

#### 2011 Agribusiness Symposium

### Panel Discussion on Food Safety, FSMA and Global Initiatives

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Capouano, & Bozarth, P.A.

Eric Graves ABC Research Corporation

Michael Robert Ziegler Agricultural Resource Management









#### Christine L. Weingart

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Ms. Weingart provides tax and business counsel to business owners, including corporations, LLCs and partnerships, on all types of business matters. These matters include formation, termination and reorganizations of businesses.

#### **Key Practice Areas**

Corporate

Tax

#### **Primary Industries**

Agribusiness

Healthcare and Life Sciences

#### **Professional and Civic Activities**

- American Bar Association, Tax Section Member
- The Florida Bar Member
  - Tax Section
  - Young Lawyer's Division
- Orange County Bar Association Member
- Central Florida Association of Women Lawyers Member
- Leadership Orlando (current)

#### Charitable and Pro Bono Service

- Florida 4-H Foundation
  - Board Member
  - Treasurer
- Howard Phillips Center for Children and Families Community Leadership Council, Board Member

#### **Education**

Master of Laws (LL.M.) in Taxation: University of Florida Levin College of Law, Gainesville, Florida, 2007

Juris Doctorate: University of Florida Levin College of Law, Gainesville, Florida, *cum laude*, 2006 Bachelor of Arts Degree in Sociology: University of Florida, Gainesville, Florida, *cum laude*, 2003

#### **Bar Admissions**

Florida

#### **Recognition & Awards**

Book Award: Taxation of Gratuitous Transfers - University of Florida Levin College of Law, 2006

#### **Speaking Engagements**

FIRPTA Update/Refresher and Withholding Requirements on International Wire Transfers, copresented with Jonathan D. Wallace. Discussion of Foreign Investment in Real Property Tax Act of 1980 (FIRPTA) income tax withholding requirements together with other tax withholding requirements on international wire transfers and related ethical issues. Presented to the Central Florida Real Estate Council, June 7, 2011.

Legal and Tax Issues of Carbon Credit Trading, co-presented with Michael D. Minton, AF&PA General Counsels Committee Meeting, Jacksonville, Florida, May 2010.

Legal and Tax Issues of Carbon Credit Trading, co-presented with Michael D. Minton, University of Florida, Gainesville, Florida, February 1, 2009.

#### **Publications**

FIRPTA Update/Refresher and Withholding Requirements on International Wire Transfers, co-authored with Jonathan D. Wallace, June 7, 2011

Tax Tips for Agribusiness, co-authored with Richard I. Withers, February 3, 2011

Deferral of Gain Resulting from Condemnations of Real Property, co-authored with Charles H. Egerton, *Journals of Passthrough Entities*, November 2010

Year End Estate and Tax Planning and a Discussion of Pending Tax Rate Increases, co-authored with Eric N. Bonnett, November 2010

Impact of Pending Potential Tax Rate Increases, October 29, 2010

Hot Topics and Current Developments in Circular 230, June 2010

Legal and Tax Issues of Carbon Credit Trading, co-authored with Michael D. Minton, AF&PA General Counsels Committee Meeting, May 2010

Unwinding an S Corporation Leveraged ESOP: A Case Study of a Casualty of the Great Recession, coauthored with Charles H. Egerton, Journals of Passthrough Entities, March 2010

Farm and Ranch Lands Protection Program, co-authored with Dennis G. Corrick and Laura M. Young, January 2010

Considering the Tax Consequences of Carbon Credits, co-authored with Charles H. Egerton, July 27, 2009

Biofuel Tax Incentives Revisited: The Stimulus Bill Stimulating Renewable Energy, co-authored with Michael D. Minton, April 2009

Developing Strategies for Developers with Infrastructure Development Bond Responsibilities in a Down Market, co-authored with Charles H. Egerton, March 20, 2009

American Recovery and Reinvestment Act of 2009, March 2009

Biofuel Tax Incentives in Florida Agriculture: Are We Serious About Energy Independence?, co-authored with Michael D. Minton, February 2009

Mitigating Tax Consequences for the Mitigation Banker, co-authored with Charles H. Egerton, December 1, 2008

Year End Estate and Tax Planning and Discussion of Anticipated Tax Policy Under President-Elect Obama, co-authored with Mark Terrell, November 2008

New Tax Treatment of Certain Employer-Owned Life Insurance, February 2008

Tax Incentives for Individuals, February 2008



#### Eric Graves CEO ABC Research Corporation

Mr. Graves purchased ABC Research Corporation in April 2011. Mr. Graves has served as the CEO of ABC Research Corporation since January 2008. During 2010 the company revenues increased 42% over 2009. Mr. Graves joined ABC in February 2007 as the COO. He has been a member of the Board of Directors since 2004. Prior to joining ABC, Mr. Graves has worked in the corporate world as an executive with Air Liquide and BOC, both European multinational companies. He has also owned and operated several small to medium sized businesses serving a variety of customers. Mr. Graves graduated from Northwestern University in 1986 with a 3.95 GPA. He earned his MBA for the University of Chicago Booth School of Business in 1989.

#### Michael Robert Ziegler

#### Resume (21 September 2011)

Born: Winter Haven, Florida, Jan. 1940

Grew up in Davenport, FL and Gainesville, FL

Married with 2 grown sons

#### Education

B.S. in Business Administration (1968), Florida Atlantic University, Boca Raton, FL

M.B.A. 1969, University of Florida, Gainesville

M. Ag. 1973, University of Florida, Gainesville

Doctoral studies in Plant Pathology 1977-78, University of Florida

#### Employment

General Manager, private citrus corporations 1973-1999

Certified Crop Adviser—1997-present

President and CEO, Agricultural Resource Management—1975-present—

Citrus production consulting: organic and conventional

Trained in third-party certification: GlobalG.A.P., SQF

### **Overview**

### FDA Food Safety Modernization Act





### **Food Safety Modernization Act**

"I thank the President and members of Congress for recognizing that the burden that foodborne illness places on the American people is too great, and for taking this action."

Margaret A. Hamburg, M.D., Commissioner of Food and Drugs







### **Agenda**

- The public health imperative
- Why is the law needed?
- Provisions of the law and their significance
- Implementation





### The Public Health Imperative

- Foodborne illness is a significant burden
  - About 48 million (1 in 6 Americans) get sick each year
  - 128,000 are hospitalized
  - 3,000 die
- Immune-compromised individuals more susceptible
  - Infants and children, pregnant women, older individuals, those on chemotherapy
- Foodborne illness is not just a stomach ache—it can cause life-long chronic disease
  - Arthritis, kidney failure





### Why is the law needed?

- Globalization
  - 15 percent of U.S. food supply is imported
- Food supply more high-tech and complex
  - More foods in the marketplace
  - New hazards in foods not previously seen
- Shifting demographics
  - Growing population (about 30%) of individuals are especially "at risk" for foodborne illness





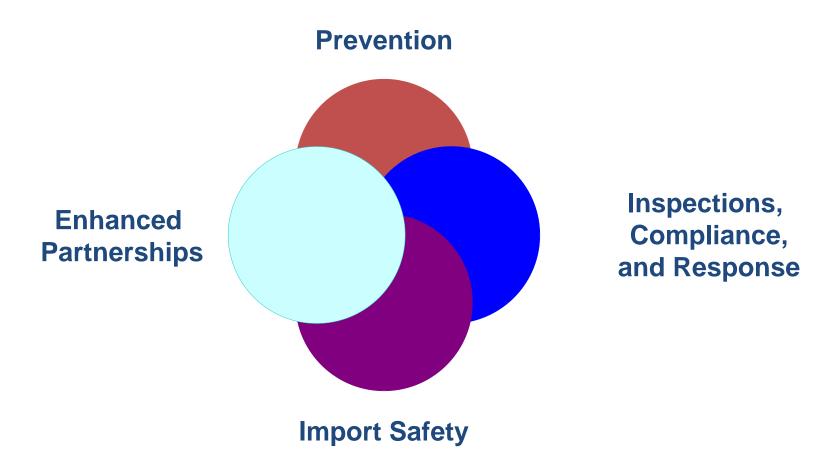
### What's so historic about the law?

- Involves creation of a new food safety system
- Broad prevention mandate and accountability
- New system of import oversight
- Emphasizes partnerships
- Emphasizes farm-to-table responsibility
- Developed through broad coalition





### **Main Themes of the Legislation**







### **Prevention: The cornerstone**

- Comprehensive preventive controls for food and feed facilities
  - Prevention is not new, but Congress has given FDA explicit authority to use the tool more broadly
  - Strengthens accountability for prevention
- Produce safety standards
- Intentional adulteration standards
- Transportation





# Inspection, Compliance, and Response

- Mandated inspection frequency
  - More inspections, but with preventive controls in place, we can consider new ways to inspect
- New tools
  - Mandatory recall
  - Expanded records access
  - Expanded administrative detention
  - Suspension of registration
  - Enhanced product tracing
  - Third party laboratory testing





## Import Safety: Most groundbreaking shift

- Importers now responsible for ensuring that their foreign suppliers have adequate preventive controls in place
- FDA can rely on third parties to certify that foreign food facilities meet U.S. requirements
- Can require mandatory certification for high-risk foods
- Voluntary qualified importer program--expedited review
- Can deny entry if FDA access for inspection is denied
- Requires food from abroad to be as safe as domestic





## **Enhanced Partnerships: Vital to Success**

- Reliance on inspections by other agencies that meet standards
- State/local and international capacity building
- Improve foodborne illness surveillance
- National agriculture and food defense strategy
- Consortium of laboratory networks
- Easier to find recall information



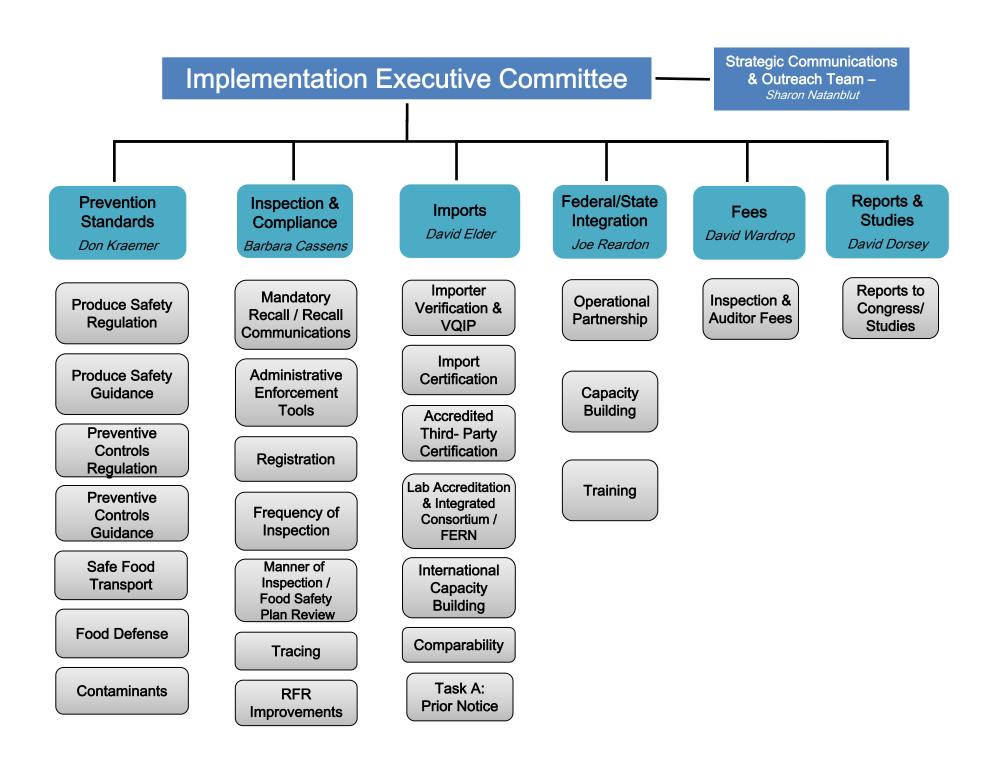


### Implementation Approach

- Implementation already underway
- Coalition needed
- Transparency a priority
- Focus on public health protection
- Engage with stakeholders to help determine reasonable and practical ways to implement provisions







### **But, many challenges**

- Enormous workload
  - 50 new rules, guidance documents, reports in 3 years
- Tight deadlines
- Changes won't appear overnight
  - Building new system will be a long-range process
- Resources





### Implementation Progress (as of Aug. 1, 2011)

- Updated list and more information can be found at <a href="http://www.fda.gov/fsma">http://www.fda.gov/fsma</a>
- Fees (sec. 107)
- New dietary ingredients (sec. 113)
- Anti-smuggled food strategy (sec. 201)
- Registration of food Facilities (sec. 103)
- Prior Notice of imported food shipments (sec. 304)
- Administrative detention of food (sec. 207)
- Consumer-friendly web search for recalls (sec. 205)
- Guidance to Seafood Industry on food safety hazards (sec. 103)





### **Outreach**

- Public Meetings
  - Preventive Controls
  - Inspection and Compliance
  - Comparability and Import Practices
  - Imports
- Numerous listening sessions, meetings, presentations
- FSMA web page has subscription service for immediate updates.





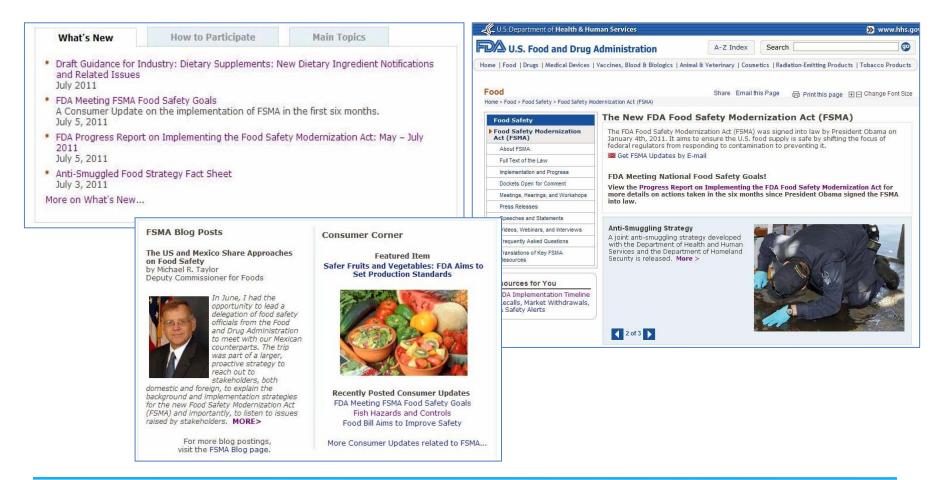
### **Rulemaking Process**

- Rulemaking is open and public.
- Draft rules are published on http://www.regulations.gov.
- Time is allowed for public comment, and FDA is required to consider significant comments during the rulemaking process.
- Check <a href="http://www.fda.gov/fsma">http://www.fda.gov/fsma</a> to find out what is open for comment.





## Snapshots of sections of the FSMA homepage found at <a href="http://www.fda.gov/fsma">http://www.fda.gov/fsma</a>







### For more information



Recent data from the Centers for Disease Central and Prevention show that one in six people in the United States suffers from food-borne Illness sach year. Over the past few years, high-profile outbreaks related to various foods, from spirach and peanut products to eggs, have underscored the need to make continuous improvements in food safety.

The Food Safety Medemunistics Act (FSMA) gives FDA a wonders to pursue a system that is board on science and addresses handle from teaching parting ground empty at a coperating food beared linear. The woncering is supple. The before the system handles producing, processing, trosupporting, and preparing foods, the soften our food, supply will be.

Under the provisions of FSMs, companies will be expired to dendep and implement written food safety plans, FDN will have the authority to brite respond and require recalls when food safety problems occur, and FDN will be able to better enture that imported foods are as safe for connumers as foods produced in the U.S.

FIJA Commissioner Marginet A Hamburg, M.D., vays the bill—refuel Pocsislent Barock Obama is expected



 Web site is at <u>http://www.fda.gov/fsma</u>

- Subscription feature available
- Send questions to FSMA@fda.hhs.gov

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