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Assistance Available to Small Plants in Rural Areas

By Linda B. Singletary and Keith Payne

Owners and operators of small and very small meat, poultry and processed egg product establishments in rural America can take advantage of the many opportunities the U.S. Department of Agriculture (USDA) provides to improve their business development plans. Since announcing a groundbreaking outreach program in May 2006 to assist small and very small plants, USDA's Food Safety and Inspection Service (FSIS) has worked diligently to make plant owners and operators aware of loan programs available through the Department.

USDA Rural Development is the lead agency in providing either financial or technical assistance for small food businesses. The Agency administers approximately \$16 billion in program loans, loan guarantees and grants through its programs.

"Plant owners, working through lenders, will be able to obtain loan guarantees, making it easier for them to gain access to commercial credit in order to upgrade facilities or equipment, which will further enhance food safety," said USDA Under Secretary for Rural Development Thomas C. Dorr.

Depending on their needs, small plant owners and managers may go through either Rural Development's Business Programs or Cooperatives Program to expand or enhance their



operations. Each program has a successful track record of improving the economy and quality of life in rural areas of the United States.

For instance, the Cooperatives Program provides a wide range of services for plants that are considering forming a new cooperative, getting technical assistance for an existing cooperative or conducting research to support a cooperative dealing with changing markets and business trends. Whatever the issue, the Cooperatives Program has a dedicated staff ready to provide assistance.

"You might see one specialist or an appropriate team to tackle your project. Regardless of the size, we strive to bring you the best services possible," said Ben Anderson, Administrator, Business and Cooperative Programs.

Under the Business Programs there are several loans and grants that plant owners and operators may want to consider. The general stipulation for a plant to receive a loan or

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grant is that it must be in a rural area, with a population of less than 50,000. Other guidelines for eligibility may apply depending on the loan.

One such loan is available through the Business and Industry Guaranteed Loan Program. A business can borrow up to \$25 million under this program; the interest rate is negotiated between the lender and the applicant and may be either fixed or variable as long as it is a legal rate. The maximum percentage of government guarantee for these loans is 80 percent.

Another option is the Section 9006 Program, which encourages the commercial financing of renewable energy and energy efficiency projects. This program provides grants, loans, and loan guarantees to eligible farmers, ranchers, and rural small businesses to assist in developing renewable energy systems and make energy efficiency improvements. Projects provided assistance must be located in a rural area (any area other than cities or towns of greater than 50,000 population and the immediate and adjacent urbanized areas of the cities or towns).

There are other loan and grant programs, which don't go directly to businesses, but can be helpful. These are important for small plants to be aware of as well.

As an example, the Rural Economic Development Loan and Grant program provides funding to rural



The general stipulation for a plant to receive a loan or grant is that it must be in a rural area, which is defined as any area with a population of less than 50,000. (USDA Photo by Ken Hammond)

projects through local utility organizations. Under this program, USDA provides direct zero-interest loans to local utilities, which in turn, lend through either a direct loan or revolving loan fund to local businesses that will create and retain employment in rural areas.

The rural Business Opportunity Grants program is yet another program that provides grants to rural public organizations, nonprofit corporations, Indian tribes and cooperatives with primarily rural members. The grants are designed for developing export markets, feasibility studies, long-term trade strategies, community economic development planning, business training and technology-based economic development.

Another source, which provides grants for rural projects that finance and facilitate development of small and emerging rural businesses, is the Rural Business Enterprise Grants

program. The direct recipients of the grants are rural public entities, Indian tribes and nonprofit corporations. These organizations, in turn, help private businesses that employ 50 or fewer employees and have less than \$1 million in projected gross revenue. Under this program, there is no maximum level of grant funding; however, smaller projects are given higher priority.

This overview of some of the loan and grant programs provides just a glimpse of the wide variety of services available to small businesses

through USDA Rural Development. Because Rural Development programs generally are administered through a network of state and field offices, you should call the USDA Rural Development State Office in your state to discuss which programs will best meet your needs.

Or you may want to check out Rural Development's Web site at www.rurdev.usda.gov, which can provide you with contact information as well. For further assistance and information, go to the following Web site at www.rurdev.usda.gov/rbs/bus/bpdir.htm, or contact the Business Programs Office in Washington, D.C. at (202) 720-7287.

For information on the Cooperatives Program, go to the following Web site at www.rurdev.usda.gov/rbs/coops/cswhat.htm. The Cooperatives Program office in Washington, D.C. can also be reached at (202) 720-7558.

Food Safety Resources

By Mary Gioglio

Keeping good records is an important part of a whole Hazard Analysis and Critical Control Point (HACCP) system. The HACCP – Plan Implementation and Records Management video was developed by Ohio State University through a cooperative

agreement with FSIS. The video and accompanying manual provide examples of critical control points (CCPs), how to do process verification and pre-shipment reviews and how to manage the records that will be generated from CCPs.

To request this item or any other food safety resource, fax the order form found on the Food Safety Resources brochure to (202) 690-6519, or complete an online version of the form and send it to FoodSafetyResources@fsis.usda.gov. The online form can be found at www.fsis.usda.gov/Science/HACCP_Resources_Order_Form/index.asp.

FOOD DEFENSE PLAN: *Why It's Essential*

By Marianne Elbertson

The words “food defense” could conjure up different meanings from one person to another. But, it’s certainly not the same as food safety.

Food defense focuses on protecting the food supply from intentional contamination from a variety of chemicals, biological agents or other dangerous substances by people who want to harm consumers or create economic havoc. An attacker’s goal might be to harm or kill people, disrupt the economy, spread fear in society or achieve all these goals.

On the other hand, food safety addresses the accidental contamination of food products during processing or storage by biological, chemical or physical hazards. The main types of food safety hazards are microbes, chemicals and foreign objects. This unintentional contamination can be addressed through the required use of Hazard Analysis and Critical Control Point plans.

Because intentional acts are generally difficult to anticipate, it’s important for slaughter and food processing establishments to have a food defense plan. The reputation of your plant and the safety of your customers depend on it.

A food defense plan helps you identify steps that can be taken to minimize the risk that food products will be tampered with or intentionally contaminated at vulnerable points in your distribution chain. Although the plan should be in place at all times, it can be particularly helpful during emergencies. During a crisis, when stress is high and response time is at a premium, a documented set of proce-

dures improves your ability to respond quickly to protect the public, employees and resources.

FSIS has developed some guidance to help you devise a food defense plan that meets your own needs. An easy, three-step process to complete a plan is available on FSIS’ Web site at www.fsis.usda.gov/Food_Defense_&_Emergency_Response/Security_Guidelines/index.asp.

It’s important to remember that there is no “one size fits all” in creating a food defense plan, and it can be as long or short as is appropriate for your operation. FSIS recommends that you review these important guidelines and assess which preventive measures are suitable and most cost effective for your situation.

“The business advantage to having a food defense plan,” according to Dr. Carol Maczka, assistant administrator for FSIS’ Office of Food Defense and Emergency Response, “is that it further protects consumer health, provides additional process control of a plant’s products and protects a company’s bottom line.”

The sources of threats can vary. Individuals motivated to attack a plant or its product who do not have authorized access are considered to be intruders. Another threat may come internally, such as disgruntled employees and other insiders, who typically know what procedures are followed in the plant and often know how to bypass many security controls that would detect or delay an outside intruder.



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Briefs

By Sheila Johnson

Web Seminars

Recently, FSIS has been holding Web seminars for small and very small plant owners and operators. These classes have included the November 6 seminar on removal of specified risk materials and the December 5 seminar on FSIS policies and guidance on statistical process control procedures in slaughter operations. Upcoming classes include a February 20, 2008, seminar on generic labeling of meat and poultry products. For a full listing of seminars and their starting times, visit FSIS’ Web site at www.fsis.usda.gov/News_&_Events/Outreach_Sessions_SVS_Plants/index.asp or call (202) 690-6520.

Public Meetings

FSIS held a public meeting titled “Public Health Significance of Non-O157:H7 Shiga Toxin-Producing *Escherichia coli*” on October 17, 2007. Presentations, issue

papers and transcripts from this meeting are now available at www.fsis.usda.gov/Regulations_&_Policies/2007_Notices_Index/index.asp#Non-Shiga.

To obtain information on any other public meetings, please visit FSIS’ Web site at www.fsis.usda.gov or call (202) 690-6520.

FSIS Subscriptions

Small Plant News is also posted on FSIS’ Web site at www.fsis.usda.gov. If you or your colleagues would like to receive an electronic copy, visit FSIS’ Web site today and sign up for a complimentary e-mail subscription. Please continue to submit your comments to SmallPlantNews@fsis.usda.gov or call (202) 690-6520. We look forward to hearing from you on how we can provide the resources you need.

Don’t forget, when you’re at FSIS’ Web site you may also sign up to receive *be FoodSafe: The FSIS Magazine*, the *FSIS Constituent Update* and other e-mail subscription services that will keep you informed of the latest agency developments as soon as they are posted.

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Plant owners have already taken proactive measures to minimize threats. In 2006, Mark Schad, owner and operator of Schad Meats in Cincinnati, Ohio, decided to develop a food defense plan. Schad initially did not see the relevance of terrorism for his very small plant. After learning about what food defense meant and attending an FSIS exercise, he gained a better understanding of the need for a plan. His particular concern was the potential of intentional contamination by a disgruntled employee.

Schad participated in a focus group, which included other small and very small plant owners, that created FSIS' guidance document, and he used the information to put together his own plan. For his facility, it was as simple as walking through the plant to evaluate entry access points. There was already a security system in place and the exterior doors are kept locked, so it was determined that there was no need to implement additional physical security measures.

However, a key ingredient to a successful plan is testing and employee training. Schad educated his employees about outsider access concerns and advised them that they should report any suspicious activities to him immediately. He also discusses any food defense issues with the FSIS Inspector at their weekly meetings.

Schad also encourages other small and very small establishments to "look at food defense from the perspective of intentional contamination by an insider and not just from an international terrorism group."

"A plan will help protect a business from those who wish to harm the plant and its customers," said Schad. And for those who want to wait to see if a food defense plan becomes mandatory, he says, "Creating a plan while it is voluntary will give you a head start and make it easier when, and if, it becomes mandatory."

FSIS offers a wide array of helpful food defense materials on its Web site at www.fsis.usda.gov/Food_Defense_&_Emergency_Response/Security_Guidelines/index.asp. You also can contact the Office of Food Defense and Emergency Response at (202) 720-5643.

Submitting Applications for Label Approval

By Mary Gioglio

Every day FSIS evaluates label applications for a variety of meat, poultry and processed egg products. Each application must be carefully examined to ensure that the proper information about the product and the company is listed accurately.

What can you do to ensure your product's label application will be approved? Just follow these simple steps.

- Complete all appropriate sections on FSIS Form 7234-1. It's recommended that the form be typed; however, legible printing is acceptable. And don't forget to sign the form.

- Prepare a label sketch and include supporting documentation about the product's required labeling features. There are up to eight required features for each label sketch. They are:

- a. Product Name
- b. USDA Inspection Legend

- c. Net Weight
- d. Handling Statement
- e. Manufacturer's or Distributor's Address (Signature Line)
- f. Ingredients Statement
- g. Nutrition Facts
- h. Safe Handling Instructions

Make sure all the features that apply to your product are included on the label sketch, and include supporting documentation for all claims mentioned on the label. If something is missing or not accurately stated, the application will be returned to you.

- After you complete FSIS Form 7234-1 and the sketch labeling, staple these documents together. Two copies of the application and sketch labeling are required. An additional copy is required for Foreign, Child Nutrition, Animal Production or Organic Claims.

- Applications can be sent to FSIS' Labeling and Program Delivery

Division by mail, delivery services or hand delivery by a company representative. The mailing address is:

USDA, FSIS, OPPED
Office of the Chief Operating Officer
1400 Independence Avenue, S.W.
Room 2540 South Building
Washington, DC 20250-3700

Small businesses may also fax a label application if it is 15 pages or less. Forms cannot be sent electronically. Applications are reviewed on a first-come first-served basis.

To learn more about the label application and approval process, obtain a copy of FSIS Form 7234-1 or review guidance material on labeling or any other FSIS requirement, visit FSIS' Web site at www.fsis.usda.gov. If you need further assistance, call FSIS' Labeling and Program Delivery Division at (202) 205-0279 or fax to (202) 205-3625.

Commonly Asked Question & Answer



Where will I locate the FSIS Directives that address food defense issues?



FSIS Directives that address food defense issues are found in the 5420 series of FSIS Directives. This information is posted on FSIS' Web site at www.fsis.usda.gov/regulations_&_policies/5000_Series-Program_Services/index.asp#5420. For assistance in obtaining either a list of these directives or a specific directive, contact the Office of Food Defense and Emergency Response at (202) 720-5643.