

July 2, 2013

Secretary Tom Vilsack
United States Department of Agriculture
Room 200, Jamie L. Whitten Building
12th Street & Jefferson Drive, S.W.
Washington, DC 20250

Transmitted via facsimile: (202) 720-6314

Dear Secretary Vilsack,

I am writing to follow up on my letter to you dated January 2, 2013 regarding the failures of the Australian Export Meat Inspection System (AEMIS) for red meat exports to the United States. There is new evidence that six months later, those food safety issues remain with meat processed at Australian establishments that operate under AEMIS and exported to the United States. While Food & Water Watch has expressed concern about these repeated failures directly to officials of the Food Safety and Inspection Service (FSIS), there seems to be a lackadaisical approach being taken by the agency to address the problems. We believe that granting AEMIS equivalency status in 2011 was a big mistake. We hope that there is enough courage at USDA to admit that an error in judgment was made and urge that the equivalency determination be revoked.

As you will recall from my January 2, 2013 letter, there has been a marked increase in the number of import rejections of Australian meat products at our ports-of-entry since the implementation of AEMIS. AEMIS is a privatized inspection system that removes Australian government inspectors from slaughter lines and transfers those duties to company employees to perform. It is patterned after the HACCP-based Inspection Models Project (HIMP) being piloted in five hog slaughter plants here in the United States. In that January letter, we attached a communication between FSIS and the Australian Department of Agriculture, Fisheries and Forestry (DAFF)'s Australian Quarantine and Inspection Service (AQIS) about those import rejections for visible fecal and ingesta contamination. In addition, we sent you internal Australian meat industry communications that described the level of panic that was beginning to surface about the import rejections endangering further privatization of the meat inspection program in Australia.¹

We just learned that on June 4, 2013, officials from the Australian DAFF met with staff from FSIS to discuss recent import rejections from two Australian meat plants that export to the United States – Australian Establishment 2309, Fletcher International Exports, and Australian Establishment 866, Lobethal Australia Pty Ltd. The products from these two plants were rejected in May 2013 for visible fecal and ingesta contamination. What is

¹ Letter from Wenonah Hauter, Executive Director of Food & Water Watch. to Agriculture Secretary Tom Vilsack, January 2, 2013.

noteworthy about these two plants is the fact that they had been both been delisted from eligibility to export to the United States in 2012, relisted in early 2013 and delisted again in May 2013. As you know, feces and ingesta are sources of microbiological contamination that can lead to food borne illness.

In response to the import rejections of products from these two establishments, DAFF has decided to intensify inspection of those plants with government inspectors. So, privatizing inspection in Australia has led to increased government verification. It seems to us that the Australians have admitted that AEMIS has failed.

Since my January 2, 2013 letter, there has been another noteworthy development that calls into question the wisdom of FSIS granting equivalency status to AEMIS or to any other foreign meat inspection system that is based on HIMP. AEMIS was granted equivalency status based on a HIMP pilot project being conducted in five U.S. hog slaughter plants. Food & Water Watch has disagreed with this approach since a pilot project is not representative of the hog slaughter industry as a whole – these five plants comprise 0.81 percent of the 616 hog slaughter plants that have grants of inspection in the United States – much less than the entire meat industry. But since 2006, FSIS has granted equivalency status to foreign beef, mutton, goat slaughter inspection systems based on hog-slaughter HIMP. This seems incongruous to us as the methods of slaughter are so much different among these species of animals. But there is another significant issue. On May 14, 2013, the USDA Office of Inspector General (OIG) issued a very critical audit report that has received widespread publicity entitled, “Food Safety and Inspection Service – Inspection and Enforcement Activities at Swine Slaughter Plants.” In that audit report, the OIG made the following observations:

“Although HIMP was intended to improve food safety, we found that 3 of the 10 plants cited with the most NRs (non-compliance reports) from FYs 2008 to 2011 were HIMP plants. In fact, the swine plant with the most NRs during this timeframe was a HIMP plant—with nearly 50 percent more NRs than the plant with the next highest number...

“In the 15 years since the program’s inception, FSIS did not critically assess whether the new inspection process had measurably improved food safety at each swine HIMP plant—a key goal of the HIMP program. FSIS officials told us that, ‘the [HIMP program was] intended to help the agency . . . improve upon the level of protection provided by current inspection procedures.’ Therefore, FSIS needs to determine what measurable improvement to inspection procedures is expected as a result of the HIMP program. As of January 2013, FSIS has not completed the assessment.

“Additionally, because HIMP is still in a pilot stage, FSIS needs to review the program’s progress to determine its suitability as a permanent program. FSIS should evaluate HIMP plants’ noncompliance histories and allow only those plants with a strong history of regulatory compliance to remain in the program. Without a review, HIMP plants that are continually noncompliant—

such as the swine plant with the most NRs nationwide—have less assurance of food safety than a traditional plant.”²

Domestically, the hog plants operating under the privatized inspection pilot may have been producing less safe products. Internationally, FSIS has been basing its equivalency determinations on a flawed inspection model that renders those determinations flawed as well, leaving U.S. consumers vulnerable to unsafe imported meat products. We need not go too far back in history or too far in distance to find such an example. In 2012, Canada experienced its largest meat recall in history when beef products from Canadian Establishment 38, the former XL Foods plant, were found to be contaminated with *E.coli* 0157:H7 (which was originally discovered by the USDA inspection program along the Canadian border that the Obama Administration seems to want to eliminate). Eighteen Canadian consumers were made ill from that beef. Over 4 million pounds were subject to the recall here in the United States as we had imported some of the beef. That plant was operating under the High Line Speed Inspection System (HLIS) for cattle slaughter in which most of the inspection was turned over to company employees to perform. In March 2006, FSIS granted the Canadian Food Inspection Agency equivalency status for HLIS based on our HIMP pilot in hog slaughter.³ But these recent events do not seem to dissuade Under Secretary for Food Safety Elisabeth Hagen who was recently quoted as being a proponent of moving forward with the expansion of HIMP in hog and beef slaughter here in the United States.⁴

We have also learned in recent weeks that the European Union has expressed concern over meat products imported from Australian establishments operating under AEMIS. Specifically, the concern lies in the possible conflicts of interest of the company inspectors on the slaughter lines since they receive bonuses from their employers to keep production up. Consequently, these company-paid employees would be reluctant to shut down or even slow down a slaughter line for food safety violations. Ironically, this was a similar concern expressed by an FSIS auditor in March 2011 when he/she visited Australian Establishment 0080, Nolan Meats Pty Ltd. That particular plant was the *only* Australian establishment to pilot the AEMIS inspection model prior to FSIS making its equivalency determination on AEMIS. In the audit report that the FSIS auditor filed, the following observation was made:

“Employees of the establishment that work as AQIS Approved Officers (AAO) conducting official post mortem inspection, receive financial benefits that are tied to profits generated by the operator of the establishment whose products they inspect. These AAOs receive salaries and profit sharing

² USDA Office of Inspector General. “Food Safety and Inspection Service – Inspection and Enforcement Activities at Swine Slaughter Plants,” Audit Report 24601-0001-41, May 2013, pp. 17 to 18.

³ Letter from Sally White, Director of International Equivalence Staff, Office of International Affairs, USDA Food Safety and Inspection Service to Dr. William Anderson, Director of Food of Animal Origin, Canadian Food Inspection Agency, granting equivalency status to the High Line Speed Inspection System in beef slaughter, March 2, 2006.

⁴ Healy, Amber. “Hagen Hints at Expanding HIMP to Beef, Pork in Part 2 of Interview,” *Food Chemical News*. May 3, 2013.

directly from the establishment. Government officials verify the adequacy of AAO inspection duties and ensure that they meet the expectations of the CCA (Central Competent Authority). However, the fact that AAOs financial benefits are linked to profits generated by their employer appears to be a conflict of interests (sic) that needs the attention of the CCA.”⁵

The concerns expressed by the FSIS auditor were summarily dismissed by his superiors⁶ because FSIS had determined a few weeks before that AEMIS was an equivalent inspection system.⁷ We have learned that the European Union may insist on a third party audit of meat imports from Australia because the member countries are not comfortable with the integrity of AEMIS.

We understand that FSIS plans to conduct a new audit of the Australian meat inspection system later this month. In light of the on-going problems since the full implementation of AEMIS, we urge that a thorough evaluation of the AEMIS inspection system be conducted in that audit. Frankly, we believe that AEMIS should be scrapped and you should begin the process to cease its recognition as an equivalent inspection system since it is deeply flawed for the reasons I cited above.

I look forward to your response.

Sincerely,



Wenonah Hauter
Executive Director

Cc: Senator Debbie Stabenow
Senator Thad Cochran
Senator Barbara Mikulski
Senator Richard Shelby
Senator Kirsten Gillibrand
Senator Mike Johanns
Senator Mark Pryor
Senator Roy Blunt
Representative Frank Lucas
Representative Collin Peterson

⁵ USDA Food Safety and Inspection Service. “Foreign Establishment Audit Checklist, Nolan Meats Pty. Ltd., Australian Establishment 80, March 21, 2011, received in response to Freedom of Information Act request.

⁶ United States Department of Agriculture Food Safety and Inspection Service. “Final Report of an Audit Conducted in Australia: March 17-25, 2011.” p. 13.

⁷ See Fed. Reg. 76 11752-11755. March 3, 2011.

Representative Harold Rogers
Representative Nita Lowey
Representative Robert Aderholt
Representative Sam Farr
Representative Rosa DeLauro
Representative Jack Kingston