

Testimony by David Colo
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Committee on Energy and Commerce,
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Good morning Mr. Chairman and Members of the Committee. My name is David Colo, and I am Senior Vice President of Operations for ConAgra Foods, Inc., where I have worked in various positions for the last five years. Thank you for your invitation to testify today about this important topic—the safety of the nation’s food supply. I want to assure the Committee that we are fully aligned with its objective of ensuring that our food supply is among the safest in the world.

ConAgra Foods is one of North America's leading packaged food companies, serving grocery retailers, as well as restaurants and other foodservice establishments. Popular ConAgra Foods consumer brands include: Banquet, Chef Boyardee, Egg Beaters, Healthy Choice, Hebrew National, Hunt’s, Marie Callender’s, Orville Redenbacher’s, PAM and many others, including Peter Pan. We operate over 100 manufacturing facilities in 30 states, as well as facilities in several international locations.

I appreciate the opportunity to share with you ConAgra’s recent experience related to the finding of Salmonella *Tennessee* in our peanut butter products, including our Peter Pan brand peanut butter. First and foremost, we are truly sorry for any harm that our peanut butter products may have caused, and we

intend to resolve any claims arising from the consumption of our peanut butter products as fairly and expeditiously as possible. As the head of operations for this company, I can assure you that, not only do we take these issues very seriously, but we take them personally because consumer safety has always been our top priority.

There are four main messages that I want to convey to you today. First, within hours of its initial telephone conference with both the Food and Drug Administration (FDA) and the Centers for Disease Control (CDC) regarding this potential issue, ConAgra Foods took prompt action to protect the public health by ceasing all production and distribution, and voluntarily initiating a recall of all peanut butter in the marketplace manufactured at its Sylvester, GA facility, the only ConAgra facility manufacturing peanut butter. Second, the company conducted an in-depth investigation into the potential root cause or causes of the Salmonella *Tennessee* contamination. Third, ConAgra will ensure that, before it resumes operations at its Sylvester, Georgia facility, it will have addressed all the potential sources of Salmonella contamination, such that the facility will serve as a model in the industry for the production of safe and quality product. And, finally, ConAgra is taking steps to improve food safety standards for all its food products. I would add that, since this issue first surfaced in mid-February, we have worked cooperatively with FDA, CDC and the state of Georgia food safety officials. We have also been pleased to cooperate with this Committee's investigation. Let me now describe these points in greater detail.

1. ConAgra Foods took prompt action to protect the public health by ceasing all production and distribution, and voluntarily initiating a recall of all peanut butter in the marketplace manufactured at its Sylvester, GA facility, within hours of its first telephone conference with FDA and CDC.

ConAgra first became aware of a potential issue the evening of February 13, 2007, when the FDA contacted the company to schedule a call the following day to discuss an epidemiological study conducted by the CDC that suggested ConAgra's peanut butter products may have been linked to a Salmonella illness outbreak. The next day, February 14, after a series of telephone conversations with both the FDA and CDC, the company initiated a voluntary recall from the market of 100 percent of the peanut butter manufactured at our Sylvester, Georgia facility. The company simultaneously ceased all production and distribution of peanut butter products from that facility. Throughout the process, ConAgra worked closely and cooperated fully with FDA in all aspects of the recall, including in the collective efforts of the company and FDA to inform the public about the scope of the recall.

2. ConAgra Foods conducted an in-depth investigation into the potential root cause(s) of the Salmonella *Tennessee* contamination.

In addition to initiating this prompt and comprehensive recall, the company initiated a full investigation to determine the root cause or causes of any potential

Salmonella in the product. ConAgra worked with the FDA to identify any potential source of contamination.

On February 22, eight days after ConAgra first initiated the voluntary recall, it was notified by FDA of state laboratory findings confirming the presence of Salmonella in the company's peanut butter products. ConAgra made a public announcement to this effect that same day, and FDA made a similar announcement the following day.

Based on its investigation, ConAgra believes that raw peanuts and peanut dust introduced some low levels of Salmonella *Tennessee* into the plant. The presence of Salmonella is not unusual on raw agricultural products like peanuts. It appears that moisture then inadvertently entered the production facility and enabled the growth of low levels of dormant Salmonella *Tennessee*. We believe the moisture was likely the catalyst that temporarily allowed the Salmonella *Tennessee* to grow inside the facility. We further believe the Salmonella *Tennessee* subsequently came into contact with peanut butter prior to packaging. Finally, we believe the rate of subsequent contamination was low and, as such, was not detected by our finished product testing program which employed standard industry testing methods.

3. ConAgra will ensure that, before it resumes operations at its Sylvester, Georgia facility, it will have addressed all the potential sources of Salmonella contamination, such that the facility will serve as a model in the industry for the production of safe and quality product.

The Sylvester, Georgia plant is the only ConAgra location where peanut butter is manufactured, and this facility has been idle since the recall was initiated on February 14th. No Peter Pan peanut butter has been sold by ConAgra to its customers since that date.

ConAgra is continuing to work closely with the FDA to ensure that when operations resume in the Sylvester plant there will be no reoccurrence of this issue. The company is committed to addressing the suspected causes of the contamination, and it will implement significant changes in the plant, including installing new, state-of-the-art machinery, technology and designs throughout the facility. The estimated minimum cost of these facility modifications is \$15-\$20 million. These costs are in addition to the \$50-\$60 million cost associated with the recall and the significant costs associated with the ongoing loss of sales.

Before resuming operations, the company will obtain an independent review by an expert third-party and seek the concurrence of the FDA as to the adequacy of the measures implemented. ConAgra is committed to taking the time necessary for

each of these steps, and we estimate that the facility is not likely to reopen until August. While we are making these upgrades, we will partner with a reputable third-party manufacturer to produce Peter Pan peanut butter to the highest quality standards and to begin shipping product to retailers this summer.

4. ConAgra Foods is taking steps to improve food safety standards for all its food products.

In addition to its thorough investigation at the Sylvester facility, ConAgra is conducting additional comprehensive inspections of its manufacturing facilities throughout the company. We have assembled a team composed of internal experts, along with an external specialist in food safety, that is in the process of visiting ConAgra's plants, contract manufacturers, and suppliers.

To bring additional focus and leadership to developing and implementing programs that continuously improve product safety and design, the company has appointed a recognized and well-respected food safety expert to a company-wide leadership position, Vice President for Global Food Safety. This action will bolster our existing, substantial food safety and quality expertise, and will consolidate responsibility for existing and future company-wide oversight of food safety initiatives and systems. The company has hired Paul A. Hall, a leading expert with more than 30 years of experience in microbiology, food safety and food quality, to fill

this position. Hall joins ConAgra Foods from Matrix MicroScience, Inc., a leading producer of technology for the rapid concentration, capture and detection of foodborne pathogens, including Salmonella. Previously, he held product safety and quality-related positions of increasing responsibility at another major food company.

We are also forming a Food Safety Advisory Committee, composed of leading independent, third-party experts in food safety, which will provide guidance to the company as part of our ongoing work with government agencies, research institutions, and scientists in the areas of food production and testing. This advisory committee will provide guidance to the company in the areas of food production and testing, and will advise the company in its plan to fund research involving the detection, control and elimination of foodborne pathogens. The committee will be chaired by Dr. Michael Doyle, director of the Center for Food Safety at the University of Georgia and one of the foremost authorities on foodborne pathogens in the world. The company is currently working with Dr. Doyle to identify other members of the committee.

There is nothing more important to ConAgra Foods than the safety, quality, and wholesomeness of our products. Through our work with the Food Safety Advisory Committee, we will be able to leverage their expertise to ensure that we take all reasonable steps to minimize the risk of foodborne illness.

Taken together, these measures reaffirm our commitment to food safety and quality. The company will continue to work closely with the FDA going forward and appreciates the excellent work of the FDA and CDC throughout this process. We also thank our consumers and customers for their understanding, as well as for the role they have played in ensuring public safety by returning and disposing of the recalled product.

Again, we are truly sorry for any harm that our peanut butter products caused and intend to resolve claims arising from consumption of our peanut butter fairly and expeditiously. We plan to make all changes necessary to the manufacturing environment to ensure this situation does not occur again. We are committed to the highest possible standards of food safety throughout our operations and believe the measures we have outlined today will clearly meet that commitment.