



INDUSTRY NEWS

By David Meeker, APPI President
September 12, 2007

CURRENT ASSOCIATION ISSUES

NRA Environmental Committee

The NRA Environmental committee will meet 8:30 – 9:15 am on Wednesday, October 24, 2007 at the NRA annual meeting in South Beach, FL. Agenda items will include: Regulatory update, dioxin update, impact of high path avian influenza on workforce, dead animal disposal, report on ozone coalition, update on EPA Spill Prevention Control and Countermeasure (SPCC), report on Chemical Security Act implementation.

NRA APPI Committee Membership Meeting

The NRA APPI committee membership meeting will be held 10:30 am to noon on Tuesday, October 23 at the NRA annual meeting in South Beach, FL. We will report on progress with the Rendering Code of Practice and review the Salmonella testing program.

Rendering Code of Practice

Check out the list maintained on the APPI website: <http://www.animalprotein.org/>, we are very proud of these leading companies—make sure you get listed. We have 62 plants certified to date!

National Cattlemen's Food Safety Committee

I represent NRA on NCBA's Beef Industry Food Safety Council (BIFSCo) which brings together representatives from all segments of the beef industry to develop industry-wide, science-based strategies to solve the problem of E. coli O157:H7 and other food borne pathogens in beef.

NRA Trip to Puerto Varas and Santiago, Chile

The NRA office in Mexico City organized two seminars in Chile. The first technical talk was designed for salmon producers held in the salmon production area of Southern Chile in the City of Puerto Varas on August 28. It was attended by Chilean Sanitary Authorities and potential customers such as traders, salmon feed manufacturers, salmon producers, and nutritionists. There were approximately 50 attendees. The second seminar was held in Santiago on August 30. This program was designed for pet food producers, but also was attended by Chilean Sanitary Authorities, university people, and nutritionists. There were approximately 50 attendees at this session also. .

USDA Research Project: Assessing Animal ID Systems

Renderers were represented at the final session of “Assessing the Impact of the National Animal Identification System (NAIS) With Regard To Beef, Pork and Lamb Harvesting and Rendering Facilities in the United States.” NRA chairman Dave Kaluzny was there, along with Ross Hamilton and David Meeker. The focus of this meeting was the collection, archiving and transfer (to State and/or Federal Animal Health officials) of animal termination records. This was part of a USDA funded research project conducted by Colorado State University.

Secretary’s Advisory Committee on Foreign Animal and Poultry Disease

I currently serve on the USDA Secretary’s Advisory Committee on Foreign Animal and Poultry Disease (SACFAPD) which met August 21-22, 2007. The purpose of this meeting was to review the committee’s 2006 recommendations to the Secretary, and to interface with USDA representatives regarding six foreign animal disease priorities moving forward. The 2007 animal disease priorities as outlined by Secretary Johanns include:

- Vaccination strategies
- National Veterinary Stockpile
- National Animal Identification System
- Avian Influenza
- Foot-and-Mouth Disease
- Rift Valley Fever

There were lengthy discussions about Rift Valley Fever (RVF) and Foot and Mouth Disease (FMD)

- RVF was presented as an ecologically-based issue which has cycled both endemically and epidemically in East Africa with alarming results. Transmission of RVF occurs through mosquitoes (transmittable to humans) and is based on environmental factors such as rain and climate change. It is a vector-borne disease with a high fatality rate.
 - Actions taken in response to RVF include alerts issued by the U.N.’s Food and Agriculture Organization (FAO). In addition, entomology teams have analyzed data and created forecast reports. For the U.S., the El Niño weather pattern in recent years created extraordinary climate readiness for RVF. In the event of an RVF outbreak, some vaccination potential exists, but this science would need to be developed, the SACFAPD underscored. RVF could also potentially be used as a biological warfare agent. The SACFAPD believes that RVF is an up-and-coming topic to watch out for
- Also, the USDA’s goal to completely eradicate FMD is facilitated by the development of a preparedness tool called the North American Animal Disease Spread Model (NAADSM), which is a collaborative project between Canadian and U.S. academic and government agencies. Its purpose is to model disease spread through geospatial and zonal technologies, and also model control strategies. Through the creation of zones which have been used in NAADSM, USDA is able to assess damage and respond more accurately. The SACFAPD commented that USDA would need to ensure that NAADSM takes into account the constant transportation and movement of livestock in order to ensure its accuracy.

Legislation Introduced Refers to Rendering Infrastructure

NRA supports S. 1804, the National Agriculture and Food Defense Act of 2007, and urges the Senate Committee on Homeland Security to take action on the bill this year. A single agro-terrorist attack against our livestock industry could cost the United States economy \$10 to \$33 billion. With the continuing threat of terrorism to the United States and its infrastructure, the National Renderers Association recognizes the need for the programs outlined in this

comprehensive legislation. S. 1804 is an important step towards strengthening our ability to prepare and respond to this threat.

Renderers have for many years provided a vital resource and a network of facilities that handle volumes of dead farm animals by rendering (cooking and drying) this highly degradable and potentially infectious material into usable protein products and fat products including biofuels. However, agro-terrorism could bring unprecedented volumes of animals in need of disposal and decontamination. For this reason, assistance, as called for in S. 1804 in the form of low-interest loans, is needed to build surge capacity in rendering to respond to a catastrophic animal disease outbreak.

REGULATION

Glycerin Use in Feed

NRA met with other trade groups including the American Feed Industry Association, National Biodiesel Board, and the Methanol Institute to discuss the issues surrounding the use of glycerin in feed. We are monitoring activity at FDA's Center for Veterinary Medicine Division of Animal Feed following a seminar we hosted there in early January. There is concern about potential contaminant levels in glycerin, particularly methanol, in light of a recent regulatory letter issued to industry by FDA that stated glycerin with levels higher than 150 parts per million (ppm) could be considered unsafe for animal feed unless firms had data on the safety of the product at higher levels. Other contaminants of interest are sulfur and antibiotics.

Chemical Security Act Implementation

The U.S. Department of Homeland Security (DHS) released an interim final rule in June, 2007 that imposes comprehensive federal security regulations for high risk chemical facilities. The regulation could impact hundreds of thousands of plants including food and rendering plants. Many chemicals in common mixtures and products could be subject to regulation under this rule. Screening Threshold Quantity (STQ) amounts listed in the draft appendix were surprisingly low for many chemicals.

The government is in the final stages of review of the Appendix A list to the Chemical Security Rule and a final draft is expected this fall. DHS cast the net broadly with its proposed list for a variety of reasons, one being to get the information and feedback needed to make a better assessment of proper threshold quantities. DHS has forwarded its final list of chemicals under the Chemical Facility Anti-Terrorism Interim Final Rule to the Office of Management and Budget (OMB) on August 21, 2007. OMB could take up to 90 days to review the list of "chemicals of interest" and make a ruling before it goes to the *Federal Register*.

After the final rule is published in the Federal Register, facilities will have 60 days to complete the Top Screen. This will place each facility in one of four tiers that rank the facility in regard to risk, with Tier 1 being the highest level risk and Tier 4 being the lowest. The facilities in Tier 1 will be contacted immediately by DHS and many already have already been contacted. The facilities that are in Tier 1 will be required to complete the Top Screen process and develop the required security vulnerability analysis and site security plan. The estimated number of facilities in the Tier 1 could be as high as 150 facilities, while the number in the other Tiers could range in the thousands.

EPA Proposes Stronger Ozone Standards

EPA is proposing to strengthen the nation's air quality standards for ground-level ozone, revising the standards for the first time since 1997. Agriculture production and processing produces VOCs (including methane and ethanol) and NO_x that would be regulated through monitoring and possibly via controls. Stringent control measures would be implemented that could curtail production activities, restrict pesticide applications, designate/limit pesticide application times,

eliminate pesticide availability, restrict animal agricultural feeding operations (emissions from animal waste handling and storage), prescribe costly control measures for animal agriculture, and prescribe costly control measures for certain food and agricultural processing industries (including scaling factors for VOC measurements).

EPA will issue final standards by March 12, 2008. Based on that date, EPA estimates the following implementation schedule:

- By June 2009: States make recommendations for areas to be designated attainment and nonattainment.
- By June 2010: EPA makes final designations of attainment and nonattainment areas. Those designations would become effective 60 days after publication in the Federal Register.
- 2013: State Implementation Plans, outlining how states will reduce pollution to meet the standards, are due to EPA (three years after designations).
- 2013 to 2030: States are required to meet the standard, with deadlines depending on the severity of the problem.

GAO Report on SPCC

The General Accounting Office (GAO) chastised the EPA in a July report for not following White House Office of Management and Budget (OMB) guidelines assessing regulatory impact when amending the Spill Prevention, Control, and Countermeasure (SPCC) regulations. In *Aboveground Oil Storage Tanks: Observations on EPA's Economic Analyses of Amendments to the Spill Prevention, Control, and Countermeasure Rule*, GAO said the EPA did not follow a basic recommendations by the OMB for assessing regulatory impacts of the changes made in 2002 and 2006 to the SPCC rule. The GAO said the EPA did not take into consideration the extent of facility compliance when measuring the economic burden the revised SPCC requirements would have on the regulated community. EPA assumed that facilities were already complying with the SPCC's provisions and concluded that the amendments would not result in additional regulatory burdens, the report said. In the 2002 EPA SPCC rulemaking, the agency made what it referred to as "editorial" changes by replacing the word "should" with "must" in language relating to secondary containment at loading racks. This change made secondary containment at loading racks a "requirement" rather than a "recommendation" forcing many bulk plant operators to incur extra costs to come into compliance.

The full GAO report can be found at <http://www.gao.gov/new.items/d07763.pdf>
EPA provides information to understand, develop, and implement SPCC Plans here: www.epa.gov/oilspill/spcc.htm

OTHER ISSUES

UK Foot and Mouth Disease Outbreak

Investigators have determined a pipe at a research laboratory in southern England caused last month's outbreak of foot-and-mouth disease. Britain's Health and Safety Executive found there were biosecurity lapses at the facility in Pirbright, Surrey. The lab complex houses vaccine-maker Merial Animal Health — the British arm of U.S.-French pharmaceutical firm Merial Ltd. — and the government's Institute of Animal Health. Virus traces were found in a pipe running from Merial's lab to a treatment plant operated by the government-run lab, and the pipe may have been damaged by tree roots. Investigators found contractors working at Pirbright traveled to and from the site using a country road next to the farm where the first outbreak occurred. After the outbreak was detected Aug. 3, Britain suspended exports of livestock, meat and milk products for nearly three weeks. About 600 animals were slaughtered as a result of the outbreak.

Though several sites were tested, only two farms — both about 30 miles southwest of London — had cattle confirmed with the disease. A news story can be found here:

http://news.yahoo.com/s/ap/20070905/ap_on_re_eu/britain_foot_and_mouth&printer=1;_ylt=AoOkaq9VNxbw.1mBWvXSrdZa24cA