Impact of meat recall beginning to show

By Julie Schmit, USA TODAY

The full costs of the biggest beef recall ever are beginning to emerge six weeks later and they are hitting retailers, meat processors, other businesses and the government.

In California alone, more than $1.1 million has been spent to destroy the beef and products containing it that were distributed via the federal school lunch program, state officials say.

That covers 4.2 million pounds of beef and 155,000 cases of processed food, says Phyllis Bramson-Paul, a director of nutritional services for the state education department.

California was one of 46 states that got beef from now-closed Westland/Hallmark Meat through the National School Lunch Program. But officials say it was likely one of the largest recipients because Westland/Hallmark's plant was in Chino, Calif. Westland/Hallmark recalled 143 million pounds of beef Feb. 17.

The USDA will reimburse states with credits or commodities to cover lost products and destruction expenses. "We're essentially eating the cost," USDA spokeswoman Angela Harless says.

Hundreds of companies also resold Westland beef or products containing some. Each must tell their customers that the products need to be destroyed as ordered by the USDA.

Some smaller meat firms may be ruined, says Rosemary Mucklow, executive director of the National Meat Association. "They're talking about losses of millions of dollars and if they have less than $10 million in sales, that's a lot," she says.

The USDA says much of the 143 million pounds was consumed pre-recall. But canned products, such as soups and sauces, can last years. The Grocery Manufacturers Association says the scope of the recall — covering two years of production and beef distributed nationwide — is unprecedented and the final cost may reach into the hundreds of millions of dollars.

In California, almost 15,000 retailers, restaurants, schools, hospitals and others received Westland beef or products containing the beef, according to a list published by the California Department of Public Health. There is no national public list.

The USDA says it will seek restitution from Westland/Hallmark. The firm has laid off its 200 workers and isn't expected to reopen.

Companies will seek payback, too, from Westland or others in the supply chain, says John Hall, product liability attorney at Eckert Seamans.

The USDA says the beef posed only a "remote" health risk. No illnesses have been reported. There was no evidence of contamination, as is the case in most meat recalls, the USDA says.

The recall was done because the USDA says the plant didn't always get USDA clearance when slaughtering non-ambulatory cattle, making the meat unfit to eat.