



May 17, 2016

Inspection Program for Siluriformes Fish, Including Catfish

Dear MTC Logistics Customer,

You are likely aware the USDA published the “Mandatory Inspection of Siluriformes Fish and Products Final Rule” in December 2015. This **Catfish Rule** requires fish and fish products within the siluriformes order (including catfish, basa, swai, and pangasius) under USDA jurisdiction to be processed, packed, stored, and transported in interstate commerce under the authority of the Food Safety Inspection Service (FSIS) and their related directives. More in-depth details can be found at:

<http://www.fsis.usda.gov/wps/portal/fsis/topics/inspection/siluriformes>

We have been approached by many of our customers regarding the new Catfish Rule and have proactively moved towards compliance on our customers’ behalf. We are pleased to announce that both our Port of Baltimore and Jessup, MD distribution centers were approved last week to perform siluriformes re-inspection under FSIS. Both facilities are active import and export facilities and deal with FSIS and USDA on a daily basis.

To ensure our compliance with this new rule, MTC Logistics has:

- Consulted with USDA / FSIS inspection staff throughout the country
- Participated in a number of sessions with our in-house USDA / FSIS personnel
- Worked with food safety experts
- Leveraged our industry contacts and knowledge
- Our HACCP coordinator has recently been re-certified and we have verified that the species included in the Catfish Rule are in our HACCP plan (per the *Fish and Fishery Products Hazards and Controls Guidance, Fourth Edition*).

For your reference, the following is a brief overview of the ruling:

18-Month Transition Period

March 1, 2016, marked the effective date and beginning of an 18-month transition period for both domestic and international catfish producers. Complete implementation of the final rule will take place in September 2017.

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Catfish Rule Update (cont.)

During the 18-month transitional period, FSIS will re-inspect and conduct species and residue sampling on imported siluriformes fish shipments at least quarterly at U.S. import establishments on a random basis. Also, during the transitional period, countries wishing to continue exporting product to the United States after the transitional period must apply for an equivalency determination. Applications for equivalency must be complete by the end of the 18-month transitional period. FSIS will assist countries with their equivalency applications. Countries that submit completed documentation demonstrating equivalency by the 18-month deadline will be able to continue exporting to the United States while the agency conducts a full equivalency evaluation, which includes an on-site audit. If additional information is required, FSIS will request that the foreign country respond or resubmit complete equivalence documentation within 90 day of receiving FSIS's request.

Post Transition Period

Following the 18-month transitional period, inspection program personnel will continue to be assigned to conduct inspections during all hours of operation at domestic slaughter and processing establishments, and at least once per shift at processing-only establishments, which is similar to requirements for other food products that FSIS regulates. Also beginning at the end of the 18-month transitional period, FSIS will re-inspect and conduct species and residue tests on all incoming shipments.

What does this mean to you?

You should review your supply chain and make sure your US warehouse partners are approved Import Inspection Establishments able to accommodate Inspection of Siluriformes Fish and Products. The inspection process includes presenting the load to USDA where all cases can be visually inspected. Each case on the pallet must be configured so the inspector can see it. Product samples will be taken. Once approved, each case will be stamped. This is the same process that is completed for import meat and export poultry.

As your seafood logistics experts, MTC Logistics will continue to follow the implementation and rule implications very closely. We are focused on ensuring that we inspect and store your goods in compliance with the new rule.

Thank you for your confidence in MTC Logistics. We appreciate our continuing relationships with all of our customers.

Sincerely

A handwritten signature in black ink that reads "Ernie P. Ferguson".

Ernie Ferguson
Vice President of Sales