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# Ellison Meat Co.

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March 3, 1999

FSIS Docket Clerk
USDA
1400 Independence Ave SW
Washington, DC 20250-3700

97-068N
97-068N-15
Steven L. Perkins

To whom it may concern:

Attached hereto and enclosed herewith please find our comments in regards to USDA proposed rule clarification relating to E.coli 0157H7 adulteration. We would ask that these be included in the official comments to said matter.

Sincerely,

ELLISON MEAT CO,

Steven L. Perkins
President

cc. Senator Paul Wellstone
Senator Rod Grams
Congressman David Minge
NAMP

"Quality Meats Since 1934"

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March 1, 1999

Position Paper Ellison Meat Company

RE: Proposed USDA E.coli 0157:H7 Adulteration Policy Clarification

Ellison Meat Company is a further processor of beef and pork. We employ approximately 150 people in rural Southwestern Minnesota. Ellison was started in 1934 and in 1996 it was purchased by 80 area pork producers.

We are concerned about the effects of an USDA rules clarification relating to the E.coli 0157:H7 adulteration issue. The rule clarification has basically two different parts: 1) boxed beef trimming that is utilized in ground beef products, and 2) non-intact primal and subprimal beef cuts used in making steaks and cut products.

First we must object to this far-reaching policy being considered as a matter of simple clarification. Matters like this should go through the rules process, particularly as it relates to mechanical tenderize (non-intact product).

**1. Boxed Beef Trimmings**

We feel beef trimming should not be exempt from being considered an adulterated product if E.coli 0157:H7 is present. In this sense we support the beef trimmings part of the rules clarification. As a ground beef processor, we have minimal control over our raw material beef trimmings being contaminated with 0157:H7. We do test for the bacteria in our facility, but as we all know, it is like looking for a needle in a haystack.

At present all the responsibility is placed on processors like us. If the bacteria gets through our system and into commerce and is not being cooked properly (to 160° F.), someone gets sick. We then face potential lawsuits and recalls. A recall would devastate a company our size.

Packers escape liability because USDA regulations now say E.coli is not an adulterant in boxed beef trimmings. It is only common sense to put more restrictions and testing at the source of the bacteria at the packing plant. Packers must take more responsibility to minimize the E.coli risk. Numerous slaughter techniques exist to reduce the possibility of E.coli contamination.

Present rules are ambiguous. It defies logic to say something is <u>not</u> an adulterant but simply because it is run through a grinder it now becomes an adulterant.

**2. Mechanically Tenderized/Cubed Steaks**

Expanding E.coli regulations to mechanically tenderized cubed steaks (non-intact product) is not merited. There is not one recorded case of E.coli contamination in such product. Why would USDA divert scarce resources from solving the ground beef E.coli problem to an area where no problem historically exists?

If the rule as proposed is adopted, it will drastically alter the steak processing business. Packers will respond by requiring their customers to agree to do no E.coli testing and/or execute agreements holding them harmless against all costs associated with any recall. (IBP did this very thing when USDA first attempted to enact this rule without the 60-day comment period). This action by the large packers who already dominate the industry will devastate small processors and further concentrate meat processing to very large companies.

In addition needless recalls at great cost could and would occur. This added to the cost of enforcement makes this a very expensive new program for an area that has not demonstrated a problem.

Our company has been a Total Quality Control plant since 1983. We are one of five ISO 9002 certified meat-processing plants in the U.S., and have fully implemented HACCP as a "model" plant. As a small company profit margins are slim and risk management is critical. We have examined recall insurance. It is not only expensive but no insurance will cover the product value (only recall costs). For this reason we stopped our general ground beef business. (We now sell ground beef to only a few customers who agree to thoroughly cook the product to at least 160° F.).

If this non-intact product E.coli rule clarification is adopted/implemented, it forces our company to choose whether to stay in the beef steak business or take on a recall risk that would break us. Most likely our lender will decide that the risk outweighs the return and thus most of our 150 employees in our small town will be terminated. All of this for something that independent research by Kansas State University and others have shown is extremely unlikely to happen.

All USDA plants have to perform a hazard analysis of their processes to assess whether a critical control point is necessary for the HACCP program. Has the USDA done a risk analysis of this issue for the industry? Does not the cost far exceed the benefit? We strongly believe it does.

If USDA wants to pursue non-intact E.coli 0157:H7 rules, it should do so only after careful research and then through the formal rule making process.