

May 1, 2023

Via email

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RE: United States Department of Agriculture, Agricultural Marketing Service Proposes Revisions to the Procedures related to Red Meat Instrument Grading (January 4, 2023)

Dr. Horne:

The North American Meat Institute (NAMI or the Meat Institute) submits these comments to the U.S. Department of Agriculture's (USDA) Agricultural Marketing Service (AMS or agency) regarding the above-referenced procedures (procedures). The Meat Institute has a rich, century-long history and provides essential member services including legislative, regulatory, scientific, international, and public affairs representation. Together, the Meat Institute's members produce the vast majority of U.S. beef, pork, lamb, and poultry, in addition to the equipment, ingredients, and services needed to produce the safest and highest quality meat products in the world.

The Meat Institute appreciates the opportunity to comment on the proposed revisions to the procedures. The industry values the instrument grading program, the service AMS provides, and supports the agency's goal of rigorous instrument grading approval and installation procedures. However, there are significant implementation challenges and uncertainty associated with the proposed procedures and therefore they need to be reevaluated and redrafted before implemented. Importantly, NAMI believes industry and AMS can find practical and achievable solutions that ensure stakeholders' confidence is maintained or enhanced.

The agency should reassess the composition and mission of the "Gold Standard Team."

The Gold Standard Team (GST or team) is responsible for establishing the official quality and yield grading factors. The procedures proposed by AMS to reduce the GST to three people may have unintended negative consequences. Rather than shrink the GST, AMS should consider alternatives, including other approaches or utilizing outside experts as members. The GST should not include supervisors and direct reports in the same group. Teams that contain supervisors and direct reports have an increased chance of bias. Additionally, when the GST excludes data because someone deviates more than 30 degrees from the mean marbling call, it makes the GST look artificially more consistent than the plant versus USDA camera, leading to bias. The agency should ensure practices are limiting bias potential. These approaches will ensure the GST's legitimacy and remain robust in its expertise.

NAMI supports activities that increase the transparency of the GST in its process and allow related stakeholders (*i.e.*, producers and packers) to observe and engage with the team. Decisions by the GST have been inconsistent with the camera and field grade, which has caused issues in valuing beef and undermines trust in the USDA grading system. For two years during COVID-19, the team did not travel. When the GST started traveling, the grading factors called differed greatly from the camera and field grade. It seemed the team thought there were too many cattle with higher marbling scores and arbitrarily adjusted scores down to "balance" the proportion of cattle grading prime or choice. However, a higher proportion of cattle grading prime or choice is likely explained by improvements in cattle genetics and increased time on feed. The agency's and GST's mission should be to ensure consistency in grading across the industry and establishments grading, not manipulate the proportions of each grade to maintain the status quo. The proportions have shifted over time and should be expected to continue to do so based on numerous factors.

The process for evaluating cattle for carcass grading needs to be consistent, robust, and reflective of today's cattle herd.

It is critical that the agency, producers, packers, and consumers have confidence in USDA's grading program and the industry supports the steps the agency takes to protect the grade mark. However, current grading variations (e.g., grader versus grader or grader versus camera) result in unbalanced grading results from establishment to establishment. This lack of consistency is adversely affecting producer and packer relations as grade lines have unexpectedly shifted from what is expected from historical data. This inconsistency has caused tension among industry, producers, and AMS staff. The grading inconsistency also undermines the confidence retailers, food service entities, and consumers have regarding beef. May 1, 2023 Page 3 of 5

Shifting grade lines from the current camera or field grade results in skepticism by all stakeholders. AMS should continue engaging with industry stakeholders to maintain and enhance confidence in the grading system, including efforts to level the grade field.

QAD 516 needs to be reevaluated and redrafted with producer and packer participation.

The drafted QAD 516 has several significant problems that will be cumbersome for beef packers. The data submission requirement, variance report, and software validation requirements are overly burdensome and need clarification. QAD 516 needs to be collaboratively reevaluated and redrafted with input from key industry stakeholders, including cattle producers and beef packers. As proposed, many of the requirements cannot be universally employed without significant disruption to the establishment. The Meat Institute is confident that AMS and industry will be aligned on what needs to be done once more clarity is provided.

The monthly side by side testing is the most challenging aspect of QAD 516 and will cause significant disruption to establishments on an ongoing basis. AMS and industry need to further discuss the burdensome nature of the testing and the timeframe for results. The challenges and additional burden placed on establishments need to be addressed by the agency adopting revised procedures or an alternative approach. It is inappropriate for the agency to expect plants to take on additional burdens without a reduction in the hourly rate charged.

The industry would benefit from AMS explaining the goal of this data collection. The data collection procedures outlined in QAD 516 require additional tasks for establishments previously done by graders and would likely result in extra staffing needs. The data collection procedures and requirements will likely require internal plant systems to undergo a considerable overhaul to accommodate the changes. There is a risk of inaccurate data collection at some establishments because online graders do not consistently use the touchscreens to enter data. The data collection procedures also need to clarify these questions.

- How will verbal overrides be captured?
- What will happen if there are errors in the data?
- What is the expected format for the data?

The variance report requirements need more context and explanation. Similar to the data collection requirements, industry would benefit from a greater understanding of AMS' goal in asking for and evaluating this weekly report. It is unclear why this variance report is needed in addition to the validation and verification systems already in place. Industry is also unsure how this information

should be presented. For example, should industry provide a percentage or a head count? Will AMS provide a standardized form?

To be implemented successfully, the software validation system also needs clarity. In the software validation portion of QAD 516, "known images" and "predictive values" are referenced but not defined. How are "known images" and "predictive values" determined and agreed upon? Also, the agency does not explain the expected format (e.g., physical or electronic) for the "known images" and "predictive values." Regardless of the format, there will need to be significant changes to establishment processes.

Instrument approval and installation should be rigorous but not overly burdensome.

USDA needs a more rigorous, science-based process for instrument approval and installation. For instance, the procedures suggest that "80% of the images shall derive from one side." Because camera placement error can differ between sides, the agency should amend the procedure to be 60% or 65% from the same sides. The industry also needs clarification on how the agency is defining "within 20 marbling units." Does it mean plus or minus ten from the estimate, a total or 20 degrees, or plus or minus 20 from the estimate a total of 40 degrees, 20 on each side of the estimate? The agency should also clarify the calculation and procedure for determining official marbling score. The procedures state that if "any one of the independent observations exceeds a range of three (3) times the root mean square" the observation will be thrown out, and that the root mean square error will be calculated on all of the data. The agency needs to clarify that these terms are accurate and used as intended. There is concern that, if used improperly, it will be harder to remove estimates with larger errors, which is the opposite of what should happen.

Additionally, the procedures reference comparing the "ribeye area observation" to the "actual ribeye area." How does the agency define and measure the "actual ribeye area" and determine the correct standard to compare other observations and estimates to? If three people all grid the same ribeye, they rarely get the same exact area measurement, they are often within 0.5 to 0.75 in² from each other. The agency should not hold the camera to unrealistic standards that are challenging or not consistently possible for the GST to meet. Additionally, the volume of slightly abundant and moderately abundant or higher carcasses should be reevaluated. The genetic potential and management practices of today's cattle lead to higher grading beef and as a result AMS should require more slightly abundant and moderately abundant or higher carcasses in the instrument approval and installation procedures.

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The Meat Institute appreciates the opportunity to provide these comments and respectfully requests the agency not finalize these procedures without significant revision. While the industry supports rigorous instrument grading approval and installation procedures, there are too many implementation challenges and uncertainty associated with the proposed procedures. The proposed changes will be significantly more burdensome on establishments that use camera grading rather than those that use traditional grading, effectively disincentivizing establishments from using the camera and increasing the need for the already short supply of graders. The Meat Institute and its members welcome the opportunity to work with the agency to redraft procedures that are both science-based and realistic for packers to implement, while maintaining trust in grading from all stakeholders.

These procedures should be revised with greater industry stakeholder collaboration. Please contact me if you would like to discuss any aspect of these comments.

Respectfully submitted,

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cc: Julie Anna Potts Mark Dopp