

Hello, my name is Jim Riva. I am the Chief of The Livestock and Seed Program Audit Review and Compliance Branch.

As you know we are the branch that conducts audits of the suppliers and contractors for the Commodity Procurement Program that's administered by Livestock and Seed Program.

I would like to thank you for taking time out of your busy schedule to listen to this information.

Today I would like to provide you the information on animal welfare audits, some of their procedures, what our compliance up to this point has been and some of the ways that we are trying to keep the cost down.

On December 2008 there was a notice to the trade that notified all the contractors and suppliers of the new requirements. I would like to go over some of those requirements real briefly so that you have an idea of what we've been doing on our audits.

The contractor must ensure that any facility that harvests animals for this program has a mission statement that includes animal handling and is distributed to all employees and displayed at the premise.

Training program of animal welfare must be conducted and must be provided to all employees interacting with animals.

It must cover Chapter Two of our Auditing Animal Handling Stunning seven core criteria of the AMI recommended animal

handling guidelines. This training must be conducted no less frequency than once a year for each designated employee.

It requires signed documents from each employee and confirmation by signature of the designated trainer upon successful completion of the training.

During the audits we're going to look that's there's a quality management plan that's implemented and in effect that routinely assesses and monitors the humane handling through the use of a numeric scoring system.

Not only will we perform the audits but we also are looking for the plant to conduct their own audits to verify that they're meeting their requirements.

Some of the other parts of the requirements are that there has to be written protocol in place at the beef facilities to ensure that they do not receive disabled cattle or if cattle becomes disabled while on their location they are removed immediately.

Also for the hogs and sheep there must be a written protocol in place and enforced to ensure that all animals designed for FSIS suspects are slaughtered appropriately and separated from processes included in the school lunch program.

We will be looking for written quality management plans that implements the provisions of Chapter Two of the AMI guidelines.

The scope of the audit will ensure proper animal handling techniques are conducted from the time transportation conveyed

enters their facility and the premise through the stunning and, I guess, the harvesting of the processing of the animal.

One of the things we're going to do is, we're able to under our LS ISO Guide 65 program, we'll be able to accredit other audit programs to conduct these animal welfare audits for us.

Alternatively though, at the option of this contractor or subcontractor, the audits can be performed by AMS auditors which we'll be glad to do.

The program evaluation eligibility audit performed must pass each of the seven core criteria each time an audit is performed.

A scoring of acceptable or higher for core one through five must be attained and core criteria six and seven must be fully compliant for acceptable rating.

We were tasked by CP Branch to conduct these audits prior to any bids being let after January 1st and we were able to conduct these audits within a three week period and facilitate the purchase of this product.

If an audit is failed for any of the seven criteria and it is unable to provide positive until such time corrective actions and definitive actions have been approved by a contract officer.

Just so you know that these audits are a performance based audit system. Audit frequency and status, every plant starts out as a standard audit program where they're going to have - they must have four consecutive audits quarterly.

So that means they'll be under quarterly audits for one year. If all of those audits are passed you will be able to move onto a less audit protocol which is twice a year, semi-annually.

If anytime we find an issue with your program, we are able to actually put you on a monthly audit. That's kind of basically all the requirements of our animal welfare audits.

Now to get you updated to where we're at today, as of today we have conducted 43 audits. We have only identified two small issues which were easily addressed by the companies and a corrective action was implemented immediately.

We believe everybody's doing a very good job meeting our requirements. Performance of this has figured out to be somewhere around 97% so our compliance is very high on these audits.

We believe all the plants did a very good job putting together their systems, their quality management systems and their training.

We are evaluating at least two other companies that could provide these audits to the industry. They're still in the process. Once they have been approved we will post them on a website so everyone knows who they are.

To talk a little bit about the cost, at every opportunity we have combined these audits with other audits to try to keep the cost down.

We figure that this added cost of the animal welfare audits themselves has only been a couple hours or three hours added to your normal quarterly audits.

Also some of the companies that we've audited have requested a copy of the AMI checklist that we use and they're providing that to their other customers as well to show that they are meeting the AMI requirements.

So that is not an added cost that is just something we'll do for you if you request it.

Independent of our animal welfare audits, we will continue to conduct supplier audits to verify other requirements and other contract requirements such as domestic origin, carcass E-coli testing, spinal cord removal and boning defects as well as the food defense.

Some of the other services that we could provide, we could always do the animal welfare audits even if you're not a contractor. If you're listening to this and you're not a supplier/contractor yet, we do have our export verification program.

We know that some of these plants already are participating in that program. We have a new program that is segregation of cattle material prohibited from animal feed which is a program that was put together to help packers comply with some of the new FDA requirements.

I guess in closing I'd like to say that we believe that the industry's done an excellent job over the first quarter of these animal welfare audits.

We're starting the second round now. We could have a couple of companies approved within the next month or so that can help us conduct these audits.

If you have any further questions or you'd like information about our programs we're on the website, just type in audit review and compliance branch and you'll be able to find us.

My cell phone number is 540-361-7640 and my email address is james.riva@ams.usda.gov. And again I'd like to thank you for taking time out of your busy schedule to listen to this information. Thank you very much.