

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURE MARKETING SERVICE

- - -

NATURALLY RAISED LIVESTOCK AND MEAT MARKETING CLAIM
LISTENING SESSION

- - -

MONDAY, DECEMBER 11, 2006
1:00 P.M. to 2:00 P.M.

- - -

DEPARTMENT OF AGRICULTURE (USDA)
JEFFERSON AUDITORIUM
1400 INDEPENDENCE AVENUE, SW
WASHINGTON, D.C. 20250

INTELLIGENT REPORTERS
Professional Court Reporters
www.intelligentreporters.com
(202) 544-1454

ATTENDEES:

FOR THE UNITED STATES DEPARTMENT OF AGRICULTURE:

WILLIAM T. SESSIONS
Associate Deputy Administrator
Livestock and Seed Program

BRUCE I. KNIGHT
Under Secretary
Marketing and Regulatory Programs

MARTIN E. O'CONNOR
Chief, Standards, Analysis and Technology
Branch
Livestock and Seed Program
Agricultural Marketing Service

ROBERT POST, PH.D.
Office of Policy, Program and Employee
Development (OPPED)
Labeling and Consumer Protection Staff (LCPS)
Food and Inspection Service

PUBLIC/STAKEHOLDERS:

MACK GRAVES
Chief Executive Officer
Western Grasslands d/b/a Panorama™ Meats
Vina, California
www.panoramameats.com

MEL COLEMAN, JR.
Chairman
Coleman Natural Foods
Golden, Colorado
www.colemannatural.com

DENNIS M. STIFFLER, PH.D.
Executive Vice President of Food Safety
Coleman Natural Foods
Golden, Colorado
www.colemannatural.com

CHRISTOPHER ELY
Co-Founder
Applegate Farms™
Bridge Water, New Jersey
www.applegatefarms.com

ATTENDEES:

PUBLIC/STAKEHOLDERS (CONT'D):

EMILY WURTH
Food & Water Watch
Washington, D.C.
www.psfarms.com

SCOTT KALAFATIS
Center for Food Safety
Washington, D.C.
www.centerforfoodsafety.org

COLETTE SCHULTZ-KASTER
Premium Standard Farms
Kansas City, Missouri
foodandwaterwatch.org

C O N T E N T S

	PAGE
1. Welcome and Opening Comments	
- By William T. Sessions	5
- By Bruce I. Knight	6
2. Marketing Claims and Their Functions in USDA Programs	
- By Mr. William T. Sessions	12
- Overview of Requests for Certified Naturally Raised By Martin E. O'Connor	13
- Label Approval Program of FSIS By Robert Post, Ph.D.	22
3. Public/Stakeholders Input	
- Mack Graves Western Grasslands d/b/a Panorama™ Meats	34
- Mel Coleman, Jr. Coleman Natural Foods	38
- Dennis M. Stiffler, Ph.D. Coleman Natural Foods	41
- Christopher Ely Applegate Farms™	44
- Emily Wurth Food & Water Watch	45
- Scott Kalafatis Center for Food Safety	47
- Colette Kaster Premium Standard Farms	50
4. Closing Comments	53

P R O C E E D I N G S

(1:00 P.M.)

WELCOME AND OPENING COMMENTS

MR. SESSIONS: Good afternoon. I am Bill Sessions. I am the associate deputy administrator of the Livestock and Seed Program of AMS. I would like to welcome each and every one of you to our Listening Session for the Naturally Raised Livestock and Meat Marketing Claim this afternoon.

Before we proceed with the presentations and the stakeholder input, we are fortunate to have Under Secretary Bruce Knight with us here this afternoon to officially open the Listening Session.

Under Secretary Knight is a third generation rancher and farmer from South Dakota. He continues to operate a diversified grain and cattle operation there and is very interested in the naturally raised livestock and marketing claim.

Under Secretary Knight was confirmed by the Senate in August of this year and has extensive experience in developing agricultural policies and programs as a congressional staffer and on behalf of

1 major agricultural producers. We appreciate his
2 support and interest in the development of this
3 marketing claim.

4 Under Secretary Knight?

5 MR. KNIGHT: Thank you, Bill. You know, I
6 just want to personally welcome all of you and thank
7 you for joining us on this first of what will be three
8 sessions on naturally raised livestock and the meat
9 marketing.

10 We appreciate your participation in this
11 process. This is all about listening to you, our
12 customers. We are looking for recommendations. We
13 are looking for suggestions that will enable us to
14 develop a standard that will better define the term
15 "naturally raised," if you will.

16 The standard that the Ag Marketing Service
17 intends to develop will specify what protocols farmers
18 and ranchers should follow to claim livestock and
19 poultry they produce are, in fact, naturally raised.

20 Today's Listening Session is the first of
21 three that the Ag Marketing Service has scheduled.
22 The second session is slated for January 17th in

1 Denver, a third on January 18th in Seattle.

2 The Food Safety and Inspection Service, our
3 sibling organization, has scheduled a similar
4 listening session tomorrow in the south end of the
5 USDA Cafeteria in this building from 9:00 to
6 1:00 p.m., and I encourage you all to attend.

7 That forum will focus on a petition to
8 establishing the process portion of the voluntary
9 claim for natural meat and poultry. As you know, FSIS
10 currently permits processors to claim that meat and
11 poultry products are natural, provided those products
12 undergo minimal processing and contain no artificial
13 flavors or colors, no chemical preservatives, and no
14 other synthetic ingredients.

15 However, consumers have also indicated an
16 interest in natural livestock production practices,
17 and that is what we are here to discuss today.

18 Growing consumer demand for natural products and a
19 wide variety of claims make a published uniform
20 standard a good idea to consider, both for livestock
21 producers and ultimately for consumers.

22 Today's Listening Session, then gives us a

1 chance to hear what our customers view as appropriate
2 guidelines to meet the claim of naturally raised. Our
3 starting point is consumer research, which indicates
4 that those who want to buy natural products
5 particularly want the option to choose meat and
6 poultry raised without the use of antibiotics and
7 hormones.

8 Some customers also want to be assured that
9 meat and poultry product as naturally raised comes
10 from animals that have not been fed animal byproducts,
11 have been raised on a vegetarian diet, have lived
12 under free-range conditions, and have been raised with
13 careful regard to animal welfare concerns.

14 That defines the parameters of the debate,
15 but without uniform standards it is difficult for
16 consumers or anyone to sort through the differing
17 claims in the marketplace today.

18 A consistent understanding of naturally
19 raised will reduce confusion and variation and bring
20 transparency to the marketplace benefitting both
21 producers and consumers.

22 Currently, FSIS relies on testimonials and

1 affidavits that producers provide to verify claims
2 about livestock production practices that producers
3 are calling natural. These documents must include the
4 producer's operational protocols, describing in detail
5 the production practices they use to support the
6 labeling claims. FSIS reviews this information on a
7 case-by-case basis.

8 However, having a standard to measure the
9 claims again, would reduce variation that is occurring
10 now in the marketplace, increasing customer confidence
11 in markets.

12 Maybe a word of explanation about the roles
13 of AMS and FSIS would be helpful at this stage. AMS
14 is responsible for developing uniform marketing
15 standards.

16 The Agency often works with the FSIS
17 Labeling and Consumer Protection Staff to create
18 voluntary standards for marketing claims that would be
19 verified then by a third party.

20 If AMS publishes a naturally raised
21 livestock marketing claim, FSIS would consider this
22 document as the minimum standard for approving

1 producer assertions that their livestock and poultry
2 were, in fact, naturally raised.

3 FSIS will continue to have overall
4 responsibility for meat labeling and oversight of the
5 term "natural," both for processing and for livestock
6 production practices.

7 Following the three Listening Sessions, AMS
8 will take your comments, your recommendations and work
9 to develop a proposed standard for naturally raised
10 livestock. The Agency will publish this proposed
11 standard and term in "The Federal Register" for
12 comments.

13 After evaluating the comments, AMS will
14 publish in "The Federal Register" a final marketing
15 claims standard for naturally raised livestock and the
16 meat products derived from such livestock.

17 I am pleased all of you have chosen to join
18 us today. I am pleased that you are prepared to share
19 your views and recommendations. We appreciate you
20 taking the time to help us develop a standard that
21 reflects public and producer interest and will provide
22 increased transparency in the marketplace.

1 Now Bill Sessions, Martin O'Connor, and
2 Robert Post are going to discuss the marketing claims
3 in greater detail before we begin the public input.

4 Thank you very much.

5 (Applause.)

6 MR. SESSIONS: Thank you, Under Secretary
7 Knight.

8 Before we get started, there are a few folks
9 I would like to recognize, key AMS officials. I would
10 like to recognize Lloyd Day, who is the administrator
11 of AMS; Barry Carpenter, who is the deputy
12 administrator of the Livestock and Seed Program; and
13 also Craig Morris, who is the deputy administrator of
14 our Poultry Programs. I appreciate you all coming and
15 showing your support here this afternoon.

16 Security, USDA Security, has asked us to
17 just outline a few guidelines for participation this
18 afternoon. They ask that our guest remain in and
19 around the Jefferson Auditorium here during the
20 Listening Session.

21 If you need to use the restroom, the ladies'
22 room, take a right out of the auditorium and take the

1 first hall to the right. The men's, there is a left
2 and a left.

3 They also ask that you, our visitors, exit
4 the building at Wing 7.

5 MARKETING CLAIMS AND THEIR FUNCTIONS IN USDA PROGRAMS

6 MR. SESSIONS: As Under Secretary Knight
7 indicated, there are distinct differences between the
8 natural label claim for meat products and the
9 naturally raised livestock claim.

10 Additionally, AMS and FSIS played
11 distinctively different roles in the approval and
12 oversight of these claims. To differentiate between
13 the two claims and the roles of the two agencies, we
14 have Martin O'Connor, who is the chief of our
15 Standards, Analysis and Technology Branch who will
16 oversee the development of the naturally raised claim,
17 and Dr. Robert Post, who is the director of FSIS'
18 Labeling and Consumer Protection Staff.

19 With that, we will start the presentation
20 portion. I will ask Marty O'Connor to come forward.

21 OVERVIEW OF REQUESTS FOR CERTIFIED NATURALLY RAISED

22 (PowerPoint™ presentation in progress.)

1 MR. O'CONNOR: Thank you, Bill.

2 Good afternoon, everybody and welcome to the
3 wonderful winter weather here in Washington. I don't
4 believe we could sustain this for a long period of
5 time, but it is good to have some warm weather
6 periodically back up here in the Northeast.

7 What I would like to do is go over a little
8 bit of the framework of how we are going to proceed.
9 I think Secretary Knight gave us a good description of
10 the overall objective, and I will get into a few more
11 of the details of where we are looking for input from
12 you and how that can be achieved and where we got our
13 initiative started from.

14 I will go over this quickly. What I would
15 like to cover this afternoon is both the roles of AMS
16 and the differentiation between FSIS and AMS in that
17 natural and naturally raised, the background a little
18 bit of what natural is in the marketplace currently,
19 marketplace and consumer trends or preferences, and
20 what is current natural as it is related to the
21 natural label.

22 Alternative livestock production activities,

1 this would encompass what the current regulations
2 cover or allow to be labeled as such and what we are
3 looking for if there is a differentiation between what
4 is currently acceptable now and what would be done
5 under a voluntary label program administered by
6 Agricultural Marketing Service.

7 We will also look at those key issues that
8 need to be considered, if we do go forward with this,
9 and what the parameters are that we have to operate
10 under at that point.

11 Then, I have just a few examples of what is
12 currently approved to be labeled as natural right now
13 or making some of those various claims.

14 The Agricultural Marketing Service, as most
15 people are aware, has the authority under the
16 Agriculture Marketing Act to provide voluntary
17 services to assist in the marketing of meat and meat
18 products and the livestock that they are derived from.

19 The Food Safety Inspection Service has
20 authority under three different acts: the Federal Meat
21 Inspection Act, the Poultry Product Act, and the Egg
22 Production Inspection Act. They are the primary food

1 health regulatory agency to oversee the meat, poultry,
2 and egg products safety, wholesomeness, and proper
3 labeling.

4 A little bit of natural background, FSIS' in
5 the meat and poultry products is a voluntary labeling.
6 This is in addition to the regulatory requirements
7 that would be imposed or required for the product to
8 be labeled.

9 Again, "natural" is no artificial additives,
10 minimally processed, and some of these other issues
11 that Dr. Post will probably get into in a little bit
12 more detail, but there is a differentiation. What we
13 are wanting to put forward is in processing versus
14 production activities of the animal itself.

15 As highlighted in a couple of these, just to
16 show that there is some claim that has to be clarified
17 in the activity of the label itself, it does identify
18 minimally processed and no additional additives in
19 either one of those.

20 Not only as we talked do people consider how
21 the end item is processed or how it is prepared for
22 consumption, there is a growing concern, as

1 Under Secretary Knight said, of the activities that
2 are associated with the production or the animal
3 welfare.

4 To this extent, consumers would like to have
5 a scope of natural claim cover more than just the
6 processing of the ingredients. As we try to depict
7 with the pictures, it is not just the meat itself, but
8 it is the actual activity of the raising of that
9 animal and the associated activities with that as
10 well.

11 Some things to consider in naturally raised
12 is the environment, the feed ration that that animal
13 would intake and the health maintenance program that
14 is being administered for that animal or its
15 compatriots in its production.

16 As you can see, there are some examples of
17 different issues that have been brought forward to be
18 considered. That is not an inclusive list. It is
19 just some ideas that had been brought forward as
20 initiatives that might be considered in trying to get
21 our arms around what really naturally raised would be.

22 The main issue for naturally raised

1 production practices would be a uniform standard.

2 Presently, as Under Secretary Knight said, there is no
3 clearly defined definition of what naturally raised
4 is. What is the minimum threshold for compliance with
5 this standard if, in fact, there would be one?

6 FSIS, which Dr. Post will get into in a
7 little bit, evaluates current requests on a
8 case-by-case basis. A couple of examples are
9 antibiotic-free or growth-promotant-free or some
10 derivative thereof.

11 To the right there, it does show there are
12 some differences there of interpretation or what might
13 be approved if a sufficient application was made. Is
14 it during the production cycle? During finishing
15 stage? Is it the last hundred days on feed? Or, is
16 it never ever?

17 With these issues I think there is concern
18 out there within the marketplace that not always is
19 there a clear signal sent to the consumer of what
20 information is in place and applicable to all products
21 that are in the supply case at the retail outlet.

22 Additionally, there are alternative

1 livestock production practices or these voluntary
2 claims standards and statements. As they become more
3 and more commonplace or requested through FSIS, they
4 have also come with a negative connotation for
5 labeling claims such as in poultry where no hormone
6 are added, there would be a claim like that, but with
7 that there is a required disclaimer that federal
8 regulations prohibit the use of hormones in poultry.

9 Again, there are the parameters of where we
10 are going to look to the get the information that we
11 need or what is the generally conceived perception of
12 a consumer of what natural or naturally raised is or
13 how that process or production activity would impact
14 what ultimately would be approved as a voluntary
15 standard.

16 As I said earlier, each of the current
17 voluntary claim statements policy by FSIS are reviewed
18 on a case-by-case basis. They have various scopes of
19 the program.

20 Depending upon the scope of a specific brand
21 or a program, it may be all-encompassing or somewhat
22 limited in the scope of what they deem to be

1 appropriate.

2 However, as long as there is sufficient
3 documentation presented to FSIS for their verification
4 of those activities, then it would then be in fact
5 approved through their agency as a voluntary claims
6 standard to be labeled but would not necessarily be
7 able to compare apples to apples or oranges to
8 oranges, depending upon what one brand was claiming
9 versus the other even though they are both truthful in
10 labeling.

11 Since the voluntary claims statements are
12 variable, what is the appropriate standard for
13 applying or extending the natural claim to livestock
14 production?

15 Should naturally raised be classified to
16 clarify it in the marketplace and ensure consumer
17 confidence or be better protected so they understand
18 what in fact the label does stand for?

19 If, in fact, that is what we look forward
20 and we and AMS would like the input on, we would look
21 at it to be an AMS voluntary standard that is
22 produced.

1 In that concept, we would verify that
2 through a verified process or what we call
3 "process-verified programs," which are ISO 9000
4 quality, managed-based programs that apply to how
5 production activities are done, since you cannot see
6 the end item or what actually occurred by evaluating
7 an end item product or to that effect.

8 We would rely more on process verification
9 and your ability to demonstrate to us through your
10 quality managed system how in fact you did comply with
11 the minimum standards that were developed for that
12 program.

13 We feel that even with that there is the
14 ability to differentiate your product in the
15 marketplace once the minimum standards are met and
16 there is at least a general direction that people
17 clearly understand what the term "nationally raised"
18 would entail.

19 I just wanted to show you a few examples of
20 what is out there in the marketplace currently that is
21 both either USDA process-verified or approved labeling
22 claims that are made through FSIS.

1 As Under Secretary Knight has stated
2 earlier, what AMS is in the process of doing is
3 conducting one of three Listening Sessions in the next
4 couple of months to obtain input from stakeholders
5 and/or commenters.

6 As listed, of course, today is the kickoff
7 session to be conducted this afternoon here, then in
8 January we will have back-to-back sessions, one in
9 Denver and then one out in Seattle.

10 We will additionally gather other input from
11 interested participants or people that have an
12 interest in the development of the standard. At that
13 point we will develop a proposed voluntary standard
14 with the request for comments and go out and publish
15 that as a notice in "The Federal Register" process.

16 In order to keep up with what we are doing
17 or how things are progressing with the comments that we
18 received, we do have a website where this information
19 has already been posted, and we will keep it updated.

20 It is listed here as a reference point in
21 our AMS webpage out on the Internet, but it would be
22 updated once we get the official transcript from this

1 Listening Session.

2 As soon as that is done, we will have it
3 posted as well as the following two that are in Denver
4 and Seattle as well as any written comments that have
5 been submitted today or any time during that period up
6 until we start the development process of the
7 voluntary claims standard, if in fact that is the way
8 we decide to proceed.

9 With that, Bill, I will turn it back over to
10 you.

11 MR. SESSIONS: Thank you, Marty. At this
12 time I will invite Dr. Robert Post forward to give his
13 perspective of FSIS on this.

14 LABEL APPROVAL PROGRAMS OF FSIS

15 DR. POST: Thank you.

16 Good afternoon. I have been asked to
17 provide a brief overview of the Food Safety and
18 Inspection Service, the labeling approval program for
19 meat and poultry products.

20 The intent is to explain FSIS' authority
21 over meat and poultry product labeling and how it
22 relates to marketing claims as they are applied to the

1 labeling of meat and poultry products. I plan on
2 using some examples that directly relate to today's
3 meeting topic.

4 Well, as many of you know, FSIS is the
5 public health regulatory agency that ensures that
6 meat, poultry, and egg products are safe, wholesome,
7 and accurately labeled. These are products for human
8 consumption that are shipped in commerce.

9 FSIS operates to implement this mandate
10 through the Federal Meat Inspection Act, the Poultry
11 Products Inspection Act, and the Egg Products
12 Inspection Act.

13 FSIS conducts a prior label approval program
14 that is mandated by these laws as part of the Agency's
15 meat, poultry, and egg products inspection
16 responsibilities.

17 The Acts state that the Secretary of
18 Agriculture will authorize or approve the use of
19 labeling, and FSIS conducts this function.

20 On a daily basis, FSIS' Labeling and
21 Consumer Protection Staff applies them as branding
22 provisions of the FMIA, the PPIA, and the EPIA in

1 making judgments about whether the labeling of meat,
2 poultry, and egg products is accurate, truthful, and
3 not misleading.

4 The prior approval of labels is among a
5 variety of responsibilities that the staff has. Its
6 primary function is to develop, implement, and
7 communicate national policies on meat, poultry, and
8 egg product labeling and compositional standards.

9 In general, all labels apply to meat,
10 poultry, and egg products destined for commerce are
11 subject to evaluation and approval by FSIS under the
12 prior label approval system requirements. Labeling is
13 evaluated for compliance with required labeling
14 features, of which there are up to eight, depending on
15 the particular product.

16 The required features for products produced
17 domestically and imported are: product name; net
18 weight; handling statement, for example, keep
19 refrigerated; inspection legend and establishment
20 number; nutrition facts; safe handling instructions;
21 the signature line or manufactured by line; and the
22 ingredients statement.

1 Manufacturers must show that labels comply
2 with the requirements for these labeling features in
3 order for the labels to be eligible to bear the USDA
4 mark of inspection or to be eligible for import with a
5 foreign inspection legend.

6 Labels that bear the mandatory features and
7 that do not contain claims, special statements,
8 guarantees, or foreign language do not have to be
9 submitted to FSIS for evaluation before they are used.

10 On the other hand, generally manufacturers
11 of domestic and imported products must submit to FSIS
12 all labels that bear voluntary claims and special
13 statements for evaluation and approval by the FSIS
14 Labeling and Consumer Protection Staff before applying
15 these labels to products destined for commerce.

16 Today, manufacturers of meat and poultry
17 products frequently make voluntary claims and
18 statements on labeling that are related to: nutrient
19 content claim, nutrient content such as "low-fat" and
20 "healthy"; claims that relate to ingredient content
21 such as "gluten-free" and "no MSG added"; processing
22 methods such as "uncured" and "natural"; and

1 animal-raising practices such as "no antibiotics
2 administered." Claims in these areas have a value in
3 the marketing sense.

4 When claims and special statements are
5 declared, the labels submitted to FSIS for evaluation
6 and approval need to be accompanied by information
7 that shows that the claims are truthful and not
8 misleading.

9 In some cases, for example, in the case of
10 nutrient content claims, specific provisions and
11 conditions for using the claims are in the meat and
12 poultry inspection regulations. In some cases,
13 however, FSIS has established policy guidelines on
14 voluntary claims.

15 Many years ago, the Agency decided that
16 policy guides would provide a helpful and transparent
17 way for the Agency to set out the factors that the
18 Agency considers in making judgments about whether
19 labels bearing voluntary claims are truthful and not
20 misleading.

21 Policy guides are conveyed as policy memos
22 and entries in the "FSIS Food Standards and Labeling

1 Policy Book." Usually, we develop a policy standard
2 when we see a trend developing in the marketing of
3 products with certain labeling features, statements,
4 or claims that have not been explicitly addressed by
5 the Agency in its regulations.

6 The guidance is intended to set out how the
7 statutory provisions and regulations on labeling apply
8 to the developing trend and to provide consistent and
9 timely advice to help manufacturers develop labeling
10 that could be approved by the Agency.

11 One area of marketing claims with growing
12 interest is animal-raising claims such as raised
13 without added hormones, no antibiotics administered,
14 and free range. These types of claims are typically
15 used on cuts and prepared whole-muscle products.

16 The Agency's policy guide states that
17 submissions of labels bearing such claims need to be
18 accompanied by production protocols and veterinary
19 records, testimonials, and affidavits to support the
20 truthfulness of the claims.

21 For many uses of claims related to animal
22 production or animal raising practices, information to

1 support the truthfulness of the claim is provided by
2 the fact that a producer has opted to have AMS certify
3 or verify that the animals are produced in the manner
4 claimed.

5 In fact, FSIS' Labeling Program and AMS'
6 Livestock and Seed Program have historically worked
7 cooperatively to ensure that FSIS is apprised of the
8 standards AMS sets and its programs.

9 The reason for this is that in case where
10 AMS or where producers elect to have AMS certify or
11 verify that animals are produced in the manner claimed
12 through an AMS Program, FSIS will in fact accept the
13 AMS Program certification to support the accuracy of
14 the claims for FSIS label approval.

15 Another area in which an interest in
16 marketing claims has grown relates to the way meat and
17 poultry products are processed. In FSIS' historic
18 view, the claim "natural" as it applies to the labels
19 of meat and poultry products relates to the way the
20 food is processed, in other words, how it is
21 formulated and prepared, not the way the animals from
22 which the food is derived or raised.

1 In 1982, in recognition of the industry's
2 growing interest in marketing products bearing the
3 voluntary claim "natural" on labeling, FSIS published
4 "Policy Memo 55" on natural claims. It was intended
5 to guide manufacturers in the development of labeling
6 bearing the claim natural that FSIS was likely to find
7 truthful and not misleading.

8 The Policy Guide states that the term
9 "natural" may be used on labeling for meat and poultry
10 products provided that the manufacturer of the
11 products bearing the claim demonstrates that the
12 product does not contain artificial flavor or
13 flavoring, coloring ingredient, chemical preservative,
14 or any other artificial or synthetic ingredient, and
15 the product and its ingredients are not more than
16 minimally processed.

17 The policy goes farther and states that
18 "minimal processing" was described or is described as
19 "Those traditional processes used to make food edible
20 or to preserve or to make it safe for human
21 consumption." For example, smoking, roasting,
22 freezing, drying, and fermenting are all acceptable as

1 minimal processing.

2 "Or," the definition goes on, "those
3 physical processes that do not fundamentally alter the
4 raw product or that only separate a whole, intact food
5 into component parts." The examples provided are
6 grinding meat to make ground beef and pressing foods
7 to produce juices.

8 Relatively severe processes on the other
9 hand, for example, solvent extractions, acid
10 hydrolysis and chemical bleaching were considered to
11 be more than minimally processed or minimal
12 processing.

13 Thus, the Policy Memo explained the use of a
14 flavor, for example, that has undergone more than
15 minimal processing would in general mean that the
16 product in which the ingredient is used could not be
17 called natural.

18 As with all labels bearing voluntary claims,
19 information must be provided to FSIS to evaluate
20 whether the claim natural is truthful and not
21 misleading in order to approve such labels.

22 For example, the source and process

1 description of ingredients need to be provided if an
2 ingredient is not known to be minimally processed.

3 Many times advances in marketing, newer
4 processing methods that become commonplace, and new
5 ingredients that serve multiple functions test
6 policies, and that is the case with natural.

7 Over the past several months, FSIS has
8 received a growing number of requests by manufacturers
9 to permit the term natural on processed products that
10 result from processing techniques and uses of
11 ingredients that probably would not have been found in
12 use at the time the policy was created.

13 These include or examples include techniques
14 such as high-pressure processing, multiple-barrier
15 packaging methods with modified-atmosphere packaging,
16 and multiple-function ingredients such as sodium
17 citrate and sodium lactate, which are regulated as
18 flavoring agents and for antimicrobial effects. FSIS
19 understands that there is a significant disagreement
20 about aspects of the natural policy.

21 In October 2006, FSIS received a petition to
22 codify the current definition of "natural," which I

1 just described, in FSIS regulations. The Agency has
2 received questions about whether the products of new
3 processing techniques and packaging systems and
4 multiple-function ingredients such as sodium lactate
5 can be fairly characterized as "natural."

6 FSIS has come to believe that these
7 questions about natural and processed products are
8 best resolved through a rulemaking process. The
9 Agency is seeking comments about the petition it
10 received in a public meeting tomorrow morning, here,
11 in the South Building. The content of the rulemaking
12 will derive from FSIS' consideration of what we hear
13 and receive and tomorrow's meeting.

14 In closing, I hope the points I raised will
15 give you some useful perspective of the differences
16 between AMS and FSIS in a context to base your
17 comments on the issue of AMS considering a standard
18 associated with the term "naturally raised" as it
19 relates to livestock production.

20 Thank you.

21 MR. SESSIONS: Thank you, Robert.

22 It is going to take a couple of minutes here

1 just to reconfigure the room for the listening
2 session. While we do that, I would like to just go
3 over the format for the Listening Session or the
4 stakeholder input this afternoon.

5 Those who wish to publicly comment will
6 speak in the order which they signed in, and I have
7 that sheet here. We do have a court reporter here
8 that will record everything that is said. As Marty
9 said earlier, that will be on the website as soon as
10 we can get that there.

11 We do ask that when the speakers are
12 presenting their comments that we don't interrupt and
13 remain respectful and let them have their opportunity
14 to finish their comments. We will provide an
15 opportunity for everyone to comment this afternoon.

16 I will call the speakers in the order which
17 they signed in. When you do come to speak, if you
18 would, provide your name and affiliation prior to
19 giving your comments, and that way we can make that
20 differentiation on the transcript. We will ask that
21 you limit your comments to approximately three
22 minutes. We will have a timer here to help you along.

1 If you wish to provide us with written
2 comments, we will accept those at the registration
3 table outside after the Listening Session is over
4 with, or you can bring them up to the front here when
5 we are done.

6 As far as media inquiries, we will be happy
7 to answer any media inquiries once the Listening
8 Session is over. With that we will reconvene here and
9 get started in just a moment on the stakeholder input
10 portion of the Listening session.

11 Thanks.

12 (Pause in the proceedings.)

13 PUBLIC/STAKEHOLDERS INPUT

14 MR. SESSIONS: Okay. I think we are live
15 again. I appreciate your patience during the
16 reconfiguration of the room. Our first speaker this
17 afternoon will be Mack Graves, and he will be followed
18 by Mel Coleman.

19 Mack, if you would, make your way to the
20 microphone, please.

21 MR. GRAVES: Good afternoon. My name is
22 Mack Graves, and I serve as CEO of Western Grasslands

1 doing business as Panorama™ Meats of Vina, California.
2 Our company markets both natural and organic grass-fed
3 beef from our base in California to mainstream
4 conventional retailers, specialty product or natural
5 food retailers and food service operators on the
6 West Coast and across the U.S. We have 43 ranchers
7 and producers supplying us cattle raised to protocols
8 we have developed that far exceed the current
9 definitions of "natural."

10 Panorama applauds the Agricultural Marketing
11 Service for starting the process to develop a complete
12 definition for the terms "naturally raised" and/or
13 "natural" for meat and poultry.

14 The vagueness of the current definition,
15 first established some 24 years ago, has sown seeds of
16 consumer confusion and has encouraged clever marketers
17 to trumpet the word "natural" on packages of their
18 meat and poultry, even though such meat may not have
19 come from animals that were raised naturally. Such
20 confusion has lasted far too long. A more meaningful
21 definition is necessary.

22 My background includes serving as interim

1 CEO of Meyer Foods, the parent of Meyer Natural Angus,
2 the second largest beef company, natural beef company;
3 president and CEO of Coleman Natural Beef, arguably
4 the largest natural beef company; and senior VP of
5 marketing sales for Perdue.

6 All three of these companies use the term
7 "natural" on packages of their meat and poultry for
8 different reasons, which I will explain, and which are
9 the bases for our contention that "natural" needs a
10 common definition.

11 Separating livestock raising from processing
12 and marketing and developing a definition for
13 "natural" will only add to the confusion that
14 currently surrounds the term. The use of the term
15 must be clearly defined for meat and poultry from
16 conception to consumption.

17 How do you take meat or poultry from animals
18 raised unnaturally, meaning with growth stimulants, et
19 cetera, and make the meat natural by minimally
20 processing it with no artificial ingredients?

21 "Natural" should mean that livestock have
22 been naturally raised having ingested and inhabit only

1 that which is available in nature. This definition
2 would overlay all other claims such as
3 "antibiotic-free" or "raised without hormones" or
4 "drug-free," et cetera.

5 Additionally, all the feeds available would
6 be as they are in nature, in other words, not
7 chemically altered or enhanced with growth promotants
8 or other unnaturals.

9 How do you verify natural? Currently, for
10 those who would make natural claims "raised without,"
11 et cetera, it is a self-certification process. This
12 system can be formalized with strict rules for
13 qualification, but it would remain a
14 self-certification program.

15 In summary, the definition of "natural
16 meats" or "naturally raised" or "natural" must stretch
17 from livestock lifestyle, to their diet, to the
18 processing and marketing of meat. If the new natural
19 definition is verified to have been followed, then the
20 words "USDA natural" can be placed on the resultant
21 package of meat and poultry.

22 Thank you.

1 MS. SESSIONS: Thank you.

2 The next speaker is Mel Coleman followed by
3 Dennis Stiffler.

4 MR. COLEMAN: My name is Mel Coleman, Jr. I
5 am with Coleman Natural Foods in Golden, Colorado. As
6 a fifth-generation Colorado ranching family member, I
7 wanted to be here today to comment on the necessity
8 and the value of establishing standards and claims for
9 the term "naturally raised." Doing so will benefit
10 livestock producers and consumers alike.

11 A little bit of background. Since our early
12 beginnings in 1875 until the post-World War II years,
13 when in fact all livestock-raising practices were
14 natural, ranch income was derived from calves being
15 sold based upon commodity markets.

16 As production practices intensified and
17 cheap food policy was supported with the advent of the
18 use of growth hormones and subtherapeutic antibiotics
19 in production, we were facing economic disaster if we
20 did not abandon our century-old raising practices.

21 In the late seventies, one night at the
22 dinner table my sister-in-law, a student at the

1 University of Colorado, made a comment that many of
2 her friends were looking for beef that came from
3 animals raised the old-fashioned way, without the use
4 of antibiotics or growth hormones. Dad said a chill
5 ran up his spine, and an idea was born.

6 Within a year, we had fat cattle raised from
7 birth without the use of antibiotics or added growth
8 hormones and had several carcasses hanging in the
9 cooler segregated by a handmade natural stamp.

10 After a direct but friendly confrontation
11 with the plant's inspector, he found the term
12 "natural" did not have a USDA definition or standard
13 and therefore could not be used.

14 The arduous task of writing protocols
15 specifying how livestock are raised and an audit trail
16 and tracking system to verify premises and source of
17 each animal from birth was submitted to support his
18 raising practices and claims.

19 After this two-year process, dad's vision
20 became a reality when in 1981 the USDA approved a
21 natural label as it pertained to natural raising
22 processes.

1 The ability to offer an alternative product
2 to an emerging segment of consumers provided producers
3 new market opportunities, and an industry was born.

4 Then, on November 22, 1982, under Memorandum
5 55, the term "natural" all of a sudden could be used
6 on meat and poultry items that contained no artificial
7 ingredients and are minimally processed. No longer
8 did natural pertain to the raising practice.

9 For consumers, the term "natural" went from
10 clarity to confusion and misleading expectations
11 became difficult as disappointment and confusion
12 eroded consumer trust in labeling.

13 Since 1981, the demand for naturally raised
14 meat and poultry has continued to increase as
15 demonstrated by the double-digit growth of the
16 category year after year.

17 Clearly, the early day fear surrounding
18 negative claim labeling has been dispelled as
19 thousands of big and small family farms and ranches
20 are now participating in natural programs.

21 Today, natural has become the fastest
22 growing segment in the livestock industry. It is now

1 time to bring clarity back to the term "natural." The
2 "naturally raised" designation will provide consumers
3 with clear choices regarding how animals are raised
4 and treated, while the term "all-natural" can be used
5 for raw materials from naturally raised animals, and
6 "processed items" can signify the item has been
7 minimally processed and contains no artificial
8 ingredients.

9 Thank you.

10 MR. SESSIONS: Thank you.

11 Our next speaker is Dennis Stiffler followed
12 by Christopher Ely.

13 DR. STIFFLER: Good morning.

14 Dennis Stiffler, Coleman Natural Foods. As Mel
15 introduced the genesis of Coleman, today Coleman
16 represents a collection of premiere entrepreneurial
17 founded companies -- national in scope, specialized in
18 producing, raising and processing natural and organic
19 protein products.

20 As we all heard, Memo 55 redefined the
21 voluntary claim of "natural," "no artificial
22 ingredients," "minimally processed." Over time, this

1 definition has been adopted and used in various and
2 sundry ways to label single- and multi-ingredient
3 products.

4 In essence, under this definition almost
5 anyone can slap a natural label on a
6 single-ingredient, minimally processed product. It is
7 too vague. It misrepresents those consumer
8 expectations.

9 Coleman, since 1981, has been involved in
10 the raising, processing, and marketing of livestock
11 produced using alternative practices and defines
12 "natural" to be the raising processes, in fact, and
13 not just the product.

14 The raising processes should include animal
15 well-being and care and production; identification;
16 source verification; raising and feeding practices,
17 especially certain dietary aspects of that; and the
18 resulting product. In addition, there should be no
19 antibiotics, no added hormone or growth modulators
20 administered from birth.

21 It is also Coleman's belief that the
22 application of these standards and claims should be

1 applicable to all livestock. The USDA AMS Poultry
2 Program should be equally represented in these
3 Listening Sessions.

4 USDA has historically referred to the
5 addition of certain alternative livestock practices as
6 "prerogative" or "negative labeling claims." In fact,
7 however, they are not negative claims but do represent
8 an alternative production practice that results in
9 products which there has been significant inquiries in
10 consumer demand.

11 Following the FSIS general principles for
12 establishing food standards, it states that they
13 should describe the basic nature of the food to ensure
14 the consumers are not misled and to meet consumers'
15 expectations of the product characteristics.

16 Perhaps, FSIS and AMS can consider requiring
17 full disclosure of livestock raising practices. In
18 addition, the general principles established a
19 standard that states they should reflect the essential
20 characteristics of food.

21 Essential characteristics define or
22 distinguish a food or describe the distinctive

1 properties. Essential characteristics are the
2 attributes of the food that make the food what it is
3 even though they may not be readily apparent to the
4 consumer.

5 The essential characteristics of a
6 single-ingredient natural product has evolved from
7 naturally raised, alternative livestock production
8 practices to be humane, sustainably raised and
9 produced with never-ever protocols: no antibiotics, no
10 added hormones, growth promotants, no animal
11 byproducts, or animal fats.

12 USDA AMS is to be applauded for readdressing
13 this issue and undertaking this arduous task of
14 redefining "naturally raised."

15 Thank you.

16 MR. SESSIONS: Thank you.

17 Our next speaker is Christopher Ely followed
18 by Emily Wurth.

19 MR. ELY: My name is Christopher Ely. I am
20 co-founder of Applegate Farms™. We are a national
21 processor/distributor of organic and natural meats.
22 We wholeheartedly applaud the AMS for their decision

1 fo better defining the natural standards, growing
2 standards.

3 We do urge you to please consider systems
4 similar to what you are familiar with in the NOP. The
5 National Organic Standard Board is a separate
6 committee that helps work directly with the NOP in
7 helping establish and suggest regulations.

8 If a similar board were put together of many
9 of the industry leaders in the present natural meat
10 industry to help direct comments and such to them, we
11 would urge you to do this.

12 Thank you very much.

13 MR. SESSIONS: Thank you.

14 Our next speaker is Emily Wurth followed by
15 Scott Kalafatis.

16 MS. WURTH: Good afternoon. My name is
17 Emily Wurth, and I am commenting today on behalf of
18 the nonprofit organization, Food & Water Watch.

19 Food & Water Watch challenges the corporate
20 control and abuse of our food and water resources by
21 empowering people to take action and by transforming
22 the public consciousness about what we eat and drink.

1 We have the following comments concerning
2 the development of a voluntary "naturally raised"
3 standard for the production of livestock. First, the
4 naturally raised label could be competition for the
5 already established voluntary label "certified
6 organic."

7 Certified-organic standards are considered
8 by consumers to be most equivalent to naturally raised
9 livestock. Under certified-organic standards, animals
10 cannot be administered hormones, antibiotics, or any
11 synthetic products.

12 Animals are fed organic feed and must have
13 access to pasture while they are raised. Consumers
14 understand existing organic standards to reflect the
15 conditions of naturally raised livestock. We are
16 concerned this additional label, if it does not exceed
17 the standards of certified organic, will be
18 detrimental to the organic.

19 Second, it is not clear at this time if the
20 naturally raised label will be certified like the
21 organic label. We are concerned lack of certification
22 of this label will present the potential for abuse of

1 it, add to the concern of consumers, and become
2 something that decreases consumers' confidence in
3 labeling.

4 Finally, the addition of another labeling
5 claim in the marketplace for how animals are raised
6 will serve to confuse consumers who are already
7 struggling to differentiate between the dozens of
8 labels on meat and dairy products.

9 Therefore, we do not support the addition of
10 a new naturally raised label unless it goes beyond
11 conditions required by existing organic standards;
12 and, two, that it is certified. No evidence currently
13 suggests that these conditions are being met.

14 Thank you.

15 MR. SESSIONS: Thank you.

16 Our next speaker will be Scott Kalafatis
17 followed by Colette Kaster.

18 MR. KALAFATIS: My name is Scott Kalafatis
19 and I am speaking on behalf of Joseph Mendelson at the
20 Center for School Safety.

21 The Center for Food Safety is a nonprofit
22 membership organization that works to protect human

1 health and the environment by curbing the
2 proliferation of harmful food production technologies
3 and by promoting organic and other forms of
4 sustainable agriculture.

5 In the past few years, dozens of ecolabels
6 have flooded the market, most without verifiable
7 standards or third party certification. Development
8 of a naturally raised labeling claim will only add to
9 existing consumer confusion in the marketplace.

10 CFS also does not believe that the
11 development of voluntary livestock standards allowing
12 the use of the term "naturally raised" are necessary
13 or useful to consumers.

14 The existing standards governing the
15 production of organic livestock already accurately and
16 best reflect the qualities consumers associate with
17 the natural raising of livestock.

18 For a number of reasons, the Organic Foods
19 Production Act, the National Organic Program
20 Regulations, and the National Organic Standards Board
21 recommendations combine to provide production
22 standards for livestock that are most equivalent to

1 the natural raising of livestock.

2 First, livestock raised to be marketed under
3 the organic label cannot be administered hormones or
4 antibiotics.

5 Second, the Organic Foods Protection Act
6 specifically created production systems based upon an
7 allowance of natural substances and a prohibition on
8 synthetic substances. In applying this dichotomy to
9 livestock production systems, organic production
10 directs livestock systems to be as natural as
11 possible.

12 Third, the National Organic Program
13 Regulations contain other important components
14 critical to consumers' expectations of natural
15 raising.

16 The animals are required to be fed
17 100 percent organic feeds -- feeds grown without the
18 use of synthetic pesticides, fertilizers, or genetic
19 engineering.

20 Livestock producers must also establish and
21 maintain living conditions for the animals that
22 accommodate the health and natural behavior of the

1 animals and include access to the outdoors, pasture;
2 and shelter designed for natural maintenance, comfort
3 behaviors, and opportunities to exercise.

4 The Center for Food Safety would only
5 support a voluntary naturally raised labeling claim,
6 if the standards associated with the claim were to
7 exceed that of current organic practices. To date,
8 there is no suggestion that this will be the case.

9 Absent such an organic and beyond standard,
10 the allowance of a naturally raised label claim will
11 only mislead consumers and add a premium to products
12 that are produced under a standard that pales in
13 comparison to the naturalness of existing organic
14 standards.

15 Thank you.

16 MR. SESSIONS: Thank you.

17 Our next speaker will be Colette Kaster,
18 please.

19 MS. KASTER: Thank you.

20 I represent Premium Standard Farms, a large
21 producer and processor of pork. Since 1998, we have
22 had a subpopulation of naturally reared livestock, and

1 therefore would like to comment on this as we have a
2 brand that we supply as well as supply to large
3 processors throughout the country.

4 We would like to commend the Agency for
5 working on a standard in this area as it is an area of
6 significant confusion to customers of ours. Our focus
7 groups indicate that consumers have significant
8 confusion with the definition of natural and how that
9 relates to the use of medications, the use of hormones
10 and animal byproducts, particularly after the BSE
11 concerns began to be raised.

12 Additionally, we agree that process-verified
13 is a very appropriate venue in which to house the
14 oversight of these standards. We have been a longtime
15 participant of that program as well and feel that it
16 fits very well with this.

17 We would like to suggest the following be
18 considered for the standards. The first is that we
19 support the "no antibiotic ever claim," what many
20 people call "never-ever claim" as opposed to a
21 specific number of days or a production period.

22 We would also like to request a specific

1 definition of "vegetarian-fed," particularly as it
2 relates to weaned animals who may need supplements of
3 protein such as milk products or egg products for a
4 brief period of time.

5 We would like to request that the Agency
6 consider that on species that cannot receive hormones
7 that there be some educational material to consumers.
8 Because consumers have a belief that these animals
9 such as poultry and pork are receiving hormones even
10 when they are not, that negative label claim does have
11 some benefit to clarifying this concern for consumers.

12 We would like the Agency to consider all
13 types of rearing systems that meet recognized
14 standards such as the National Pork Board or the
15 American Humane Association.

16 Finally, we would request that FSIS and AMS
17 work together, as it appears that you are doing, to
18 create synergy in the natural labeling claims between
19 livestock claims and the ingredient and minimally
20 processed issues that are going to be addressed
21 tomorrow as well as in the following AMS meetings.

22 We believe that it is not enough for a

1 product simply to be single ingredient or minimally
2 processed, but it must be tied to production practices
3 as well.

4 Thank you.

5 MR. SESSIONS: Thank you.

6 I would ask my staff were there any
7 additional speakers?

8 THE STAFF: (Moving heads from side to
9 side.)

10 CLOSING COMMENTS

11 MR. SESSIONS: Okay. That was our last
12 speaker. I would say that we will accept written
13 comments either today or in the future up to the close
14 of the third Listening Session.

15 We are interested, very much interested, in
16 the stakeholder input. We want to make, AMS wants to
17 make, this process as transparent as possible as we
18 move forward. We do value the input of the
19 stakeholders and interested parties in this regard.

20 Again, I will just reiterate that we will
21 have two other listening sessions, on January 17 in
22 Denver and January 18 in Seattle. We will continue to

1 receive input and research this issue.

2 As Marty said earlier, we will provide the
3 transcripts of all the sessions. All the written
4 comments that we receive will be posted on our
5 website, and that will be available for public review.

6 I will make one last opportunity for
7 comments.

8 (No verbal response.)

9 MR. SESSIONS: With that, since there are no
10 further comments, if there are none, then we will
11 close this particular session.

12 I do thank you for coming today, and I do
13 appreciate your interest and input in this very
14 important topic.

15 Thank you.

16 (Whereupon, at 2:00 p.m., the Listening
17 Session was concluded.)

18 * * *

19

20

21

22