

PROCESSED MEAT PRODUCTS INDUSTRY – FIRST QUARTERLY REPORT

APRIL 2020 – JULY 2020

INTRODUCTION AND BACKGROUND:

Food Safety Agency (Pty) Ltd was established in 2013 to execute the functions in terms of the Meat Safety Act, 2000 (Act 40 of 2000) as well as the Independent Meat Inspection Scheme. Three years later, Agency for Food Safety and Quality (AFSQ) was established to execute the mandate in terms of the Agricultural Product Standards Act, 1990 (Act 119 of 1990) which includes Eggs (R.345 of 20 March 2020), Poultry Meat (R.946 of 27 March 1992) and Processed Meat Products (R.1283 of 4 October 2019) to separate the two assigneeships. This however, created a number of challenges in the different industries that had to be addressed.

After careful deliberations and discussions with all stakeholders, we are proud to announce that there will only be one company going forward, namely Food Safety Agency (Pty) Ltd. All assignee work will therefore merge into one company. This has come into effect from 1 September 2020. The question of how does this impacts the processed meat products industry then arose? In this instance, signed inspection and sampling plans, as already agreed upon, will remain as is and will not be affected. The fees, with regards to hourly and kilometre rates including sampling costs will remain effective as published in the Government Gazette, dated 26 June 2020, and will therefore not be changed. All invoices for inspection and/or sampling will be send from Food Safety Agency (Pty) Ltd and not AFSQ for inspections and sampling done as from 1 September 2020. Vendor applications required for producers, retailers, etc. will unfortunately be impacted and will be addressed on an individual basis with each facility.

The processed meat products regulation, R.1283 was published on the 4th of October 2019. The assignee was given an extension period of six (6) months to implement and roll-out the said regulation. Workshops, meetings and discussions with relevant industry stakeholders were held from publication up until the month of March 2020. Inspections and sampling as per the regulation started on the 1st of April 2020. The fees were sent out for comments and finalized through continuous engagement, virtual meetings and discussions and published in the Government Gazette on the 26th of June 2020.

The below report was compiled to give an overview to the processed meat products industry of what the assignee found in terms of inspections and sampling conducted through the months of April 2020 to July 2020 at various processed meat products plants.

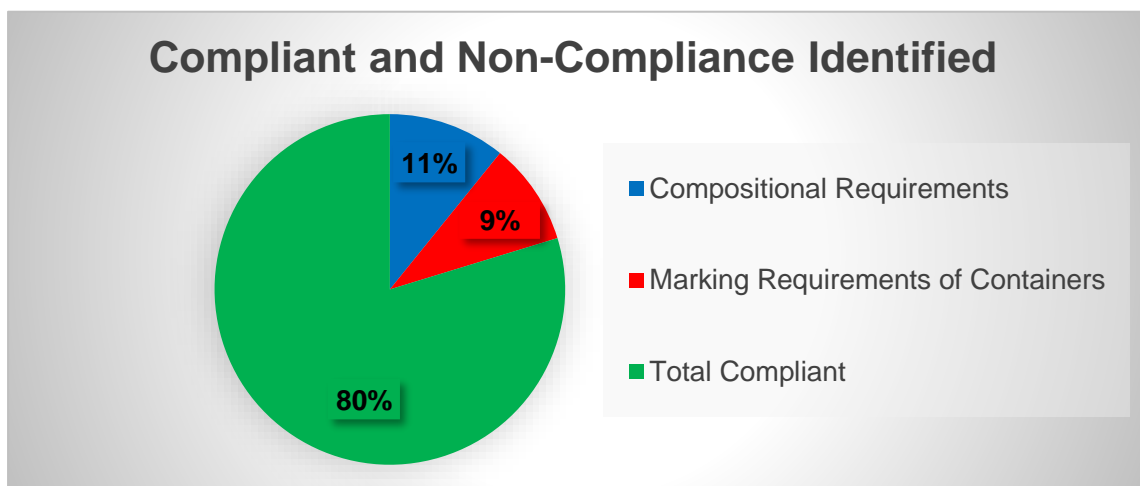
REPORT:

The number of inspections and sampling conducted:

| Month of Inspection and Sampling | Number of Inspections and Samples Conducted | Outcome of Inspections and Sampling |
|---|--|---|
| April 2020 | 39 | 39 Inspections were conducted as well as samples taken. Out of the 39 inspections done and samples taken in April 2020, eight (8) non-compliances were identified. Five (5) samples were not compliant in terms of the compositional requirements and three (3) were in terms of the marking of containers. Directions were issued to producers whose product or marking was found non-compliant. Re-inspections were conducted at these producers as per the directions issued. Producers were also informed of the dispensation application process in terms of the marking requirements and no applications in this regard have been received for the month of April 2020. |
| May 2020 | 34 | Retail inspections started in May 2020 after extensive discussions with the relevant Government Departments and the respective retail stores. Out of the 34 inspections done and samples taken in May 2020, ten (10) non-compliances were identified. Five (5) were found to be non-compliant in terms of the marking of containers and the remaining five (5) were in terms of the compositional requirements. Directions were issued to producers whose product or marking was found non-compliant. Re-inspections were conducted at these producers as per the directions issued. Producers were also informed of the dispensation application process in terms of the marking requirements and no applications in this regard have been received for the month of May 2020. One complaint was received for a notice board that was found non-compliant in terms of the R.1283 of 4 October 2019. The complaint was investigated and resolved accordingly. |

| | | |
|-----------|----|---|
| June 2020 | 57 | Out of the 57 inspections and samples, nine (9) non-compliances were identified. Five (5) samples were not compliant in terms of the compositional requirements. The other four (4) were in terms of the marking of containers. Directions were issued to producers whose product or marking was found non-compliant. Re-inspections were conducted at these producers as per the directions issued. Producers were also informed of the dispensation application process in terms of the marking requirements and no applications in this regard have been received for the month of June 2020. |
| July 2020 | 71 | Out of the 71 inspections done and samples taken in July 2020, thirteen (13) non-compliances were found and identified. Six (6) samples were not-compliant in terms of the compositional requirements. The other seven (7) were in terms of the marking of containers. Directions were issued to producers and a retail store whose product or marking was found non-compliant. Re-inspections were conducted at these producers as per the directions issued. Producers were also informed of the dispensation application process in terms of the marking requirements and no applications in this regard have been received for the month of July 2020. Two complaints were received in terms of producers marking requirements not adhering to the regulation R.1283 of 4 October 2019 and has been resolved accordingly. |

Looking at the information above, a total of 201 inspections were conducted from the month of April 2020 to July 2020. From the 201 inspections, 194 included an inspection as well as sample taking. From the 201, a total of 40 non-compliances (20.27%) were found. 21 (10.82%) of these non-compliances were in terms of composition and the remaining 9 (9.45%) were for the marking of containers.



A production percentage document has been designed by Food Safety Agency (Pty) Ltd that enable producers to supply us with the products that they produce. The document only emphasises a few of the products in terms of processed meat, it is therefore not a completed list of all processed meat products that are produced. The document makes provision for the producer to add the products that they produce (if it is not stipulated on the list provided). A number of inspection and sampling plans have been drawn up, approved and signed by producers and inspections and sampling is done according to these plans. Therefore, all inspector's designated routes are designed on a weekly basis to accommodate all producers, retailers, re-packers, etc.

The following has been identified as being non-compliances with regards to the marking of containers at producers that have been found non-compliant in terms of same:

- The country of origin is not stipulated on the packaging;
- Restricted particulars are used on the container or outer-container; and
- Producer of products' address do not appear on the packaging;

The following has been identified as being non-compliances with regards to the compositional requirements at producers that have been found non-compliant in terms of same:

- Fat Content; and
- Total Meat Equivalent (TME);

CHALLENGES EXPERIENCED:

In summary, the following challenges were experienced from April 2020 – July 2020:

1. As the regulation R.1283 of 4 October 2019 was published less than a year ago, it is found that some producers still use the SANS 885 as the standard for processed meat products and not the applicable regulation.
2. It was also found that a lot of producers, butcheries and retail stores were not familiar with the published regulation and its requirements.
3. Some of the other challenges experienced is that of refusing the assignee entry to the facility, and/or refusing to pay the gazetted fees. In this regard, some matters have been reverted to our lawyers and some were handled internally, between the assignee and the producer or retail store and resolved accordingly.
4. The assignee designed a production percentage document for the producers to complete, enabling the assignee to set up an inspection and sampling plan for the respective producer who provided the information and completed document as requested. Upon the first inspection it became evident that these producers were producing a lot more than what was stipulated on the completed form. Plans therefore were adapted and where needed, inspections and sampling increased.
5. In order for the assignee to calculate the Lean Meat Content (LMC), Total Meat Content (TMC), Total Meat Equivalent (TME) and Lean Meat Equivalent (LME), we request producers for their ingredient lists, but they do not want to provide same, therefore the calculations cannot be done on an accurate basis. As non-

disclosure agreements are in place with most of the producers, the challenges remain as ingredient lists are seen as trade secrets. We respect this fact and therefore, inspections within the production facilities will take place from January 2021 as the Mechanically Recovered Meat (MRM) would also have to be sampled raw (therefore at the production facility) to be able to test for the calcium content contained in the product. The assignee is open to discussions with the industry regarding the matter and we avail ourselves for any questions, queries, concerns, etc. that the industry might have in this regard.

6. We are in a litigation process with one of the producers who refused the assignee entry to the facility, after numerous attempts. Some of their products have also been found non-compliant, therefore we are in the process of obtaining the legal mandate to seize their products. Lawyers letters have also been sent to some producers who refused to comply with the statutory mandate.
7. Municipalities in various provinces have informed us that Food Safety Agency (Pty) Ltd does not have the mandate to enter, inspection and sample butcheries that produce processed meat products. This matter has been addressed on an individual basis and resolved accordingly.
8. COVID-19 has affected the industry on a major scale and we as assignee also feel the impact. In this instance we have taken extra-ordinary measures to keep our personnel as well as the personnel of producers safe. We have adhered to all producers, retailers, re-packers, etc. requests in terms of protective equipment. Taking all of the requests and other measures taken by Food Safety Agency (Pty) Ltd, access is still refused by some facilities, COVID-19 is therefore used as an excuse. This is also addressed and resolved on an individual basis.

CONCLUSION:

As the R.1283 of 4 October 2019 (Processed Meat Products Regulation) is a fairly new regulation, it was envisaged that some challenges were bound to appear. The processed meat industry has never been regulated before and looking at the outcomes, regulating same is of critical importance. Continuous inspections and sampling in terms of the applicable regulations will therefore ensure compliance. Our database is also updated on a continuous basis and we expect to reach more than 90% of all producers, retailers, re-packers, etc. in the country by the end of December 2020.

We believe that, despite the current challenges faced, and the impact of the global pandemic on all industries, consumers still have the right to safe, products of high quality and value. We therefore, want to thank relevant stakeholders for their continuous commitment to customer satisfaction, being compliant with the regulations and working with Food Safety Agency (Pty) Ltd to ensure high standards within the processed meat industry.