



INDUSTRY NEWS

By David Meeker, APPI President

June 13, 2007

CURRENT ASSOCIATION ISSUES

Code of Practice Tally—You Are Doing GREAT!!

So far, 48 plants have been certified. The list is maintained on the APPI website:

<http://www.animalprotein.org/>

REGULATION

FDA Public Meeting on Animal Feed Safety System (AFSS)

The Food and Drug Administration (FDA) held a public meeting on the Animal Feed Safety System (AFSS) to present work-in-progress on a method for ranking feed contaminants according to the relative risks they pose to animal and public health. FDA announced in August 2003 its intention to make its animal feed safety program more risk-based and comprehensive. The modernized AFSS, which is expected to be completed in 2007, will incorporate risk-based, preventive control measures for ensuring the safety of animal feed. FDA with State assistance is developing an AFSS framework document that identifies the current major processes, guidance, regulations and policy documents that address feed safety and the documents that should be developed to make the Agency's feed safety program comprehensive and risk-based.

OIE Feed Safety Guide

The OIE's Terrestrial Animal Health Standards Commission met in March 2007 to discuss various issues including animal diseases and welfare. The document, "Guidelines for the control of hazards" is from that meeting. It can be found here:

http://www.aphis.usda.gov/vs/ncie/oie/pdf_files/tahc-guide-cont-haz-ah-ph-imp-ani-feed-76-mar07.pdf

Additional information on USDA's work with the OIE can be found here:

<http://www.aphis.usda.gov/vs/ncie/oie/>

EDUCATIONAL OPPORTUNITIES

Feed Industry Profitability Workshop

NRA is a cosponsor of a Feed Industry Profitability Workshop to be held Aug. 7-9, 2007 in Green Bay, WI featuring instructors from: Texas A&M University & Kansas State University. This workshop series will equip participants to perform the following activities:

- Capital budgeting including preparation of detailed cash flow statements and assigning rate of return based on project risk,
- Interpret financial statements and assess feed mill competitiveness through the application of financial ratios and benchmarking,
- Perform detailed cost analysis using enterprise/cost center budgeting,
- Analyze and manage variability using statistical techniques that improve feed quality, operating efficiency, and profitability,
- Learn to assess the optimum operating conditions and identify economic efficiency,
- Utilize financial planning techniques to examine growth strategies.

The workshops include lectures, case examples, and in-class problem sets to help participants learn these skills. Excel training in financial and statistical functions, data management using pivot tables, and how to perform an optimization analysis are included in the workshops. The course is conducted at the Northeast Wisconsin Technical College in Green Bay, WI.

Feed Industry HACCP On-line Training

NRA is a cosponsor with Texas A&M of an internet-based graduate-level college course on HACCP.

Hazard Analysis and Critical Control Point (HACCP) in the feed industry utilizes a process approach directed toward ensuring food safety. While not a regulatory standard for the North American feed industry, an increasing emphasis on HACCP by food processors and export customers necessitates the voluntary adoption of this technique by all sectors of the feed industry to retain their competitiveness.

This course emphasizes a science-based risk management approach to identifying and managing hazards in feed ingredients and finished feed combined with the application of management science including quality assurance, regulatory standards, ISO 9001 and ISO 22000 quality management system, and hazard analysis and critical control point principles needed to maintain a system to manufacture safe foods and feeds.

The course will be delivered 100% online using a course Web site in the WebCT course management system, email, discussion boards, mail and CDs. The lead instructor is Dr. Tim Herrman, Professor of Grain Science at Texas A&M University. He is also the State Chemist and Director of the Office of the Texas State Chemist.

Dr. Don Publishes a New Book

Poverty—Malnutrition—Disease—Hopelessness: A Cry for Social Justice. The book contributes to the global debate of the last few years to address the complexities and address new goals with relation to world poverty and health. Chapters focus on sanitation and hygiene, waterborne and foodborne diseases, new dimensions of chronic diseases, and the role of private foundations and organizations. Copies can be ordered from Dr. Franco's Center for Bio-Security, Food Safety, and Public Health. Phone: 561-968-1575 E-mail: dfranco99@aol.com

OTHER ISSUES

Avian Influenza Kill Temperatures

I ran down the following information for a member and thought it may be useful to others.

The WHO has a website with "Frequently asked questions" here: http://www.who.int/csr/disease/avian_influenza/avian_faqs/en/index.html

About half way through, the information addresses cooking temperatures directly: “The H5N1 virus is sensitive to heat. Normal temperatures used for cooking (70oC in all parts of the food) will kill the virus. Consumers need to be sure that all parts of the poultry are fully cooked (no “pink” parts) and that eggs, too, are properly cooked (no “runny” yolks).”

The National Restaurant Association says “According to the World Health Organization and the Centers for Disease Control and Prevention, properly cooked and prepared poultry, even if the bird had avian flu, poses no risk to your health. Cooking poultry to an internal temperature of 165 degrees Fahrenheit kills the avian flu virus as it does other bacteria and viruses, which means the virus is no longer able to infect you.”

Here’s a fact sheet from Canada that says even the temperatures of composting are enough to kill the virus: http://www2.news.gov.bc.ca/nrm_news_releases/2004AGF0007-000261-Attachment1.htm They also mention rendering as an approved disposal method for depopulated birds.

This document from the FAO has quite a bit of good information: http://www.fao.org/docs/eims/upload/200354/HPAI_manual.pdf

A very good AI plan from Australia is here: <http://www.animalhealthaustralia.com.au/fms/Animal%20Health%20Australia/AUSVETPLAN/aifinal.pdf> It says, on page 29, “Meat products Virus can persist in poultry meat products. In setting minimum processing conditions for cooked chicken-meat imports from New Zealand, the Australian Quarantine and Inspection Service reviewed the published literature on thermal inactivation of AI viruses in 1991. Although the inactivation times were found to vary between virus strains, the following agreed minimum core temperatures for imports of cooked poultry meat from New Zealand are considered sufficient to kill AI viruses:

- 70°C for a minimum of 30 minutes;
- 75°C for a minimum of 5 minutes; or
- 80°C for a minimum of 1 minute (AQIS 1991).

Specific references to rendering are on pages 30-31.

New Salmonella Test, Europe Interested

A new high-speed salmonella test has been developed in Alaska that provides processors with results within 18 hours. A news story is found here: <http://www.foodproductiondaily.com/news/ng.asp?n=77031&m=1FPD604&c=naetztutwzxeodw>

Pork Producers Keep Increasing Production

High corn costs prices still aren’t having much effect on pork production, notes Glenn Grimes, University of Missouri agricultural economist. He looks for production increases over a year ago levels, with the exception of summer farrowings, which he estimates as unchanged.

There will be more hogs this year and into next year, he said. Among the factors he sites is the increase usage of vaccines to combat porcine circovirus associated disease. Vaccine supplies are finally expected to increase this fall, which could push market-hog numbers by 3 percent or more. “If that happens, we’ll see some live prices in the \$30 (per hundredweight) area,” he added.

Grimes said there is a 90 percent probability for red ink in the fourth quarter, noting that corn costs have added \$7 to \$9 to production costs. “Our real concern is not hog prices,” he said, “but what it’s costing to produce hogs.”

Pork Consolidation Continues, But Slower

The 2007 Pork Industry Structure Study results are in for producers who raise 50,000 to 499,999 hogs a year and for those marketing more than 500,000 hogs. An article in *Pork* magazine can be found here: http://www.porkmag.com/directories.asp?pgID=780&ed_id=5066

Biomass Research and Development

USDA and DoE have jointly announced the availability of up to \$18 million for research and development of biomass-based products, biofuels, bioenergy and related processes - Funding is to be provided for "... projects in the following four categories ... the development of technologies to convert cellulosic biomass into intermediaries for biobased fuels (45 percent); product diversification (30 percent); feedstock production (20 percent); and analysis for strategic guidance (5 percent) ..." - Eligible applicants include state and federal research agencies, national laboratories, private-sector groups and nonprofit organizations. The USDA grant funding announcement is posted here:

<http://www.grants.gov/search/search.do?oppId=14351&mode=VIEW>

Whole Foods/Wild Oats Hit a Road Block

Austin, Texas-based Whole Foods Market has hit a snag in with the Federal Trade Commission. Whole Foods wants to absorb Wild Oats Markets, and FTC plans to try to block the merger of the two leading U.S. "natural" food retailers. The FTC will file a complaint in the U.S. District Court for the District of Columbia and seek a temporary restraining order that would prohibit Whole Foods from completing its acquisition of Denver-based Wild Oats' shares on antitrust concerns. According to the deal, announced last February, Whole Foods would pay \$18.50 per share in cash and assume \$106 million in Wild Oats' debt. Expectations were to seal the deal in April. For more, go to www.porkmag.com

Microsoft Funds Animal Rights Behemoth

Microsoft plans to make a \$100,000 donation to the Humane Society of the United States (HSUS) and is partnering with the animal rights group on a pilot program called the "i'm Initiative." Through the new program, whenever a Windows Live Messenger user has a conversation using i'm, Microsoft will give a portion of the program's advertising revenue to one of ten organizations selected by the user. HSUS is one of the choices.

China Defends Food Products, Urges Importers to Check Quality

Officials in China are insisting that their food inspection system is as good as the American one while blaming the news media for questioning the safety of its exported food products and using its own state-controlled media to attack the safety of Western goods shipped to China. Foreign companies are responsible for ensuring that the products they source from China are safe and legal, officials added.

"Recently, some media, actually quite a few, have wantonly reported on the so-called lack of safety of Chinese food products," said Li Yuanping, deputy head of the food safety import and export division of the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ). But more than 99 percent of Chinese food exports to the United States in the last three years had been approved by U.S. inspectors, he told a news conference, a figure he said was slightly higher than the figure for U.S. food exports to China in the past two years. "Looking at these statistics, you can see (media reports) have been whipped up," Li added. "One company's problems do not make it a China problem. If some food is below standard, you can't say all Chinese food is unsafe."

Li, the import/export official, also said that China has a system of quality inspection but that foreigners should make sure they are buying quality goods. "No food product is allowed to be exported before passing a full range of checks by China Entry-Exit Inspection and Quarantine officials," he said. "And foreign importers need to especially make sure that the products they are buying are in compliance with all requirements," he told the China Daily newspaper.

Most of the contaminated feed ingredients imported by the United States from China in April were “illegal products,” according to the AQSIQ. “It is these illegal products that have tarnished the reputation of all Chinese food products,” Li said. He added that no system is perfect. “It’s like an airplane,” he said. “Flying is said to be the safest way to travel, but sometimes you have plane crashes.”

Meanwhile, China announced that Zheng Xiaoyu, former head of the State Food and Drug Administration, has been sentenced to death for accepting bribes in return for approving unsafe drugs. The People’s Daily newspaper, the voice of the Communist Party, said that the sentence showed that the party is looking after the welfare of the Chinese people.

‘Humanization’ Fuels Growth in Pet Food

Humanization is the No. 1 trend fueling growth in the \$43 billion global pet food market, according to Global Pet Food Industry Outlook, a new report from Packaged Facts and Petfood Industry magazine. Treating pets like family outranked packaging convenience and special ingredient foods which are also heavily impacting the market. A story can be found here: http://www.allaboutfeed.net/news/id102-11606/humanization_fuels_growth_in_pet_food.html

EU to Research Reintroduction of MBM as Feed Ingredient

The European Economic and Social Committee, an EU advisory group, is spending €1.7 million to fund research program by 12 scientific institutes across the bloc. The committee says that pig meal should be allowed for chickens and that chicken by products should be fed to pigs. “The EESC suggests that the European Commission pursue and step up as swiftly as possible the studies currently under way which clearly show that the use of meat meal from nonruminants can be used in pig and poultry feed without posing any danger to human health,” it said.

A rather cynical news story on this development can be found here:

<http://www.foodqualitynews.com/news/ng.asp?n=77022&m=2FSN606&idP=8&c=naetztutwzxeodw>

High Pork Prices in China

China’s cabinet held an emergency session regarding pork prices. China is a country where people eat more pork than anywhere else in the world except Germany, pork prices are up more than 43 percent in a year. The average wholesale price for pork now is about 95 cents a pound. There has even been talk about tapping into the pork reserve. The pork prices are rising due to the fact that last year farmers were caught between an oversupply of pork and rising feed prices, and stopped raising pigs. The price of corn, the main ingredient in pig feed, rose nearly 20 percent over the first four months of this year. Last, but not least an outbreak of blue ear disease prompted the slaughter of whole herds.