EXHIBIT 61

EUROPEAN COMMISSION
HEALTH AND CONSUMERS DIRECTORATE-GENERAL

Directorate F - Food and Veterinary Office

DG(SANCO) 2010-8524 - MR FINAL

FINAL REPORT OF A MISSION

CARRIED OUT IN

MEXICO

FROM 22 NOVEMBER TO 03 DECEMBER 2010

IN ORDER TO EVALUATE THE OPERATION OF CONTROLS OVER THE PRODUCTION OF FRESH HORSE MEAT AND MEAT PRODUCTS INTENDED FOR EXPORT TO THE EUROPEAN UNION AS WELL AS CERTIFICATION PROCEDURES

Executive Summary

The report describes the outcome of a mission carried out by the Food and Veterinary Office (FVO) in Mexico from 22 November to 3 December 2010. The objectives were to follow-up on the previous mission carried out in 2008 and to review the action plan submitted to the FVO by Mexico in order to comply with European Union (EU) import requirements for equine meat, as requested by the Commission services in 2009.

A process of reviewing the existing legislation is in place since 2009, and procedures to verify that the establishments requesting authorisation to export to the EU are in line with EU requirements, before approving them, have been implemented. However, approval was recently granted to an establishment which is not yet compliant, whilst another one (approved since 1999, in which several deficiencies were noted by the mission team) was not audited since 2006. In both cases, the Central Competent Authority (CCA) gave assurances that no export certificates will be issued until all deficiencies have been corrected.

The other establishments visited were reasonably maintained and complied with EU structural requirements; some deficiencies were found in the control of potable water and implementation of hygiene practices, the traceability systems showed some deficiencies when implemented and several carcases in the chillers were not health-marked. No problems were detected as regards animal welfare at the time of slaughter or (with one exception) in the waiting pens annexed to slaughterhouses.

Staff of in–house laboratories performing Trichinella examination have been trained, laboratories have been audited by the National Reference Laboratory (NRL) and proficiency tests have been carried out.

Staff of the CCA had training in TRACES in May 2009 and currently, all consignments to the EU are notified in TRACES and export certificates are issued within the system. However, TRACES does not allow the flexibility needed by the production system in Mexico.

All holdings in Mexico, breeding or fattening horses, (including the 14 collection centres) are registered. All EU eligible live animals are identified by means of microchips and entered in the national computerised database. Some deficiencies were seen in one collection centre in relation to the documentation received and kept (passports, holding register and internal movement certificates).

Import requirements for slaughter horses have been modified to comply with EU requirements concerning medical treatments and identification. Imported horses are identified in the United States (US) by microchip and border controls have been strengthened. The sworn statement on veterinary medical treatments, is requested for all slaughter horses, irrespective of their origin; however, there are no official controls in place to verify their authenticity or reliability.

According to the Mexican National Residues Monitoring Programme (NRMP), 19 samples in 2008, nine in 2009 and six in 2010 have tested positive for residues of substances, the use of which is prohibited in the EU. All of those horses were covered by the declaration stating that no treatments were administered to the animals. Following two Rapid Alert System for Food and Feed (RASFF) notifications in September 2010, the Mexican Competent Authorities (CAs) reacted and identified five potential US providers, who will be targeted in the next sampling in the framework of the NRMP.

Overall, the recommendations of the 2008 report have been addressed, with the exception of Recommendation No 4, requesting that only establishments in line with the relevant EU requirements would be included in the list of establishments authorised for export to the EU.

A number of recommendations have been made to the Mexican CA with a view to addressing the deficiencies identified during the mission.

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ABBREVIATIONS AND DEFINITIONS USED IN THIS REPORT

Abbreviation	Explanation
CA(s)	Competent Authority (ies)
CCA	Central Competent Authority (SENASICA)
DG	General Directorate of the CCA
EU	European Union
FBO	Food Business Operator
FVO	Food and Veterinary Office
HACCP	Hazard Analysis Critical Control Points
Meat EQU	Health certificate drawn up in accordance with the relevant model in Part 2 of Annex II to the Commission Regulation (EU) No 206/2010
NOM	*Norma Oficial Mexicana* (National legislation)
NRL	National Reference Laboratory for Trichinella examination (CENAPA)
NRMP	National Residue Monitoring Programme
OIC	*Organo Interno de Control* (Internal Control Unit for internal audits)
OIE	World Organisation for Animal Health
OISA	*Oficina de Inspeccion de Sanidad Agropecuaria* (Border Inspection Office)
OV	Official Veterinarian
RASFF	Rapid Alert System for Food and Feed
SAGARPA	*Secretaria de Agricultura, Ganaderia, Desarrollo Rural, Pesca y Alimentación* (the Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food)
SENASICA	*Servicio Nacional de Sanidad, Inocuidad y Calidad Agroalimentaria* (the CCA) National Service for Health, Food Safety and Food Quality
SINIIGA	*Sistema* Nacional de Identificacion Individual del Ganado (Organisation responsible for the identification of livestock)
SS	State Supervisor
TIF	*Tipo Inspeccion Federal* (Food processing establishment with industrial capacity and approved for export)
US	United States of America
USDA	United States Department of Agriculture
VMP(s)	Veterinary Medicinal Product(s)

1 Introduction

The mission took place in Mexico from 22 November to 3 December 2010, as part of the FVO's planned mission programme. The mission team comprised two FVO inspectors, who were accompanied during the mission by representatives from the CCA, the National Service for Health, Food Safety and Food Quality (*Servicio Nacional de Sanidad, Inocuidad y Calidad Agroalimentaria* - SENASICA) of the Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food (*Secretaria de Agricultura, Ganaderia, Desarollo Rural, Pesca y Alimentación* – SAGARPA).

An opening meeting was held on 22 November 2010 with the CCA. At this meeting the FVO mission team confirmed the scope of, and itinerary for the mission and additional information required for the satisfactory completion of the mission was requested.

2 Objectives Of The Mission

The objectives of the mission were:

- to assess the adequacy of guarantees given by the CCA of Mexico for the export of fresh horse meat and meat products to the EU;
- to evaluate the measures taken by the CCA to address the recommendations of the FVO report DG(SANCO)/2008-7979;
- to evaluate the implementation of the action plan presented by the Mexican CCA with regard to identification of equine animals, prohibition on the administration of anabolics to equidae, records of medical treatments and a risk-based programme for official controls (see 4).

The scope of the mission was to review the structure and operation of public health control systems in Mexico's meat sector over the production of fresh meat of horses, and meat products of horses and beef for human consumption destined for export to the EU.

In pursuit of the mission's objectives, the following sites were visited:

Competent Authorities	Central	2	Opening and closing meeting
	Regional	3	State Supervisors (SS) met during visits to the establishments
	Local	5	Official Veterinarians (OV) met during visits to the establishments
Laboratories		4	In-house laboratories visited in the establishments
Meat products establishments		1	

Slaughterhouses	4	
Cutting plants	4	Attached to slaughterhouses
Collection centres for live horses (*"acopios"*)	3	Attached to slaughterhouses
Live horses export facilities	1	In the US territory

3 Legal Basis for the Mission

The general provisions of EU legislation and, in particular, Article 46 of Regulation (EC) No 882/2004 of the European Parliament and of the Council of 29 April 2004 on official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules.

Other relevant EU legislation, which was taken into consideration during the mission and legal acts quoted in this report are provided in Annex I and refer, where applicable, to the last amended version.

4 Background

In September 2008, an FVO mission (ref. DG(SANCO)/2008-7979) took place in Mexico in order to evaluate the operation of controls over the production of fresh horse meat. The report is published on the Commission website: http://europa.eu.int./comm/food/fvo/ir_search_en.cfm. In response to the seven recommendations of the mission report an Action Plan was provided by the CCA in order to address the main shortcomings. Details of the actions proposed are provided in the relevant chapters of this report.

On 17 April 2009 the Commission services wrote to the Mexican authorities with the aim of clarifying EU import requirements for equidae and equine meat. Third countries were requested to submit an action plan to the FVO in order to assess the implementation of the necessary corrective measures to ensure full compliance with import requirements. The action plan presented by Mexico was satisfactorily evaluated by the Commission services.

Details concerning the animal health situation in Mexico can be found at the World Organisation for Animal Health (OIE) website: http://oie.int.eng.en

According to the CCA a number of diseases affecting horses such as African horse sickness, glanders and vesicular stomatitis have never occurred or have not occurred in recent times.

Mexico is included in Annex II to Commission Regulation (EU) No 206/2010 authorising imports of fresh meat and in Annex II, Part 2 of Commission Decision 2007/777/EC authorising imports of meat products into the EU.

The following trade statistics (fresh meat from equidae – chilled or frozen) are available from the Comext Database (External Trade – Export Helpdesk) of DG TRADE:

Year	Imports quantity (tons)	Imports value (€)
2006	1 299	3 559 450
2007	4 327	11 753 820
2008	6 758	16 763 160
2009	7 015	19 106 620

5 Findings And Conclusions

5.1 Legislation and competent authorities

Legal basis

Article 46 of Regulation (EC) No 882/2004 stipulates that EU controls in third countries shall verify compliance or equivalence of third country legislation and systems with EU feed and food law and EU animal health legislation. These controls shall have particular regard to points (a) to (e) of the aforementioned article. Point (g) is covered in Section 5.4 of this report as regards horses.

5.1.1 Legislation

Findings

Since 2009, the CCA is in the process of reviewing the existing legislation, with the aim of allowing deregulation, more flexibility and efficiency with regard to possible sanitary emergencies by the CAs. It is foreseen to repeal 108 pieces of national legislation (*Normas Oficiales Mexicanas* - NOMs), and to publish Regulations with attached Agreements, Guidelines, Annexes and Circular letters, which can be issued and modified by the CCA.

The NOM 004 on maximum limits of residues will be repealed together with the other 11 NOMs on laboratory methods. The Law and Regulation on meat processing (relevant for the federal supervision on export establishments), the NOM-009-ZOO-1994 on sanitary meat processing and the NOM-008-ZOO-1993 on Zoosanitary specifications for the construction and equipping of slaughterhouses and meat product processing establishments will also be repealed.

NOM-033-ZOO-1995 on animal welfare at slaughter will not be affected by the review process.

The Federal Law (Title Fifth, Chapter III, Articles from 84 to 90 – "On traceability") prescribes requirements for traceability of animals and their products; the implementing Regulation of this Federal Law is shortly going to be published in the Official Journal.

5.1.2 Competent authorities

Findings

5.1.2.1 Organisation of competent authorities

No changes occurred in the organisation of the CAs since the previous mission in 2008. However,

the mission team was informed that from 2011 the Directorate of Establishments TIF (*Tipo Inspeccion Federal*) will also be responsible for the supervision of establishments authorised for export of fishery products, molluscs and milk.

5.1.2.2 Competent authorities' powers, independence and authority for enforcement

The Federal Law on Animal Health (Articles 109 and 110) gives the necessary inspection and enforcement powers to the CAs.

5.1.2.3 Supervision

At the time of the previous mission in 2008, the internal audit unit (OIC – *Organo Interno de Control*) noted in its reports a lack of a specific CCA programme of inspections of TIF establishments, and delays in the implementation of follow-up measures. The CCA stated that no major remarks have been made in the following reports by the OIC, as an inspection programme is now in place and implemented.

As described in the 2008 report, except for audits carried out by the OIC, there are no procedures in place for the CAs to verify the effectiveness of official controls carried out, and to ensure that corrective actions are taken when needed.

5.1.2.4 Training of staff in the performance of official controls

In response to Recommendation No 1 (*to guarantee that the officials at all levels involved in audits and supervision of exporting establishments have adequate knowledge with regard to the relevant Community legislation concerned by export certification, as stated in point 9.1 of the relevant export certificate set out by Council Decision 79/542/EEC*[1]) of the previous report the CCA replied that the "Inspection Manual for Official Veterinarians" (OVs) was modified to include specific inspection procedures at slaughter and prior to shipment of the products destined for the EU. At least one annual training session shall be provided to official staff involved in the export of horse meat to the EU, and relevant legislation will be forwarded to them.

Three days training on EU legislation (including microbiological requirements, Hazard Analysis Critical Control Points (HACCP) and pre-requisites, identification and traceability) has been provided to staff of the CCA, SS and OVs of TIF establishments in December 2009 and October 2010; at least one OV attended from each equine slaughterhouse/cutting plant approved for export to the EU attended.

The training programme for 2010 included some e-training courses on EU legislation, sampling procedures, traceability, good agricultural and zoo-technical practices, HACCP and microbiological, chemical and physical hazards in foodstuffs.

No specific training was provided on certification procedures; however, some topics of the training courses (traceability, animal identification, etc.) were indicated to the attendees as having an impact on certification of foodstuffs for export.

5.1.2.5 Resources

No shortage of staff was seen or noticed during the visits. The budget for the CAs has increased regularly over the years.

1 Council Decision 79/542/EEC now repealed and replaced by Commission Regulation (EU) No 206/2010 of 12 March 2010.

5.1.2.6 *Organisation of control systems*

In response to Recommendation No 2 (*to ensure that staff in charge of official controls at all levels perform adequate official controls as stated in point 9.1 of the relevant export certificate set out by Council Decision 79/542/EEC*) of the previous report the CCA replied that a *Compendium* of the relevant EU legislation and an "Inspection Guide" have been provided to the OVs in charge of export establishments, and that there will be an inspection programme of such plants by CCA staff.

All OVs met in the slaughterhouses visited had a *compendium* of the EU legislation available in their offices. However, the OV of the meat products plant did not have access to EU legislation.

The "Inspection Manual for OVs" has been amended and now includes a chapter on specific inspection procedures in equine animals at slaughter. The ante-mortem inspection procedure described includes the check of sworn statements on treatments with Veterinary Medicinal Products (VMPs); however, reference is made to the absence of treatments in the previous three months, and not in the previous six months as agreed with the Commission services.

There is a CCA programme of supervision of TIF establishments, based on audits of establishments which have been selected randomly. In 2010 the plan is to visit 80 out of 381 TIF establishments. However, there are no guarantees that all establishment will be supervised in a given period.

In addition, the CCA inspects twice a year TIF establishments which are currently exporting.

Collection centres for live equidae of Mexican origin are supervised at least twice a year by staff of the CCA or the SAGARPA Delegations in the States. With regard to controls on identification of live horses and record keeping, they can also be audited sometimes by official staff of the organisation responsible for the identification of livestock (the *Sistema Nacional de Identificacion Individual del Ganado* - SINIIGA). A procedure for their approval, including a specific check-list, is in place.

5.1.2.7 *Documented control procedures*

New check-lists have been provided for staff supervising collection centres for live horses, while check-lists for officers certifying meat destined for the EU are at a draft stage.

The same template referring to the national legislation only is used by the SS and the OV for the supervision and approval of TIF establishments while the CCA uses a template which refers to the relevant EU legislation. However, controls over microbiological testing of products, as foreseen by Regulation (EC) No 2073/2005, are not included in the check-lists used by the CCA, the SS or the OVs.

Conclusions

The recommendations of the 2008 report in relation to the organisation of official controls and knowledge of staff have been addressed; however, procedures for supervision of the CAs and certain controls over FBOs obligations (i.e. microbiological testing of products) are still not in place or documented.

5.2 CONTROL MEASURES REGARDING HORSE MEAT DESTINED FOR EXPORT TO THE EU

Legal requirements

Certification conditions for the introduction into the EU of fresh meat of horses intended for human consumption as laid down in point II.2 of the relevant model certificate "EQU" in part 2 of Annex II

to Commission Regulation (EU) No 206/2010 set out conditions regarding the animal health situation for the animals and the situation on their holding. This requires the CA to have system(s) in place for holding registration and animal identification. Sub-section II.1.7. of the certificate stipulates that only horse meat from horses covered by residue monitoring plans submitted in accordance with Council Directive 96/23/EC, in particular Article 29, are eligible for export to the EU.

According to point II.1.4. of the certificate, an ante-mortem inspection in accordance with Chapter II, Section I of Regulation (EC) No 854/2004 has to be carried out before meat can be declared fit for human consumption.

Requirements for certification conditions for the introduction into the EU of meat products regarding animal health are laid down in point II.1 of the model certificate for meat products of Annex III to Commission Decision 2007/777/EC sets out the animal health situation for animals and their holdings of origin. This requires the CA to have a system in place for holding registration and animal registration.

Findings

Controls on imported horses

Horses for slaughter are imported from the US.

5.2.1.1 Horses identification and identity verification

In response to the request by the Commission services for an action plan implementing corrective measures to ensure full compliance with import requirements of fresh meat from equidae, the CCA replied that all imported horses would be identified by microchip at the border, before being authorised to enter the Mexican territory.

US horses are identified on a voluntary basis in the US collection centres; their identification is included in the export certificate issued by the US Department of Agriculture (USDA). All animals seen were identified by microchip in addition to the green label attached to their skin bearing the USDA identification number.

Imported animals have no passports, but are accompanied by a certificate stating their identification (microchip and green USDA label).

5.2.1.2 Import controls

A new system of official controls over imported equidae destined for slaughter is in place since December 2009 and is supervised by the CCA. Eight border inspection offices (*Oficinas de Inspeccion de Sanidad Agropecuaria* – OISAs) are authorised to perform controls on imported equidae, but only six are currently in operation. A pilot programme aimed at the collection of information on the main problems encountered during routine controls at the borders has been in place since 2010. The guidelines for the inspection of animals by official staff will be modified accordingly as soon as the programme is finalised (deadline end 2010).

As previously described in the 2008 report, the physical examination of imported horses takes place on US territory. The mission team visited the facilities of the US exporter: a comprehensive examination of animals took place and horses in advanced pregnancy, with health problems or injuries were discarded (12 of the 30 animals present in the consignment seen were rejected).

Data for 2010 presented by staff of the OISA visited showed that, out of 630 consignments of live horses for slaughter, 58 were rejected after documentary checks and a further 226 consignments had animals rejected. At the six OISAs involved in imports of live horses from the US, 5 336 live horses in 631 consignments were rejected out of 62 560 animals presented for import between January and October 2010.

Following the border check, an internal movement certificate is issued by the OV of the OISA; however, this reports only the total number of animals, and not their individual identification. This practice makes it difficult to identify which animals are at that moment present in the consignment and which were rejected at the border. The CCA stated that an amendment to the national movement certificate addressing this shortcoming is foreseen in 2011. Horses imported for slaughter can be directed only to the slaughterhouse indicated in the movement certificate. Trucks are sealed by the OISA staff. The seal can only be broken by official staff at arrival at the slaughterhouse.

5.2.1.3 Rules for anabolic steroids

Since 5 April 2010, the declaration accompanying the live horses at the border must report that anabolic steroids and beta-agonists have not been used as growth promoters.

5.2.1.4 Treatments records

In response to the request by the Commission services for an action plan implementing corrective measures to ensure full compliance with import requirements of fresh meat from equidae, the CCA replied that the US CAs were requested to provide guarantees on compliance with EU requirements, by amending the export certificate or by annexing additional declarations to the export documents.

The import requirements for live horses destined for slaughter have been modified to address EU requirements concerning treatments with VMPs; in particular, the owner must sign a sworn statement in which he/she declares the treatments which have been administered to the animals. However, the most recent version of the import requirements, downloaded by the mission team from the CCA website, still indicated that products of Annex IV to Council Regulation (EC) No 2377/90 (now repealed), should not have been used in the 180 days prior to the dispatch of the animals.

Imported animals are accompanied by a sworn statement on veterinary medical treatments. However, the USDA does not take any responsibility with regard to the origin of the animals, to the controls over US assembly centers and to the authenticity of the sworn statement.

5.2.1.5 Risk-based official controls programme

The CAs do not verify the authenticity or reliability of the sworn statements made by owners on veterinary medical treatments; in particular, no system is in place to verify those declarations accompanying the horses presented at the OISA which have been rejected due to illnesses at a previous border control (and that can stay some time at the US border and likely to be treated with VMPs).

In September 2010 two RASFF notifications were issued for the presence of cortisone. All horses were covered by the sworn statement.

Following the two RASFF notifications in September 2010, the CAs reacted and identified five potential US providers, who will be targeted by the next sampling in the framework of the NRMP.

5.2.2 *Controls on domestic horses*

5.2.2.1 *Holding registration*

All holdings, breeding or fattening horses, are registered in a national database by the SINIIGA; a difference is made between holdings, large community grounds in which animals can be raised and collection centres. Agricultural farms (which can keep some working horses) are not registered in the SINIIGA database, and consequently their animals cannot enter the system of identification or be slaughtered for export to the EU.

Collection centres can stand alone or be annexed to TIF establishments: 14 collection centres are currently registered, but not all are in operation. The collection centres visited by the mission team were all annexed to TIF plants, sometimes in close contact with the slaughterhouse's waiting pens, using the same facilities for unloading, watering and feeding the animals.

5.2.3 *Horse identification and identity verification*

In response to the request by the Commission services for an action plan implementing corrective measures to ensure full compliance with import requirements of fresh meat from equidae, the CCA replied that Mexican horses would be identified by microchip no more than 10 days prior to slaughter.

Identification of live Mexican horses is carried out by the SINIIGA, which counts on veterinarians as private practitioners authorised to identify the horses. There is no legal national framework for the identification of horses, except the general requirements on traceability included in the Title Fifth, Chapter III of the Federal Law on Animal Health, and the specific requirements of the importing party.

The animals seen by the mission team were in general identified between one and eight days before slaughter at the collection centres. The SINIIGA attributes stocks of microchips to the contracted staff and no further supply can be granted if the previous one has not been used.

In one State visited, the SINIIGA staff informed the mission team that the CAs are planning to identify all national horses in their holding of birth, but no specific decision has yet been taken. Almost 6 000 000 horses are reared in Mexico.

Technical instructions of the SINIIGA prescribe that microchips must be removed from carcases, kept under official control and destroyed. Information on slaughter must be notified to the database, through the offices of the SINIIGA located in each State. However, the mission team noted that in one TIF establishment this was done several months after slaughter, and only after the specific request of the SINIIGA staff.

All EU eligible animals seen were identified by microchip; the CAs stated that horses cannot be moved between States for slaughter purposes unless they are identified.

Passports were seen at all collection centres and slaughterhouses; a passport can be used to identify more than one animal (up to three in the cases seen).

The national database can trace national identified horses up to their last holding of origin, in addition to the collection centre in which the identification of the animal took place; a special code also indicates the State in which the animals have been identified.

The holding register kept at collection centers is based on the model annexed to the official instruction of the SINIIGA; however, this model does not comply with the requirements of the same instruction, as the movement dates were not registered.

Some deficiencies were seen by the mission team: in one collection center discrepancies were noted in relation to the documentation received and kept (passports, holding register and internal movement certificates). In another center a certificate of internal movement and the accompanying documentation certifying the identity of the animals reported more animals than those actually registered at the collection center; the difference could not be explained.

5.2.3.1 Rules for anabolic steroids

In the action plan submitted to the FVO in order to ensure full compliance with import requirements, the CCA indicated that access to anabolic steroids is restricted and that such substances are not marketed for growth promotion purposes in equidae. However, boldenone can be used in horses not intended for human consumption.

5.2.3.2 Treatments records

In response to the request by the Commission services of an action plan implementing corrective measures to ensure full compliance with import requirements of fresh meat from equidae, the CCA replied that treatment records will be included in vendor declarations or passports.

Collection centers are not requested to keep treatment registers, although horses can remain there up to two months; however, in general, horses stay between one day and one week.

Passports also contain the sworn statement on veterinary medical treatments, based on an old template referring only to products of Annex IV to Council Regulation (EC) No 2377/90 (now repealed) and to anabolics, but not to the six months withdrawal period for treatments with VMPs. The CAs do not verify authenticity or reliability of the sworn statement on veterinary medical treatments made by owners, even with the presence of positive results for residues.

According to the NRMP, 19 samples in 2008 and nine in 2009 tested positive for residues of substances, the use of which is prohibited in the EU (clenbuterol, zilpaterol, ractopamine and furanics). In September 2010 two RASFF notifications were issued for the presence of cortisone. All horses were covered by the sworn statement.

5.2.3.3 Risk-based official controls programme

In response to the request by the Commission services of an action plan implementing corrective measures to ensure full compliance with import requirements of fresh meat from equidae, the CCA replied that verification audits will be carried out at least twice a year at the level of collection centers and at holdings.

Documented evidence of controls carried out at the prescribed frequencies was seen in the collection centers visited. No evidence of the same controls over the holdings was provided.

Conclusions

Traceability of live horses is ensured only to the last holding of origin (for Mexican horses) or to the collection center (for US horses) undermining the reliability of information over the whole chain. Border controls have been strengthened, resulting in better animal health and welfare conditions. The CAs do not verify the reliability/authenticity of the sworn statements made by owners on veterinary medical treatments, even in the presence of positive results.

Horse collection centers in Mexico, supplying horses to EU-approved slaughterhouses, are registered and horses are identified prior to slaughter.

5.3 Approval of establishments

Legal requirements

Article 12 of Regulation (EC) No 854/2004 requires that products of animal origin may be imported into the EU only if they have been dispatched from, and obtained or prepared in establishments that appear on lists drawn up, kept up-to-date and communicated to the Commission.

Findings

In response to Recommendation No 4 (*to guarantee that only establishments in line with the relevant Community requirements (in particular those of Regulation (EC) No 853/2004) are included in the list of establishments authorised for export to the EU, as laid down in Article 12 of Regulation (EC) No 854/2004*) of the previous report the CCA replied that a new inspection procedure includes the specific requirements which have to be met by TIF establishments wanting to export fresh horse meat to the EU.

Two establishments are listed for export of beef meat products to the EU, although they do not currently export. In addition, four establishments are listed for export of fresh horse meat to the EU, of which two are also authorised to export horse meat products.

One recently approved establishment (slaughterhouse and cutting plant) was visited; the approval was granted by the CCA after a favourable report from the SS, based on the old check-list referring to national legislation. The establishment was found by the mission team to be non-compliant with EU requirements (dispatch area unfinished, deficiencies in the cutting room in relation to equipment and layout, presence of untraceable and not health marked carcases, deficiencies in slaughter hygiene) and with national requirements concerning water quality and testing. Assurances were requested and received from the CCA that export certificates will not be issued until all deficiencies are resolved.

Another establishment producing meat products, and approved since 1999, was audited by the CCA in 2006; the audit report referred only to the national legislation. The OV in charge of the establishment had no knowledge of EU requirements of products to be certified and what model of export certificate to use. The mission team found that this establishment was not fully in compliance with EU requirements, and assurances were requested and received from the CCA that export certificates will not be issued until the establishment is evaluated against EU requirements.

Conclusions

Recommendation No 4 of the 2008 report, in relation to the listing of establishments authorised for export to the EU, has not been addressed. Two out of five establishments visited did not comply with EU requirements and the procedure for approval did not ensure that EU requirements were met. Moreover the approval was based on the evaluation against national legislation only.

5.4 Official controls at establishment level

Legal requirements

Article 12 of Regulation (EC) No 854/2004 lays down that the CA of the third country of origin has to guarantee that establishments placed on the list of establishments from which imports of specified products of animal origin to the EU are permitted, together with any establishments handling raw material of animal origin used in the manufacture of the products of animal origin concerned, complies with the relevant EU requirements, in particular those of Regulation (EC) No 853/2004, or with requirements that were determined to be equivalent and that an official inspection

service supervises the establishments and has real powers to stop the establishments from exporting to the EU in the event that the establishments fail to meet the relevant requirements.

The requirements for certification conditions for the introduction into the EU of fresh meat of horses intended for human consumption are laid down in the relevant model certificate "EQU" in part 2 of Annex II to Commission Regulation (EU) 206/2010.

The requirements for certification conditions for the introduction into the EU of meat products are laid down by Commission Decision 2007/777/EC.

Findings

5.4.1 Ante-mortem inspection

Ante-mortem inspection was generally carried out according to EU and national requirements; in particular, grey/white horses were identified and slaughtered separately at the end of the batch to allow a specific post-mortem inspection.

5.4.2 Post-mortem inspection

Post-mortem inspection was generally carried out satisfactorily in two out of four establishments visited. Green offal was not or only insufficiently inspected in the remaining two establishments.

5.4.3 General and specific hygienic requirements

Maintenance problems related to structures and equipment were noted in several establishments. General problems related mainly to hygienic slaughter practices, such as de-hiding, splashing from hoses and equipment not properly connected to drains, condensation dripping on exposed meat, carcases touching each other before post-mortem examination, and in most cases also platforms and equipment, with a risk of cross contamination.

In one slaughterhouse the layout and space were not adapted to the activities carried out, leading to an increased risk of cross-contamination if (as planned by the food business operator (FBO)) there was an increase in production.

In another establishment enlargement of the dispatch area was on-going, the location of the equipment of the cutting room and the layout of the plant were unclear or not satisfactory, with crossing of flows.

In one establishment, there was no equipment for the disinfection of lorries.

5.4.4 HACCP-based systems

In response to Recommendation No 5 (*to ensure that FBOs produce fresh horse meat in accordance with the relevant Community legislation (including proper implementation of HACCP-based systems, microbiological controls and pre-requisites such as water controls) as stated in part 9.1 of the relevant export certificate set out in Council Decision 79/542/EEC*) of the previous report, the CCA replied that TIF establishments rely on official staff and on SS, checking the proper implementation of the national and EU legislation.

Deficiencies have been noted in relation to water controls: no inactivation of free chlorine took place in the establishments visited and no bacteria of the *Streptococcus* type was tested. In one establishment differences were noted between water samples tested at an in-house laboratory and those outsourced; the FBO started a parallel sampling three months ago (one sample/month).

Other deficiencies related to an insufficient contact time after chlorination, which took place after the storage tank in one establishment, and to titres of free chlorine generally higher than those allowed by national legislation (up to 3.5 ppm).

No major deficiencies have been noted in relation to other aspects of the HACCP system checked.

5.4.5 Microbiological testing

Microbiological testing of carcases was carried out in all establishments visited in accordance, or even exceeding, the requirements of Commission Regulation (EC) No 2073/2005. Trends were calculated accordingly and showed an improvement in the results, although some of them were still out of the range of acceptability. No specific corrective actions were implemented in the case of marginal results.

5.4.6 Traceability and identification marking

Traceability exercises were carried out by the mission team in the establishments visited. In two establishments discrepancies were noted with regard to the number of cuts obtained and their origin.

One slaughterhouse visited had a system of traceability in place to slaughter national unidentified horses, the meat of which is destined for the national market and thus excluded from export to the EU. The other establishments only slaughtered the EU eligible animals identified.

Non-traceable carcases (destined, according to the CAs and the FBO, only for the national market) and non-health marked carcases were present in two establishments (one of them slaughtering horses also for the domestic market) and were sometimes in contact with EU eligible meat.

5.4.7 Animal welfare at the time of slaughter

In response to Recommendation No 6 (*to ensure that live animals have been treated in the establishments, before slaughtering, in accordance with the relevant provisions of Community legislation, and in particular with Article 5 and Annex A.II of Council Directive 93/119/EC, as stated in part II of the relevant export certificate set out in Council Decision 79/542/EEC*) of the previous report the CCA only replied that lairages were modified to comply with requirements laid down in Council Directive 93/119/EC.

In one establishment, one horse seen in the waiting pens had the fore legs attached together with a rope. The FBO stated that this is normal practice for Mexican horses, in order to avoid them wandering for long distances when grazing in the field. No action has been taken, although both the FBO and the CAs declared that staff was present during unloading of the truck and on a daily basis in the pens to feed and water the animals.

Although the action plan in response to the recommendation of the 2008 report was not satisfactory, the current situation in relation to animal welfare controls had generally improved.

Conclusions

Some establishments visited had deficiencies related to structure, equipment and operational hygiene, and in two of them the separation of EU and non-EU production was not ensured. Some hygiene practices, including water testing, were not in line with EU requirements. The animal welfare controls have been improved and no major shortcomings were identified.

5.5 Laboratory services

Legal requirements

Certificate "EQU" in point II.1 in part 2 of Annex II to Commission Regulation (EU) No 206/2010 sets out the conditions regarding *Trichinella* examination of meat to fulfil the requirements of Regulation (EC) No 2075/2005.

Findings

In response to Recommendation No 7 (*to review the system of official controls over Trichinella examination, to ensure that the examination of samples and the results offer equivalent guarantees to the methods laid down in Regulation (EC) No 2075/2005*) of the previous report, the CCA replied that the NRL (CENAPA) will carry out annual inspections in laboratories involved in *Trichinella* testing, and that a proficiency test would be carried out at least twice a year.

The Meat Hygiene Manual available for OVs sets out the general conditions for *Trichinella* testing of pig and horse meat; in addition, the procedure for testing in accordance with the methods of Commission Regulation (EC) No 2075/2005 was available in all in-house laboratories visited.

The Quality Assurance systems in the in-house laboratories did not include a control on reagents, making it impossible to cross check their consumption throughout the year.

Training was provided in 2009 and 2010 to staff of the laboratories involved in testing, and proficiency tests were carried out with satisfactory results in all laboratories in 2009 and 2010; the 2010 inter-laboratory test included one positive and one negative blind sample.

No written procedures were present to officially release the carcases (which were all health marked before the results of *Trichinella* testing are known) for cutting or export.

In one establishment visited testing was frequently carried out one day after sampling.

Conclusions

Testing procedures for *Trichinella* and official supervision over in-house laboratories in general complied with EU requirements.

5.6 Official certification

Legislation

Article 18 and Annex V of Commission Regulation (EU) 206/2010. Point (h) of Annex V sets out that CAs of the exporting country shall ensure that rules of certification equivalent to those laid down in Council Directive 96/93/EC are followed.

Requirements for certification conditions for the introduction into the EU of fresh meat, intended for human consumption are laid down in Commission Regulation (EU) No 206/2010.

Requirements for certification conditions for the introduction into the EU of meat products for human consumption are laid down in Commission Decision 2007/777/EC.

Findings

In response to Recommendation No 3 (*to urgently implement a reliable system of official certification of consignments of fresh meat intended for export to the EU, in order to have: 1) control measures to prevent the issuing of incorrect or misleading certification as required by Article 5 of Council Directive 96/93/EC, 2) a unique type of certificate in a language understood by the certifying officer and at least in one of the languages of the country of destination as laid down by Article 4 of Council Directive 96/93/EC, 3) certifying officers with a satisfactory knowledge of the Community legislation as regards the products to be certified and of the rules to be followed for*

issuing the certificates, as foreseen by Article 3 of Council Directive 96/93/EC) of the previous report, the CCA replied that training will be provided to certifying officers in export establishments and that implementation of the TRACES system to issue export certificates will be considered.

The staff of the CCA had training on TRACES in May 2009 and were authorised in August 2009 to use the system. Currently, all consignments to the EU are notified in TRACES and export certificates are issued within the system.

The TRACES system does not allow the flexibility which would be needed for the Mexican production conditions: in particular, it is not possible to indicate more than one day in advance of the introduction of animals (in case of live horses imported from the US), to indicate the presence of meat originating both from Mexican or US animals in the same consignment, or to indicate that the meat was obtained in more than one slaughterhouse or cutting plant. In addition, the TRACES system does not permit the issuing of multilingual versions of the certificates which means authentic certificates (with the signature and stamp of the OV) must be issued in Spanish and in one or more other languages. When meat originating from both Mexican and US horses is placed in the same container, two separate certificates are issued, each of them referring to the unique origin of the live horses.

The link between certificate and consignments was provided by the import dates of live horses, the slaughter dates and the container's seal. In addition, the "packing list" with a description of the batches forming the consignments is supplied to the certifying officer; however, in one establishment, "packing lists" were not always available to the OV before certification took place.

Conclusions

Certification for the export of fresh equine meat to the EU was generally in line with the requirements of Council Directive 96/93/EC. Problems were noticed by the CAs in relation to the possibility of adapting the TRACES system to the production conditions of horse meat in Mexico.

6 Overall Conclusions

The majority of the recommendations of the 2008 report have been addressed; however, Recommendation No 4 of the 2008 report, requesting that only establishments in line with the relevant EU requirements would be included in the list of establishments authorised for export to the EU, has not been addressed. Two out of five establishments visited did not comply with the EU requirements and the procedure for the approval of one of them still referred to the national legislation only. In addition, the procedures for the supervision of the CAs and controls over FBOs obligations (microbiological testing of products) are still not in place and/or documented.

All EU eligible horses are identified, and traceability of live horses is ensured to the last holding of origin (for Mexican horses) or to the collection center (for US horses). Border controls have been strengthened, resulting in better animal health and welfare conditions. The CAs do not verify the reliability or authenticity of the sworn statements made by owners on veterinary medical treatments, even with the presence of positive results.

Some establishments visited had deficiencies related to structure, equipment and hygiene of operations, and in two of them separation of EU and non-EU production was not ensured. Some hygiene practices, including water testing, were not in line with EU requirements. The animal welfare controls have been improved and no major shortcomings were identified.

Certification for export of fresh equine meat to the EU was generally in line with the requirements.

Problems were noted by the CAs in relation to the possibility of adapting the TRACES system to the production conditions of horse meat in Mexico.

7 Closing Meeting

A closing meeting was held on 3 December 2010 with the CCA. At this meeting, the preliminary findings and conclusions of the mission were presented by the mission team and discussed.

The representatives of the CCA acknowledged the findings and conclusions presented by the mission team.

8 Recommendations

An action plan describing the action taken or planned in response to the recommendations of this report and setting out a timetable to correct the deficiencies found should be presented to the Commission within 25 working days of receipt of the report.

N°.	**Recommendation**
1.	To ensure that only establishments in line with the relevant EU requirements (in particular those of Regulation (EC) No 853/2004) are included in the list of establishments authorised for export to the EU, as laid down in Article 12 of Regulation (EC) No 854/2004.
2.	To ensure that hygiene requirements during slaughter and cutting (as laid down in Regulation (EC) No 853/2004) are complied with in all establishments authorised for export as laid down in part 2 of Annex II to Commission Regulation (EU) No 206/2010 in the model certificate 'EQU'.
3.	To ensure that post-mortem examination is carried out according to Regulation (EC) No 854/2004 and that all carcases eligible for human consumption are properly health marked and traceable, in line with the requirements laid down in Annex I to Regulation (EC) No 854/2004 as required in the model certificate 'EQU' in part 2 of Annex II to Commission Regulation (EU) No 206/2010..
4.	To ensure that the requirements laid down in Articles 7 and 29 of Council Directive 96/23/EEC, and in particular the measures to be taken with regard to animals or products in which residues have been detected, are complied with.

The competent authority's response to the recommendations can be found at:

http://ec.europa.eu/food/fvo/ap/ap_mx_2010-8524.pdf

ANNEX 1 - LEGAL REFERENCES

Legal Reference	Official Journal	Title
Reg. 206/2010	OJ L 73, 20.3.2010, p. 1–121	Commission Regulation (EU) No 206/2010 of 12 March 2010 laying down lists of third countries, territories or parts thereof authorised for the introduction into the European Union of certain animals and fresh meat and the veterinary certification requirements
Reg. 2377/90	OJ L 224, 18.8.1990, p. 1-8	Council Regulation (EEC) No 2377/90 of 26 June 1990 laying down a Community procedure for the establishment of maximum residue limits of veterinary medicinal products in foodstuffs of animal origin
Reg. 882/2004	OJ L 165, 30.4.2004, p. 1, Corrected and re-published in OJ L 191, 28.5.2004, p. 1	Regulation (EC) No 882/2004 of the European Parliament and of the Council of 29 April 2004 on official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules
Reg. 852/2004	OJ L 139, 30.4.2004, p. 1, Corrected and re-published in OJ L 226, 25.6.2004, p. 3	Regulation (EC) No 852/2004 of the European Parliament and of the Council of 29 April 2004 on the hygiene of foodstuffs
Reg. 853/2004	OJ L 139, 30.4.2004, p. 55, Corrected and re-published in OJ L 226, 25.6.2004, p. 22	Regulation (EC) No 853/2004 of the European Parliament and of the Council of 29 April 2004 laying down specific hygiene rules for food of animal origin
Reg. 854/2004	OJ L 139, 30.4.2004, p. 206, Corrected and re-published in OJ L 226, 25.6.2004, p. 83	Regulation (EC) No 854/2004 of the European Parliament and of the Council of 29 April 2004 laying down specific rules for the organisation of official controls on products of animal origin intended for human consumption
Reg. 2073/2005	OJ L 338, 22.12.2005, p. 1-26	Commission Regulation (EC) No 2073/2005 of 15 November 2005 on microbiological criteria for foodstuffs
Reg. 2075/2005	OJ L 338, 22.12.2005,	Commission Regulation (EC) No 2075/2005 of 5 December 2005 laying down specific rules on

Legal Reference	Official Journal	Title
	p. 60-82	official controls for Trichinella in meat
Dir. 93/119/EC	OJ L 340, 31.12.1993, p. 21-34	Council Directive 93/119/EC of 22 December 1993 on the protection of animals at the time of slaughter or killing
Dir. 96/23/EC	OJ L 125, 23.5.1996, p. 10-32	Council Directive 96/23/EC of 29 April 1996 on measures to monitor certain substances and residues thereof in live animals and animal products and repealing Directives 85/358/EEC and 86/469/EEC and Decisions 89/187/EEC and 91/664/EEC
Dir. 96/93/EC	OJ L 13, 16.1.1997, p. 28-30	Council Directive 96/93/EC of 17 December 1996 on the certification of animals and animal products
Dec. 79/542/EEC	OJ L 146, 14.6.1979, p. 15-17	79/542/EEC: Council Decision of 21 December 1976 drawing up a list of third countries from which the Member States authorize imports of bovine animals, swine and fresh meat
Dec. 2007/777/EC	OJ L 312, 30.11.2007, p. 49-67	2007/777/EC: Commission Decision of 29 November 2007 laying down the animal and public health conditions and model certificates for imports of certain meat products and treated stomachs, bladders and intestines for human consumption from third countries and repealing Decision 2005/432/EC