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Supreme
beef processors, inc.

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January 17, 2000

VIA FEDERAL EXPRESS

FSIS
Docket Clerk
Docket No. 98-027R
Room 102, Cotton Annex
300 12th Street S.W.
Washington, DC 20250-3700

98-027R-5
98-027R
Steven F. Spiritas

Re: Docket No. 98-027R – Comment,
Proposed Rule Advanced Meat Recovery System Products (AMRS)

Prior to 1994 USDA, the industry, and the public historically exchanged extensive information on a similar related subject that led to the 1994 rule.

The 1994 rule culminated extensive examinations by USDA of the meat derived from AMRS prior to its issuance. Since that time very large quantities of AMRS product has been produced. The product has proven to be highly acceptable in the market place. In fact, AMRS product used in ground beef and other further processed items is virtually indistinguishable from identical end item products which do not contain AMRS. Eliminating the issues raised by some groups which contain politics rather than substance or scientific supportive, the agency must consider the overwhelming benefits offered by this product.

1. It is indisputable that the AMRS affords the industry and its workforce to virtually discontinue the use of hand vibrating bone cleaning systems resulting in dramatic ergonomic benefits to the workers. Worker safety is enhanced by the reduction or elimination of the hand held high speed vibratory air knives. This is very positive step towards to reducing the high incident rate of cumulative trauma disorders. Due to the equipment's inability to consistently meet the proposed iron level, dismantling of the AMRS systems will occur. Therefore, our company would revert to hand vibrating knives which create the ergonomic problems. This would be inconsistent with the Occupational Safety Health Administration proposed ergonomic program published in the Federal Register on November 23, 1999.
2. Our company and other processors made large capital investment in these systems, relying on the 1994 final rule as published. If the agency were now to take any action that modifies the 1994 to the severe detriment of AMRS, a reversal of this magnitude would destroy industry's ability to have confidence in future government rules, particularly when it comes to substantial capital investments.
3. The newly proposed iron levels would cause significant economic losses because the levels can not be consistently attained and/or attained at all.

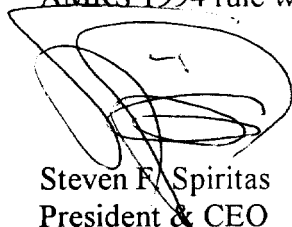
4. Since the proposed iron levels can not be met, dismantling of the equipment will occur resulting in negative impact on livestock producers by and of the same time contributing to higher prices for consumers due to excess cost.
5. Our estimated AMRS equipment dismantling and retooling cost to our plant is approximately \$700,00. (Per line.)
6. AMRS products do not pose a true safety or public health problem. The evidence of historical results of both, end item products containing AMRS, and AMRS products on a stand alone basis, has not been the subject of any safety or health problems since its use began in 1994.
7. Based on the economic analysis done by Sparks Commodity, Inc., the annual industry cost from equipment loss, retro fitting plants and additional labor required is an excess of \$125 million annually. On a very conservative basis the net product revenue losses would be in excess of \$74 million.
8. The medical expenses attributable to returning the hand vibrating system would exceed \$10 million annually.
9. The economic loss for livestock producers would and increased cost to consumers would aggregate over \$100 million a year at current annual slaughter levels.
10. This product analysis concludes that using conservative assumptions the first year economic losses could well exceed \$209 million. In subsequent years, the recurring economic losses will be greater than \$137 million annually.
11. The AMRS product currently meets the existing definition of meat. Further, any logical evaluation AMRS compares favorably to other beef meat products. Naturally some difference exist but they are not material and are in line when other stand alone food and meat products. Additionally, AMRS product is merely an intermediary product. No separate labeling is justified. Ground beef product can be made from a blend of a variety of boneless meat without ingredient labeling. The composition of a specific ground beef product, for example a target finished product 73% lean - 27% fat ground beef, can be made from boneless meat consisting of 90% lean - 10% fat, or 85% lean - 15% fat or 75% lean - 25% fat or 65% lean - 35% fat or 50% lean - 50% fat or any combination thereof in order to reach the target. No Ingredient labeling is required to identify the lean – fat components used to produce the final product. AMRS should not be treated any differently. There is no USDA requirement to identify the 50% fat or the 90% lean separately on the label when AMRS product is used into the ground product. Consistent with this, AMRS product should not have to be identified separately on the label. AMRS lean content would be indistinguishable from any other lean meat content

- in the finished ground beef product when compared to a lean to lean basis. There are no legitimate reasons to support separate labeling.
12. Methods of accurately determining iron levels are very controversial and inconsistent. Additionally, animal variability including age results in different iron levels. Variability between cows and bulls vs. fed cattle steers and heifers exist.
 13. There are also different iron levels in different meat components, therefore, to scientifically attempt to analyze AMRS on a “stand alone” basis for iron will be highly unscientific due to all the variability in meat products from livestock to finished goods.
 14. The current calcium standard should remain in place since there is no scientific or public health basis for lowering the calcium
 15. We urge the agency to consider the fact that the AMRS product is never consumed on a “stand alone” basis. AMRS is merely an intermediate product that is used at a 15% or lower level into a finished product. Since the finished product is what is actually being consumed, any rational analysis by the agency can only be performed on the finished product. When this is done, there is no significant difference between the finished product which contains AMRS versus the finished product which does not.
 16. The agency must evaluate the true competitive agenda that originated the new AMRS issue and who the real beneficiary is, should the new proposed rule be allowed. A number of previous comments expressed frustration and concern with this issue and the agency is encouraged to focus on all of the relevant facts behind this issue before allowing any changes to the 1994 rule.
 17. We have reviewed all the relevant information included in the comments of the “Coalition for Advanced Meat Recovery” and support their findings. We request the coalition’s comments in its entirety to be included as part of our response.

If the agency did adopt the proposed rule, the overwhelming harm to everyone far out weights any alleged gain.

Since 1994 AMRS has already proven to be a product that benefits consumers, livestock producers, industry processors and worker safety.

We believe that the above referenced points are sufficient to justify the agency to maintain the AMRS 1994 rule without change.



Steven F. Spiritas
President & CEO