

01/27/2010

Dear Valued Customer,

Edible beef products from XL Foods Inc., EST 496 meet all Canadian and US requirements for the production, sale and distribution of meat products. Such requirements include, but are not restricted to the categories listed below. EST. 496 receives beef carcasses from EST 401 (XL Beef, Calgary), EST 597 (XL Beef Moose Jaw), and EST 38 (XL Lakeside); all establishments are federally inspected meat establishments with HACCP recognition from the Canadian Food Inspection Agency.

HACCP / Pathogen Reduction Regulation Compliance

- Testing of carcasses for *E. coli* Biotype I (MOP CH 11, USA, § T.2.1).
- Prerequisite Programs
- HACCP Systems
- Salmonella testing in accordance with MOP CH 11, USA, Annex U

E. coli O157:H7 Reassessment and Compliance

XL Foods completed a reassessment examining *E. coli* O157:H7 controls associated with the integrated Food Safety Assessment [HACCP and Prerequisite Programs] as required by CFIA per Annex O, Measures to Control *E. coli* O157:H7. Completion of annual reassessment of HACCP plans is performed in accordance with the FSEP Manual. This reassessment included review and verification of adequacy of the HACCP plans in addressing *E. coli* O157:H7.

Interventions

XL Foods, Inc. employs a validated multiple hurdle process within the beef slaughter system to address Enteric Pathogens, specifically *E. coli* O157:H7. In addition to our microbiological intervention Critical Control Points (also listed in HACCP Section below) the following practices are also utilized in our beef slaughter operations.

- *Steam Vacuums* – are located strategically throughout the slaughter floor and are used on pattern mark areas.
- *Pre-Evisceration Cabinet System (PECS)* – eligible beef carcasses are treated with an approved antimicrobial.
- *Hot water pasteurization* – a validated thermal treatment of the carcass surfaces (CCP)
- *Anti microbial sprays* – carcasses are treated with an anti microbial spray of organic acid after the chilling process prior to loading. Heads are treated with an organic acid after the head wash, post CFIA Inspection prior to packaging.
- *Fabrication intervention* – carcasses are treated with an anti microbial spray of peracetic acid (PAA) at receiving and treated again as primals and trimmings.

Verification Testing for E. coli O157:H7

- Carcasses – Daily verification testing for *E. coli* O157:H7 is conducted at XL Foods facilities (EST 401, 597 and 38).
- Trim & Variety Meats – Quarterly verification testing for *E. coli* O157:H7 is conducted at XL Foods facilities.

Beef Materials Destined For Grinding

XL Foods, Inc processes are verified on an on-going basis by our company's 100% sampling for *E. coli* O157:H7 of boneless beef trimmings destined for raw comminuted use. We sample our trim using the N60 excision method. We have moved to single combo lot system where each individual combo or pallet of boxes serves as an independent lot. A Certificate of Analysis (COA) to that specific product and Purchase order will be provided to the direct purchase customer. Boxed product known to be intended for raw ground use, i.e., beef trimmings from carcasses, head & cheek meat, hearts, and hanging tenders are known to be intended for raw ground use and is therefore N60 tested.

Laboratory Testing

- Lab methods are validated and meet appropriate criteria ($\geq 98\%$ Sensitivity and $\geq 90\%$ Specificity).
- All laboratory testing is conducted at a 3rd party laboratory owned by IEH Laboratories & Consulting Group.

HACCP

Critical Control Points for the following categories are in place and in effect at present include:

Slaughter and Raw Not Ground – Variety Meats

- Validated Intervention (Thermal) to address *E. coli* O157:H7

- Zero Tolerance for fecal and ingesta.
- Disposition for *E. coli* O157:H7 positive product.

Raw Not Ground – Trim and Subprimals

- Disposition for *E. coli* O157:H7 positive product.

A CCP is "A point, step, or procedure in a food process at which control can be applied and, as a result, a food safety hazard can be prevented, eliminated, or reduced to acceptable levels". It should be clearly understood that these CCP's are in place to control, eliminate or reduce *E. coli* O157:H7 to an undetectable level.

3rd Party Verification

XL Foods, Inc is audited on an annual basis by an independent 3rd party auditor. That audit encompasses regulatory compliance (HACCP, Prerequisite Programs, etc.), *E. coli* O157:H7 and good manufacturing practices. A summary of audit scores are available upon request.

Customer Notification

XL Foods, Inc has a recall prerequisite program / plan on file that includes notification to affected customers of any product that may be adulterated or misbranded.

Humane Handling

XL Foods, Inc complies with all applicable USDA / FSIS requirements including humane handling & slaughter of the live animals (9 CFR 313) and does not utilize "downer" cattle for processing (9 CFA Part 309, 310, 318 et al). These are sent direct to appropriate disposal services meeting the USDA / FSIS Final Rule Notice 56-07, Directive 6100.1, Directive 6100.4 requirements. Non-ambulatory cattle are handled appropriately and in accordance with all regulations.

SRM Controls

XL Foods Inc., beef operation and products are in full compliance with the Canadian Food Inspection Agency [CFIA] approved segregation procedures for animals aged 30-months and older¹.

This letter certifies that meat products produced at XL Foods Inc:

- Are derived from animals which were not stunned with devices that inject compressed air into the cranial cavity.
- Do not contain specified risk materials including skull, brain, trigeminal ganglia, eyes, spinal cord, dorsal root ganglia, palatine tonsils and vertebral column² from animals aged 30 months of age and older, and the small intestine from bovine animals of all ages.
- Do not contain mechanically separated meats.

In 1997, the CFIA banned the use of "prohibited mammalian protein" in cattle finishing rations (i.e., ruminant meat & bone meal) for ruminant animals. The CFIA ban was implemented to prevent the amplification of Bovine Spongiform Encephalopathy (BSE) into the cattle herd.

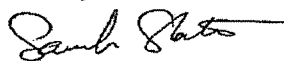
In support of this effort, all direct suppliers of cattle are required to certify to XL Foods Inc., their compliance to the ruminant feeding ban for "prohibited mammalian protein" (ruminant meat & bone meal). This requirement applies to the owner/ agent of cattle that are slaughtered at XL Foods Inc. Cattle feeders are required to keep invoices and labeling for all feed they receive that contains animal protein products, whether or not the animal protein is prohibited. All XL Foods Inc. cattle suppliers sign a Prohibited Feed/ Antibiotic Affidavit annually.

General

Last, XL Foods is a federal establishment and operates under the CFIA regulatory FSEP and Mandatory HACCP requirements. By applying the Mark of Inspection, we are obligated to adhere to all applicable requirements contained therein.

We hope this information is valuable and we look forward to servicing you as a continued customer of XL Foods, Inc.

Sincerely,



Sarah Slater
Director of Technical Services

¹ CFIA [Canadian Food Inspection Agency] Meat Hygiene Manual of Procedures Chapter 4 Annex N.

² The only product containing vertebral column (excluding the vertebrae of the tail, the transverse processes of the thoracic and lumbar vertebrae and the wings of the acrum), from animals 30 months of age or older that is shipped from these establishments are carcass sides or quarters. Carcasses derived from animals 30 months of age or older are clearly marked and described as such on the Bill of Lading (BOL) and Manifest.