



## About Rod Leonard

Rod Leonard is on the board of the Institute for Agriculture and Trade Policy. He is the executive director of the Community Nutrition Institute and a former food safety official in the U.S. Department of Agriculture where in the 1960s he merged food safety agencies in the USDA and created standards to improve food safety.

## About IATP

Institute for Agriculture and Trade Policy works locally and globally at the intersection of policy and practice to ensure fair and sustainable food, farm and trade systems. IATP is headquartered in Minneapolis, Minnesota with offices in Washington D.C. and Geneva.

# The Volcker Rule in food safety

**MINNEAPOLIS, FEBRUARY 15, 2010** — Although President Obama pledged to change the way Washington works—or doesn't work—nothing much has changed for food safety programs at a time when food safety is a major public health issue. Neither is anything likely to change soon, judging by recent events, particularly in the Department of Agriculture (USDA) charged with the safety of meat, poultry and eggs.

Is this a problem for the president? Apparently the White House and USDA don't think so. Last week, after leaving the post of USDA Undersecretary for Food Safety vacant during his first year in office, President Obama nominated Elisabeth Hagen, a physician with four years of experience in food safety, to set the Obama standard for the safety of food that nearly all Americans consume daily.

Who is Elisabeth Hagen? Neither the White House nor the USDA has provided much information, research or experience to support Dr. Hagen's nomination. Several facts are known, however. One is that Dr. Hagen is largely unknown in academia. Another is that the food industry veiled its surprise at the news with opaque generalities that the nominee has skills and vision. Meanwhile consumer organizations were unable to hide their open-mouthed astonishment at the choice.

Perhaps the long delay in selecting a nominee was telegraphed unwittingly by the quality of candidates. A leading academician was eager to introduce irradiation, a highly controversial treatment to allow food processors to sell dirty but decontaminated meat and poultry; an industry candidate who markets a product to decontaminate dirty meat and poultry was crippled by a conflict of interest; and, Dr. Hagen, even lacking managerial experience, has more knowledge about infectious diseases than a consumer candidate with no management experience.

The lost year indicates once again that food safety is the least important policy objective for Washington even as the public considers health and safety among its most important. As a consequence, enormous resources in authority, funding, staff, professional leadership and a century of experience to create a truly safe food supply are being frittered away, almost casually. USDA is the only food safety agency empowered to inspect food as it is being processed. USDA inspectors must be physically present in meat and poultry establishments in order for those companies to ship products. Congress authorizes USDA to employ some 7,300 inspectors for this public service, and appropriates over \$1 billion yearly for inspection programs.

For more than 100 years the meat and poultry industry has sought to limit the authority of federal inspectors, but only in the last 40 has industry succeeded in furthering that goal; and only with the willingness of the White House and USDA to compromise regulatory authority and resources intended to protect the public. In the past 20 years, both Democratic and Republican administrations have accelerated this process, ironically reducing the number and restricting the authority of inspectors while asking Congress to increase funding.

Food safety policy in Washington is a modern-day version of Alice in Wonderland's Mad Hatter tea party. All the Washington players on food safety sit at the policy table possessed by mutual suspicions, and agreed in a mutual contempt for people who inspect food. All, to a greater or lesser degree, are cut from the same cultural cloth. Few, if any, have worked with inspectors or share similar hands-on responsibility of keeping food safe. Inspectors possess the one expertise not available to Washington policymakers—a working knowledge of, and exposure to, the daily emotional and physical challenges of safeguarding our food.

Without that working knowledge, any food safety policy or program is crippled. For example, Stan Painter, head of the 6,700-member USDA food safety inspectors union, has never met with Dr. Hagen in her role as chief medical officer, or to develop with her a regular system of consultation and communication between federal workers who inspect food and the Washington headquarters of USDA food safety experts. As a matter of policy, however, federal inspector input is not highly regarded.

Inspectors may determine who among their numbers is best equipped to communicate a working knowledge of food safety inspection, but experts in Washington make it clear: they choose among the knowledgeable with whom they wish to speak. For a person who proudly wears the mantle of community organizer, President Obama has failed to instill in his administration that the success of community organizing comes from listening to people who live with the problem daily.

Instead, the most important policy action related to food safety inspectors under President Obama is a January 10 directive instructing inspectors to meet with company management for weekly discussions on issues that FSIS executives believe are important. Inspectors were warned, however, not to discuss food safety policies or how directives from Washington are applied in food inspection. Those are prohibited subjects. Food safety policy and its application is the sole responsibility of Washington-based FSIS program managers. In effect, federal inspectors were told that the president did not have confidence in the ability of federal workers to do the job they were hired to perform.

Simply put, food safety experts in Washington believe they can make the food supply safer than food safety inspectors working in the processing plants and seeing the problems every day. In fact, Washington experts are less interested in food safety than ensuring federal inspectors do not interfere with the decisions of company management—a federal policy prohibits inspectors from generally doing more than filing written reports of food safety violations.

This hands-off policy encouraged the meat industry to centralize processing in giant plants that produce much of our ground beef and sausages; meat that is handled many times before processing, a practice that increases risk of contamination. Centralizing the process also ensures meat collected from a variety of sources can be, and often is, contaminated by meat from a single source. This policy actually enables the widespread distribution of contaminated food that has killed hundreds of people and injured millions while leaving thousands of Americans with chronic health disabilities. Federal inspectors know food safety has deteriorated over the past 20 years, but all they are permitted to do by Washington experts is file written reports—i.e., create a mountain of paperwork that is rarely evaluated, judging from regular news reports on the latest food-borne illnesses.

This is a classic example of program mismanagement: allocating time to paperwork and record keeping that would be better deployed in keeping the food system free of contaminated food. Since adopting this hands-off policy, major failures in the U.S. food safety shield have repeatedly occurred, with increasing incidence over the past two decades. In every case, the death and illness that followed were caused by collapse of food safety practices in specific companies preceded by a swarm of red flags. In effect, the policy of federal inspectors filing reports of company breaches of food safety standards—all largely ignored by Washington food safety experts—ensured the bodies would pile up and thousands would be needlessly injured.

Instead of actions to reduce health risks, Washington experts claimed a scientific expertise enabling them alone to authorize industry practices that increased risk to public health. For example, relying solely on company-funded studies that claimed to demonstrate the absence of health risks, USDA authorized the replacement of meat with a protein substance made by chemically recycling scrap meat residue—a breeding ground for harmful microbes. FSIS food safety experts gave the substance, labeled “pink slime” by USDA scientists, the same clearance for use as prime beef, without further testing. However, when industry failed to inform USDA of changes in the chemical treatment to reduce complaints of noxious odors, the experts were caught sleeping at the switch when consumers were sickened by rising levels of microbial contamination. Without apology for bad judgment, FSIS’s food safety experts finally ordered testing.

Obama clearly needs to invoke a food safety version of the Volcker Rule he proposed in January to sweep away two decades of incremental changes in fiscal policy and financial deregulation that allowed the banking system to drive the economy to the brink of collapse. Nothing quite so dramatic is required in food safety, but the principle of wiping away two decades of a failed regulatory process is the same. President Obama does not need to wait for Congress. He has the statutory authority to adopt an inspection system to safeguard the American food supply, and the power to begin restoring public confidence in food safety policy. The authority, staff, funding and experience is adequate and in place. On the surface, Dr. Hagen is not a symbol of change that is needed to act, but of a process and policy that has failed.

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