THE PROCESSORS VIEWPOINT ON THE IMPLICATION OF
THE 1967 FEDERAL MEAT INSPECTION ACT
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Perhaps the best capsule description I could give as to the
response of the Meat Packing Industry to the Wholesome Meat Act of 1967--
at least the independent segment thereof for which I am qualified to speak--
is that independent packers at present are in a state of confusion bordering
on chaos.

This judgment should not be misconstrued to infer that independent
packers are resisting the administration and enforcement of the new law. To
the contrary, much of the confusion stems from their sincere anxiety to
comply and conform.

My heartfelt sympathy goes out--and I am not being facetious--to
the top officials of the consumer and marketing service, USDA, who are
charged with the administration and enforcement of the new law. Rather than
finding themselves with the responsibility of what would have been the some-
what more reasonable and orderly procedures of the Purcell Bill, which we did
support, as did the department initially, they found themselves catapulted,
largely by hysteria and panic of our press and our legislators, into the
almost unmanageable task which now confronts them, with neither sufficient
money nor manpower available for the gargantuan task.

Immediately following the passage of the act, our association, which
had fought it vigorously, for reasons which should become apparent as I
proceed, gave tangible evidence of our willingness to cooperate with the
department in facilitating the compliance of our members with its provisions.
We offered the courtesy of our platform at large meetings at Bal Harbour,
Florida, and New Orleans, and at other smaller meetings, for them to present
their interpretations of the provisions of the law and to answer questions
of our members as to specific applications.

They accepted this offer, for which we were truly grateful, and
gave succinct, forthright and honest answers to the questions which they were
able to answer. To other questions, more complex and not so easy to answer
on the spur of the moment, they were equally frank in admitting their
inability to do so without further consultation within the department,
particularly with their legal counselors. Some of those questions haven't
been, and can't be, answered even yet, because some of them may have to go to
the courts for ultimate decision. These questions have little to do, basically,
with matters of wholesomeness and sanitation. They involve, rather, such broad
--national--considerations as the relationship of the federal government and
the several states in certain matters of jurisdiction and precedence.

One element which has contributed to the confusion about which I
spoke at the outset is, stated quite simply, manpower--or, more precisely,
the lack thereof. You can't recruit overnight a vast horde of new, qualified,
trained meat inspectors. Ours is a highly complex industry with intricate
technical ramifications. It takes years of on-the-job training, as well as formal "textbook" training, for an inspector to familiarize himself with packing house practices to the extent that he will recognize what is reasonable, fair and permissible under the law as against that which is petty, picayune and superfluous. So an inevitable result of this workload avalanche has been double-barreled. It is bringing into the service a large number of new, earnest but relatively untrained inspectors--like the one reported at a meeting in Bal Harbour who ordered a barrel of that pernicious chemical known as sodium chloride out of a plant until his supervisor tactfully informed him what salt was--and it has many of the old hands longfully eyeing early retirement because of the increased, additional and arduous duties that are being placed on them. This of course, is having an adverse effect not only on those presently intrastate operations that are now "going federal," but it is also putting a pinch on plants that have long been under federal jurisdiction.

Likewise, the sudden and large expansion of staff has greatly contributed to the related expansion of an already-present communication gap. When I mentioned the confusion of independent packers, I was not talking, in generalities. I can cite specifics.

I have in mind one packer who "decided" he would place his plant under federal jurisdiction. Of course, the fact that one of his customers, a retail outlet with which he did between $1 million and $1 1/2 million of business a year, had just notified him that after a certain date his stores would not handle anything other than federally inspected product had nothing to do, I'm sure, with his "decision." He dutifully came to Washington, brought his top assistant, and, to his utter amazement, literally "breezed" through the approval process, including blueprints and labels. He was, naturally, highly pleased--pleased, that was, until about two weeks ago when he received a letter from some other official of the service informing him that approval was being withheld because his blueprints were unsatisfactory.

Another packer who qualifies in the "confused" category is one who received his expedited "boning inspection exemption" after a visit from a district official of C&MS and proceeded blithely to exercise his new freedoms--until he was notified by a Washington official that he was not qualified for this exemption. A few letters and a dozen phone calls later it turned out that the district official was right in the first place, and that the letter of denial came out of Washington merely because it seemed the appropriate time, in the chronology of bureaucracy, to send him such a letter. Such experiences can be disheartening, and costly, as well as confusing.

The most recent, and perhaps the most drastic manifestation of the communications gap was typified by a document known as TS-19, a ruling issued by the technical services division, without prior consultation with the industry, which in some instances would have eliminated bulk shipments of meat at the wholesale and retail level. During our meeting at New Orleans Mr. Leonard read a telegram announcing that this regulation, which was scheduled to have gone into effect on June 15 had been held in abeyance until August 1. In spite of this, a packer in New York City complained that the inspectors in his plant had never heard of the recision of this regulation and had informed him that he could make no bulk shipments after June 15. A few quickly placed telephone calls cleared up the matter, but had he not engaged in this extra effort this packer would have been subjected to a regulation--at great cost to him incidentally--which already had been officially suspended by the department.
Another area of prime concern for the small meat processor is the facilities section of the meat inspection regulations. Meat processors have been promised a "Rule of Reason" by the C & M S people. Initial requirements will be adequate lighting, ventilation, drainage, housekeeping, and those items having to do with basic sanitation requirements. The general building specifications for federally inspected plants will be overlooked for the time being. However, before the close of the 2-3 year grace period, while C & M S builds up its organization, the small processors have reason to believe state legislatures will not feel inclined to pay half of a bill for which the federal government will happily pay all. This, of course, will mean complete federal control and no one believes the government will operate with two sets of rules. Those plants which do not meet building requirements will be given a period of time to remodel their plants to conform with the regulations. In many cases this will be impossible and will require an entirely new facility. In other cases it will mean costly expenditures of investment in remodeling programs. The building and remodeling of meat plants is very expensive and many of these firms will have to discontinue their operations as they face the reality of the economic law of diminishing returns. Unfortunately, we probably have economic planners in government circles who feel the new inspection law could be administered much simpler if the nation had only 5,000 plants rather than the present 15,000. There is considerable anxiety among the small plant operators as to what the future holds for them.

The labeling and formulation regulations will also create problems for non-federally inspected plants, especially those plants having slaughter departments that produce offal items generally used in sausage products. Wide variations have existed between the federal regulations and those allowed by the states as to labeling and also the use of extenders. The federal regulations require each item in formula to be listed on the label by its anatomical name and in order of its predominance and any formulas with more than 3 1/2% extender be called an imitation product. In the South we need products with more than 3 1/2% extender for reasons of preference as well as economic, but a product labeled imitation will not sell. In a trained taste panel run at the University of Georgia, it was found that the panel preferred 3 1/2 non fat dried milk over 0%, 12%, over 3 1/2%, and 6 & 9% non fat dried milk were preferred over all other treatments. The panel showed no difference between 6 & 9%.

We do not believe the consuming public is interested in specific anatomical names so long as products are edible, wholesome, and passed as fit for human consumption. A packer cannot manufacture a product unless he has each item to include in the formula as is listed on the label. For small plants this means excessive inventories of products and labels. We do not believe the wholesomeness of product and honesty of labeling would be violated if offal items from slaughter operations were categorized and given a new terminology, allowing the interchange of items within the category. This would facilitate formulations for all packers, especially the smaller processor, without impairing wholesomeness of product or integrity of labeling.

It has been over 60 years since any changes have been made in regulations regarding the amount of extenders allowed even though the public prefers the more tender product. In view of the rapid progress made in the meat science field in recent years we think consideration should be given

to revising these archaic regulations with more emphasis being placed upon
the actual nutritional value of the product produced. The amount of specified
protein in an item should be more meaningful to a housewife and mother than
the nomenclature of the components.

It would be utter idiocy for me to stand before an audience as
knowledgeable and sophisticated as this one is and try to pretend that
everyone operating a meat packing plant is the soul of honor and above
suspicion and reproach. Yet I can tell you, with honesty and conviction,
that the vast majority of meat packers whom I know are honorable, honest and
reputable business men, producing wholesome and palatable meat and meat food
products and struggling to achieve economic survival in a bitterly competitive,
low-profit-margin industry. Most of our members are residents of the com-
munities and regions which they serve. Many are leaders of civic, church and
social affairs. They stand to lose much by even inadvertent and innocent
misdoing. They are employers whose payrolls contribute substantially to the
economic welfare of their communities. These men are just as anxious as the
federal government, believe it or not, to see the chiselers, cheaters and
corner-cutters ferreted out by those who exercise jurisdiction over our
industry. They place their reputation and their business on the line every
time they deliver a load of product to a retail store.

Now I'm not trying to single all of them out as archangels or models
of business deportment. What I am trying to do is to place them in accurate
and realistic perspective. I could name you dozens of such firms which have
been doing business for twenty, thirty, forty--even 50 or 75--years without a
breath of suspicion having touched them or their product. The fact that they
had never sought to be placed under federal inspection had, in many instanes,
absolutely nothing whatever to do with questions of wholesomeness and
sanitation.

Yet these were the men who were branded as scoundrels, pilloried
in the press as producers of filthy, contaminated, vermin-ridden, pus-filled--
just plain dirty--meat and meat food products. I could relate to you many
instances wherein the charges made against them were either outright false
or perverted distortions of the truth, but there's no sense beating a dead
horse, particularly if it's the horse that's already bolted out of the barn
door.

My sole purpose in touching upon this at all is not to seek retri-
bution, or your sympathy, but to create in your minds an appreciation of the
mental climate which ushered in the wholesome meat act of 1967, not just in
the minds of the innocently victimized reputable, independent meat packers but
in the minds of the consuming public.

Ours, at best, is not a pretty industry. It involves the killing
of animals so that mankind may eat. No matter how humanely this is done, it
is not appetizing for the delicate or squeamish. Our proximity to the
stomachs, and the pocketbooks, of the consuming public makes us highly
vulnerable--easy prey, in fact, to the headline-hunting politician and the
headline-creating sensational newsmen.

It is small wonder, then, that the hysteria and panic which these
headlines created in December of 1967 still hover in the background of the
administration and enforcement of the wholesome meat act of 1967 on this July day of 1968. Small wonder, either, that many retailers, even those who knew better, succumbed to this hysterical pressure by refusing to handle any product other than that which bears the federal stamp of inspection and approval. Less wonder, even, that the stampede of formerly intrastate packers to obtain this coveted stamp for their products has created a work-load avalanche which, even if it had been fully anticipated by the consumer and marketing service--and it had not been fully anticipated in advance--could not have been met by this organization in an orderly and expeditious fashion. I'll give them credit for trying, and I'll even compliment them for a valiant effort to ease the headaches of packers during this trying transitional period. At the Washington level, especially, Mr. Rodney Leonard and Mr. Robert Somers and their immediate staffs have gone "all out" in their quest for reasonableness and fairness in their application of the provisions of the act. They have furnished us with help by their interpretations, and in their willingness to stand up and be counted before packer audiences. We have had the same sort of cooperation from the district directors whom I've encountered personally, men, for example, like Drs. Kieldsen, Rafoth, Hatter, Christopherson, Berger, Burkert, and Diehl, each of whom has attended one or more association meetings.

So much hinges, though, on what happens down at the end of the line--at the plant level. If an inspector walks into that plant with the pre-formed, unshakable conviction that every meat packer is an embryonic criminal or, at the very best, an inveterate scoundrel, everybody is apt to suffer--including the consumer and marketing service. An inspector may reasonably reach such a judgement as time goes on, but to walk into a job with that chip on his shoulder is to indulge in a self-defeating philosophy.

Packers can read, too, you know. Many of them know, generally speaking, what's in the book, and you'll find some of them, perhaps surprisingly, as well versed as inspectors in what the book says, and permits. The kind of men I've been talking about earlier aren't going to ask, or expect, any substantial deviations. But there are going to arise, as they always do in the daily operation of a packinghouse, questions which will require judgment as well as literal application of what the book says. It is in these areas of viability and flexibility--interpretation, if you will--not involving any actual breach of either administration of the law or regulations or compliance therewith, wherein much can be done to create a more harmonious working relationship than sometimes presently exists.

What I'm really asking, in these brief remarks, is that the many innocent not always be made to suffer for the wrongdoings of a few miscreants. Time after time, I've seen regulations promulgated to encompass a known, or suspected, violation or culprit; then administered or enforced so as to wreak havoc as a blanket indictment of an entire industry. No one encourages or condones violations. As I said earlier, every adverse headline doesn't hurt just the guilty party, or parties. It shakes the public confidence in the integrity of all meat and meat food products. It was for this reason, actually, even during our vigorous opposition to the law which finally was enacted, NIMPA declined to use any tactics which would undermine or weaken the confidence of the public in the integrity of the Federal Meat Inspection System. In fact, we have appeared every year to testify before the House and Senate Appropriations Committees in support of the full budget
request of the Department for Federal Meat Inspection, even at a time when a majority of our members were other than federally inspected. There were years, too, when we asked for more than the department requested or the bureau of the budget permitted, because of our sincere desire to secure sufficient funds to enable the department to perform efficiently and effectively.

So much for the past and present. How about the future? We have been greatly impressed by the willingness of the top echelon of the consumer and marketing service to initiate, voluntarily, a "rule of reason" with regard to the absorption of presently interstate plants into the federal system. This "rule of reason" does not condone—could not, in fact, be expected to condone—any conditions which would result in the production of meat and meat food products which are not sanitary and wholesome. It does permit the temporary overlooking of purely technical and physical conditions which may not be letter for letter with USDA specifications, but which do not result in permitting the production of meat and meat food products which are not fit for the consuming public. I have in mind here such things as the widths of doors, the height of railings, the placement of drains and other items which, though not wholly are keeping with the rigid specifications of the department, can still permit clean and wholesome meat to be produced in such plants. It is my fervent hope that this attitude on the part of the department could be observed and echoed in many other quarters, without weakening the intent and purpose of the wholesome meat act of 1967. Obviously, with many plants seeking expedited entrance into the federal system, enumerable problems of this sort are going to arise, and the "rule of reason" promulgated by the department leaders will certainly facilitate the more orderly administration and enforcement of the act.

While we did oppose the act in its present form, there can be no argument but that any measure which reassures the consuming public as to the integrity of the meat and meat food products produced by our industry can have only beneficial results in the long run.

I'd like to close by assuring you that the independents have accepted the fact that by December 15, 1969, every meat packing plant still in operation will be operating under conditions "at least equal to" federal standards and regulations. Their basic desire is to reach that point in time and that status in as painless a way as possible. You will find them receptive, if sometimes bewildered and confused. You will find them determined to continue to produce the wholesome, sanitary, nutritious meat and meat food products which have made our nation the envy of the world.

MAX JUDGE: Thank you, Mr. Beavers, I think it is apparent we will have no difficulty in having reciprocity in our discussion period. To direct the traffic on that we have Prof. Larry Kunkle of Ohio State University. Prof. Kunkle.

PROF. KUNKLE: You've heard an excellent survey of Uncle Sam's concern about this whole business of meat inspection, as Dr. Steinmetz has