was set up, could
12 potentially go a long way in helping the situation.

13 Thank you for the time.

14 MR. TYNAN: Thank you. That concludes the
15 list of folks that have signed up. As I mentioned
16 earlier, what I propose to do at this particular
17 point in time is allow folks who have already made
18 comments or people who did not sign up in -- while we
19 were having coffee, and decided they wanted to say
20 something. So is there anyone in the audience. Just
21 a show of hands and we'll try to come to some
22 reasonable way to call you up to the microphone. Are

1 there any other comments from the group? Yes, sir.
2 If you would come to the mic and identify yourself
3 and organization.

4 MR. BROOKS: Hi. My name is Robert Brooks.
5 I'm with World Technology Ingredients and after
6 listening to a lot of the comments, I agree with much
7 of what has been said here today, and just wanted to
8 reiterate and add, we need transparency between USDA
9 and FDA regulations with respect to labeling of
10 natural ingredients. This is going to be critical
11 for this to ever work. We need consistency as
12 defined for natural flavors in the C.F.R. 921. To
13 achieve this, I would like to recommend that USDA
14 considers that meat and poultry natural product
15 claims be independent of the labeling of the natural
16 ingredients they contain. If a natural ingredient
17 has multi-functionality, the labeling of the
18 ingredient itself should not be penalized by negating
19 its natural claims. And, you know, anything else I
20 had to say has been said earlier, but I wanted to
21 reiterate that, and thank you for your time.

22 MR. TYNAN: Okay. Thank you, Mr. Brooks.

1 Other comments?

2 (No response.)

3 MR. TYNAN: Did the folks not get all your
4 comments in, in the first row? They're writing down
5 some important points. Okay. Last chance?

6 (No response.)

7 MR. TYNAN: That concludes the comment
8 portion. We have some closing remarks. I invite
9 Mr. Quick, if you want to make any remarks, you may
10 want to make them up here.

11 Mr. Quick, as I mentioned earlier, is our
12 Deputy Administrator for Food Safety and Inspection
13 Service.

14 MR. QUICK: Thanks, Robert. Well, a lot
15 can be said. This meeting wasn't as controversial as
16 we had anticipated. We're done about an hour early.

17 I'd like to thank you and join Dr. Masters
18 and Dr. Mann in expressing our appreciation for your
19 willingness to be here and to discuss this important
20 topic. I also want to thank Robert. I think we
21 designated him the natural as well. He is always
22 respectful and professional in the way that he

1 handles these proceedings, and I thank him once
2 again.

3 Your participation today and throughout the
4 entire process will help us in our efforts to be open
5 and transparent in our activities, and to work with
6 the Office of Food Safety and to proceed on this
7 issue. We must make certain that we fulfill our most
8 important responsibility, that of protecting public
9 health in the United States through safe, wholesome
10 and accurately labeled support of meat and poultry
11 products. As we go through this process, it is
12 imperative that we consider the opinions and thought
13 of our food safety partners, as we address the use of
14 the term natural.

15 As Dr. Masters said earlier, we wholly
16 understand the importance of maintaining open
17 communication with our stakeholders. Your comments
18 and opinions will be important as we work with the
19 Office of Food Safety in analyzing the comments we
20 received today, as well as those comments that we
21 received through January. Remember, those comments
22 can be sent to the FSIS website, and if you want to

1 write this down, if you don't have it, it's
2 fsis.regulationscomments, all one word, at usda.gov.

3 Once again, your participation in this
4 meeting assures that every viewpoint is represented.
5 I think we've seen and heard that today, as we work
6 with the Office of Food safety to insure that the
7 best possible public health protections are in place
8 for our nation's food supply. Your involvement is
9 crucial and appreciated, and I once again want to
10 thank you for coming and providing us insight in this
11 process.

12 (Applause.)

13 (Whereupon, at 11:18 a.m., the meeting was
14 concluded.)

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C E R T I F I C A T E

This is to certify that the attached proceedings
in the matter of:

DEFINITION OF THE TERM "NATURAL"

PUBLIC MEETING

Washington, D.C.

December 12, 2006

were held as herein appears, and that this is the
original transcription thereof for the files of the
United States Department of Agriculture, Food Safety
and Inspection Service.

Sean Williams, Reporter

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