



JBS Green Bay, Inc., Establishment 00562
Export of Ineligible Beef to Japan

JULY 15, 2009

EXECUTIVE SUMMARY

One shipment from JBS Green Bay, Inc., Establishment 00562, 1330 Lime Kiln Road, Green Bay, Wisconsin to Japan containing 2 cartons of beef tongues, that were not produced under the EV program for Japan was erroneously shipped from the United States under Health Certificate no. MPH 081851. Consequently, Japan suspended import procedures for products originating in this establishment and requested a report from the United States Department of Agriculture (USDA) resulting from a detailed inquiry of this incident.

This inquiry concluded that beef tongues were incorrectly labeled as eligible A40 beef tongues and included in a shipment of product exported to Japan. The inquiry revealed that the establishment's management controls were inadequate to prevent non-conforming product from being improperly labeled as product that were eligible for export to Japan. The employee who operates the hand held scanner, held the scanner too close to the Japanese export barcode while they were running non-qualifying beef tongues. This error resulted in the printer, printing a label for A 40 tongues and the employee applied the label to non-conforming product for export to Japan. The plant failed to prevent and detect employee error that resulted in nonconforming product commingled with conforming product for export to Japan.

Corrective actions have been implemented by JBS and verified by USDA to ensure that adequate controls are in place to prevent, detect or mitigate any recurrence of an incident of this type.

PURPOSE

The United States Department of Agriculture (USDA) has conducted an inquiry into the operations of JBS in order to assess events surrounding its inclusion in a shipment to Japan of two (2) cartons of beef tongues not produced under the EV program for Japan.

BACKGROUND

The export of U.S. meat products to other countries is facilitated by the activities of three separate but interdependent entities:

- 1) the U.S. meat and poultry industry,
- 2) USDA's Food Safety and Inspection Service (FSIS), and
- 3) USDA's Agricultural Marketing Service (AMS).

The U.S. meat industry is responsible for the slaughter of healthy animals and preparation of food products that are wholesome, properly labeled, and not adulterated. In addition to meeting U.S. food safety standards, the industry must meet all requirements imposed by importing countries. Both U.S. food safety requirements and the trade requirements of importing countries must be met before a product can be certified by USDA for export from the United States.

FSIS is responsible for the inspection of meat and poultry products and the certification of products for export to other countries. FSIS Directive 9000.1, Revision 1, "Export Certification," published March 1, 2006, provides an in-depth description of these responsibilities. The primary regulatory role of FSIS is to make critical determinations that meat and poultry products are not adulterated and meet all U.S. food safety standards for sale in domestic or international commerce. This regulatory activity is complete when FSIS applies the USDA mark of inspection. However, additional verifications are necessary after inspection is complete in order for FSIS officials to execute certifications of product for export.

The Agricultural Marketing Service (AMS) is responsible for developing Export Verification (EV) Program standards to ensure that establishments certified for export can meet the additional requirements of importing countries. These programs are approved and monitored by AMS for a fee, which is paid by participating establishments.

The combination of a USDA mark of inspection and an AMS EV Program provide assurance that U.S. meat and poultry products offered for export may be certified as meeting all U.S. food safety standards and importing country trade requirements.

RESULTS OF INQUIRY

USDA conducted an inquiry to determine whether the procedures and actions of JBS complied with U.S. export certification requirements and the import requirements of Government of Japan.

Results are as follows:

- JBS failed to prevent the inclusion of beef tongues not produced under the EV program for Japan as eligible product for export to Japan under Health Certificate no. MPH 081851.
- JBS uses AMS to certify carcasses for A40 as they do not receive age verified cattle. The Japan tongues are “J” stamped and identified by a matching barcode tag. The tongues are wrapped/packaged in plastic, Swiss cut style (in natural/long state, not rolled up or “balled”). The tongues identifying barcode is maintained with the tongue during the wrapping process. The tongues are placed in the cooler until they are ready to be packaged and labeled.
- JBS has developed a program to train Quality Assurance (QA) personnel who are required to know and use the A40 Tongue Determination and Packaging Training Procedure. This procedure trains Quality Assurance personnel using the A40 method for age determination of tongues from carcasses less than 30 months of age. Once the employees have completed the training, the results are documented on a training record that has been reviewed and verified by USDA. Non-QA personnel have not received this training to A40 operational procedures for Japan product.
- The operational procedures that were in place at the time of this incident did not adequately address the use and control of the barcodes.
- During the investigation, USDA’s observations of JBS’ current procedure revealed that a laminated piece of paper contained barcodes of several different products is scanned with a handheld scanner. A box label is printed from the printer which is applied to the outside of the box.
- The probable root cause of the inclusion of beef tongues not produced under the EV program for Japan is in advertent scanning and labeling with Japan label as eligible product and placing on a shipment for export to Japan under the Health Certificate MPH 081851.
- When product is being packaged and labeled, an employee brings the boxes into the offal room to scale, package and label. One product code is scanned with a hand held scanner from a master list containing multiple barcodes representing various types of products for all of their production regardless of country. The operator inadvertently scanned the Japan export barcode instead of the barcode used for domestic product. This is possible as the code used for the domestic tongues was within one (1) inch of the Japan export tongue code on the barcode sheet. When one of the barcodes is scanned, the computer/printer generates the shipping label which resulted in the label being printed and applied to nonconforming product. After labeling, the boxes are placed on a conveyor into the palletizing area and stored in the cooler.
- All products are inventoried by computer. When the shipment for Japan was being prepared, an electronic search was made and identified the 2 packages of tongues as conforming product because they were labeled with the Japan export code.
- Specifically, on June 20, 2008 and July 15, 2008, the employee who operates the handheld scanner, held the scanner too close to the Japanese export barcode while running non-qualifying beef tongues. The printer printed a label for A 40 tongues and the employee applied the label to non-conforming product for export

to Japan. The employee did not realize the wrong label was printed. At the time of the incident, the plant did not have a monitoring procedure in place to verify that the correct labels were being applied to boxes containing product that matched the label. There was an inadequate control of labels enforced at the time the incident occurred.

- There is no information that similar incidents exist in other JBS plants. This information leads us to believe that this was a unique incident.
- Through investigation and review of photographs of the product, JBS concluded that the box label and the product inside the box did not match.
- Additionally, based on the time and day of production, which is stamped on the box (June 20, 2008 and July 15, 2008), the establishment was not producing product for Japan. The tongues inside the carton were vacuum packaged in different shape from others (folded in a “ball”) rather than Swiss cut style that is natural and long which is the method of packaging tongues only for Japan.

CORRECTIVE ACTIONS

JBS has taken actions to correct conditions that caused or contributed to the export of non-conforming product to Japan.

JBS corrective actions include the following:

- The corrective actions are delineated in the BEV/EV Cattle & Offal Segregation Program revised on January 20, 2009, to include a procedure for maintaining the barcodes in a secured cabinet offline only accessible to the Quality Assurance Supervisor. A secure cabinet contains the export master-barcodes for Japan that are scanned to generate the box label. Barcodes¹ and labels² are not synonymous. When the barcode is scanned, a label is generated which is then applied to the box. Only barcodes used to generate box labels for Japan tongues are maintained in the cabinet. The barcodes for Japan are not used in the cut meat area; the barcodes for Japan tongues are only used in the Offal area when production for export to Japan resumes. The control of labels was reinforced.
- The Japan export barcodes have been removed from the production area and placed into a locked and secured area for use only when export production is being produced for Japan.
- Handling of the barcodes is described in the operational manual. JBS has written procedures in the JBS Quality Assurance Manual for Packaging, as well as procedures delineated in the BEV/EV Cattle & Offal Segregation Program as noted in the first bullet in the corrective action section. The procedure in JBS’ operational manual states that export tongue barcodes will be secured in a locked cabinet off line and access limited to supervisory personnel. When the boxes of qualifying tongues have been staged on a designated pallet, the Quality

¹ An optical machine-readable representation of data for Japan products.

² For packaging and identification of Japan products

Assurance supervisor or designee will unlock the cabinet, remove the barcode from the cabinet, proceed to the Offal area, scan the barcode with the hand held scanner and apply the label to the box. This process will be performed only during non-production times to ensure that only Japan tongues are being labeled and packaged to prevent reoccurrence of mislabeled product.

- Production employees will not be involved in scanning or labeling of product intended for export to Japan. Only Quality Assurance personnel will be involved in scanning the Universal Products Codes for Japan, labeling, and verifying that the contents of all boxes match the labels for products exported to Japan. Quality Assurance personnel were trained by conducting a hands-on mock training exercise on the correct procedures for preparing product for export to Japan. This training included the proper procedures for scanning the correct barcodes, and verifying that the contents of all boxes match the labels for products intended for export to Japan. To reinforce the proper procedures, this hands-on training will be delivered again once the plant is re-listed, but before the plant prepares to exports product to Japan. All variety meat products exported for Japan will be 100% inspected by Quality Assurance personnel to verify the product matches the label during scaling to box sealing. Results of the verification will be documented on the “Japan Tongue Export Verification” form which will be signed by a JBS supervisor applying the label. A records review of the Japan Tongue Export Verification monitoring form will be conducted after each production prior to export to Japan. The completeness of the form will be verified and signed by JBS Quality Assurance personnel and the actual time the review occurred will be recorded.
- On January 26, 2009, USDA inspection program personnel reviewed the BEV/EV Cattle & Offal Segregation Program (revised on January 20, 2009) and verified that the barcodes for tongues to be exported to Japan are located in a locked cabinet and not in the offal room with the other barcodes for tongues.
- Once the establishment is re-listed USDA will verify the implementation of all corrective actions for compliance through the performance of applicable inspection procedures.

CONCLUSIONS

USDA conclusions from this inquiry are as follows:

- The ineligible products were inspected and passed by USDA for human consumption and were at the time of export safe and wholesome products fit for consumption in the United States.
- The inclusion of beef tongues not produced under the EV program and incorrectly labeled as eligible A40 beef tongues for export to Japan revealed that the establishment’s management controls were inadequate to prevent non-conforming product from being improperly labeled as product that were eligible for export to Japan.
- JBS has identified the probable root cause of the inclusion of beef tongues not produced under the EV program is in advertent scanning and labeling with Japan

label as eligible product and placing on a shipment for export to Japan under the Health Certificate MPH 081851.

- JBS has taken effective actions to ensure that this problem will not reoccur.
- The Japan barcodes have been removed from the production area and placed into a locked and secured area for use only when export production is being produced for Japan.
- USDA verified that the barcodes for tongues to be exported to Japan are located in a locked cabinet and not in the offal room with the other barcodes for tongues
- JBS Quality Assurance personnel will have the only access to the Japan export barcodes and labels.
- All variety meat products exported for Japan will be 100% inspected by Quality Assurance to verify proper labeling.
- The following is the 100% inspection process carried out:
 - When using the A⁴⁰ method for age determination, tongues from carcasses <30 months of age may be held with the carcass tag identifying the carcass of origin. These tongues will be held in the cooler, in a hygienic manner. Upon age determination of the carcass using the A⁴⁰ method, eligible tongues that are determined to be derived from carcasses certified as A⁴⁰ will be segregated from ineligible tongues. The eligible A⁴⁰ tongues will then be packaged using the appropriate product code. The date shown on the label will be the slaughter date. The barcodes for the labels for all tongues will be kept offline. Access will be limited to supervisory personnel. When the boxes have been staged to be scaled, the JBS Quality Assurance Supervisor will bring the barcode out of the secured cabinet. The JBS Quality Assurance Supervisor or designee will then scan the barcode which will generate the box label, and apply the label to the boxes in the Offal room during non-production hours such as break time.
- Results of the Quality Assurance verification will be documented on the “Japan Tongue Export Verification” form, signed by a JBS Quality Assurance personnel applying the label.
- A record review of the monitoring form will be conducted after each production prior to export to Japan. The form will be signed by JBS Quality Assurance personnel and the actual time the review occurred will be recorded.
- Once the establishment is re-listed USDA will verify the implementation of all corrective actions for compliance through the performance of applicable inspection procedures.
- USDA trace-back analysis confirmed all cartons in the shipment- with exception of 2 cartons of tongues were conforming product and were verified during the export approval process.
- USDA personnel followed all applicable regulations, directives and notices.