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Senate Committee on Appropriations**

Statement of

The Honorable Edward T. Schafer

Secretary of Agriculture

Before the

Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and

Related Agencies

Committee on Appropriations, United States Senate

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Mr. Chairman and Members of the Committee, thank you for inviting me to appear before you today to address the ongoing investigation of the Hallmark/Westland Meat Packing Company (Hallmark/Westland) in Chino, California. I want to assure you that I am deeply concerned about the inhumane handling of non-ambulatory disabled cattle in that facility.

I want to further assure you that, as soon as I learned of the problems at Hallmark/Westland, I took immediate steps to determine if the allegations made public by the Humane Society of the United States (HSUS) were accurate. I called on our Office of Inspector General (OIG) to work with USDA's Food Safety and Inspection Service (FSIS) and Agricultural Marketing Service (AMS) to conduct a thorough

investigation into this matter and stated that any violations of food safety or humane handling laws would be immediately acted upon. In addition, product from Hallmark/Westland involved in the federal nutrition assistance programs was put on hold pending further information from the investigation. An administrative hold prevents program operators from using the product until further notification from USDA.

To that end, as soon as FSIS determined that humane handling regulations were violated, plant operations were suspended. Additionally, immediately upon conclusive evidence that non-ambulatory animals were allowed into the food supply, FSIS worked with the company to initiate a voluntary recall even though the risk to public health is remote.

I remain confident in the safety of the U.S. food supply. To help ensure its safety, we take a number of steps to prevent food-borne illness. FSIS employs over 9,000 personnel, including 7,800 full-time in-plant and other front-line personnel protecting the public health in approximately 6,200 federally-inspected establishments nationwide. FSIS personnel must be continuously present for slaughter operations and must inspect processing plants at least once per shift per day. Under the FSIS verification sampling program, FSIS samples meat, poultry, and processed egg products and analyzes them for the presence of microbial pathogens. The Agency has paid particular attention to *E. coli* O157:H7 in raw ground beef and *Salmonella* in raw meat and poultry products through the *E. coli* initiative announced last fall and its ongoing *Salmonella* strategy. To protect against bovine spongiform encephalopathy (BSE), the federal government also has an interlocking system of safeguards, which I will describe in more detail later.

USDA Agency Responsibilities

USDA takes very seriously its food safety mission. There are a number of agencies at the Department working together on this matter. FSIS is the public health regulatory agency in USDA responsible for ensuring that meat, poultry, and processed egg products are safe, wholesome, and accurately labeled. FSIS enforces the Federal Meat Inspection Act, the Poultry Products Inspection Act, and the Egg Products Inspection Act, which require Federal inspection and regulation of meat, poultry, and processed egg products prepared for distribution in commerce for use as human food. FSIS also enforces the Humane Methods of Slaughter Act, which requires that all livestock at federally inspected establishments be handled and slaughtered in a humane way.

AMS purchases food product for the USDA nutrition programs. In order to be eligible to sell meat or meat products to AMS, processors must derive the meat and meat products from livestock that are humanely handled and harvested in accordance with all applicable FSIS regulations, notices and directives. In addition to this requirement, AMS has specification requirements for food purchased for USDA nutrition programs that preclude the use of meat and meat products derived from non-ambulatory disabled livestock. In making commodity purchases, AMS relies on FSIS and Food and Drug Administration (FDA) food safeguards; explicitly incorporates FSIS and FDA requirements into procurement contracts, as appropriate; and requires good manufacturing practices for sanitation and food safety.

The Food and Nutrition Service (FNS) administers USDA nutrition programs. FNS programs affected by the recall include the National School Lunch Program, the Emergency Food Assistance Program, and the Food Distribution Program on Indian Reservations.

In the event of an administrative hold or a product recall, FNS is responsible for notifying each affected State Agency through the FNS Rapid Alert System (RAS). The RAS is in place to communicate critical information to State Agencies and to ensure that action is taken quickly with as little disruption to normal operations as possible. State Agencies are responsible for working with schools and other operators of USDA nutrition programs at the local level to trace deliveries of affected product and to report the status of the product to FNS. In the event of a recall, State Agencies are responsible for working with schools to verify product destruction and for submitting records to FNS for reimbursement and product replacement. Throughout the process, FNS provides State Agencies with continual technical assistance and other support to ensure compliance with a hold or recall.

USDA Actions

On January 30, 2008, USDA learned about the original HSUS video regarding violations through the media. While needing to investigate the potential violations, we thought it prudent to immediately and indefinitely suspend Hallmark/Westland as a supplier to

Federal nutrition programs. Hallmark/Westland was not permitted to produce or deliver any products under contract, and, under the suspension, no further contracts could be awarded to the company. In addition, USDA placed an administrative hold on all Hallmark/Westland products we identified that were in, or destined for, Federal nutrition programs since October 1, 2006. The October 1, 2006, date for the start of the initial hold period was chosen to capture a of Hallmark/Westland product that was in the Federal nutrition program supply chain.

On February 1, 2008, Hallmark/Westland voluntarily stopped slaughter operations. As a result of FSIS findings, FSIS suspended inspection at the plant on February 4, 2008. This action was based on FSIS findings that the establishment failed to prevent the inhumane handling of animals intended for slaughter at the facility, as required by FSIS regulations and the Humane Methods of Slaughter Act.

Through the ongoing investigation, FSIS obtained additional evidence that, over the past two years, this plant did not consistently involve the FSIS public health veterinarian in situations in which cattle became non-ambulatory after passing ante-mortem (prior to slaughter) inspection, as required by FSIS regulation. It is important to note that older cattle can be ambulatory when they pass ante-mortem inspection, then become non-ambulatory from an injury or for other reasons. If such a situation occurs, FSIS regulations require the public health veterinarian to inspect the animal again before the animal is permitted to go to slaughter. In this case, the evidence demonstrates that the

FSIS public health veterinarian was not consistently involved. This failure by Hallmark/Westland led to the recall of February 17, 2008, in which Hallmark/Westland voluntarily recalled 143 million pounds of fresh and frozen beef products produced at the establishment since February 1, 2006.

On February 17, 2008, FSIS amended the suspension to reflect the fact that Hallmark/Westland had allowed cattle passing FSIS ante-mortem inspection that subsequently became non-ambulatory to be slaughtered without further inspection by FSIS personnel. The suspension will remain in effect and the establishment will be unable to operate until corrective actions are submitted in writing and verified through a full review by FSIS. This verification process will ensure that animals will be handled humanely and not allowed to proceed to slaughter until Hallmark/Westland complies fully with FSIS regulations.

While it is extremely unlikely that these animals posed a risk to human health, the recall action was deemed necessary because the establishment did not comply with FSIS regulations. The recall was designated Class II because the probability is remote that the recalled beef products would cause adverse health effects if consumed. This recall designation is in contrast to a Class I recall, which is a higher-risk health hazard situation where there is a reasonable probability that the use of the product will cause serious, adverse health consequences or death.

As is the case for all recalls, FSIS is following its established procedures of conducting effectiveness checks to verify notification of the recall and product control and disposition. The recalling firm notifies all consignees of the recalled product and provides instructions for the control and disposition of products. If the recalling firm's consignees have used the recalled products in whole or in part for another product, those consignees must also notify their customers and remove these products from commerce. FSIS personnel are in the process of verifying that Hallmark/Westland has been diligent and successful in notifying its consignees of the need to retrieve and control recalled product, and that the consignees have responded appropriately.

Immediately following the FSIS announcement of the Hallmark/Westland recall, FNS issued instructions to States and program cooperators for the recall and destruction of the Hallmark/Westland beef placed on hold on January 30, 2008, as well as Hallmark/Westland beef dating back to February 1, 2006, the time period covered by the recall. Following FSIS requirements and procedures, FNS instructed State distributing agencies and other program cooperators to destroy all products covered by the recall in a manner compliant with local and state health agency requirements. The process of control and destruction is nearing the final phase. The State distributing agencies and other program cooperators are required to submit documentation to FNS when the destruction has been completed.

Since January 30, 2008, FNS has provided ongoing technical assistance to State distributing agencies, industry partners, and schools to assist program cooperators with

the initial administrative hold and the ensuing recall. In addition, FNS collaborated with the U.S. Department of Education to disseminate information to school officials in every school district across the country. USDA thanks the Department of Education for supporting the FNS outreach efforts.

AMS is working to purchase ground beef from other eligible suppliers for schools and other domestic recipients to replace destroyed product. Purchases and deliveries of replacement ground beef products are being prioritized and expedited to ensure that sufficient products are available to local nutrition program operators.

USDA places high priority on providing safe and wholesome food to children served through the National School Lunch Program and other Federal nutrition assistance programs. We are proud of our record in this regard and believe that our purchase programs provide children and other program participants with safe and high-quality food.

Safeguarding Against BSE

I am aware that this situation has raised questions about the risk of BSE. I would like to take this opportunity to give you a brief summary of the safeguards against BSE that we have in place to protect our food supply.

Since the discovery of the first case of BSE in Great Britain in 1986, we have learned a tremendous amount about this disease. That knowledge has greatly informed USDA's regulatory systems and response efforts. It has also given us the opportunity to examine our own cattle herd, which is why we know that the risk of BSE in the United States is extremely low.

As noted earlier, non-ambulatory cattle are excluded from the food supply as part of the federal government's interlocking system of controls to protect the food supply from BSE. These BSE security measures include the ban on non-ambulatory cattle, but that is simply one of the multiple measures in place.

We have learned that the single most important thing we can do to protect human health regarding BSE is the removal from the food supply of specified risk materials (SRMs)—those tissues that, according to the available scientific evidence, could be infective in a cow with BSE. FSIS requires that all specified risk materials (SRMs), including the brain and spinal cord, are removed from carcasses so that they do not enter the food supply. Slaughter facilities cannot operate without the continuous presence of FSIS inspection personnel to ensure safe and wholesome product, including the removal and segregation of SRMs. According to the 2005 Harvard Risk Assessment, SRM removal alone reduces the risk to consumers of BSE by ninety-nine percent. FSIS line inspectors are stationed at key points along the production line where they are able to directly observe certain SRM removal activities. Other off-line inspection personnel verify additional plant SRM removal, segregation and disposal.

Likewise, another significant step we have taken to prevent the spread of BSE and bring about its eradication in the animal population is the ruminant-to-ruminant feed ban. In 1997, the FDA implemented a mandatory feed ban that prohibits feeding ruminant protein to other ruminants. The feed ban is a vital measure to prevent the transmission of BSE to cattle.

BSE testing is best used as a surveillance tool. By testing animals that show possible clinical signs of the disease, we can document the effectiveness of our security measures.

USDA's Animal and Plant Health Inspection Service (APHIS) has conducted targeted BSE surveillance testing since 1990, including an enhanced surveillance effort that was initiated after an imported cow tested positive for the disease in December 2003. The goal of the enhanced effort, which began in June 2004, was to test as many animals in the targeted population as possible over a 24-month period. This intensive effort detected only two animals with the disease, out of over 759,000 animals tested. Both of those animals were born prior to initiation of the FDA feed ban and neither entered the food supply. This testing confirms an extremely low prevalence of the disease in the United States.

The enhanced surveillance program provided sufficient data to allow USDA to more accurately estimate the prevalence or level of BSE within the U.S. cattle population. Based on this analysis, we can definitively say that the incidence of BSE in the United

States is extremely low. APHIS continues to conduct an ongoing BSE surveillance program that samples approximately 40,000 animals annually. This level of surveillance significantly exceeds the guidelines set forth by the World Animal Health Organization, which has affirmed that U.S. regulatory controls against the disease are effective.

It is because of the strong systems the United States has put in place, especially these essential firewalls, that we can be confident of the safety of our beef supply and that the spread of BSE has been prevented in this nation.

Further Actions

The investigation led by OIG with support from FSIS and AMS is ongoing. Once the investigation has concluded, we will have additional information to determine the actions for FSIS oversight, inspection and enforcement that may be required. Furthermore, until that investigation is completed and reviewed, we are taking a number of steps to strengthen our inspection system and I expect to announce those steps in the near future.

In addition, the Department will make sure that all remaining Hallmark/Westland product provided to USDA food and nutrition programs is destroyed. Replacement product from other eligible suppliers is already being purchased and provided to schools and other recipients. Given the monetary implications of the recall on this firm, I have directed USDA's Grain Inspection, Packers and Stockyards Administration to closely monitor the company's financial status to ensure prompt payment to producers should

Hallmark/Westland resume operations. Additionally, I have directed AMS to exercise every legal recourse possible under the terms of the contracts with Hallmark/Westland to recover the costs of the recall to States and other food program operators, as well as to the Department.

Conclusion

Mr. Chairman, the serious inhumane handling witnessed on the HSUS video is clearly unacceptable. Let me be clear that, as soon as we became aware of the conduct documented on the video, the Department took immediate action. We have worked expeditiously with our state partners to remove, destroy and replace product in our federal nutrition assistance programs. We have also reached out to all our stakeholders throughout the process.

We will continue to provide the public with an update of our actions at www.usda.gov/actions. Thank you and I will be happy to answer any questions that you have.