



AMS Commodity Purchasing Overview

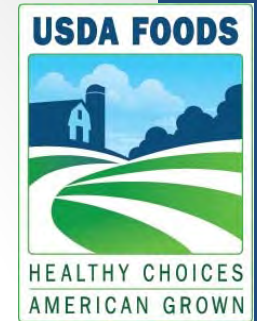
June 20, 2012

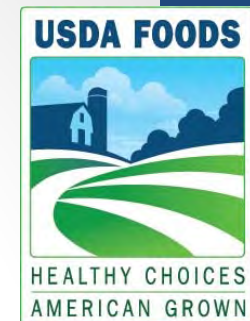
Darin R. Doerscher
Livestock & Meat Marketing Specialist
Standardization Division
USDA/AMS/Livestock & Seed Program

Larry Meadows
Director
Grading and Verification Division
USDA/AMS/Livestock & Seed Program

Overview

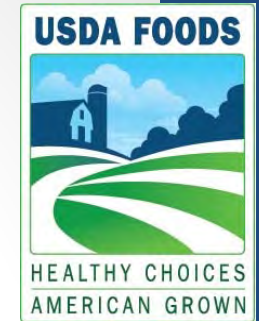
- Commodity Purchases
- Contractual vs. Regulatory Requirements
- Technical Requirements
- AMS Designated Laboratories (ADL)
- Data Collaboration
- AMS Oversight
 - Standardization Division
 - Grading and Verification Division
- Child Nutrition Labeling
- Panel Discussion





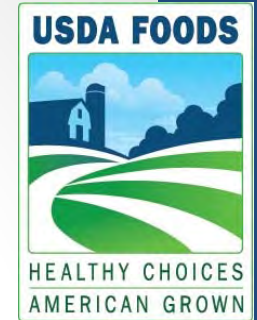
COMMODITY PURCHASES

Background



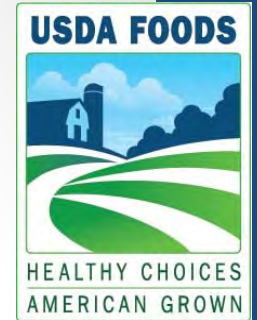
- AMS has delegated authority to purchase agricultural products to include:
 - Eggs
 - Fish
 - Fruits
 - Tree Nuts
 - Meat
 - Poultry
 - Vegetables
- Purchase about \$1.5 billion in product annually.

AMS Commodity Procurement Division (CPD)



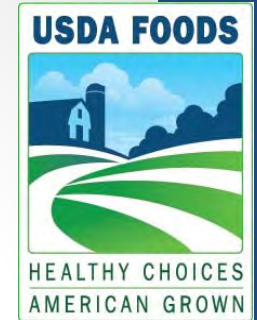
- Accountable for all AMS Program Area Commodity Purchases.
- Comprised of Three Branches
 - Administrative Operations Branch
 - Contracting Branch
 - Web-Based Supply Chain Management (WBSCM)

Livestock & Seed (LS) Program



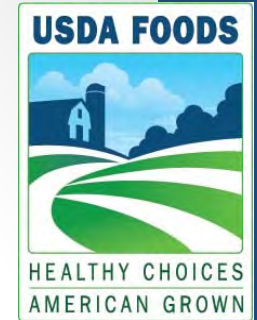
- Accountable for technical support, monitoring, certification and verification of purchases activities related to red meats and aquatic food commodities.
 - Beef
 - Pork
 - Lamb
 - Bison/Buffalo
 - Catfish
 - Pollack
 - Salmon
 - Tuna

General Requirements for Contractors



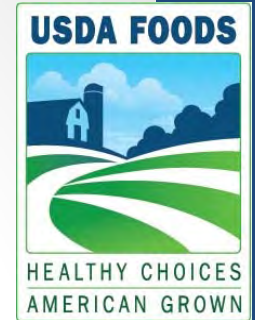
- Work Closely with Designated Contract Specialist and COTR
- Read/Know the AMS Master Solicitation and Applicable Supplements (all commodity areas)
- Financial Responsibility
 - Credit Report
 - Dunn & Bradstreet
- Technical Proposal Submission (commodity dependant)
- Sample Submission

General Requirements for Contractors (cont'd)



- Onsite Capability Assessment
- WBSCM
 - Vendor Registration Form
 - 'Hub' for bidding and payment
 - Shipment Notification
- Qualification Documents Through WBSCM
 - CCR
 - ORCA
 - Payment Forms
- Approval/Denial

AMS Contractors/Suppliers - Covered by Dallas DO



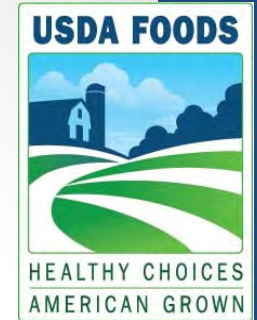
- Est. 00675 M Caviness Beef Packers, LTD.
 - Supplement 211 & 212
- Est. 21171 MP Five Star Custom Foods
 - Supplement 703
- Est. 33999 M Four S Foods
 - Supplement 211
- Est. 02255 M Lone Star Beef Processors, LP.
 - Supplement 211
- Est. 07282 M Palo Duro
 - Supplement 211
- Est. 07209 MP San Angelo Packing
 - Supplement 211 & 212
- Est. 00245E M Tyson Fresh Meats
 - Supplement 211 & 212





CONTRACTUAL VS. REGULATORY REQUIREMENTS

Examples



- Food Defense Plan
- Domestic Only Product
- Animal Handling & Welfare Plan (*supplier*)
- Approved Technical Proposal – Various Provisions Within
- Audits – G&V Division
- Grading & Certification (*if necessary*)

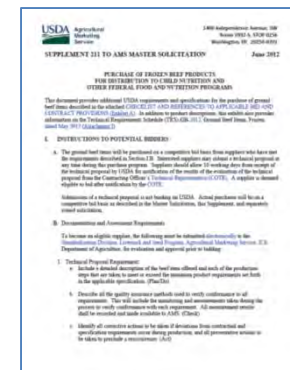


TECHNICAL REQUIREMENTS

Supplement 211

PURCHASE OF FROZEN BEEF PRODUCTS FOR DISTRIBUTION TO CHILD NUTRITION AND OTHER FEDERAL FOOD AND NUTRITION PROGRAMS

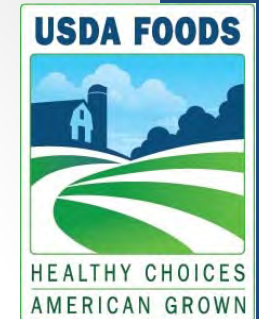
Example: Four S Foods Technical Proposal



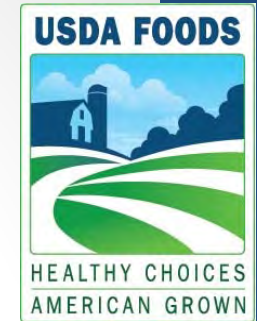
Supplement 212

PURCHASE OF FRESH BONELESS BEEF PRODUCTS FOR FURTHER PROCESSING FOR DISTRIBUTION TO CHILD NUTRITION AND OTHER FEDERAL FOOD AND NUTRITION PROGRAMS

Example: Caviness Beef Packers Technical Proposal

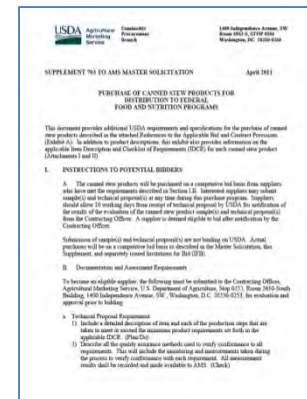


Supplement 703



PURCHASE OF CANNED STEW PRODUCTS FOR DISTRIBUTION TO FEDERAL FOOD AND NUTRITION PROGRAMS

Example: Five Star Custom Foods Technical Proposal

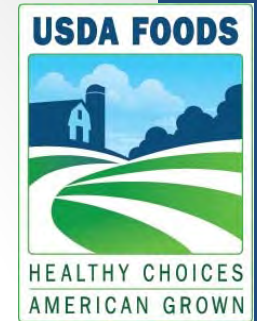




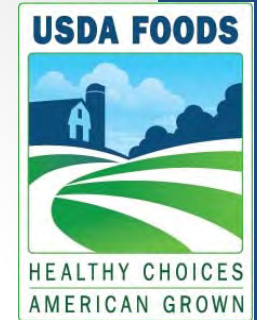
AMS DESIGNATED LABORATORIES (ADL'S)

ADL's

- Food Safety Net Services
 - San Antonio, TX; Fresno, CA; Commerce, CA; Covington, GA
- IEH Laboratories & Consulting Group
 - Omaha, NE; Greeley, CO; South St. Paul, MN; Lake Forest Park, WA
- Siliker, Inc.
 - Dimmitt, TX; Madison, WI; Chicago Heights, IL

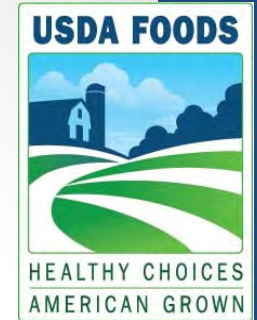


Statement of Work



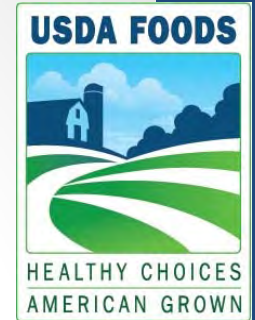
- Third-Party Independent Laboratory
 - No affiliation with AMS or potential contractors/suppliers
- Technical Proposal Submission
 - Reviewed by AMS
 - Contracts Awarded by APHIS Contracting Officer
- AMS Onsite Capability Assessments
 - Pre-production & Bi-annually
 - GVD and STP Personnel

Accountabilities



- Microbiological Analysis
 - Supplements 211, 212 & 602
- Fat Analysis
 - Supplements 211 & 602
- Sampling Plans/Protocols to Vendors
- Data Management/SPC Calculations
- Contractor/Supplier Status Change Communication

Example Data



- Caviness Beef Packers
 - Boneless Beef Micro Spreadsheet



- Four S Foods
 - Finished Product Micro Spreadsheet

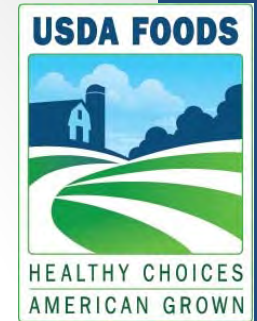


- Palo Duro
 - Finished Product Fat Spreadsheet



DATA COLLABORATION

History



- AMS and FSIS have coordinated through data sharing for many years. More recently,
 - 2010 MOU reinforcing the commitment to timely data sharing.
 - FSIS provided input to AMS' 2010 Technical Requirements Schedule for ground beef.
 - FSIS participated in the NAS review of AMS' purchase program.



FSIS Policies on H7 testing

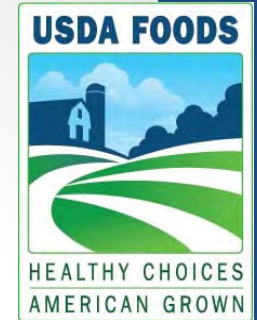
- FSIS Directive 10010.1 discusses FSIS actions in response to an AMS *E. coli* O157:H7 positive test result.
 - [http://www.fsis.usda.gov/Regulations & Policies/10000 Series-Laboratory Services/index.asp](http://www.fsis.usda.gov/Regulations%20&%20Policies/10000%20Series-Laboratory%20Services/index.asp)
- FSIS Notice 22-12 clarifies that:
 - FSIS inspectors should collect samples for FSIS testing, even if the establishment collects a sample for AMS testing.
 - Includes routine sampling and follow-up sampling.
 - Prioritizes non-AMS product, if available.
 - [http://www.fsis.usda.gov/regulations & policies/FSIS Notices Index/index.asp](http://www.fsis.usda.gov/regulations%20&%20policies/FSIS%20Notices%20Index/index.asp)



Data Sharing Examples

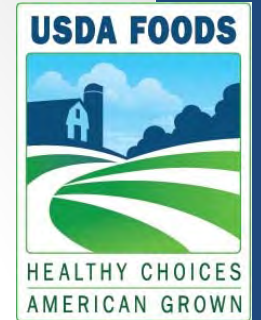
- Contract lab pathogen test results shared with FSIS.
 - FSIS is notified of all *E. coli* O157:H7 and *Salmonella* positive test results.
 - FSIS may take follow up action such as testing suppliers, follow-up testing at the establishment that tested positive and/or conducting a food safety assessment.
 - Isolates are sent to FSIS for serotyping and PFGE.
 - FSIS and AMS have a MOU to facilitate information exchange.
 - Place positive results in better context.
 - Improve FSIS' and AMS' overall assessment of establishments.

Data Sharing Examples



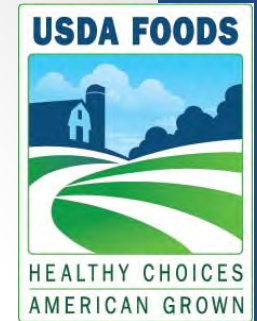
- FSIS evaluation of indicator organisms.
 - FSIS is interested in learning more about the utility of indicator organism data in predicting *E. coli* O157:H7 or *Salmonella* positives.
- AMS has shared this data with FSIS.
 - Analyses in progress to compare with pathogen data and sanitation inspection results.
- FSIS is also supporting NACMCF work to analyze AMS data.

Data Sharing Examples



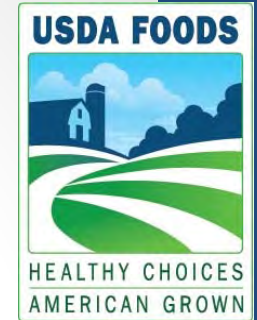
- FSIS Inspection results shared with AMS quarterly
 - Jointly developed report summarizing
 - 4 year data
 - High-level non-compliance rates (SSOP, HACCP, SPS)
 - Comparisons to reference groups
 - Nation-wide, District-wide, matched on operation type and size
 - Recalls and/or Enforcement actions
 - FSIS pathogen testing results

Data Sharing Examples



- Foodborne Illness Outbreak Investigations
 - FSIS does consider AMS testing information (as well as plant testing data or any other relevant information) in investigating the cause or source of a foodborne illness outbreak

Data Sharing Outcomes

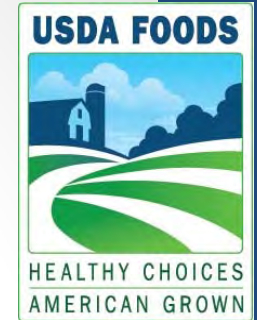


- The information exchange has served to:
 - Improve the availability of information to both agencies
 - Add information to FSIS data-driven decision-making process
 - Enable exploratory analyses to further FSIS' understanding of indicator organisms



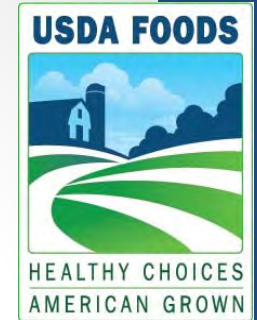
AMS OVERSIGHT – STANDARDIZATION DIVISION

Contracting Officer's Technical Representative (COTR)



- Specification Development
- Technical Proposal Review – Desk Audits
- Non-Conformance Responses
- Data Analysis – Contractor Performance
- Customer Complaint Review/Investigation
- Product Reviews/Development

Oversight Documentation



- Daily Status Report (DSR)
- Technical Directory for Commodity Purchases (TDCP)
- Contractor and Supplier Production Oversight Program (CASPOD)
- Review of Quarterly FSIS Data – **WIP**
- Ad Hoc SPC Analysis
 - **Recent Contractor/Supplier Performance....**

AMS Boneless Beef - Indicators: July 2011 - February 2012

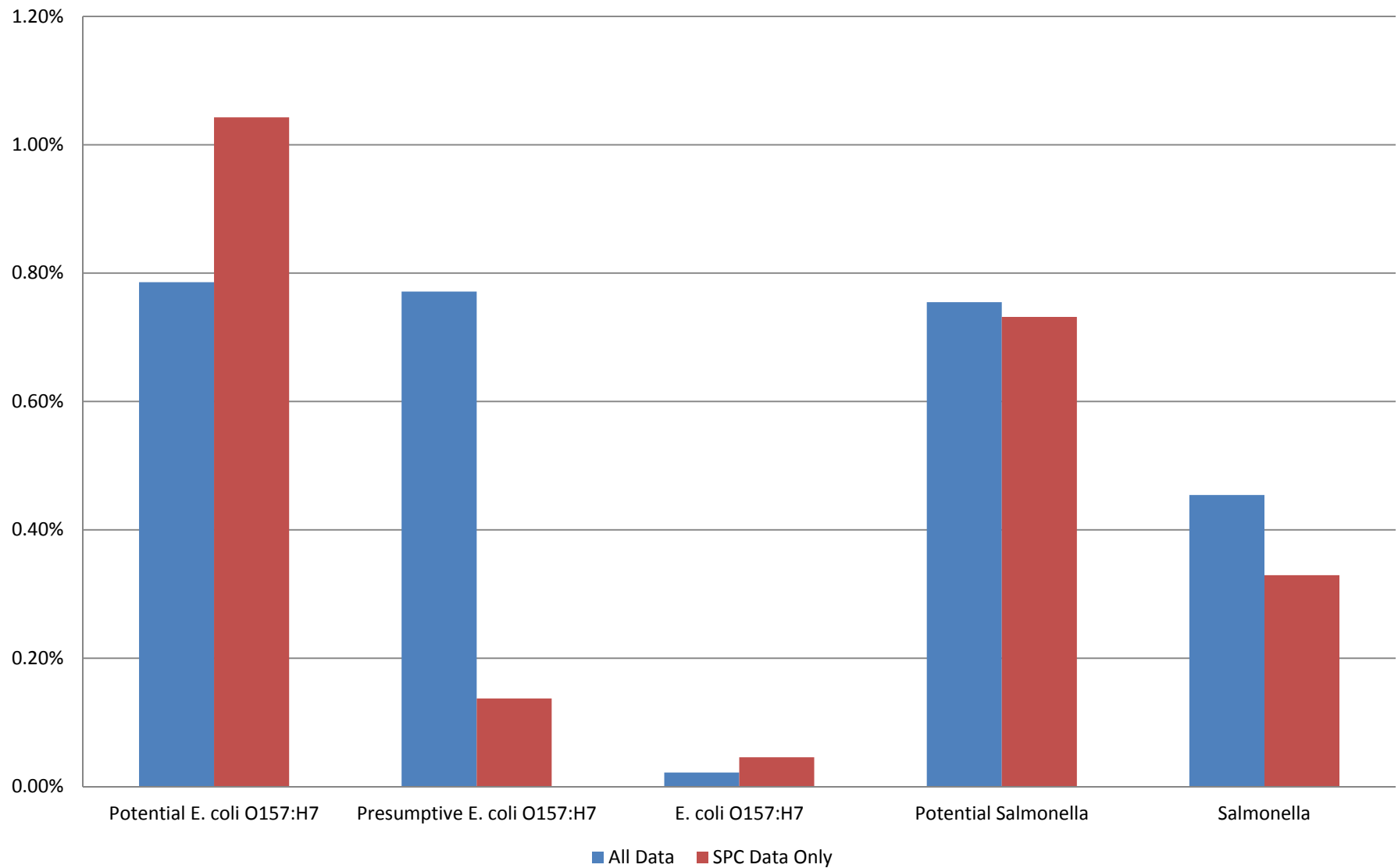
All Data Combined

Attribute	Total Samples	Results Meeting USL	Results Meeting CL	Percent of Results Meeting USL	Percent of Results Meeting CL	Max	Min	Mean	St. Dev
APC	54,585	54,524	54,545	99.89%	99.93%	4,400,000	999	1,706	33,754
Coliform	54,592	54,398	54,565	99.64%	99.95%	20,000	9	12	156
Generic E. coli	54,592	54,542	54,577	99.91%	99.97%	2,200	9	10	21

SPC Data Only

Attribute	Total Samples	Results Meeting USL	Results Meeting CL	Percent of Results Meeting USL	Percent of Results Meeting CL	Max	Min	Mean	St. Dev
APC	10,932	10,918	10,923	99.87%	99.92%	1,000,000	999	1,434	11,770
Coliform	10,933	10,877	10,924	99.49%	99.92%	20,000	9	14	200
Generic E. coli	10,933	10,920	10,931	99.88%	99.98%	2,200	9	10	28

AMS Boneless Beef - Pathogen Incident Rates: July 2011 – February 2012



AMS Finished Product - Indicators:

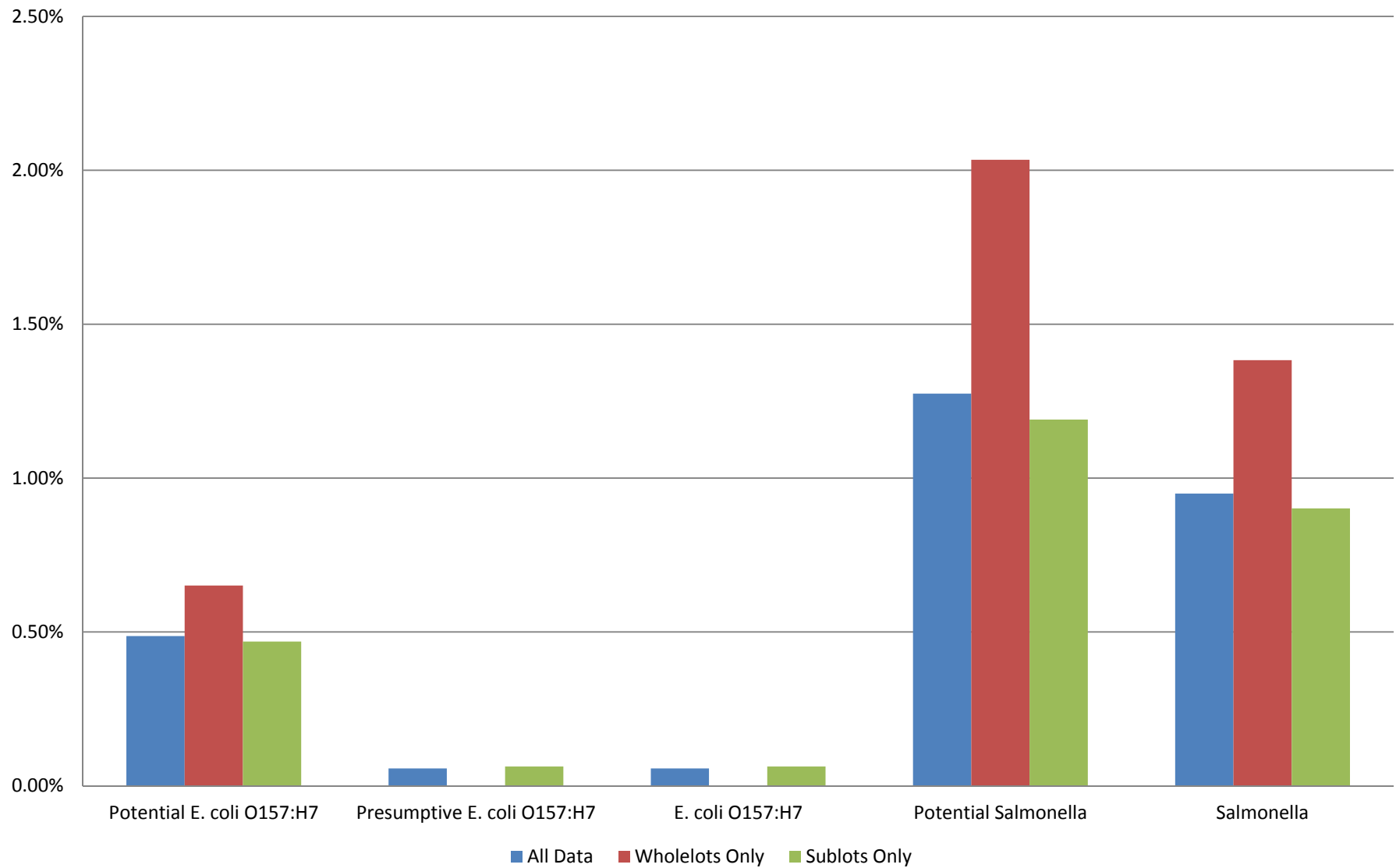
July 2011 - February 2012

All Data Combined									
Attribute	Total Samples	Results Meeting USL	Results Meeting CL	Percent of Results Meeting USL	Percent of Results Meeting CL	Max	Min	Mean	St. Dev.
APC	12,322	12,310	12,313	99.90%	99.93%	840,000	999	1,393	9,856
Coliform	12,322	12,174	12,311	98.80%	99.91%	72,000	9	21	653
Generic E. coli	12,322	12,269	12,313	99.57%	99.93%	72,000	9	17	651
S. aureus	12,322	12,321	*****	99.99%	*****	710	9	10	11

Whole Lots Only									
Attribute	Total Samples	Results Meeting USL	Results Meeting CL	Percent of Results Meeting USL	Percent of Results Meeting CL	Max	Min	Mean	St. Dev.
APC	1,229	1,225	1,227	99.67%	99.84%	840,000	999	2,095	24,470
Coliform	1,229	1,204	1,227	97.97%	99.84%	72,000	9	75	2,054
Generic E. coli	1,229	1,218	1,227	99.10%	99.84%	72,000	9	70	2,054
S. aureus	1,229	1,228	*****	99.92%	*****	710	9	10	21

Sublots Only									
Attribute	Total Samples	Results Meeting USL	Results Meeting CL	Percent of Results Meeting USL	Percent of Results Meeting CL	Max	Min	Mean	St. Dev.
APC	11,093	11,085	11,086	99.93%	99.94%	390,000	999	1,314	6,446
Coliform	11,093	10,970	11,084	98.89%	99.92%	4,600	9	15	80
Generic E. coli	11,093	11,051	11,086	99.62%	99.94%	4,400	9	11	58
S. aureus	11,093	11,093	*****	100.00%	*****	440	9	10	9

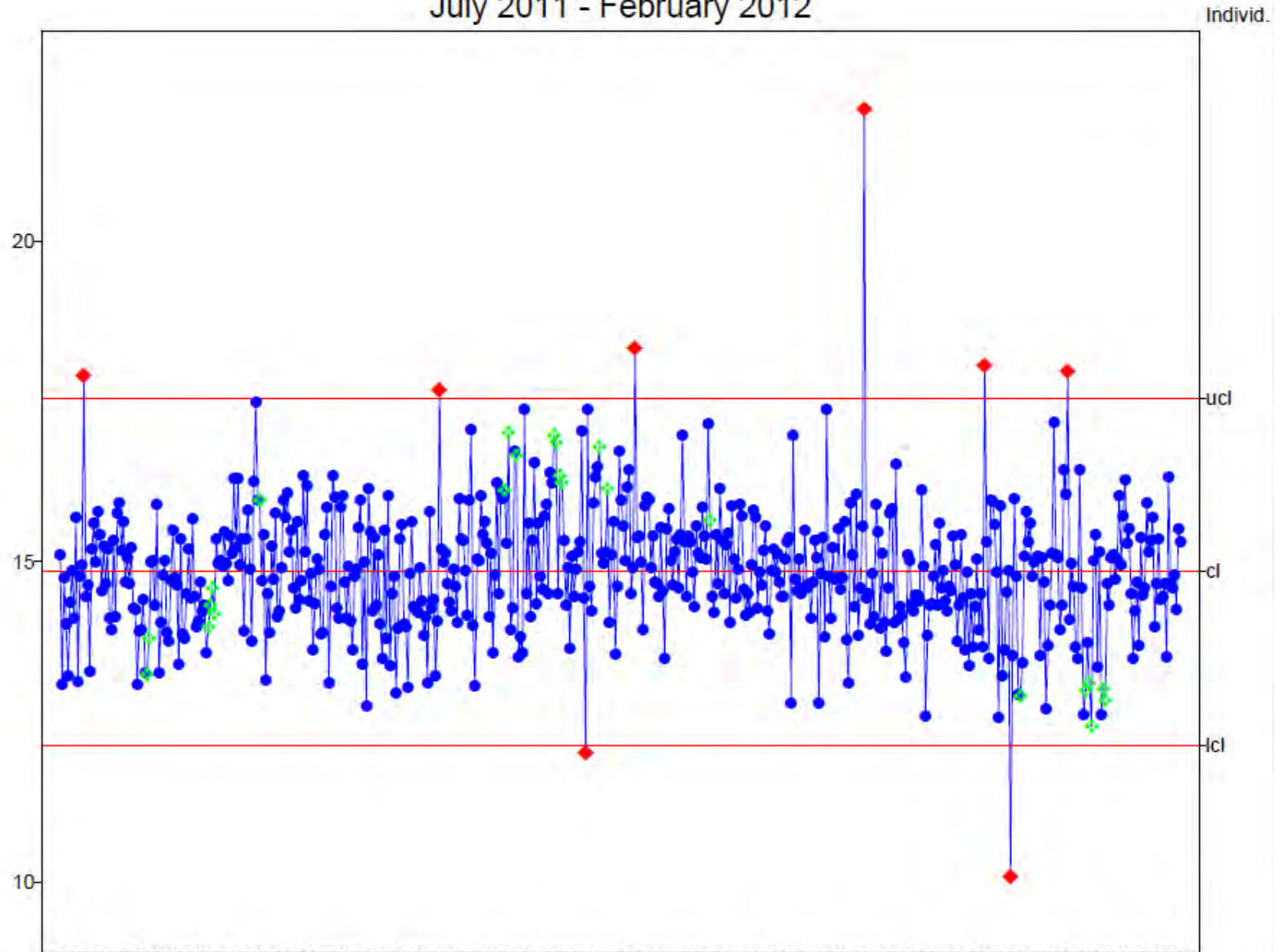
Finished Product - Pathogen Incident Rates: July 2011 – February 2012



AMS Finished Product - Fat: July 2011 - February 2012

Fat Target	Total Samples	Results Above USL	Results Below LSL	Percent of Results Above USL	Percent of Results Below LSL	Max	Min	Mean	St. Dev.
15%	568	3	1	0.53%	0.18%	22.07	10.09	14.84	1.03
NTE 10%	43	0	*****	0.00%	*****	9.23	6.32	7.98	0.62
5%	21	0	3	0.00%	14.29%	5.40	3.37	4.55	0.50

15% FAT - All Contractors July 2011 - February 2012



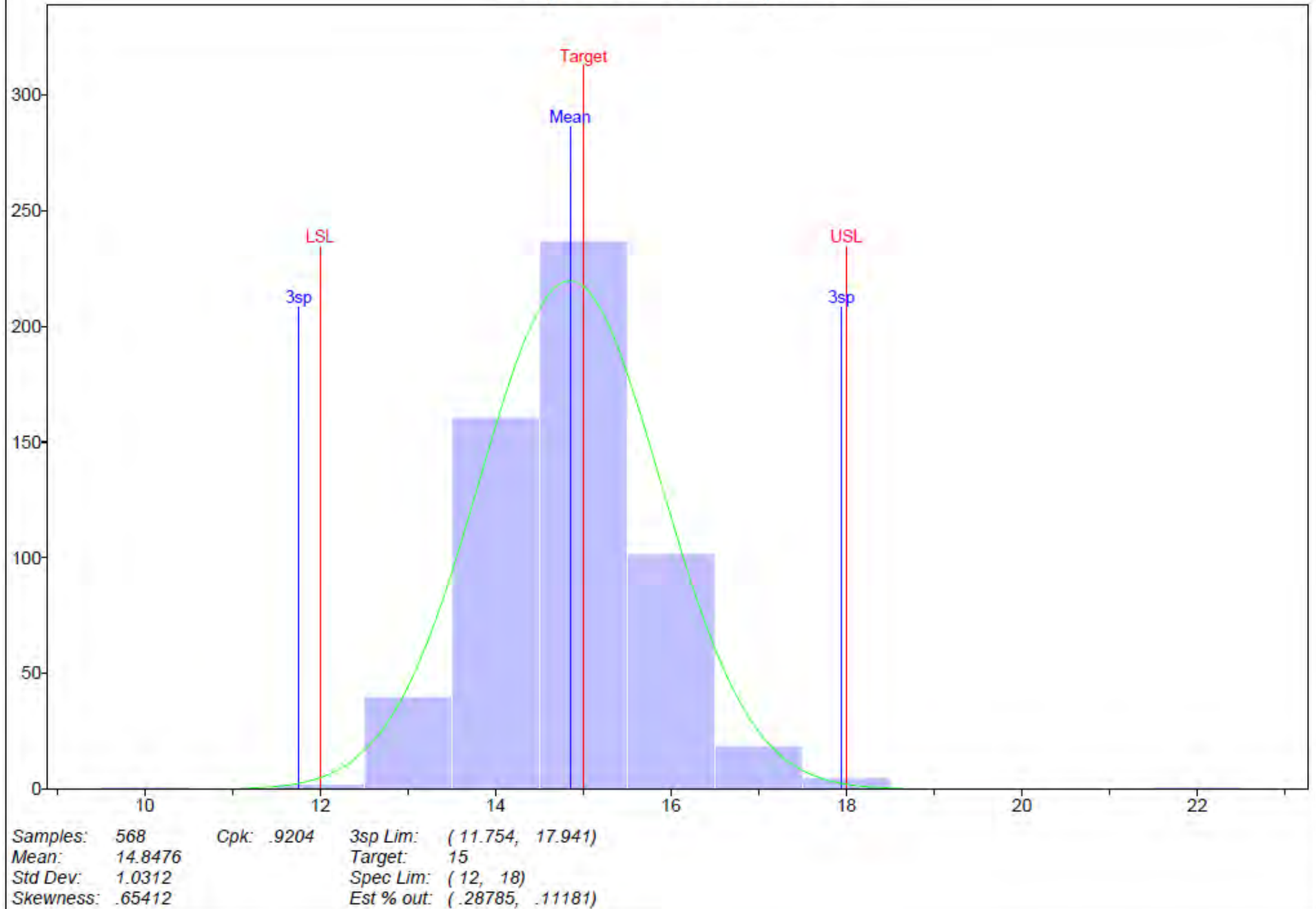
PRODUCTION_DATE: 7/1/11 7/22/11 8/12/11 8/25/11 9/7/11 9/23/11 10/9/11 10/26/11 11/10/11 12/6/11 12/30/11 1/30/12 2/17/12

Individ.: cl: 14.8476 ucl: 17.5503 lcl: 12.1448

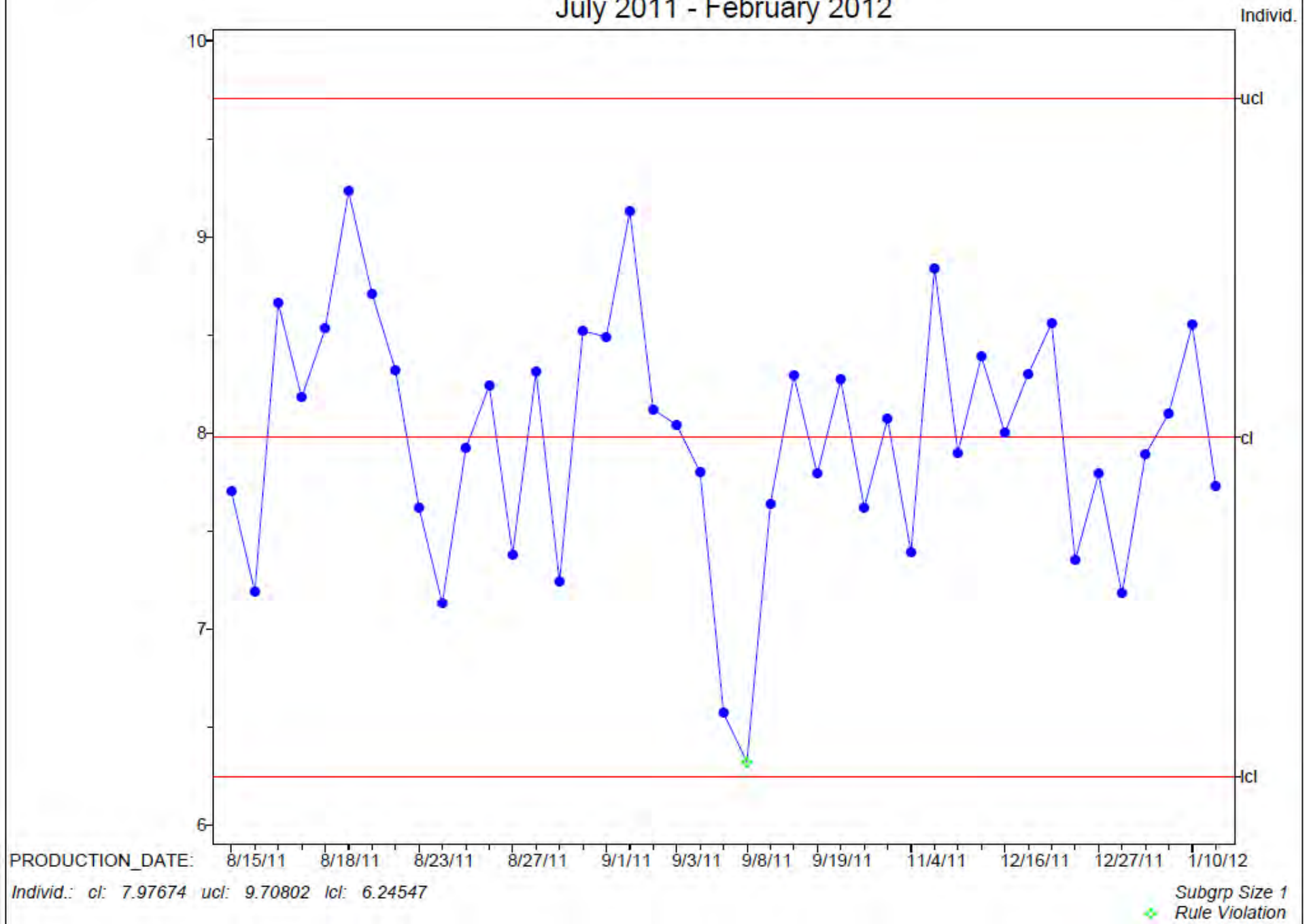
Subgrp Size 1

Rule Violation

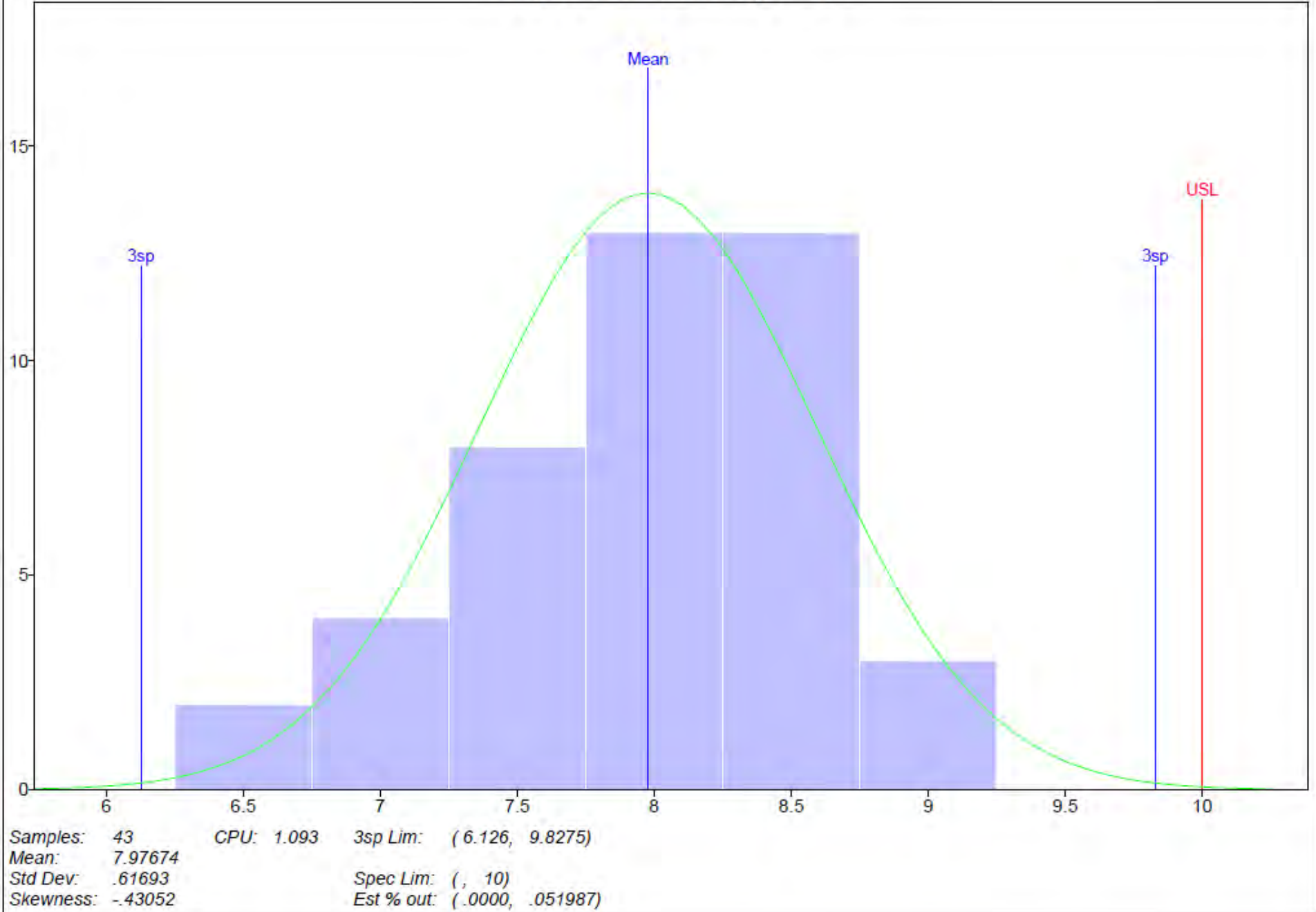
15% FAT - All Contractors July 2011 - February 2012



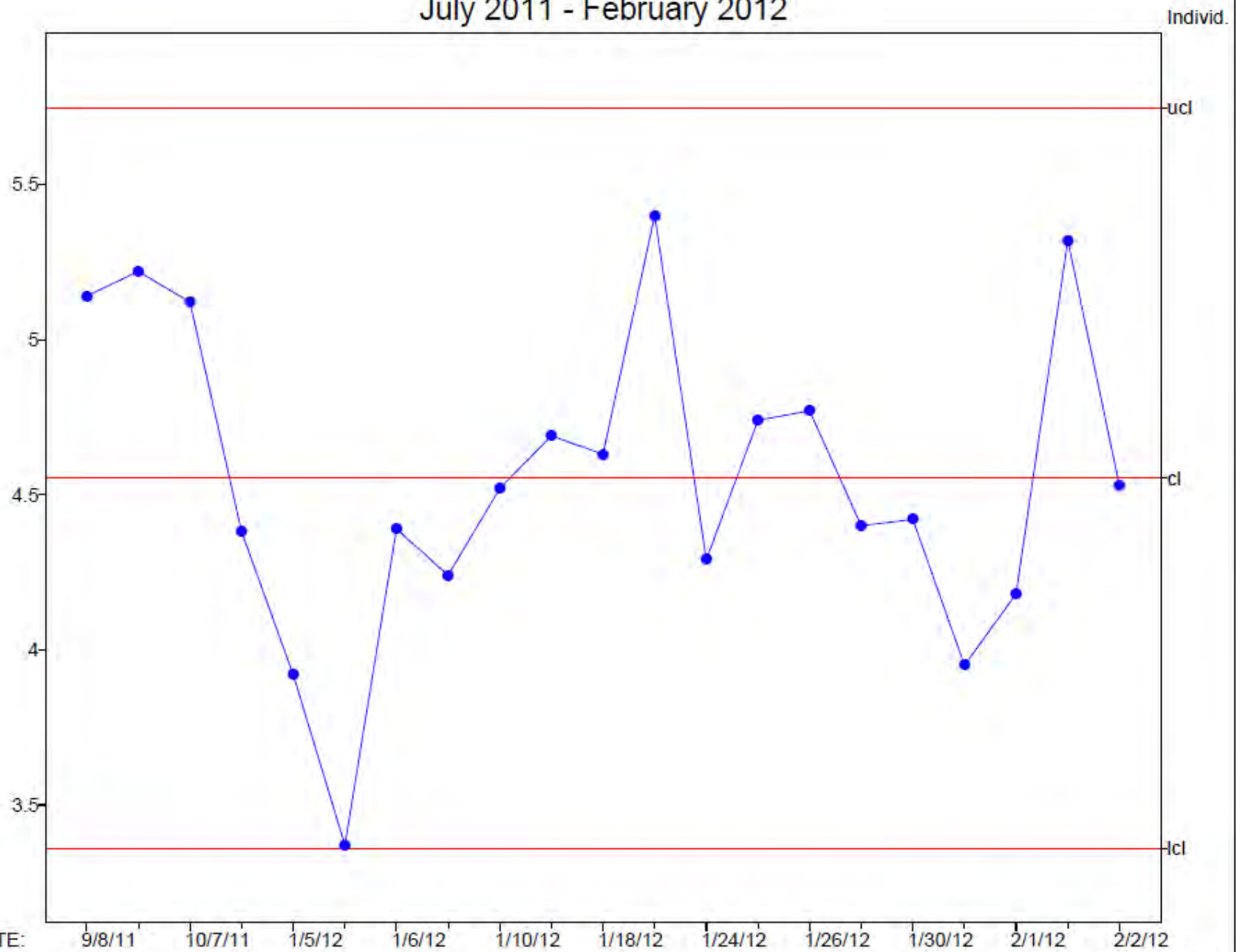
10% FAT - All Contractors July 2011 - February 2012



NTE 10% FAT - All Contractors July 2011 - February 2012



5% FAT - All Contractors July 2011 - February 2012

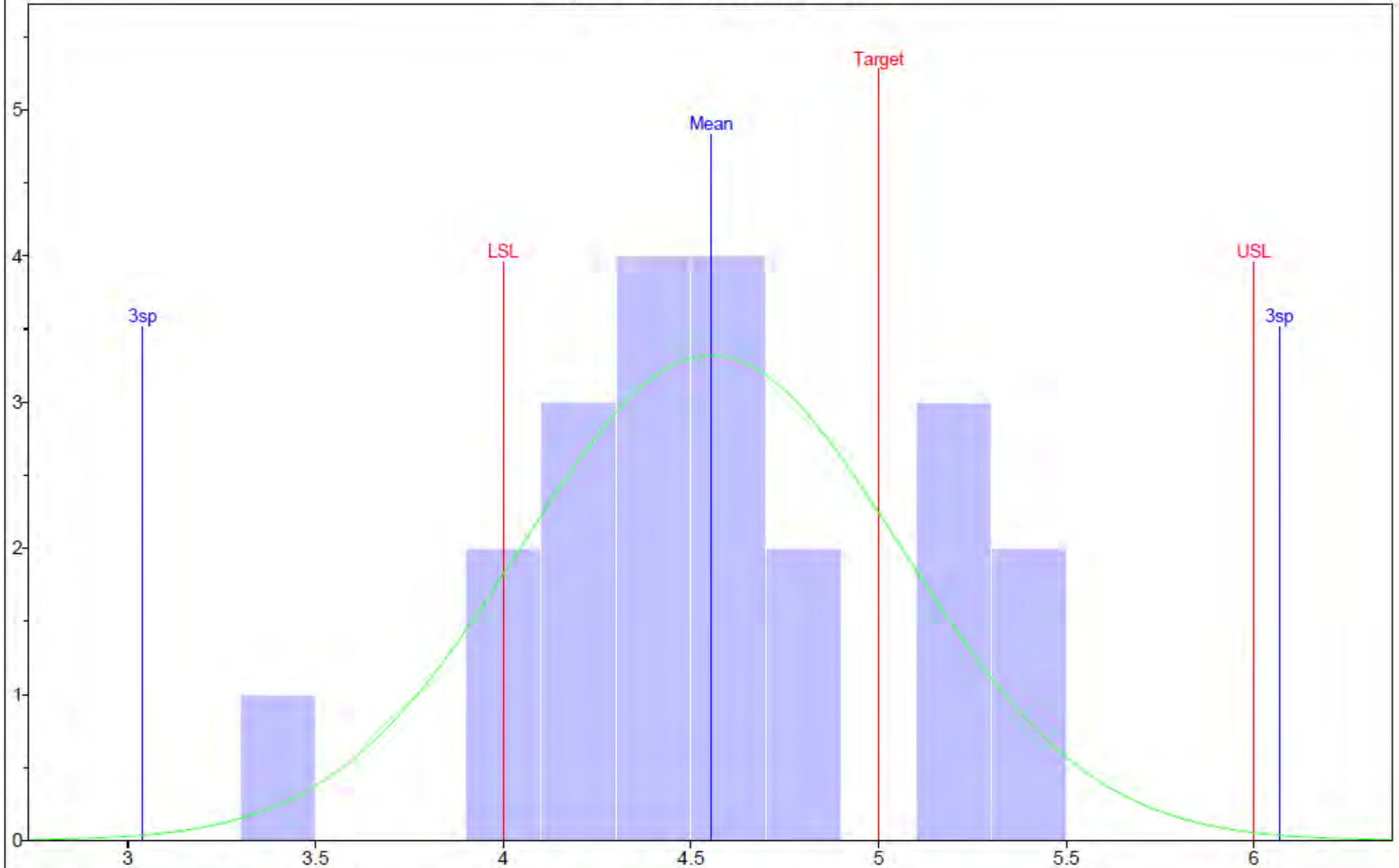


PRODUCTION_DATE:

Individ.: cl: 4.55333 ucl: 5.74839 lcl: 3.35828

Subgrp Size 1
Rule Violation

5% FAT - All Contractors July 2011 - February 2012



Samples: 21 Cpk: .3655 3sp Lim: (3.0395, 6.0672)
 Mean: 4.55333 Target: 5
 Std Dev: .50461 Spec Lim: (4, 6)
 Skewness: -.19534 Est % out: (13.642, .20727)

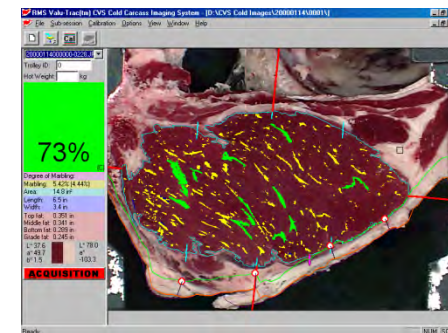
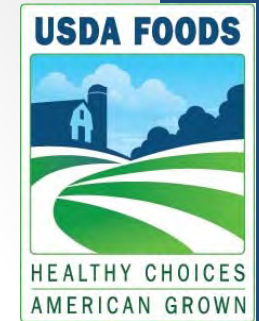


AMS OVERSIGHT – GRADING AND VERIFICATION DIVISION

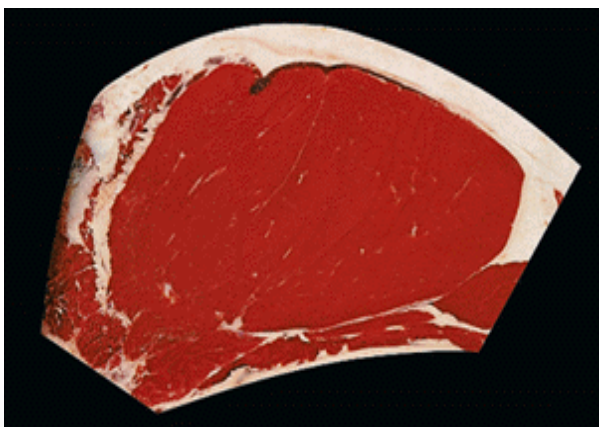
Grading

- Beef
 - Prime
 - Choice
 - Select
- Lamb
 - Prime
 - Choice

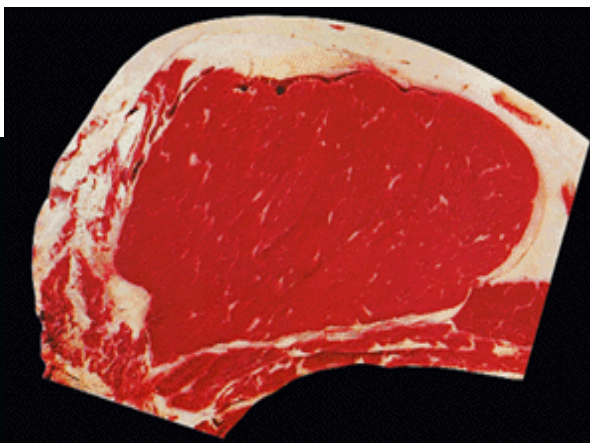
- Veal
 - Prime
 - Choice
 - Good
- Calf
 - Prime
 - Choice
 - Good



Marbling Photographs



USDA Select

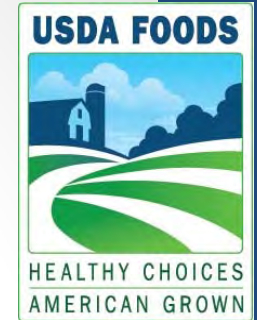


USDA Choice



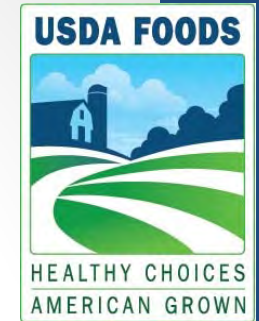
USDA Prime

Grade Labeling



- Grades – Value Determinants - \$150/head
- Truth-in-Labeling
- QC plans - documented control/sorting
- PL 272
- Requirements for Grading Terms on Meat Product Labeling
- <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5081872>

Certification



- Slaughter Floor Schedules

- GLA – for Live Angus
- AHA – for Live Hereford
- GLW – for live Wagyu
- GLAk – for Live Akaushi
- GLTL – for Live Texas Longhorn



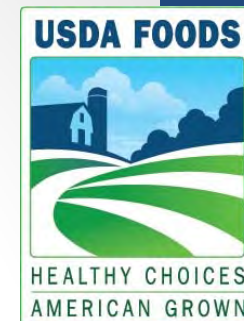
- Cooler Schedules

- G1 – Certified Angus Beef
- G2 – Sterling Silver
- G7 – Butcher Block Angus
- G8 – Butcher Block Reserve
- G10 – Certified Hereford Beef
- G14 - G117 – 74 additional Schedules
- G1 – G117 – 53 Angus Schedules

Grade & Schedule Identification

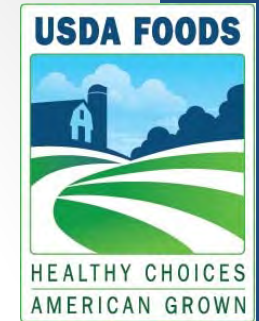
- Stamps
 - Location on carcass important
 - Varies by plant
 - G Numbers
 - Accepted as Specified Stamp
 - Roller branding optional
 - Grade labeled protective coverings
 - Box labeling





CHILD NUTRITION (CN) LABELING

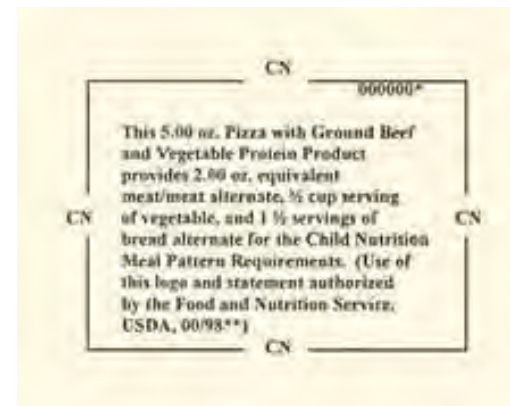
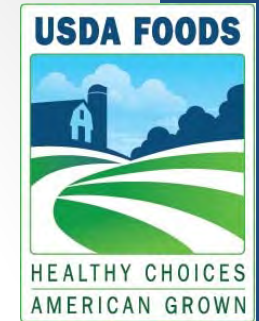
AMS



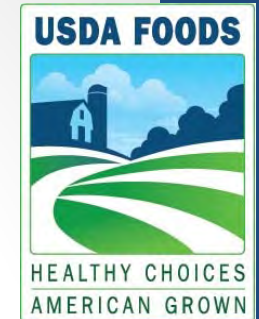
- Formulation for meal pattern requirements
- AMS and FSIS approved labels
- Grading & Verification and Poultry Division reviews – also dairy, fruit, vegetable, seafood
- Quarterly ➡ Semi-annual – desk review, at least one yearly in-plant review
- Plants provide schedules for production

Plant Requirements

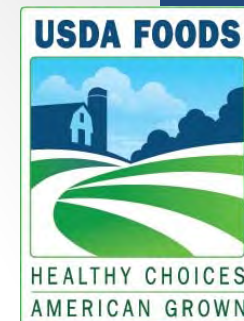
- FSIS inspection
- Approved QC program
- Approved labels
- 19 plants in Dallas District



CN Plants Serviced by Dallas DO

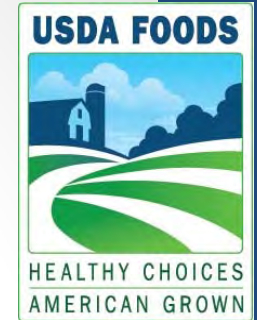


<u>Company Name</u>	<u>Est. #</u>	<u>Location</u>
Direct Source Meats	13484 / P-13484	San Antonio, TX
Double B Foods, Inc.	7184M / P7184M	Meridian, TX
Eddy Packing Company	4800 / P4800	Yoakum, TX
Five Star Custom Foods	21171 / P21171	Fort Worth, TX
Hausman Foods	7190	Corpus Christi, TX
Hausman Foods-Pearse	7190A	Corpus Christi, TX
J Bar B Foods, Inc. dba J Bar B Sausage	7066 / P7066	Waelder, TX
J.O.Y Foods, Inc.	34101 / P34101	Dallas, TX
LBM Food Service	7272/P7272	San Antonio, TX
Lechi Foods	21660/P-21660	La Porte, TX
Leon's Fine Foods, Inc.	765 / P213	McKinney, TX
Michael Angelo's Gourmet Foods	1009A	Austin, TX
Quality Sausage Company	5666	Dallas, TX
Sadler's Smokehouse, Ltd.	2088 / P2088	Henderson, TX
Sara Lee Corporation	582M / P894	Haltom City, TX
Schwans Global Supply Chain, Inc.	5630 / P5630	Pasadena, TX
Schwans Global Supply Chain, Inc.	5630D / P5630D	Deer Park, TX
Simeus Foods	7151 / P7151	Mansfield, TX
Taaza Fresh Global Foods	40272/P-40272	Dallas, TX
Simeus Foods	7151 / P7151	Mansfield, TX
Taaza Fresh Global Foods	40272/P-40272	Dallas, TX



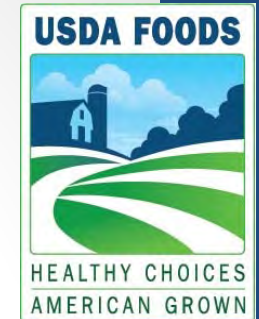
COUNTRY OF ORIGIN LABELING (COOL)

COOL Overview



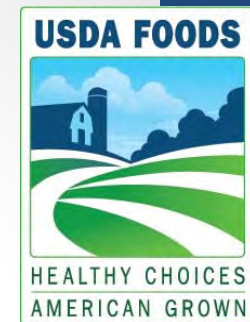
- Retailers Licensed under PACA
- Meat & Poultry
 - Product of the United States
 - Multiple Countries of Origin
 - Animals Imported for Immediate Slaughter
 - Imported Finished Products to be sold at Retail

COOL Overview (cont'd)



- Ground Products
 - Law only applies to single ingredient products
 - May list multiple countries
 - Countries that may be reasonably contained therein
 - Inventory during the past 60 days





PANEL DISCUSSION