UNITED STATES DEPARTMENT OF AGRICULTURE

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NATIONAL ADVISORY COMMITTEE ON

MEAT AND POULTRY INSPECTION

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PLENARY SESSION

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Facilitator and Presenter

KATRINA GREEN
Designated Federal Officer
Office of Policy and Program
Development

AARON BECZKIEWICZ

JEREMY TODD REED, Under Secretary
Office of Food Safety
United States Department of Agriculture

ANGELICA MARRERO SANCHEZ
Economist and Deputy Director
Policy and Programs Development

SARAH MILCHMAN
Economist
Policy and Program Development at FSIS

Free State Reporting, Inc.
1378 Cape St. Claire Road
Annapolis, MD 21409
(410) 974-0947

MELISSA HAMMER
Director of Regulations Development Staff
Office and Policy and Program Development Staff
at FSIS

COMMITTEE MEMBERS

DR. MARY ANNE AMALARADJOU, Associate Professor
University of Connecticut

SHARON BIRKETT
OSI Group

DR. DIANNA VIOLA BOURASSA
Auburn University

DR. BYRON D. CHAVES
University of Nebraska - Lincoln

DR. VANESSA COFFMAN
Stop Foodborne Illness

DR. JAMES RICHARD DILLON, Director
State Meat Inspection Program for the state of
Texas

SCOTT LEE FILBRANDT

CASEY GALLIMORE
Meat Institute

DR. JAMES H. HOLLIS, Director
South Carolina State Meat Inspection Program

PAUL KUBER
Washington State University

ANASTACIA MARIE LARKIN
Google Foods

PATRICK ROBINETTE
Micro Summit Processors

DR. JAMES ROGERS
Office of Field Operations

DESIREE CLAIRE ANNE WINELAND, Associate Director
Prevention for the Division of Foodborne, Waterborne, and Environmental Disease at CDC

DR. BYRON WILLIAMS
Michigan State University

HILARY WHITMAN, Associate Director
Prevention for the Division of Foodborne, Waterborne, and Environmental Disease at CDC

I-N-D-E-X

P-R-O-C-E-E-D-I-N-G-S

(10:00 a.m.)

MS. GREEN: Mr. Chavez Elizondo, are you able to use your mic in your camera?

MR. CHAVEZ: Hi. Yes, I'm here.

MS. GREEN: Are you able to use your camera?

MR. CHAVEZ: Hi. Yes, can you see me?

MS. GREEN: I don't have you on the screen. Got you. All right.

MR. CHAVEZ: Thanks.

MS. GREEN: Okay. It is now 10:00 a.m. so we will get started. Great morning to everyone. I am Katrina Green, the NACMPI Designated Federal Officer, and I want to welcome you to day two of the NACMPI committee meeting.

Before we begin, I want to provide a few housekeeping items. For those that joined, the plenary one yesterday, these housekeeping reminders will be familiar. First, I want to remind everyone that this meeting is being recorded, and FSIS will post the recording and transcripts when they become available on the FSIS website at www.fsis.usda.gov.

With the exception of our committee members and the designated speakers, all other attending microphones were automatically muted when you logged

in and you will not have the ability to use your camera except if you are making a public comment. There will be one brief comment period today for members of the public that will occur after my opening remarks. If you wish to provide comment, please use the raise hand feature, and you will be unmuted when it is your turn to speak.

We request that all attendees please introduce yourself by providing your name and affiliation before providing comment. Each person will be provided two minutes to make their comment today.

Lastly, the chat feature is available for attendees. Comments made in the chat will be shared with the committee. In addition, attendees may submit written comments according to the options and directions outlined in the Federal Register Notice announcing this meeting. These comments will also be shared with the committee when they become available.

The remainder of today's agenda will include continued concurrent subcommittee discussions from day one, followed by the full committee reconvening for the subcommittees to provide a report of the work from your meetings over the past two days. At the conclusion, we will have closing remarks.

We will now move to public comment. Aaron, do we have anyone that has requested to make comment?

MR. BECZKIEWICZ: If you want to -- if you would like to make a public comment, please raise your hand and we will work on providing you access to your microphone. And I still -- I do not see anyone with a hand raised requesting to provide public comment at this time.

MS. GREEN: Okay, great. Thank you, Aaron. There is no one that has requested to make a comment, so this brings us to the end of our plenary meeting, and we will begin the concurrent subcommittee meetings. The links have been provided again today in the chat to join the meeting for Subcommittee I, which is the Establishment Size Definitions group, and Subcommittee II, the Technologies Impact on Inspection group.

To join one of these meetings, you will need to click on the link for the subcommittee group that you want to attend. Again, the links for the subcommittees group I and II are provided in the chat of this meeting, so you will need to click on the link for the subcommittee group that you want to attend in order to be able to join that meeting.

We are now adjourned. Excuse me, adjourned

from this meeting, and we'll begin the subcommittee meetings at 10:15 a.m. Eastern Standard Time.

PLENARY MEETING

(2:25 p.m.)

MS. GREENE: Okay. It is now 2:25 p.m. Eastern Standard Time and we will now begin with the plenary meeting. Welcome back to the NACMPI plenary meeting. A lot of discussions and work occurred during the subcommittee meetings, and we look forward to hearing the subcommittee reports.

We will start by having a subcommittee report from group one, then group two, followed by full committee discussions. Then the committee will vote for adoption of the reports. We will now begin the subcommittee report for Establishment Size Definitions. Dr. Chaves will provide the report for this subcommittee. And now I'll turn it over to Dr. Chaves.

DR. CHAVES: Hi. Can everybody hear me? Hello.

MS. GREENE: Yes, we can hear you. We can hear you.

DR. CHAVES: Okay. So I am going to turn my camera on and I'm going to -- I'm not allowed to share a document just yet. Okay. Let's see. Give me just

one moment while I share the document. Okay. There we go. Can everybody see the document okay?

MS. GREEN: Yes.

DR. CHAVES: Okay. Thank you very much. Well, good afternoon everybody. My name is Byron Chaves, and I will be reporting on behalf of Subcommittee I. And we worked on updating size classifications for official establishments.

You can see the members of the committee and the ones that are highlighted in yellow are the ones that participated in this meeting. So thank you very much, Dr. Coffman, Dr. Dillon, for leading the effort for us. Scott, Anastasia, and Patrick for their input.

So with that, let's go to question number one. Okay. So question number one was FSIS uses multiple size categories, such as production volume for sampling, half subsize, or firm level employee counts set by the Small Business Administration.

Are there any concerns with the use of this approach. And so basically the committee came to the conclusion that yes, that we do have some concerns, and the committee believes that FSIS should continue to use multiple size categories to categorize or characterize establishments

However, the current structure is insufficient to accurately group establishments by size. For example, one of the main concerns that we discussed is related to size of the establishment or size based on employee numbers. So an establishment that has ten employees is very different than one that has 499, but they are still grouped in the same category as it is right now.

So the committee suggests that FSIS should consider increasing the number of categories to better group similar establishments together. And so with that, that that takes me to question number two, which is where we come up with an alternative. Okay.

So in this case, the question is what metrics should FSIS use to define size categories for regulated establishments, such as employee count, production volume, revenues, square footage of the facility, and others. Okay.

So in this case, we came up with multiple points that I will discuss. The first one is that the committee believes that FSIS should use the production volume in pounds per year of product produced under inspection and shipped into commerce to define these size categories to use as a metric.

So keep this in mind. What we are proposing

is pounds per year of product that is produced under inspection by FSIS, and that goes into commerce. Okay. These production totals should be based on the previous year's production of existing -- for existing establishments.

And size classification for new establishments should be based on the first 90 days of production and extrapolated to cover the rest of the production year. FSIS should retain the ability to alter this classification if production changes significantly, if production changes significantly from the amount forecasted based on the first 90 days of production.

And we came up with these 90 days based upon has the validation for new processes. After the first full year of production, then the establishment size should be determined based on the previous years' production. Okay.

The second point that we discussed in this metric, in this new metric that we are proposing, is the possible number of size categories based on production volume as well as potential production volume cut offs for those categories.

And so again, we are proposing that this should be based on pounds per year of product produced

under inspection and shipped into commerce. So the committee determined that those decisions could not be made until data is obtained regarding annual production volumes at existing establishments.

And we speculated quite a bit about what those numbers would look like. But the reality is that without data from FSIS, we can really provide cattle values as suggestions.

The committee recommends that FSIS conduct a study of annual production volume in pounds at both federally and state granted establishments. And then that FSIS can then use that data to create the number of -- the number and size of production volume-based categories necessary to group similar establishments more accurately.

And so in this case, we recommend that FSIS look not only at federally inspected facilities, but also at state granted establishments, because this can have a better representation of very small facilities that operate in states that have meat and poultry inspection programs. Okay.

The committee considered the merits of creating multiple production volume categories in a single establishment based on different prototypes, such as slaughter, raw processing, RT, but decided

that this approach would generate confusion.

And therefore the committee decided not to recommend this approach. So we are not going to separate volume of production based on different categories of product. That is what we are recommending.

The committee further believes that FSIS should create a secondary measure of business size. Okay. So this would be complementary to production volume. This measure should designate whether the establishment is a stand-alone establishment or part of a firm of multiple businesses that share ownership in part or in whole.

FSIS should further classify firms to determine if that overall entity is a small firm made up of a few businesses under shared ownership, or a large firm made up of multiple individual establishments based solely in the U.S., or part of a multinational firm.

And so we had a lot of discussion about this. And so the whole point here is to identify whether an establishment that is federally inspected is actually small. Right. And so if they belong to a conglomerate, then there are some nuances about that. Okay.

FSIS should also take all measures possible to prevent organizations from hiding their involvement in other establishments or firms through strategies such as partial ownership or other efforts to conceal or inaccurately portray ownership by a large firm.

Again, we had a lot of discussion about this and is can we, can FSIS actually makes sure that a firm that is classified as small or very small, or however classifications they may come up with at the end of this process, that that firm is a stand alone firm and not part of a larger conglomerate.

What are the limitations or advantages of this recommended metric. One advantage of characterizing establishments by production volume is that FSIS already collects production volume data. All right. So this wouldn't be too cumbersome, maybe, on the agency to reclassify.

FSIS also has the ability to check this data and verify accuracy by checking business and production records. Additionally, production volume is a more straightforward mechanism to determine establishment size than some of the other methods listed in the prompt above, such as square footage, right, or revenue.

One limitation with the committee suggestion

above is that creating too many categories may confuse inspection staff, and establishment personnel, and other entities. However, the committee also believes that the production volume and business category, such as individual, small, firm, large domestic firm, large multinational firm, and potentially others, are both important measures to capture so that we can accurately classify facilities for what they are.

As such, the committee recommends utilizing two classifications, those being production volume and business category. Okay.

Moving on to question number three. How should FSIS account for establishment's ownership when developing size categories. Okay. So this was also a little discussion within the committee. We came up to the conclusion that FSIS should make some effort to ensure that the firms are counted as firms, and individual establishments are counted as such. Okay. Which is basically what I just talked about in question number two.

The committee advocates for following the methodology for trade in the responses above. Question here was, should size category supply at the establishment or at the firm level. In this case, the committee recommends that FSIS give all the

establishments both a production volume-based size classification and a business classification, as portrayed in the responses above.

FSIS should also use those classifications according to their best fit for a given situation. And basically what we mean here, for example, is that production volume size classification is likely to be a better fit for inspection-based decisions in the in-plant environment. Right.

This would be on a day-to-day kind of operations. Conversely, if FSIS or any other entities uses size categories to determine courses of action related to business matters, such as eligibility for grants, or contracts, or special assistance, or overtime cost reduction, eligibility, and many others, then the business category would likely be a better indicator to determine the appropriate course of action.

And so now, hopefully, everybody else that was not in Subcommittee I can see why we are proposing this combined measure of volume of production and business size or business category.

If a granted establishment produces a product that is moved to another granted establishment under the same ownership, then that product should be

included in the number of pounds produced per year at each granted established. Right.

So having sister companies where a company moves product from one to another would still have to be, I guess, clarified. Right. The product that leaves one facility, even if it goes into a sister facility, should be adequately accounted for. And each pound of inspected product that goes out the door of each granted establishment should be counted. Okay.

Another part of question number three, which I'll scroll up so you can see, is to what extent do small or very small establishments owned by a larger firm receive assistance from their parent company or owners. And this is in part, one of the things that really prompted us to come up with that other business category besides production size, or production volume.

And so the committee believes that small or very small establishments owned by a larger firm, often receive significant assistance from their parent company. Right. And so if their status is a part of a larger firm, it should be captured by FSIS and used to determine multiple courses of action.

Like I said earlier, for grants, technical

assistance, and others. Right. And so not only just the volume of production from each one of the facilities. But also, do they belong to a larger conglomerate, and are they getting assistance from their parent company. Okay.

Moving on to question number four. This is a short answer. What site standards are commonly used within the industry for defining small and very small. Okay. And so what we came up with is that we looked at other agencies. Right. So think about the Food and Drug Administration, or the Environmental Protection Agency, or the Small Business Administration.

And other entities such as commodity boards and trade organizations may use multiple standards to categorize entities that they oversee. But the committee does not really believe that FSIS should consider those standards for categorizing meat and poultry official establishments. Right.

The committee would particularly discourage FSIS from using employee counts, revenue, or square footage, to determine establishment size. Again, we are proposing a volume based, volume of production base and a business category.

As stated above, the committee believes

establishments should be based on this annual production volume in pounds, as well as an accurate characterization of this establishment's business status, as detailed in the answers above. Okay.

Let me move on here to number five. And this is a question, number four and number five, we, the committee had to seek clarification from FSIS and so you can see here in number five that we added a little bit of -- a few words to the question.

So are there other applications for the current FSIS half sub-sizes outside of FSIS, such as within the industry. And the clarification basically turned this into are the repercussions outside if FSIS establishment size classifications are changed.

And so there may be some impact outside of FSIS. Right. Like we've discussed. However, we also think the committee thinks that this would be positive impacts. Again because we are considering not only the volume of production but also that business category that can more accurately portray establishment characteristics.

And this would have benefits in terms of adequately assigning technical assistance grants, for example, like we've discussed. Okay. Moving on to question number six. How should FSIS obtain data to

determine if the establishment is a small entity under the Small Business Administration's size definition. Okay.

And so you guys can see here that that is part of the question, the numbers that you see here came with the question for what is considered small. But we think that FSIS should not be using SBA size definitions to define establishment size, as we are trying to get away from number of employees. Right.

One of the concerns that was discussed in the committee is the role of automation. Right. And so we can have a facility with very few employees, that maybe is producing a lot depending on the type of product that they produce. Right.

And so there may not be a correlation with revenue, or square footage, or anything else. Right. And so that's what we came up with the concept of volume of production.

What would be the impact of using the SBA definitions for other agency functions, such as implementation of regulations. Well, you know, we are recommending to get away from this, from this type of approach and so using the SBA definitions for other agency functions may allow some establishments to farther game this system. Right.

So with the combined metric that we are proposing of volume of production and business category or business characteristics, we are really trying to be more categorical about what is the classification for that specific establishment. Right.

So do they belong to a conglomerate. Do they, you know, how are they operating in terms of business. And so in this case, we know, and the committee recognizes that there are some companies that historically have kind of gamed the system and gain unfair advantages in the marketplace.

So the committee believes that this already occurs, particularly in cases where one corporation or other entity has an ownership interest in multiple regulated establishments. And there were multiple examples that were discussed in the committee throughout the last couple of days. Okay.

Lastly, question. Number seven. Are there other sources of data besides the public health information system that FSIS can use to better identify establishment sizes and ownership structures. Okay. So we came up with several points here.

Some sources of information may include state controllers, the IRS, and potentially the

Department of Justice related to activities associated with the Packers and Stockyards Act.

The committee believes that FSIS should use all measures at their disposal to identify common ownership interests across multiple regulated establishments, including creating a working group that includes legal and financial experts to further explore strategies to obtain this information. Again, with the objective of really classifying stand alone operations for what they are.

FSIS should consider requiring the disclosure of corporate ownership structure when a facility applies for a grant of inspection, or when the grant of inspection is updated, presumably on an annual basis.

And lastly, FSIS should conduct outreach with federal agencies and other stakeholders to communicate the updated characterization of establishment size, including both annual production volume in pounds and business category, as detailed in the committees response.

And this would be FSIS may be working closely with other federal agencies, such as the SBA. Right. So that they are better aware of what the FSIS actually considers small, very small, whatever

categories they may come up with, as well as technical assistance and membership by trade organizations and commodity boards. Right. Where those membership may -- membership prices may be based on the size classification of the facility.

And with that, I will close. Open it up to comments and questions from the larger committee. And if there's anybody else in Subcommittee I that would like to chime in and provide any classification, please do so. Thank you very much. Casey, please, please go ahead.

MS. GALLIMORE: Thank you very much. Appreciate all the work the subcommittee did. Could not agree more with your assessment on production volume. I agree, I think that's a much better way to assess establishment size, especially as you noted when you're talking about direct inspection tasks within the establishment, such as sampling. You know, inspection tasks through PHIS.

I have some concerns about the subcommittee's recommendation for business category based on two things. One, just feasibility and defining business categories in a way that will actually be accurate, because ownership is not as clear as we would like it to be.

For example, we have, you know, I've worked for a company that was at 1.75 percent owned by a company, and then it became 100 percent owned. And to question three, the amount of support and resources between being 75 percent owned and 100 percent owned were very different.

And so I think there may be a misunderstanding of how much support a entity receives based solely off of ownership, and part of that may depend on what that ownership is for. So it'd be different if you have a big company that supports a lot of meat and poultry, but if you have, you know, a generic food company who decides they're going to delve into the meat and poultry space, it may be a really big company, but they don't actually have a lot of support and resources that are meat specific.

And so I think there -- it may be very hard to really gauge the amount of resources and support that you're getting based solely off of ownership, especially because, you know, do you categories two percent ownership different than 98 percent ownership, 48 percent ownership, like where do you draw the line in ownership.

DR. CHAVES: Yeah. Hundred percent. Thanks, thanks for your comment. We certainly

discussed those issues. Right. We discussed a little bit what does it mean to own and what percentage of ownership. I think that it comes down to a lot of the disclosing. Right. Disclosing if this is a stand-alone operation, if this belongs to a larger conglomerate. And potentially what kinds of support you can get from a parent company.

I understand that that may differ. I agree with your example of having a new meat and poultry operation maybe belonging to a larger company, but they don't have the -- maybe the technical expertise, but the technical expertise of the resources may be different than the financial resources.

And so I understand that there's nuances there. Anybody else in Subcommittee I that may want to chime in?

DR. DILLON: Yeah. This is Dr. Dillon. We did discuss some various aspects of this and part of the reason that we advocated in one of our responses there for FSIS looking at this issue, maybe with a different working committee of experts to look at, you know, the legal and financial pieces of this, are because we know that there is nuance to this. We know that it's not always straightforward.

You know, likewise, when one organization or

a company is owned in whole or in part by another company that is in turn owned by another company, how does that work. Is there a requirement to disclose that.

You know, FSIS would have to look at some of this, but we did overall believe that it was really valuable information to know when an establishment was individually owned. Particularly, when you're talking about a small business. When an establishment is maybe a part of a small group of establishments sharing in whole or in part, some ownership. Or when it's affiliated with a much larger organization.

We also talked about whether that larger organization is based wholly in the continental -- or in the United States, or whether that's a multinational organization that those may be valuable pieces of data. And we thought that was important to capture here when we talk about some of the things that establishment size classification is used for.

Certainly, regardless of whether any given percentage of ownership is maintained by a larger organization, it's up to that larger organization how much support they want to offer to that small business. And whether that has an impact, that ownership in and of itself has an impact on that small

business' ability to access certain resources is something for that larger business to consider.

But that's sort of an internal decision, I think, no matter how big that ownership piece of the pie is. If you have a large corporation that owns five percent of a business and decides to devote significant resources to making that business successful.

Likewise, they could own a large percentage and they're not on their own. That's a business decision for that larger business to make. But we did think that was -- that information was important to capture.

DR. CHAVES: Thanks James.

MS. GALLIMORE: Were you primarily thinking that information was important? So I look at the way that FSIS currently uses their establishment size categories and there's kind of like three buckets. There's the inspection related stuff, which I think you all answered perfectly on production volume. That makes way more sense.

Then there's like the other bucket, the second bucket, which I would categorize as like implementation of new rulemaking. So they consider, you know, will certain establishments or businesses

need more time to adapt to this new rule. So there's like bucket number two.

It feels like you all are focusing a lot on what I would consider like bucket number three, which is grants, which I think that makes total sense when trying to really better understand the business that's supporting that establishment when you're determining federal assistance.

And maybe consider that that information is really only important to gather if you're applying for a grant. It would be a little unnecessary to go try and proactively get that information from every establishment out there, when only a very small subset are going to apply for grants and need additional assistance.

DR. DILLON: I think you bring up an interesting point with regards to bucket number two. Right. When we talk about, you know, time to react to things. And in many cases, if we're talking about implementation of new rules, some of those may really be pretty closely aligned with bucket number one, as you put it, being an in-plant issue. Right.

And I think depending upon what they were looking at, FSIS could make a determination about how they're going to use that data, whether it was just

production volume in the establishment or whether it was something that was appropriate to use some of that other information for.

I think you do have a good point about, you know, bucket number two there, so to speak. I do think it would be beneficial to collect that data for all establishments because, you know, some downstream establishments may choose how they want to structure their business and advertise their product based upon where they obtain, you know, some of their product from.

For instance, you know, small farm to table restaurant may choose to utilize, you know, only suppliers that are individually owned small businesses within 50 miles of their restaurant, or something like that. And I think that by obtaining that data, it's only a net positive to informing the downstream consumer, as well as any other organizations offering assistance or anything like that.

More in the bucket three stuff, as you put it. But I do think it would be a positive to gather that information for all businesses.

DR. CHAVES: Thanks, James. And thanks Casey. I have made a note of the comments so that we can incorporate them into the report. Anybody else

that may have comments or questions about the results of Subcommittee I on establishment sizes. Okay. Well, hearing none, Katrina. I think I'll turn it over to you and Subcommittee II.

MS. GREENE: Okay. Thank you, Dr. Chaves. We will now begin the subcommittee report for Technologies Impact on Inspection. Casey Gallimore will provide the report for this subcommittee. I will now turn it over to Casey Gallimore.

MS. GALLIMORE: Thank you. Could someone turn on my permission to share? There we go. Thank you. Okay. So there's definitely an echo.

So Subcommittee II was focused on ways technology could enhance FSIS inspection activities. Several of the charge questions under this, the subcommittee were focused kind of on information gathering of what is the normal for industry. And so it's a little bit different than a normal NACMPI charge.

So we did try and make sure to capture information for FSIS' educational purposes, as it seemed that was the goal of some of these questions, as well as include specific recommendations. So question number one, has industry successfully implemented cameras, imaging, AI technology, to

identify defects, trends, hazards, or other regulatory concerns.

And there was a lot of discussion about current usage of the technology. And just a general theme, industry is currently doing a lot of trials which are ongoing. We talked a lot about camera video applications.

That's one of the ones that industry has a lot of prior history with, originally intended as security cameras. Those have kind of grown beyond that use for overseeing processes, investigating after an incident.

Some are using it specifically for CCP monitoring, although the subcommittee does not recommend using only video monitoring for CCP monitoring, because of potential failures. But there's been a lot of good uses of video footage. Industry has also long utilized a variety of sensors, such as pH, temperature, a lot of temperature sensors for cooking, cooling, storage, et cetera.

Sensors for traceability, HACCP monitoring, and then on both of those, the remote access has been very helpful for industry to be able to kind of watch over processes away from the facility. So the video technology kind of breaks into a couple of different

categories.

There is a fairly long history of using just kind of camera-based systems both for internal and external auditing, either the company using cameras, and you know, just reviewing them as needed or monitoring them on a set frequency internally, as well as third party camera-based systems where a third party is doing auditing on that film.

There are currently in development a couple of different AI integrated video monitoring systems. It's still very early in the adoption stages by industry. Pretty -- more of a testing kind of phase than widespread usage at this time.

Some of the value in the camera-based systems have been the ability to send photos and videos to FSIS for either, like remote and antemortem inspection, or some other consultation to help expedite decision making, as well as reviewing video footage when an incident occurs, or when there are questions.

And then just outside of FSIS activities, camera footage has proven useful for business relationships and other uses. There were specific -- FSIS specifically asked about vision systems such as hyperspectral imaging. A lot of the use as it relates

to food safety, has been on foreign material with those systems. And they can be independent or have an AI integration.

Imaging has also been used for things like label verification, quality measures, such as fat content, and verifying truck seals, and other kind of security.

Talked a little bit about detection systems since there seems to be a lot of interest around, you know, vision systems as a potential detection system. Any detection system that you're using, whether it's, you know, camera, or vision, or metal detector, or X-ray is -- has to work in congress with a rejection device.

And so I think sometimes that is misunderstood. So detection and rejection systems both have to be fit for purpose. I think there has been a lot of development lately understanding that most equipment, whether it's imaging systems, metal detectors, are generally not just purchased off the shelf. Most of them are specifically designed for that establishment for that process.

And then there's a lot of technology development around operational and maintenance integration. So all of this different technology

that's being used now, how you get information from that technology on downtime, runtime, functionality, and integrating those systems.

Baseline where industry is at, which was kind of question number one. Question number two talks about suggestions for FSIS to leverage existing technology for domestic import and export inspection. So we recommended that FSIS evaluate sensors to aid in import and export inspections, specifically, such as temperature monitoring, or GPS locators.

And also, the FSIS utilized digital paperwork. We'll talk about this a couple different times throughout the questions, but the idea was floated for FSIS develop, essentially, some form of PHIS app for a tablet or phone, so that inspectors could directly conduct inspections and sign off on certificates, and things like that, in real time versus having to go back to their computer.

That's going to have to come with an assessment of what makes sense and is prioritized for being done in real time, and what can be noted later. And then consider integrations with speech to text. We were not sure of the technical terms to use, but the technology where you're able to write on a device and it will transfer into digital records. That might

help with comfortability of inspection staff with using some of these technologies.

Question three is another kind of industry focused question at first, and then turns into an FSIS focus, so what challenges does industry face when adopting advanced technology. And are there any FSIS regulations or policies that are an obstacle to innovation.

So industry has a lot of obstacles, cost, time, skills, to both implement, monitor, and then maintain that technology. Some plants are held to physical space restraints. Processing conditions are not necessarily great for a lot of technology. We have wet, cold, hot, environments that go through full sanitation cycles.

And there's a lot of concerns with cybersecurity risk. Every time you have a connection at an operational technology, it's another vector that has to be managed. And then there is -- are some specific obstacles around AI. There's still a general lack of trust in AI. It's very new in some areas, and it's very dependent on how the system is going to integrate with company data and data ownership.

And I know there's concerns from industry that we talked about, where, you know, is the data,

does the data have to integrate with an off-site AI. Is that data getting sent off site, and how does the company deal with confidentiality and security.

And then the complicating factor that AI is only as good as the information that's going into it. So there are still areas where I say AI is very -- AI as a technology is not new, but it's new in this arena. There's still development where more data is really needed for that AI to be successful in different applications.

And we were told not to talk about internet or hardware issues, but we couldn't help ourselves because internet accessibility is still such an important aspect of any kind of advanced technology. And it's still a huge obstacle for a lot of industry.

And I think one thing, it's always kind of talked about in this sense of it's a complication for small facilities or small businesses, which can be true, but it's really more about remote locations.

So even if it's not a small facility or a small business, let's say a larger company has a very remote facility, it may be very difficult to get internet access for that facility.

The second part of this is about FSIS regulations. The subcommittee kind of had a hard time

identifying an actual regulation or policy that exists that is inhibiting innovation. FSIS regulations are generally open for innovation on paper, but really it's more of the either real or perceived fear of misunderstanding by FSIS, both locally and up through the chain.

So industry kind of is living under this fear that innovation will be used against the establishment. Whether that's just because it's used out of context, or because it encourages more scrutiny.

So we talked about if, you know, an establishment, if two similar establishments are using, you know, with similar production, similar maturity, but one of them is using video monitoring and the other ones not. There is at least a perceived fear that that one using video monitoring is going to get a lot more scrutiny from FSIS because they're going to want a lot of access to that video.

So our recommendation is that FSIS kind of look at the following lists of issues and concerns and develop training materials, guidance, for FSIS employees, really at all levels, not just field level to kind of remove this real or perceived barrier.

Again, there's lack of clarity and

consistency on what level of access inspection staff should have. So if you're using something like video monitoring, are inspection -- inspectors able to look at that video monitoring anytime they want. How can they look at it. What are the barriers to that.

And making sure that's consistent so that we don't have any unintended consequences where, you know, we've kind of made it an unfair marketplace. And then you have a lot of inconsistent interpretations of not only like the technology that's being used, but the results and the data that come from that technology.

So our recommendation is that FSIS provide inspection personnel with a centralized resource to address questions, not just ask FSIS. But ideally would be dedicated staff that are more well versed in technology, and the results and data that come from that technology that inspection staff can lean on.

This is just kind of one of those issues we want them to consider in developing training materials, is that anytime you integrate innovative technology into your HACCP system, it definitely opens up enhanced scrutiny just because of the way that the HACCP regs are written.

Again, we don't think they're written in a

bad way, it just -- it definitely highlights those for scrutiny. And there are security concerns. So part of the, you know, how -- what level of access does FSIS have are based on security concerns with either patented technology or confidential information that's gained through that technology.

And so, overall we need better cooperation and flexibility, especially locally, but not just locally. When we're testing new technology and need to help foster a culture of adapting to change and innovation as a partnership between industry and agency.

The third part of this question specifically asked what changes would maintain an equivalent or better level of food safety. Again, we don't think that the HACCP rule and existing regulations are a barrier to innovation.

And so in the context of the charge to the committee, and we really kind of struggled with answering that question, there's a lot of automation and innovation that maybe -- that would definitely maintain food safety, if not, improve it. But in the context of the charge, I think it was more focused on whether or not there are barriers to it.

Question number four, what are current

inefficiencies or issues that could be addressed by leveraging technology. This one is focused more back on FSIS activities. So the baseline kind of recommendation that the subcommittee had would be to make sure that FSIS inspection staff have access to phone or tablets.

Historically, inspectors used to have, not all, but many inspectors used to have government issued phones and that kind of went away. And there has been a break in the ability to communicate. And there is also newer technology that those phones and tablets could help better communicate with the regulated establishments, as well as do their jobs.

So if this were to happen and inspectors would have phones or tablets, it would obviously need to have a secure connection. Again, touch back on that idea for like an application for PHIS or something similar that would allow secure file sending.

And then again, allow the inspection personnel to review and complete tasks, write NR's, and things like that, on the spot when they're out in the establishment versus having to take notes and transfer that back to the computer.

We talked about especially for inspectors

that are overseeing multiple locations, they may have to go to two or three locations and drive several hours before they actually get back to a computer, where they can then transfer all of that in.

That's asking a lot. It's inefficient and you may lose some information along that route. So it would also be great if inspectors had the ability to take a photo and attach that to a task or a non compliance. Again, just to kind of better notate their observations.

The subcommittee talked about how FSIS has historically seemed to have a very high expectation for written communication that's formal. A lot of times an email. But if they would allow for more -- for other types of communications, such as phone calls, video chat, situations could move along more quickly.

The subcommittee talked about the balance between accurate information and having a record, so that there is benefits for that from email. But if there is an emergency situation or, you know, things like that, situations could definitely be dealt with quicker with phone calls, video chats, et cetera.

The idea was discussed to develop some kind of push notification for PHIS so that inspectors are

alerted if they're not standing, or they don't happen to be at their computer. This could be for inspection tasks as well as export signoffs.

Right now, our understanding of how PHIS works through the inspector, there's no proactive messaging to that inspector to know that something's waiting for them. So if the establishment has an export certificate that's ready to go, a lot of the times the establishment has to then go try and track down the inspector to let them know it's waiting in PHIS. Whereas if there was a notification that could be sent directly, that could save a lot of time.

And there was a lot of discussion around remote inspections. So the subcommittee recommends FSIS allow for remote inspections for certain circumstance, such as -- here are some examples that could be reviewed for additional opportunities.

We talked about if a slaughter inspector could use, again, that secure video connection, pictures, some way to securely send files or video chat, to make remote dispositions for both antemortem and postmortem inspection.

So in this scenario maybe you have a roaming vet, or you know, I know there's a lot of inspection staffing concerns right now and a vet shortage. So

this could kind of maybe help deal with some of those issues.

Again, through a secure video connection, could help with export and import verifications and reviewing labels, and things like that if the establishment were able to just kind of video chat with an inspector, and let them see anything they needed to see, review the load, labels, to more efficiently conduct some of those inspections.

As well as we talked about reviewing corrective actions to release product or an area after an incident. So especially, again, when you've got an inspector that has multiple establishments that they're overseeing, they may be at another establishment rather than waiting several hours or the next day when the inspector can come back to that first establishment. If we were able to video chat, or send video evidence, or photo evidence, for proof of corrective actions, then product and areas might be able to get released quicker.

We also talked about how there's a lot of other entities that are looking into technology and options. And FSIS could learn from them. So we recommended the FSIS meet with AMS.

There's a couple things they are doing right

now that could provide important learnings for FSIS, such as their camera grading system, which they've been doing for quite a while. Is there an application of that camera or something like that that could be utilized for food safety purposes, as well as AMS' remote grading pilot. Are there any lessons from that that could be applied to remote inspections that we just went over.

And then, you know, we recommend looking into technology, the converting handwriting technology. Obviously that would be something that would be great for industry, but also for FSIS personnel. And then we recommend they evaluate better options for controlling documents, stamps, inspection materials.

Right now, like for example, inspection stamps are typically under lock and key at the regulated establishment. But if you have a relief inspector, they have to somehow get that key from the person who -- the regular inspector, and it can be a little clunky sometimes.

Question number five was one again more focused on industry. What would industry need to go paperless. Generally speaking, there's a great -- greater adoption of paperless industrywide, not just

large companies. There's actually quite a few small companies that are doing it, though there are still definitely obstacles.

Most of them administrative-wise, cost, resources, skill set. You have to back up your data, cybersecurity. And then there's specific to FSIS complications.

You have to figure out a way to get data to FSIS, which is kind of an ongoing administrative burden. And do that in such a way that FSIS gets all the records that they need in a timely fashion to do their inspection activities, but while maintaining confidentiality.

We talked about even if companies go paperless, most of the time you're going to need a paper-based backup system for when things go wrong, because hardware and software fail. And there are cyber security incidents.

Companies also need cooperation from local FSIS when they go digital. So there is a need for FSIS to adapt. We've heard -- the subcommittee talked about situations where plants had FSIS inspectors still request paper records, so they were still just having to print the electronic records for FSIS, so they had a paper record rather than FSIS local

inspection adapting to the digital records.

So we recommend that FSIS provide training and guidance to both industry and inspection personnel on their expectations for digital record keeping so that there are clear and consistent expectations for both parties.

And then we just wanted to note, there is some utilization in industry of still having a paper record but digitizing that paper record afterwards for storage and reference.

Question number six, what programs or records are not possible to be paperless. You know, obviously, we just talked about a lot of limiting factors to going paperless outside of that. The subcommittee recognized that most programs and records could easily go paperless if you had unlimited time and money and things.

However, we did identify that both FSIS and industry hold tags should not be entirely replaced by digital holds or digital controls. Right now, industry often uses multiple controls, such as, you know, like a digital hold and an inventory system, and a visual hold with tape and tag. Physical holds, such as tape and tag, are still paramount so that you have that visual cue for employees.

And then we also just wanted to note there are some circumstances that the subcommittee was aware of with ADA guidelines for accessibility. So both FSIS and industry would still need to be flexible and comply with any ADA needs for accessibility if paper was required.

Question seven was about how industry is utilizing digital inventory tracking for product distribution. The subcommittee wanted to make very clear that digital and paperless inventory tracking don't magically make inventory tracking go well. You have to be able to do it on paper before you can really successfully do it digitally.

So programs have to be based on very good processes first. You can still accurately track product on paper, though it is cumbersome and it's really not that easy to manage in a recall scenario which is why a lot of industry has moved towards some semblance of digital inventory.

The vast majority of the meat and poultry industry has adopted barcoding, typically utilizing the GS1 standards. We talked about how even if there's like maybe some establishments that aren't doing receiving, barcoded receiving, they are typically doing barcoded shipping for the products

they produce.

So we've generally found that traceability within the regulated industry is typically very tight. When we say regulated industry, we mean packers and processors. We find that traceability tends to break down further downstream at further distribution, such as retail foodservice distribution.

The question specifically asks about blockchain. We already talked about barcodes, QR codes, so there has not been a wide adoption of blockchain due to data security and confidentiality concerns, as well as blockchain really only works if everyone in the supply chain is involved. And that's just been a very big hurdle.

QR codes have primarily been retail facing for marketing purposes at this time, have not generally been used for inventory tracking. We talked about traceability in general.

A lot of companies are held to either customer or audit requirements for traceability, and there's a lot of industry best practices with traceability along those same lines, such as regular traceability exercises, both tracing forwards, backwards, all ingredients, packaging, et cetera. As well as setting some kind of requirement on

effectiveness and timeliness of conducting those trace backs.

There are mature operations out there. They're utilizing very sophisticated tracking, both entry, exit, and internally. Throughout processes and internal storage. Some of that's even automated. And so FSIS didn't specifically ask for any recommendations on this inventory question, but the subcommittee had some thoughts that it might be good for FSIS to meet with FDA on traceability.

FDA recently had a call to industry to learn more about technology that industry is learning -- or utilizing on traceability. So there may be some learnings that FSIS can gain from that. As well as there may be learnings the FDA could learn from FSIS' history of tracebacks, recall effectiveness checks, and recall successes.

And then specific to or FDA's traceability rule as part of FISMA, there was a recommendation that there would be collaboration between FDA and FSIS because some companies, distributors will be subject to both the kind of historical recall requirements from FSIS, and now the traceability requirements from FDA. And how do those differ, how do they work together, how will entities comply with both.

And then there was an idea to seek further engagement, maybe as a collaborative effort with FDA, on traceability, to engage with not only the regulated industry of packers and processors, but also technology providers, distributors, retailers, maybe in some form of like a round table or something to kind of better understand the whole world of traceability and opportunities there.

And then the last question for the subcommittee was, are there any FSIS forms or record keeping activities that industry finds repetitive or unnecessary. We talked about communication issues with TA plants.

And our recommendation there would be for FSIS to define a clear communication pathway. And provide that clarity to all the parties once it's been defined so that there's -- right now there's some redundancy with communicating directly with the TA, you know, state provide an inspector and then also having to have the same communications of the chain with FSIS.

We talked about how PHIS issues tasks to both shifts for multi shift operations and recommended streamlining that process so that you don't have redundancy of tasks between multiple shifts, such as

reviewing the same HACCP plan, when it's the same HACCP plan that's used for first shift as it is for second shift.

When accessing records, sometimes there are requests for older records that are not as readily available. We recommend that FSIS clarifies IPP that establishments have 24 hours to pull those older records. They should not necessarily be expected to be available immediately.

We talked before about this idea of an application to connect with the PHIS. It was recommended that a notification within PHIS be set up so that inspectors know when NR's are open. Right now PHIS, we don't believe at least, notifies inspectors when there are NR's that are open. They have to be closed by inspection personnel, or else they look like they have not been responded or resolved.

418.2 notifications, as well as 8140 notifications, which are related. The subcommittee talked about how those are really unnecessary when reporting between federally inspected establishments.

There are existing supply chain controls in place, so the recommendation is for the agency to focus its resources on incidents that may result in product reaching consumers by defining in commerce as

outside of the regulated supply chain and potentially accessible to consumers.

And then last, and this may actually help with some of the information that Subcommittee I was talking about as far as business category information, but it was recommended for FSIS to develop a module within PHIS to maintain and update grant of inspection information.

Right now it's fairly cumbersome to recommend -- update your grant of an inspection, and it has to be done through the grant curator's office. But if you're updating something simple like change in leadership or doing business as name, if that were able to be done within PHIS by the company and then verified by FSIS, that might be a much more efficient process.

And that is a lot, but that is it. There's a -- I welcome any feedback from my fellow subcommittee members, if there's anything that I missed, or didn't characterize correctly, as well as any questions from the rest of the committee.

DR. DILLON: Hi. This is Dr. James Dillon. I had a thing I noticed here. I was really happy to hear you look at the remote grading system from AMS. I think that there may be some also potential to

utilize AI, and some things like that I would suppose, I'm not an expert in this field, but I would suppose that an AI would do really good at taking a pixel by pixel look at a photograph to utilize for grading, and might do a really good job of doing that really, really quickly at a really, really low cost, which may decrease, you know, costs to an establishment of any size and may bring grading services much more within the reach of very small establishments.

I think some interesting things that maybe could go a step further with that would be possible link between some of that data with animal ID systems, such that if we could obtain, you know, grade data, quality data, yield grade data, and associate that with an individual animal ID, that might be very useful to a producer to trace forward their, you know, their animals that that they produced to get that data. Particularly if they're not the ones that are immediately selling that data -- or selling that animal for slaughter.

They, if there's an intermediary there, they may not get that data, but if it was easy to associate some of those things with animal ID, that might also provide an incentive for them to participate in animal ID and get some really good data back from that.

MS. GALLIMORE: Yeah. And maybe that's an opportunity to also bring in AFIS with their rulemaking on our ID tags for cattle. I will say that I completely agree with you.

However, some of that is a little out of scope for this committee since it would be under AMS jurisdiction. But I definitely welcome the opportunity to maybe talk with AMS about that as well.

Okay, if there are no other questions or comments, I will yield back to Katrina. Thank you all.

MS. GREENE: Okay. Thank you, Dr. Chavez and Ms. Gallimore. The committee will now attempt to adopt the establishment size definitions report by acclamation. If this fails, we will proceed directly to a roll call vote. Is there a motion to adopt the Subcommittee I report on Establishment Size Definition?

DR. DILLON: Motion made.

MS. GREENE: Okay. Who made the motion, please state your name.

DR. DILLON: Dr. James Dillon.

MS. GREENE: Okay. Is there a second?

DR. CHAVES: I second. This is Byron Chaves.

MS. GREENE: Okay. All in favor of adopting the report on establishment size definitions signify in the affirmation.

ALL: Aye.

MS. GREENE: Okay. I see some hands raised. I don't know if that is signifying the affirmative or if you have any questions.

DR. CHAVES: I think it's the affirmative.

MS. GREENE: Okay. Anyone opposed to adopting the report on Establishment Size Definitions, signify by saying no. Hearing none, the report on Establishment Size Definitions has now been adopted by the NACMPI committee, pending finalization from the Under Secretary and NACMPI chair.

Thank you again, Dr. Chaves and Ms. Gallimore. Please email your reports to the NACMPI mailbox that is NACMPI@usda.gov and copy me on that email.

The final subcommittee reports will be made available at the FSIS website at fsis.usda.gov and that will be upon finalization.

Now the committee will attempt to adopt the Technologies Impact on Inspection report by acclamation. If this fails, we will proceed directly to a roll call vote. Is there a motion to adopt these

Subcommittee II report entitled Technologies Impact on Inspection?

MR. WILLIAMS: So moved, Byron Williams, Mississippi State University.

MS. WINELAND: I second. Desire Wineland.

MS. GREENE: Okay. All in favor of adopting the report entitled Technologies Impact on Inspection, signify in the affirmative.

ALL: Aye.

MS. GREENE: Okay. Anyone opposed to adopting the report on Technologies Impact on Inspection, signify by saying no. Hearing none, the report on Technologies Impact on Inspection has now been adopted by NACMPI committee, pending finalization from the Under Secretary and Chair of NACMPI.

Okay. This now brings us to the end of the committee's work for today. Now I will turn the meeting over to our Chief Operating Officer, Todd Reed, for closing remarks. After he concludes the closing remarks, then I will have some closing comments.

MR. REED: All right. Well, thank you very much, and hello everyone. I'm Todd Reed, the Chief Operating Officer at FSIS. Dr. Esteban got called away to an urgent meeting and he asked me to say a few

words to you all.

First, I want to thank the committee members for your input and recommendations on both charges during this year's meeting. I want to take a moment to thank you for your dedication. Your work has a significant impact on our food safety mission and on our inspection program.

For Subcommittee I, on updating size classifications for official establishments, I appreciate the feedback that we don't have enough size categories. As a data person by training, I completely agree with that assessment, and I know we're going to look into it.

On the guidance on metrics, in addition to your recommendation to use product volume, you know, specifically of FSIS inspected products per year from the previous year, I appreciate the guidance on how to deal with new establishments and large changes, because those kind of things always come up.

It's good to know that you recommend only one size per establishment. And you really gave us a lot to think about regarding the firm size classifications. You know, both on the report as well as the discussion that came out afterwards.

For Subcommittee II, on ways technology

could enhance FSIS' inspection activities, you really reinforced how much technology industry is using. It's good to know and see that FSIS regulations are not an identified problem. And we'll definitely consider your recommendations that you made for removing, you know, any real or perceived barriers.

And I honestly appreciate that language of real or perceived. I think that's important to understand. We'll look at all the potential ways that you mentioned that FSIS might leverage technology. I mean, not only can make it more efficient for our sake but can make us more efficient and helpful to industry as well and consumers. And so we'll look into those.

And you gave us a lot of other specific recommendations on the different questions that I'm not going to take time to repeat because they were so thorough and specific.

I know this has been a really busy couple of days. There's been great discussion, and the agency will carefully consider the committees recommendations in the coming months. And we look forward to identify solutions and reporting back on the progress.

So again, thank you all and I hope you have a great day. Back to you, Katrina.

MS. GREENE: Thank you. Okay. This

concludes the 2024 NACMPI meeting. I'd like to thank the NACMPI members, the commitment to the work of this committee over the last two days.

Also thank you to the public for your contributions. And lastly, thank you to our FSIS staff presenters, subject matter experts, and other staff for your efforts and assistance in supporting NACMPI.

Have a great evening everyone. Thank you very much.

(Meeting concluded.)

C E R T I F I C A T E

This is to certify that the attached proceedings in the matter of:

NATIONAL ADVISORY COMMITTEE ON

MEAT AND POULTRY INSPECTION

PLENARY SESSION

Virtual Meeting

September 17, 2024

were held as herein appears, and that this is the original transcription thereof for the files of the United States Department of Agriculture, Food Safety and Inspection Service.

Tom Bowman, Reporter

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