

Animal Welfare Audit BEEF*

for:

Sam Kane Beef Processors: Corpus Christi, TX

**Report Date
December 29, 2016**

**Audit by
Ed Maness**

Merieux NutriSciences Certification LLC

*Criteria for this audit are based on "AMI Foundation Recommended Animal Handling Guidelines & Audit Guide: A Systematic Approach to Animal Welfare, July 2013 Edition, Rev. 1" published by the American Meat Institute Foundation.

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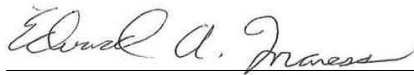
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ANIMAL WELFARE AUDIT: BEEF

Company Name: Parent Company:	Sam Kane Beef Processors: Corpus Christi, TX	Audit Date:	December 29, 2016
		Start & End Time:	6:45 am to 11:15 am
Plant Address:	9001 Leopard Street Corpus Christi, TX 78409	Auditor:	Ed Maness ed.maness@mxns.com
Primary Contact:	Orville Hall and David Gonzalez	Telephone:	361-241-5000
Email:	qc@samkanebeef.com	Fax:	361-242-2999
USDA est #:	337	Line Speed:	143 Head per Hour
Pass/Fail:	Pass	Was religious slaughter performed during the audit?	No
		Was conventional slaughter performed during the audit?	Yes

AUDIT SUMMARY - ANIMAL SURVEY		
AMI Core Criteria	Passing Score	Score
Electric Prodding	25% or less prodded	1%
Vocalization	3% or less (conventional) 5% or less (ritual or with use of head holder)	0%
Falls	Truck unload - 1% or less falls In plant - 1% or less falls	0% 0%
Stunning Accuracy	95% or greater accuracy	100%
Bleed Rail Insensibility	100% Insensible	100%
Access to water	Yes, water provided	Yes
Willful acts of Abuse	No willful acts of abuse	None

Auditor Signature:



Ed Maness 708-704-3516; ed.maness@mxns.com

Items in bold and caps are automatic failure questions if a "1" is scored by auditor.

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AUDIT SUMMARY

Category	Possible Points	Actual Points	Percentage
II. Livestock Receiving	25	25	100
III. Livestock Condition	10	10	100
IV. Handling and Holding	45	45	100
V. Observations	30	30	100
Total	110	110	100

Plant Description

This is a USDA inspected facility (est. 337M), and meets all the US FDA Bio-terrorism act requirements. Sam Kane Beef Processors is located in the rural area of Corpus Christi, TX. This facility was originally built in the 1960's and has undergone several renovations. The 500,000 square feet facility hires approximately 650 employees, working a single shift, 5 days per week. There is one 8 hour production shift, five days per week, with a second shift dedicated to cleaning and sanitation. This facility operates seven hot coolers, one chill cooler, one finished cooler, one finished freezer and three blast freezers. Sam Kane processes both < 30 month old and > 30 month old cattle.

This facility processes raw boxed beef, beef trim, ground beef (for one specific customer) offal and beef carcasses. This facility was currently slaughtering 143 head per hour during the time of the audit.

Positive Comments

Cooperation by the management team, during the entire audit, was excellent and was very much appreciated. Management participation in the audit was cross functional and at the highest levels of management. The facility is very committed to humane handling of all animals that are in their care in all areas of the operation.

Items in bold and caps are automatic failure questions if a "1" is scored by auditor.

Summary of Audit Findings

Major Non-conformances:

Items in bold and caps are automatic failure questions if a "1" is scored by auditor.

1.0	A. Transportation	Rating
1.	Company performs assessments for Transportation Core Criteria 1 of Plant transportation and Preparedness for Receiving. Elements are 1) Plant has written animal welfare policy for transporters? 2) Plant provides extreme temperature management tools? (water, fans, scheduling deliveries during the cool of the day, freezing weather protection during transport, etc)? Tools dependent upon infrastructure and geographical location of the plant, weather conditions, and species. 3) Arrival management schedule to minimize waiting time at the plant? 4) Emergency plans in place for animals in transit? 5) Written policy for immobile and fatigued animals and tools available for handling? 6) Acceptable handling tools available and utilized as needed? 7) Availability of acceptable euthanasia tools? 8) Maintenance records for euthanasia equipment, proper storage, and employee training for euthanasia? 9) Gates in unloading area swing freely, latch securely, and have no sharp protrusions? 10) Non-slip flooring of the unloading and ramp area? 11) Unloading area and ramps in good repair (no broken cleats, holes or gaps)? 12) Adequate lighting of the unloading and ramp area? 13) Staff available for receiving animals? EXCELLENT = All thirteen (13) elements = Compliant; ACCEPTABLE = Eleven (11) to twelve (12) elements = Partially Compliant; NOT ACCEPTABLE = Less than eleven (11) elements = Non Compliant.	Compliant
2.	The facility performs inspections of transport vehicles or trailers for Transportation Core Criteria 2 of Set-up and Loading of Trailer. Elements are 1) Trailer loaded at proper density? 2) Incompatible animals segregated when required? 3) Trailers properly aligned with no gaps for extremities? EXCELLENT = Three elements = Compliant; ACCEPTABLE = Two element = Partially Compliant; NOT ACCEPTABLE = One or None of the elements = Non-Compliant	Compliant
3.	The facility performs primary and secondary observations for Transportation Core Criteria 3 of Timeliness of Arrival. Primary observations time of arrival to first animal's all four feet on dock and secondary observation of time from first to last animal unloading. EXCELLENT = Both primary and secondary elements = Compliant; ACCEPTABLE = Only performing primary arrival observation or performing secondary = Partially Compliant; NOT ACCEPTABLE = None of the elements = Non-Compliant	Compliant
4.	The facility has a program for Transportation Core Criteria 4 of Discouraging Electric Prod Use at Unloading. The facility performs primary and secondary observations of electric prod use after on ramp (primary) and secondary items of 1) Does the plant have a No Electric Prod Use policy posted? 2) Do the people unloading have an electric prod in their hands? 3) Did the driver use the electric prod on the livestock in the trailer, through the sides or through the trailer roof? 4) Were rattle paddles, sort boards, flags, or other handling tools used improperly? EXCELLENT = Both primary and secondary elements = Compliant; ACCEPTABLE = Only performing primary prod use observation or performing secondary = Partially Compliant; NOT ACCEPTABLE = None of the elements = Non-Compliant	Compliant
5.	The facility has a program for Transportation Core Criteria 5 of Condition of the Animal. The facility performs primary and secondary observations of compromised animal condition of non-ambulatory, severely injured, fatigue or heat stressed, and calving or lambing. Secondary items of 1) Number of DOAs at the time of plant arrival (not to include euthanized by plant)? 2) Plant have a method for communicating back to the site of loading? 3) Were any animals considered to be emaciated or poor body condition? 4) Do any cattle have udder conditions (descend > 3 below hock, affect movement, or highly distended)? EXCELLENT = Both primary and secondary elements = Compliant; ACCEPTABLE = Only performing primary observation or performing secondary = Partially Compliant; NOT ACCEPTABLE = None of the elements = Non-Compliant.	Compliant

Possible Points 0

Actual Points 0

Items in bold and caps are automatic failure questions if a "1" is scored by auditor.

Comments

1. Compliant: The facility conducts daily transportation assessments for Core Criteria #1 and these included all elements.
2. Compliant: The facility's documented inspections for transport trailers for Core Criteria #2 includes all 3 elements for Setup and Loading of Trailer.
3. Compliant: The facility's documented inspections for Core Criteria #3 includes primary and secondary observations for timeliness of arrival.
4. Compliant: The facility's documented inspections for Core Criteria #4 which include both primary and secondary observations in their daily self audits.
5. Compliant: The facility's documented inspections for Core Criteria #5 includes observations of Falls and Slips.

Items in bold and caps are automatic failure questions if a "1" is scored by auditor.

2.0	A. Livestock Receiving	Rating
1.	Company provides written expectations for humane handling to transporters. Guidelines must be posted or delivered to transporters. Guidelines to include proper load density and separation of incompatible animals. (3 elements)	5
2.	Trailer shall be aligned with dock landing to prevent openings or cracks. Trailer shall be cleaned regularly to prevent heavy accumulation of feces. Manure should not surpass hooves. Trailers must have slip resistant floors and no potential injury points (broken glass, sharp metal edges, etc.). Trailers must be set-up for the appropriate weather standards. (5 elements)	5
3.	Ramps and unloading area should be slip resistant with no accumulated manure or standing water. There are no potential injury points (broken gates, sharp metal edges, etc.) in unloading areas. (3 elements)	5
4.	The plant should discourage use of electric prods during unloading of animals. Less than 5% of animals should be electrically prodded. Electric prods wired in to house current to be 50 volts or less. (1 element)	5
5.	Animals that have become non-ambulatory in transport are handled humanely and per company's established procedures. Auditor verifies that procedures require stunning of animal prior to being physically removed from trailer or transport vehicle. (Reason for this verification is it is very unlikely auditor will be able to visually verify an animal being stunned on a transport vehicle.) (2 elements)	5

Possible Points 25

Actual Points 25

Comments

1. Comment Only: The facility's humane handling expectations are signed by all transporters on an annual basis and the letters for Luckey Custom Feedlot, Scarborough Ranch and Sequin Cattle Co. were up to dated and reviewed by the auditor.

2. Comment Only: The facility conducts inspections of incoming trailers to insure that they are clean and free of potential injury points.

3. Comment Only: The facility's ramps and unloading areas were slip resistant and free of accumulated manure & standing water.

4. Comment Only: There were no electric prods used during the unloading of the three trailers of cattle during observations.

5. Comment Only: There were no non-ambulatory animals observed during the time of observations and non-ambulatory animals are documented when observed.

Items in bold and caps are automatic failure questions if a "1" is scored by auditor.

3.0	A. Livestock Condition	Rating
1.	Any dead-on-arrivals (DOAs) carcasses should be staged out of public view. The facility must keep track of DOAs. (2 elements)	5
2.	Facility has guidelines that prevent the entry of downer (non-ambulatory) animals into the food supply. Downer non-ambulatory animals are defined, as livestock that cannot rise from a recumbent position or cannot walk, including, but not limited to those with broken limbs, severed tendons or ligaments, nerve paralysis, fractured vertebral column or metabolic condition. This includes animals that are temporarily down due to a reversible condition. (1 element)	5

Possible Points **10**

Actual Points **10**

Comments

1. Comment Only: The facility does not receive any DOAs and there were no DOAs observed in any area of the facility during the time of observations.

2. Comment Only: The facility does not receive any non-ambulatory animals.

Items in bold and caps are automatic failure questions if a "1" is scored by auditor.

4.0	A. Handling and Holding	Rating
1.	All pens should have slip resistant floors and be cleaned or bedded daily. Manure should not surpass the hoof of the animal, and standing water should not be present. Crowd pen, chutes, restrainer, and knock box areas have slip resistant floors. (Verify maintenance records are being maintained.) (5 elements)	5
2.	Pens, chutes, restrainer area, and knock box should be in good repair with no potential injury points (broken gates, sharp metal edges, broken concrete, etc.) present. There are no potential distractions present or observed in the pens, chutes, restrainer, or knock box area. Distractions could include poor design, poor lighting/shadows, out of place objects, voices/noise, debris, etc. Solid sides should be present on crowd pen and chute sides to prevent distractions. (3 elements)	5
3.	There is a preventative maintenance program in place for the stunning equipment. There must be back-up stunning equipment in the stunning area. Stunning equipment must also be available to the receiving area for downers on trailers and in pens. (3 elements)	5
4.	Plant must have an Emergency Livestock Management Plan. The plan should address potential risks and actions for insuring animal welfare, based on geographic location and climate. The plan should be reviewed at least annually. (3 elements)	5
5.	Holding pens must not be overstocked. Animals should have ease of mobility. Crowd pen should be stocked less than 3/4 full. Crowd pen gate should not be used to push animals. (3 elements)	5
6.	ALL HOLDING PENS MUST HAVE UNRESTRICTED ACCESS TO POTABLE WATER. TROUGHS SHOULD BE REGULARLY CLEANED AND WATER CANNOT BE FROZEN. ANIMALS MUST HAVE ACCESS TO FEED IF HELD FOR OVER 24 HOURS. (2 ELEMENTS)	5
7.	The company's training program must reflect procedures and policies for receiving livestock, condition of livestock, holding and handling, and stunning. Retraining should be done at least annually. Records of training must be maintained. (3 elements)	5
8.	Company performs animal welfare self-audits at least weekly. These audits are to be performed on a minimum of 100- head sample groups (not subsets) in large plants, 50- head sample groups for plants 50 to 99 animals per hour, and one hour production for very small plants. Records of the self-audits are maintained. Consistent deviations or observations must have corrective actions completed with timelines. The observations of insensibility, stunning accuracy, electric prod usage, vocalization, and slips and falls must be included in the self-audits conducted. (3 elements)	5
9.	ANY WILLFUL ACT OF ABUSE OR EGREGIOUS ACT IS GROUNDS FOR AUTOMATIC AUDIT FAILURE. 1) DRAGGING A CONSCIOUS, NON-AMBULATORY ANIMAL; 2) PURPOSEFUL SLAMMING OF GATES ON LIVESTOCK; 3) PURPOSEFUL DRIVING OF LIVESTOCK ON TOP OF ONE ANOTHER; 4) HITTING OR BEATING AN ANIMAL (i.e. HANDLERS RAISING DRIVING TOOLS ABOVE THE HANDLER'S SHOULDER-LEVEL AND OR FORCEFULLY CONTACTING / STRIKING THE ANIMAL); 5) DRIVING AMBULATORY ANIMALS WITH MOTORIZED VEHICLE. (1 ELEMENT)	5

Possible Points 45

Actual Points 45

Items in bold and caps are automatic failure questions if a "1" is scored by auditor.

Comments

1. Comment Only: The facility's pens were observed to be slip resistant and clean.
2. Comment Only: The facility's pens, chutes, restrainer area, and knocking box was in good repair and free of potential injury and distractions.
3. Comment Only: The facility's preventative maintenance program for all seven captive bolt guns and two pneumatic knocking guns were properly documented. Note: The randomly reviewed daily and weekly records November and December 2016 appeared to be properly documented for all stunning equipment.
4. Comment Only: The facility's Emergency Livestock Management Plan was reassessed in 2016.
5. Comment Only: The auditor observed all pens to be properly stocked during the time of observations.
6. Comment Only: The holding pens were observed to have potable water and are cleaned throughout the day as it becomes dirty. Note: The facility is located in an area of South Texas where water would not freeze.
7. Comment Only: The facility conducted updated animal welfare training in October 2016. Note: The facility uses the Alchemy Training System to train and track all training.
8. Comment Only: The auditor randomly reviewed the facility's animal welfare daily and weekly self audits for 11/03/16 through 12/27/16 and all appeared to be properly documented.
9. Comment Only: There were no willful acts of abuse observed in any area of the facility during the time of the audit.

Items in bold and caps are automatic failure questions if a "1" is scored by auditor.

5.0	A. Observations	Rating
1.	FALLS- UNLOADING: DETERMINE THE NUMBER OF FALLS DURING UNLOADING AND RECORD PROBABLE CAUSES if any are observed. Count the number of cattle that fall during unloading (ALL FOUR FEET HAVE TOUCHED ON THE UNLOADING DOCK PAD). In large plants unloading should be continuously observed until 100 animals from three different vehicles are scored. An equal number of animals from each deck should be scored. Vehicles should be scored in the order of arrival at the unloading ramp. In small plants where vehicles are not continuously unloaded, a single vehicle should be scored. If no vehicle arrives, the score sheet is marked unloading not observed. A SLIP IS NOTED WHEN A PORTION OF THE LEG, OTHER THAN THE FOOT TOUCHES THE GROUND, OR A FOOT LOSES CONTACT WITH THE GROUND IN A NON-WALKING MANNER. A FALL IS RECORDED WHEN AN ANIMAL LOSES AN UPRIGHT POSITION SUDDENLY AND A PART OF THE BODY OTHER THAN THE LIMBS TOUCHES THE GROUND. EXCELLENT = NO FALLS = 5; ACCEPTABLE = 1% OR LESS FALLS = 3; NOT ACCEPTABLE = GREATER THAN 1% FALLS = 1 Slips are a secondary criteria and are to be noted only as a comment and NOT scored.	5
2.	FALLS- STUNNING CHUTE AREAS: DETERMINE THE NUMBER OF FALLS DURING HANDLING IN ANY OF THE FOLLOWING LOCATIONS: CROWD PEN, SINGLE FILE CHUTE, BARN, ALLEYS OR STUNNING BOX. Score a minimum of 50 animals in large plants. A SLIP IS NOTED WHEN A KNEE OR HOCK TOUCHES THE FLOOR. IN CATTLE STUN BOXES AND THE SINGLE FILE CHUTE, A SLIP SHOULD BE NOTED IF THE ANIMAL BECOMES AGITATED DUE TO MULTIPLE SHORT SLIPS. A FALL IS RECORDED IF THE BODY TOUCHES THE FLOOR. EXCELLENT = NO FALLS = 5; ACCEPTABLE = 1% OR LESS FALLS = 3; NOT ACCEPTABLE = GREATER THAN 1% = 1 Slips are a secondary criteria and are to be noted only as a comment and NOT scored.	5
3.	USE OF ELECTRIC PRODS FROM CROWD PEN TO RESTRAINER / KNOCK BOX: MONITOR THE PERCENTAGE OF 100 CATTLE PRODDED WITH AN ELECTRIC PROD AT THE RESTRAINER ENTRANCE. Facilities with two or more single file chutes should be audited, so there is an even distribution of animals observed among all of the single file chutes. If multiple employees are using prods, score 100 animals passing by each employee. Add the percentages together to determine the final score. Note whether or not a prod was used for each animal and the apparent reason for prod use in the comments. ELECTRIC PRODS SHOULD ONLY BE USED WHEN NECESSARY. ELECTRIC PRODS AND ANY OTHER OBJECTS SHALL NOT BE USED ON SENSITIVE AREAS (FACE, ANUS AND GENITAL). ELECTRIC PRODS WIRED IN TO HOUSE CURRENT TO BE 50 VOLTS OR LESS. ELECTRIC PRODS SHOULD NOT BE USED IN HOLDING AREA OR CROWD PEN. EXCELLENT = 5% OR LESS PRODDED = 5; ACCEPTABLE = 25% OR LESS PRODDED = 3; NOT ACCEPTABLE = GREATER THAN 25% PRODDED = 1	5
4.	VOCALIZATION: MONITOR THE NUMBER OF CATTLE THAT VOCALIZE IN THE CROWD PEN, LEAD-UP CHUTE STUNNING BOX OR RESTRAINER. SCORE A MINIMUM OF 100 ANIMALS IN LARGE PLANTS AND 50 OR AT LEAST ONE HOUR OF PRODUCTION IN SMALLER PLANTS. VOCALIZING ANIMALS IN THE CROWD PEN AND LEAD-UP CHUTE ARE SCORED DURING ACTIVE HANDLING. SCORE AN ANIMAL AS A VOCALIZER, IF IT MAKES ANY AUDIBLE VOCALIZATION. Determine cause for animals that are vocalizing and include in comments. AMI GUIDELINES DEFINE ACCEPTABLE VOCALIZATION AS UP TO 3% FOR CONVENTIONAL SLAUGHTER AND UP TO 5% IN KOSHER OR HALAL OPERATIONS OR ANY OPERATION USING A HEAD HOLDER. EXCELLENT = LESS THAN 1% VOCALIZATION = 5; ACCEPTABLE = 3% or less (conventional) or 5% or less (ritual or with use of head holder) VOCALIZATION = 3; NOT ACCEPTABLE = GREATER THAN 3% (CONVENTIONAL) OR 5% VOCALIZATION (RITUAL OF WITH USE OF A HEAD HOLDER) = 1	5

Possible Points 30

Actual Points 30

Items in bold and caps are automatic failure questions if a "1" is scored by auditor.

A. Observations

5.	<p>STUNNING ACCURACY (CONVENTIONAL ONLY): PLANNED DOUBLE KNOCKING IS PROHIBITED. IF A NON-PENETRATING CAPTIVE BOLT IS USED, THE ANIMALS SHOULD BE BLED PROMPTLY BUT NO LONGER THAN 60 SECONDS AFTER STUNNING TO AVOID RETURN TO SENSIBILITY. THE FIRST SHOT MUST RENDER THE ANIMAL INSENSIBLE. SCORE 100 CATTLE IN PLANTS WITH LINE SPEEDS GREATER THAN 100 CATTLE PER HOUR. FIFTY CATTLE OR AT LEAST ONE HOUR OF PRODUCTION SHOULD BE AUDITED IN SLOWER PLANTS PROCESSING FEWER THAN 100 HEAD PER HOUR. RECORD PERCENTAGE OF ANIMALS THAT WERE STUNNED TWICE AND PROBABLE CAUSES AND INCLUDE IN COMMENTS. Auditor is to list stunning method used in comments. EXCELLENT = 99-100% INSTANTLY RENDERED INSENSIBLE WITH 1 SHOT = 5; ACCEPTABLE = 95-98% INSTANTLY RENDERED INSENSIBLE WITH 1 SHOT = 3; NOT ACCEPTABLE = LESS THAN 95% INSTANTLY RENDERED INSENSIBLE WITH 1 SHOT = 1</p>	5
6.	<p>BLEED RAIL INSENSIBILITY SURVEY: ANY SENSIBLE ANIMAL ON THE BLEED RAIL CONSTITUTES AN AUTOMATIC AUDIT FAILURE. SCORE A MINIMUM OF 100 ANIMALS IN LARGE PLANTS. FIFTY CATTLE OR AT LEAST ONE HOUR OF PRODUCTION SHOULD BE AUDITED IN SLOWER PLANTS PROCESSING FEWER THAN 100 HEADS PER HOUR. IT IS CRITICAL THAT ANIMALS SHOWING SIGNS OF A RETURN TO SENSIBILITY BE RESTUNNED IMMEDIATELY. THERE IS ZERO TOLERANCE FOR BEGINNING ANY PROCEDURES LIKE SKINNING THE HEAD OR LEG REMOVAL ON ANY ANIMAL THAT SHOWS SIGNS OF A RETURN TO SENSIBILITY; however, it is important to complete the audit and note observations about insensibility. Insensibility is characterized by a floppy head, straight tongue hanging out, no righting reflex, eyes are in a blank stare (no eye tracking), no natural blinks occurring. EXCELLENT =100% INSENSIBLE = 5; NOT ACCEPTABLE = LESS THAN 100% INSENSIBLE = 1</p>	5

Possible Points	30
Actual Points	30

Comments

1. Comment Only: There were no falls or slips observed during the receiving of three trailer load of cattle totaling 112 head.
2. Comment Only: There were no falls or slips observed in the stunning chute area during the one hour time of observations for a total of 100 animals being moved in this area.
3. Comment Only: The auditor observed 1 out of 100 animals to be electric prodded during the time of observations. Note: This would result in a 1.0% for electric prod use.
4. Comment Only: There were no vocalizations heard during the two hours of observations in the knocking box and chute areas.
5. Comment Only: The auditor observed all 100 head of cattle to be insensible with one knock during the time of observations.
6. Comment Only: The auditor observed all 100 head of cattle to be insensible at the bleed rail during the time of observations.

Items in bold and caps are automatic failure questions if a "1" is scored by auditor.