

Wisconsin Department of Agriculture, Trade and Consumer Protection

Business Impact Analysis¹

Rule Subject: Meat and Inedible Animal By-Products
Adm. Code Reference: ATCP 42, 55, and 57
Rules Clearinghouse #: 07-116
DATCP Docket #: 05-R-02

Rule Description

The Department of Agriculture, Trade and Consumer Protection (“DATCP”) administers Wisconsin food safety laws. Among other things, DATCP licenses and inspects meat establishments that produce meat for human consumption. DATCP also regulates rendering plants, animal food processors and other entities that process and handle *inedible* animal carcasses and carcass materials. This rule does all of the following:

- Repeals and recreates current DATCP rules related to rendering plants, animal food processors, grease processors, dead animal collectors and carcass dealers. These entities process and handle inedible animal carcasses and carcass materials, and produce products for *non-food* use. Regulation keeps inedible materials out of the human food chain and helps ensure safe animal feed. For the most part, this rule clarifies current rules without making major substantive changes.
- Incorporates current federal regulations that prohibit the feeding of protein from mammalian tissues to cattle or other ruminants. The federal regulations are designed to prevent the incidence of BSE (“mad cow disease”). DATCP is already enforcing the current federal regulations that are incorporated in this rule. This rule does not yet incorporate new federal regulations barring certain cattle materials from all animal feed (issued on April 23, 2008) that are scheduled to take effect in April 2009. However, DATCP will enforce those new federal regulations on behalf of the United States Food and Drug Administration (FDA) when they take effect.
- Amends current state meat inspection rules to incorporate recent changes in federal regulations (state rules must be at least “equal to” federal regulations). Consistent with federal regulations, this rule does all of the following:
 - Prohibits, with limited exceptions, the slaughter of non-ambulatory disabled cattle for human consumption (DATCP is already enforcing this federal prohibition).
 - Requires producers of “ready-to-eat” meat products to have written procedures for minimizing food safety risks related to *Listeria monocytogenes* (DATCP has already implemented this federal requirement).

¹ This analysis includes, but is not limited to, a small business analysis (“regulatory flexibility analysis”) under s. 227.114, Stats.

- Restricts the amount of water from post-evisceration processing that may be retained in raw meat and poultry.
- Clarifies current rules related to meat brokers and meat distributors.

A complete summary of rule provisions is found in the *plain language analysis* that accompanies the rule.

Businesses Affected

Meat Establishments

This rule may affect up to 360 state-licensed meat establishments that slaughter or process meat or poultry (effects may vary, depending on the nature of the establishment's meat slaughter or processing operations). This rule may also affect up to 250 meat brokers and distributors. Many of these businesses are small businesses.

The impact on these meat establishments, brokers and distributors will be quite limited, because the entities have already implemented most of the practices required by this rule. For example, meat establishments are already implementing relevant federal regulations related to nonambulatory cattle, listeria prevention plans and retained processing water.

Processors of Inedible Animal By-Products

This rule may affect the following Wisconsin entities that process or handle inedible animal by-products:

- 7 renderers, none of which is a small business.
- 16 animal food processors.
- 15 dead animal collectors.
- 5 grease processors.
- Up to 500 commercial feed plants (negligible impact).
- Carcass dealers not licensed in other categories (none currently registered).

Many of these businesses are small businesses.

Effects on Business, Including Small Business

This rule will help affected businesses, by clarifying current licensing and regulation, and by helping to prevent diseases and food safety incidents that could threaten the entire industry.

This rule will have little, if any, adverse impact on affected entities. For the most part, this rule merely reorganizes and clarifies current rules. Entities are already required to comply with federal restrictions incorporated by reference in this rule. DATCP has already provided information and assistance to help them comply. This rule does not increase industry fees.

This rule clarifies current recordkeeping requirements, but it does not add significant new recordkeeping requirements (except that it adds some minimal recordkeeping requirements for meat brokers and meat distributors). This rule requires regulated entities to keep records for 3 years (instead of 2 years under current rules). Businesses will not need additional professional services to comply with this rule.

For the most part, this rule merely clarifies current rules without making significant substantive changes. Among other things, this rule clarifies the coverage of current licenses related to renderers, animal food processors, grease processors, commercial feed manufacturers and dead animal collectors.

This rule incorporates current federal rules, including rules related to slaughter of nonambulatory cattle for human consumption. Because DATCP is already enforcing those federal rules, this rule will have no added impact on regulated businesses.

With the advent of BSE (“mad cow disease”), there has been increased focus on the rendering and animal food processing industries. DATCP currently enforces federal BSE regulations under contract with FDA. This rule incorporates the federal regulations that are currently in effect. Because DATCP is already enforcing those federal rules, this rule will have no added impact on regulated business.

On April 23, 2008, FDA issued additional regulations, which are scheduled to take effect in April 2009. When they take effect, the new FDA regulations will do all of the following:

- Prohibit the use of brains and spinal cords, from cattle 30 months of age and older, in animal feed (not just ruminant feed).
- Prohibit feed use of any cattle carcasses that have not been inspected and passed for human consumption, unless the cattle were less than 30 months old and the carcasses have brains and spinal cords removed.

When they take effect, these new FDA regulations may have a significant impact on the rendering and animal food processing industries. However, this rule does not yet incorporate the new regulations. DATCP will enforce the new federal regulations on behalf of FDA when they take effect. DATCP will also update its rules at that time.

Steps to Assist Business, Including Small Business

This rule will make it easier for affected businesses to understand and comply with the rules that apply to them. DATCP will send copies of the rules to all affected businesses and will offer education and training during inspections.

This rule will not have any significant adverse impacts on small business. DATCP has not exempted small businesses, because the food safety and other requirements under this rule are important for small as well as large businesses. DATCP has already adopted a rule (subch. VII of ch. ATCP 1) that allows DATCP to exercise enforcement discretion for small business.

Conclusion

This rule generally benefits affected business, by clarifying current regulatory requirements. This rule will not have any significant adverse impacts on affected business (including small business). This rule does not increase industry fees, or add significant new compliance, reporting or recordkeeping requirements. This rule is not subject to the delayed small business effective date provision in s. 227.22(2)(e), Stats.

Dated this _____ day of _____, _____.

STATE OF WISCONSIN
DEPARTMENT OF AGRICULTURE,
TRADE AND CONSUMER PROTECTION

By _____
Steven B. Steinhoff
Administrator
Division of Food Safety