



Natural Link

Second Quarter 2003

INSCA Berlin Meeting Critical to Industry's Future

Dear Fellow Members:

In the coming days our association will hold its annual meeting in Berlin. By now the war in Iraq has abated and security concerns about traveling to Berlin have been put to rest. While we still have concerns about SARS, all of our Asian and Canadian members have been advised to check well ahead of time to insure that visas will be ready. We ask all our members that if they feel in poor health, they not risk themselves by ill advised exposure to any health threat but to let the members of our association see to their industry's needs in their absence.

I personally feel no reservation about traveling and would no more stop eating steak because of a BSE threat than to stop traveling because of a health threat.

In fact the meeting in Berlin is so important that I implore all of our members to make every effort to attend. By now you have received a package from the INSCA office in Washington that details the history of the special committee that during the last year has worked on the concept of reorganizing our association with the intention of finding ways that INSCA and ENSCA can both better serve the industry and get better value from our dues. Berlin will be pivotal to this concept of our reinvention as it is the time where the general membership can meet with the architects of the plan and decide if we move forward with the building. The

general session on Saturday morning will be reserved almost exclusively for this open forum and your participation is essential.

The reorganization committee has worked hard to bring what many believe is a working concept to the membership for their consideration. It is now the time for all of us to voice our thoughts, as nothing can change without the

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mandate of a majority vote of the membership; this issue must not be addressed by anything less than the total body of members.

In addition to this important infrastructure-related subject is the state of the casing world today. The SWG committee and the Government committee will be bringing the membership up to speed on the various challenges and positions that the industry is taking to face our problems and opportunities. Full reports on issues such as CAP, nitrofueros, EU harmonization and other global trade matters will be addressed

Our annual meetings have become more and more important to our industry. This is evidenced by the

ever increasing turn out of meeting registrants and new members. If one thought our meetings were important in the past, you are going to see even more reason for INSCA and these membership meetings when you come to Berlin to partake in the dialogue of important industry and association matters.

In other Annual Meeting news, pre-registrations will be accepted until May 15, 2003. After that time only representatives of firms in good standing with INSCA will be able to register on-site at the Hilton Berlin.

Many spaces remain open for the "Spouse Tours" to take place on Thursday, May 29 and Friday, May 30. The Thursday tour will visit the royal city of Potsdam and the Friday tour is scheduled to showcase how East meets West in Berlin.

It should also be noted that the Hilton Berlin has a newly renovated indoor swimming pool and a handsomely appointed fitness clubroom with state-of-the-art exercise equipment and sauna and steam bath facilities. The Hilton Health Club is free of charge for hotel guests, however incidental charges for the sauna and steam bath facilities apply.

Keep in mind that Berlin is a real world-class city and your association friends will be delighted to see you there!

Most Sincerely Yours,
Richard P. Theise, Chairman

2002/2003 INSCA Board of Directors

Mr. Rick Theise, Chairman
STANDARD CASING COMPANY, INC.
60 Amity Street
Jersey City, NJ 07304 U.S.A.

Mr. Manfred Grundt, Vice Chairman
GRUNDT & SOHN GmbH & Co.
Honkomper Weg 15A
49439 Steinfeld/Old - GERMANY

Mr. Michael Mayo, Treasurer
OVERSEA CASING CO., LLC
601 S. Nevada
Seattle, Washington 98108 - USA

Ms. Paola Bailo, Director
IBAV-BAILO S.R.L.
Via Roma, 43
35010 Loreggia, Padova - ITALY

Mr. Stan Gillett, Director
BELROSE CASING SUPPLIERS
P.O. Box 195, French's Forest
NSW 2086—AUSTRALIA

Mr. Yozo Kawamura, Director
KAWAMURA & COMPANY LTD
3-27-9 Asakusabashi, Taito-Ku
Tokyo 110-0053 - JAPAN

Mr. Franz Kienast, Director
LOPESCO LTDA.
Av. Brigadeiro Faria Lima, 1656 (antigo 1815)
8 andar, conj. 84, 01451-001 Sao Paulo
BRASIL

Mr. Philippe Leymonie, Director
ETS CHARLES FRERES
La Lichere
45280 L'Etrat - FRANCE

Mr. Leow Then Loy, Director
ORIENTAL SINO LIMITED
2802, 13F Universal Trade Centre
3 Arbuthnot Rd., Central, Hong Kong, CHINA

Mrs. Heike Molkenthin, Director
RASPE & PACHEN AKTIENGESELLSCHAFT
Stenzelring 33
21107 Hamburg—GERMANY

Mr. Jan Roelsgaard, Director
DAT-SCHAUB
Flaesketorvet 41
1711 Copenhagen V—DENMARK

INSCA HEADQUARTERS
12339 Carroll Avenue
Rockville, Maryland 20852 - U.S.A.
Mr. Joshua Hull, Executive Secretary
Phone: 1-301-231-9811
Fax: 1-301-231-4871
E-mail: insca@aol.com
Web Site: www.insca.org

Executive Secretary's Report

See You in Berlin!

Joshua Hull

By the time you read this, the 2003 INSCA annual meeting in Berlin will be upon us! Here at the INSCA headquarters we are busily preparing for the meeting, what with yearbooks and directories to be printed, ballots to be tallied, and final arrangements to be made with the hotel...it certainly is a busy and exciting time!

By now you should have also received an absentee ballot by mail, and a replacement absentee ballot by fax, which supersedes the flawed, mailed ballot. If you still require a **replacement absentee ballot**, please contact me at the INSCA office immediately. You should also be in receipt of a packet of documents assembled by the Chairman, related to the hard work done by the INSCA/ENSCA joint reorganization committee, that will be discussed in detail during the General Session on Saturday, May 31, 2003.

I wish to take this opportunity to introduce a new and valuable member of the INSCA staff, Mr. Paul Tranvankha. Paul is a graduate of the University of Maryland and will be on site in Berlin assisting with all facets of the annual meeting. This will be his first INSCA meeting; please welcome him to Berlin and INSCA! Paul speaks both French and Spanish fluently, which will help speed your check-in process. We have instructed him to learn German in the next three weeks as well!! Mr. Ken Wright, Director of Finance, will be on-site for his third INSCA meeting. We are looking forward to seeing so many of you!

If you are not familiar, the area in which the Hilton Berlin at *Gendarmenmarkt* is located is often referred to as *Around Unter den Linden*. This famous European Boulevard begins at *Schlossplatz* and runs down to the Brandenburg Gate. In the 17th century the street was planted with lime trees, to which it owes its name. Following the reunification of Germany, *Unter den Linden* acquired many cafes and restaurants; you will be within walking distance of many famous and fashionable points of interest. Be sure to make time in your busy days to enjoy this beautiful, multifaceted city!

It is not too late!

Make your convention plans today!

This year's meeting in Berlin promises to be one of the most well attended and exciting INSCA meetings in years. Not only will Berlin provide a centrally located setting for our European members, as a world capital an annual meeting in Berlin will be an enticement for the rest of the worldwide membership to attend this dynamic event...

INSCA 38th Annual Meeting
May 29 – June 1, 2002
The Hilton Berlin • Berlin, Germany

GOVERNMENT REPORT

By Shirley Coffield, INSCA Trade Counsel

The INSCA Board and Membership have been kept updated as information becomes available on issues important to our members. The following information updates previous reports and provides further information on issues of important to the Association.

Trade Restrictions:

China Residue Issues: The issue of residues (Chloramphenicol and Nitrofurane) in casings being exported from China has become even more difficult. The Chinese government is now restricting all exports from certain Chinese facilities where residues have been discovered in the recent past. There is no published list of those facilities, which makes it even more difficult to know the impact overall. The SWG is trying to help the Chinese set up approved testing facilities, in the expectation that such a system would be approved by the EU and Chinese authorities, and that work is ongoing. SWG representatives are continuing to report on those activities as they occur. In the meantime, there is growing concern that other countries might begin to copy the EU actions, although major trading countries have treated residue issues differently in the past. INSCA members have reported the status in the following countries: 1. In the US, FDA has not yet found any reason to have specific rules for casings. Currently, all products are subject to random tests for prohibited residues, and if they are found, the product cannot be imported. The FDA would look at the lot or container and prohibit imports from that specific lot, batch or container, but would not put in a general prohibition on all imports from any particular country unless it is shown that the problem is widespread and likely to be in all products. 2. In Brazil, the Ministry of Agriculture has published a law which forbids the use of CAP, Furazolidone and Nitrofurane to animals destined for the food chain. 3. In Japan CAP and Nitrofurane are prohibited and the Japanese authorities do not permit any percentage of residues, defined as "nil" in

the Japanese regulations. Since all major trading countries have prohibited the use of these products, and since the testing methodology is different, and thus has various levels of sensitivity (some picking up smaller amounts than others), the actual residue amount that might be found is also different. Thus the issue is very complicated and difficult. INSCA and ENSCA are working directly on this problem and we continue to monitor this issue closely.

Certificate Issues: Our members continue to be faced with new certificate requirements. Soon after settling issues involving Brazil and Poland, there is now a new certificate requirement for Turkey. Turkey is requiring a new certificate that will be similar to the EU certificate, but has some differences which will have to be approved in several exporting countries. Please let us know if you are having difficulty with new certificates required by Turkey or other countries. We will continue to work toward having these certificates approved in various countries as quickly as possible.

U.S. Bioterrorism Regulations:

The U.S. has new proposed regulations that will require all exporters to the US to be registered and also give prior notification for shipments – no sooner than 5 days before the product is shipped. We continue to be in contact with US authorities about how these regulations will affect our industry. These regulations are now in the drafting stage and are going into effect at the end of the year and we will keep members informed as the regulations are finalized and we have definite information on the requirements for our product trade.

FMD Research: The SWG is continuing to do research on Phosphates, which will require a test on a live virus. NANCA has had initial tests done with Ozone, which shows promise, but also needs to have the process and product tested on a live virus. Most countries either do not have a live virus or virus are

strictly contained, such as on Plum Island in the US, so it takes longer and is more difficult to have these tests done in a timely manner. NANCA has asked the SWG to include the Ozone treatment in the test of Phosphates if they are able to have a live test. We have no further information about when the US proposed FMD regulations will be completed. NANCA has been working with USDA on this issues and has been given assurances that the regulations will not be implemented before the Chinese facilities are inspected or we can recommend an effective treatment that will neutralize or kill the FMD virus. Classical Swine Fever (CSF) is also an increasing problem in various places in the world, and it is likely that regulations will cover that disease as well as FMD.

EU Retaliation Against US Natural Casings: The EU final list of proposed retaliation still includes natural casings from the US. This retaliation would be in response to the US WTO violation in connection with a foreign tax program. Currently both the US and EU are trying to resolve the issue, and legislation has been introduced in the US that would change the US system. It is unlikely that any retaliation would take place until late in 2003, and we will send letters to Congress on this issue when it becomes timely in the Congress, encouraging them to make the necessary changes to the law.

US Retaliation Against French and German Casings: The US action placed a 100% tariff on casings from France and Germany in response to an EU violation of WTO rules in connection with a EU ban on certain beef hormones. This longstanding issue continues to be caught up in political issues. We continue to encourage the US either to institute the Carousel and remove the casing products, or to resolve this issue in a way that does not penalize US companies that are unrelated to the problem.

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SCIENTIFIC WORKING GROUP REPORT

By Dr. Gisela Panzer, SWG Secretary

Residues in Casings

At the last meeting of the SWG, a task-force was established. Composed of Jan-Willem Vreeburg (van Hessen/Shanghai), Christian Billion/Yeng Fenghua (BAO/China), Katharina Woerz (ENSCA) and Gisela Panzer (SWG), the intention of the task-force is to establish laboratories up to European standards and under the guidance of CIQ in at least two locations in China, specialized and concentrated on the analysis of casings. The probable financial support from EU sources and perhaps from the international casing industry is under consideration. Initial talks have already taken place in Beijing with promising perspectives. The concept planned comprises an obligatory analysis certificate from such an authorized lab before getting the export certificate in China.

During a visit to the EU Commission, ENSCA representatives and myself met with high-ranking EU officials from Directorate SANCO and from the cabinet of EU President Romano Prodi. Mr. R. Coleman, General Director of GD SANCO stated that, "In case a risk management system, including official labs in China and obligatory testing before issuing export certificates will be introduced in China, EU approval could be achieved either by sending an inspection mission or by a bilateral agreement between EU GD SANCO and AQSIQ." Training for Chinese lab staff, advisory assistance and comprehensive information on EU requirements is already in the general frame of the EU contacts with China. Financing of lab's respective equipment has never been guaranteed by the EU.

The task-force had a meeting in Paris, France on March 20, 2003, where a

preliminary work plan was elaborated. Meantime, test materials have been handed over to AQSIQ and Prof. Qiu in Beijing. Preliminary discussions have taken place in order to open the minds in China for at least a second lab specialized and authorized for casings. Further meetings in Beijing with the officials from AQSIQ are scheduled. Also, high-ranking officials from Shanghai have committed themselves to contact Beijing to speed up the decision making there, and to include also the establishment of a lab in Shanghai.

Beside the offer from EUROFIN for supervising sampling and probable testing in labs as joint-ventures with CIQ labs in February also the international supervising agency SGS Control Co. have been asked to come up with a proposal for their possible services. This is for the time being outstanding. SGS Control Co. is also in discussion with Zentralverband Naturdarm, Germany, concerning a company-based controlled risk management system in China supervised by the Chinese branch of SGS Control Co. This could perhaps be used as a model for the general approach.

Meantime, the associations have been informed by the Chinese Natural Sausage Casing Association (CNSCA) on the outcome of their last Board meeting of March 26, 2003, which was also attended by people AQSIQ and the National Certification Management Bureau. Their conclusions/proposals in brief follow. 1) To introduce a "Periodical Risk Controlling System" to be approved by AQSIQ. 2) Checking works on the situation of residues in place of origin of the raw material with probable support from local Inspection and Quarantine Bureaus. 3) It was "suggested" that the export licensing

for companies found by EU controls for residues exceeding the limits should be temporarily stopped. *This seems to turn out as a major problem: lack of communication and co-operation. We all must go in one direction in order to be strong and convincing.*

Histological Research on the Efficacy of Mechanically Versus Manually Deslimed Sheep Intestines

The final decision to define the ileum of sheep and goat as risk material was taken on February 2, 2003 in Brussels, Belgium. It will be implemented for animals and goods deriving therefrom slaughtered after October 1, 2003. The study, "Histological Research on the Efficacy of Mechanically Versus Manually Deslimed Sheep Intestines" that was started on special request of the EU Commission is ongoing.

The sampling and also the quantitative microscopical examination of the histological sections from hand deslimed sheep casings in Turkey is finished.

On April 8/9, 2003 the tests and sampling with mechanical desliming has begun.

As already mentioned the EU commission is keen in getting the results as proof for their risk evaluation task. In a letter to ENSCA, E. Poudelet (Chief of BSE Risk Department of GD SANCO in Brussels) stated on March 12, 2003, "...We await with interest the results of the comparative study on processing methods that you have commissioned from the University of Utrecht."

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SWG Report

From page 4

The study "Effects of Different Curing Treatments on the Usability of Beef, Hog and Sheep Casings" is ready. A draft has been presented already during the last SWG meeting in Copenhagen. For the time being in the final version also the study on possible detection of the treatment will be integrated before sending it to the membership and also to OIE and interested veterinary authorities worldwide. Also a publication in a scientific veterinary magazine is under preparation.

Ozone treatment for inactivation of the FMD virus

During the last meeting it was decided to contact Prof. Haas/Insel Riems who is in charge for further research with live animals to ascertain if all phosphate treatment may inactivate FMD virus, as it has already proven for CSF. He is asked if in the study on alkaline (phosphate) treatment also the Ozone treatment proposed by a U. S. company could be integrated. Prof. Haas has given a favorable answer, but some questions are under negotiation between NANCA, the U.S. company and Prof. Haas. The study will start at the earliest in late autumn.

Investigations of salted natural casings for eventual presence of *Listeria monocytogenes*, *Salmonella* ssp. and sulfite-reducing spores. The tests are ongoing as scheduled.

Salt and e-coli

During the meeting in Copenhagen the effects of salting on e-coli were discussed and decided before going into further investigations to get clear information what is really asked from U.S. controlling veterinarians/authorities: the effects of salt on e-coli in general or specifically salt effects in natural casings. When a

clear statement of what is required from U.S. authorities will be available the decision on further needed research will be taken.

Other items.

Beside the mentioned activities some other projects are under investigation or preparation as occurrence of brown pimples in beef casings, and the coating of casings with antimicrobial treatment. Every interested member should use the opportunity to come up with ideas for improvements in the casing industry in whatever field it may be. ■

German Phrases

Like many hosts of foreign visitors, the people of Berlin respond positively to the attempts by travelers to speak the native tongue. The following phrases will help to keep you in good stead with your hosts.

Do you understand English?
Verstehen Sie Englisch?
(fehr-STAY-en zee EHN-glish)

My name is Hans.
Ich heie Hans.
(ikh HICE-eh Hans)

What's your name?
Wie heien Sie?
(vee HICE-en zee)

I don't speak any/much German.
Ich spreche kein/kaum Deutsch.
(ikh SPREKH-eh kine/kowm doych)

Could you translate this for me/us?
Knnten Sie mir/uns dans bersetzen?
KU(R)N-ten zee meer/uns dahs ew-ber-ZEHT-sen?

Where is the nearest...?
Wo ist die nchste...?
(voh ist dee NAYK-steh)

Do you have a map of the city?
Haben Sie einen Stadtplan?
HAA-ben zee INE-en SHTAHT-plan? ■

Government Report

From page 3

TSE/BSE Issues: There are two issues of great concern in the industry:

The EU decision to add the sheep ileum to the SRM list.

In North America, the casing is pulled mechanically, which automatically makes a break at the ileum.

USDA has indicated that they consider US product to be thus acceptable. However, we have not yet seen EU regulations that spell out requirements for third countries. We will keep the membership informed as this important issue develops.

Potential New US BSE Regulations:

At the NANCA convention in late April, USDA officials notified the industry that there is a proposal at USDA to change the way BSE countries are classified in the US Regulations. Currently, the US lists countries with BSE, and the regulations covering casings provide that no ruminant product (beef or sheep or goat) can be imported from a BSE country and no product from a non-BSE country can be processed in a BSE country. The new change, as we understand it, would change the list to a list of countries free of BSE (similar to the Canadian model). This would mean that no ruminant product could be imported from or processed in many areas of the world, not now considered by the OIE to be BSE free, including China, the Middle East and Europe. Recognizing the major impact on the casing industry, USDA is working with NANCA on this potential problem, and it is expected that certified USDA plants will be able to process goods (similar to the way the system worked in Portugal when Portugal had African Swine Fever status). However, the problem of timing is of great concern and we will keep members informed as this issue is further identified and more facts are known about how the new system will work. ■

Visa Requirements for Germany

The following information was taken from the official website of the German Consulates office (<http://www.germany-info.org>). It is deemed accurate as of February 28, 2002. However, changes to Visa requirements happen all the time, and you should check with your local German consulate or travel agent to verify the information presented below.

Entry clearance requirements are dependent on the citizenship of the applicant. Citizens of many countries do not need a visa to visit Germany for stays up to 90 days. Please check the visa requirement list below if you are not sure whether you need a visa.

German consular services are available through its embassy and consulate offices around the world. Except for rare instances, you have to submit your application in person. Visit <http://www.germany-info.org> to locate your nearest embassy or consulate office.

If you do need a visa, be sure to bring the following required documents with you when you make your application: fully completed application form (obtain from the website named above); two passport photographs; valid national passport and one copy; your current bank statement and one copy; proof of health insurance coverage for trips outside the US and one copy; business references (letter from INSCA, invitation from German company or organization; fee (check with your local German office for costs). Please note: In individual cases, you may be required to provide additional documents.

The entry "yes" against a country's name below means its citizens always require a visa to enter Germany. The entry "no" against a country's name means its citizens do not require a visa to enter Germany. Without a visa, however, they may not stay longer than three months every half-year or take up gainful employment requiring a work permit. Excepted are citizens of European Union member states (*).

<u>Country</u>	<u>Entry visa required (no/yes)</u>
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Argentina	no
Austria*	no
Australia	no
Belgium*	no
Brazil	no
Canada	no
China	yes
Czech Republic	no
Denmark*	no
Egypt	yes
Finland*	no
France*	no
Hong Kong	no
Hungary	no
Iran	yes
Iraq	yes
Ireland	no
Italy	no
Japan	no
Mongolia	yes
Netherlands*	no

<u>Country</u>	<u>Entry visa required (no/yes)</u>
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New Zealand	no
Norway	no
Pakistan	yes
Poland	no
Portugal*	no
Romania	no (from 1.1.2002)
Russia	yes
Saudi Arabia	yes
Slovak Republic	no
South Africa	yes
Spain*	no
Sweden*	no
Switzerland**	no
Taiwan	yes
Turkey	yes
United Kingdom	no
U.S.A.	no
Uruguay	no

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