

# Food Safety Comes First For Packer

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In an era when new meatpacking plants come along about as often as U.S. Census Bureau surveys, the new facility soon to be opened by Greater Omaha Packing Co. is something to behold.

With stainless steel and fresh new concrete on the inside and white paint on the outside, the two-story plant is far removed from the huge, red-brick cattle-killing factories that marked the South Omaha horizon of old.

If the image and functioning of Greater Omaha Packing is undergoing a change, it is largely at the direction of the company's chief executive, Henry Davis.

The 49-year-old, soft-spoken, stickler-for-details type represents the third generation in his family to head the 80-year-old Greater Omaha Packing. His father, Pennie Davis, remains as chairman.

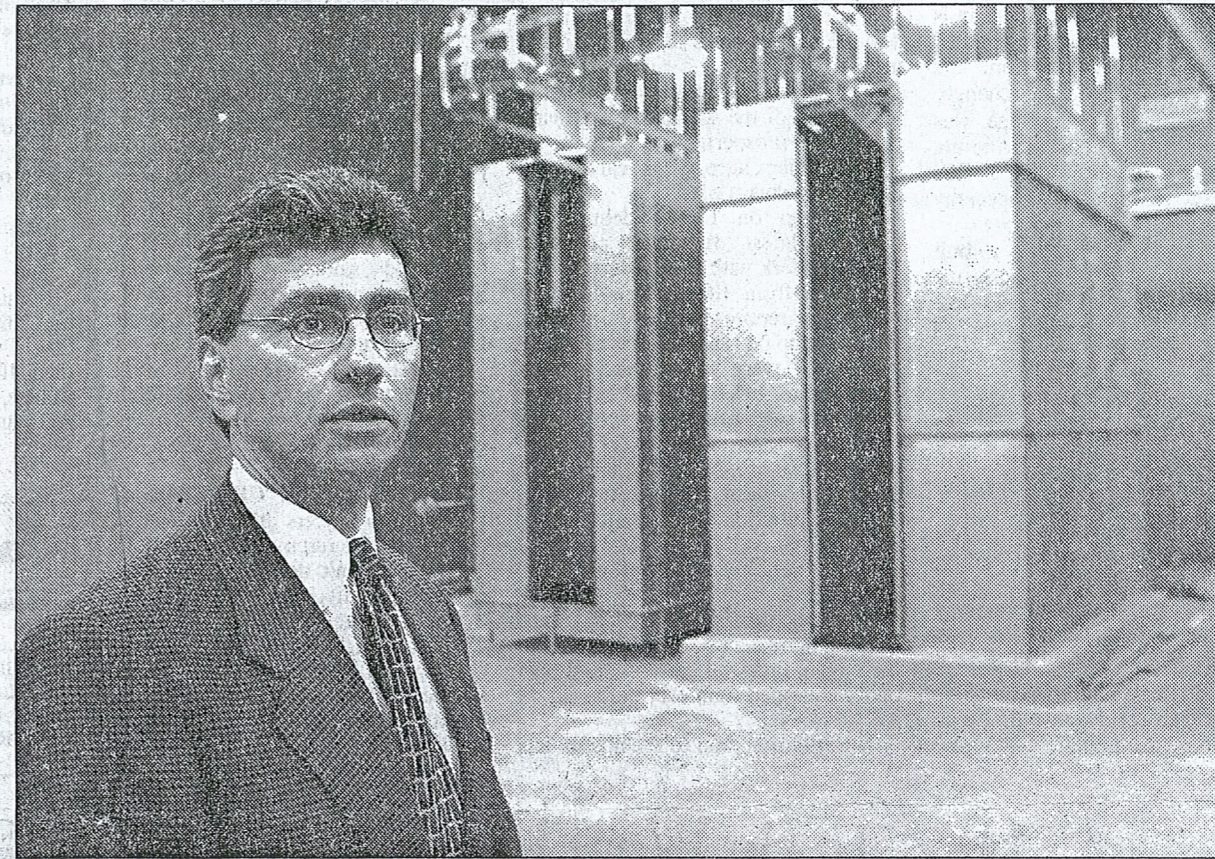
Henry Davis is part of that new generation of executives given to issuing mission statements, those sweeping corporate statements of purpose that sometimes are as portentous as State of the Union speeches, and as forgettable.

In the case of Greater Omaha Packing, however, at least one of the company's stated missions — to produce beef in a way that is "uncompromising in food safety" — is more than words on paper.

This month, Greater Omaha will begin slaughtering cattle in the new plant, connected on the west to the company's fabrication facility, a building that itself is only four years old.

Davis said that the new food-safety equipment alone costs \$6 million.

Greater Omaha Packing's executive vice president, one-time production worker Angelo Fili, said people in the industry walk away shaking their heads at the lengths to which his company has gone in designing the building's interior.



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**STICKLER FOR SAFETY:** Greater Omaha Packing Co.'s chief executive, Henry Davis, inspects a new plant area with high-pressure wash tanks in the rear. A company official said people in the industry walk away shaking their heads at the lengths to which the company has gone in designing the building's interior.

The 225,000 square feet of space on two levels has five compartments, through which beef carcasses move on conveyors. The compartments' walls are covered by stainless steel for easy cleaning and because the steel won't absorb bacteria.

After an animal is killed and skinned, the conveyor takes it past workers who perform various butchering jobs. Along the way, the carcasses move through two compartments where automated equipment sprays them with acetic acid to kill bacteria.

Said Davis, "We have gotten to the point now with carcass processing that contaminants are being reduced to where they are airborne." Each of the compartments has its own air filtration system so there is no airborne cross-contamination, he said.

At the end of the line, the carcasses move through two more compartments, See **NEW PLANT** Page 4



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**ON THE LINE:** Workers process meat at Greater Omaha Packing Co.'s current facility. The company buys cattle produced within a 150-mile radius of Omaha.



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where they are sprayed with water heated to 180 degrees Fahrenheit. Before the carcass moves from the new plant into the 185,000-square-foot fabrication building, it undergoes a final spray of acetic acid.

"It's overkill, but it is designed overkill," Fili said. "The reason we lay that many logs in front of (bacteria) is because we don't think you can do too much."

It may be that kind of thinking that is behind Greater Omaha Packing's longevity — longevity that has seen the company outlast the Swifts and Armours and Cudahys and all the other bigger packers that once provided jobs for Eastern European immigrants and have long since disappeared from South Omaha.

Davis, a 1973 graduate of the University of Denver, himself is hard-pressed to account for the company's staying power.

"Hard work is about all I can say, and we've always been a very conservative company," said Davis, who is married and has two children. "The other factor that has contributed to Greater Omaha's success has been respect for our customers and suppliers."

The company buys cattle produced within a 150-mile radius of Omaha. The animals currently are sent to

Greater Omaha's original plant at 5100 S. 26th St., where workers slaughter 1,800 cattle a day.

That will change when the new facility opens in mid-April. Approximately 300 employees now working at the 26th Street plant will move to the new site, where the daily kill will be boosted to an estimated 2,300 to 2,500 head.

The current 50,000-square-foot slaughtering plant will be set aside for production of meat products, such as steak, that will be sold directly to supermarkets and other retailers.

Greater Omaha Packing will hire an additional 100 workers, boosting its work force to 775 people.

Greater Omaha Packing used to supply customers with whole beef carcasses, but in April 1992, Henry Davis switched the company to a boxed-beef operation, distributing truckloads of meat to supermarket chains.

Greater Omaha Packing also supplies beef to hotels, restaurants and other food-service clients.

About 35 percent of the company's sales are derived from export markets, such as Japan, South Korea and Indonesia. That side of the business has grown so much that three years ago, Greater Omaha Packing started an export unit, TREX Corp. in San Francisco.

Last year, Davis said, TREX was the fourth-largest exporter of U.S. beef products into Southeast Asia, ranking behind food giants IBP Inc., Cargill Inc. and ConAgra Inc.

Exports have played a part in the company's rapid sales growth. Revenue has grown from \$66 million in 1980 to

\$177 million in 1990 to a projected \$600 million this year. Davis wouldn't disclose profit figures.

There have been a number of challenges along the way, including labor issues. In recent years, the changing ethnic makeup of meatpackers' work forces, as well as union issues, have been especially troublesome.

While Davis may seem more progressive than a typical meatpacking boss — earlier this year, for instance, he hosted a citizenship swearing-in ceremony at the plant for 20 employees — he sees no need for organized labor at his company.

"Here at Greater Omaha we have a system in place to resolve issues that make it unnecessary for people to organize," he said. "There would be no reason for that."

Greater Omaha Packing's workers were represented by a union years ago, first by the United Packinghouse Workers and later by the United Food and Commercial Workers Union.

During a strike by Local 271 of the UFCW in August 1986, the company hired replacement workers, after which the union's interest and involvement gradually withered away. Greater Omaha Packing has been nonunion ever since.

Like other packers, Greater Omaha has run afoul of immigration officials in recent years. In July 1997, about 90 of the company's workers, suspected of being undocumented immigrants, were arrested. Another 60 were targeted by the Immigration and Naturalization Service, which ordered them fired.

The INS issued Greater Omaha Packing a warning but no sanctions.

Last year, as part of its controversial Operation Vanguard, the INS listed Greater Omaha among 40 meatpacking plants that were suspected of having workers who were undocumented immigrants.

Davis is among those who have criticized Operation Vanguard, a campaign started in 1998 to find illegal workers in the packing industry. He is a member of a 29-person task force appointed by Gov. Mike Johanns to study the impact of federal immigration policies on the meatpacking industry. In a preliminary statement the group has disputed claims by federal officials that the government's crackdown has improved working conditions and boosted wages.

Davis said Operation Vanguard "was a very unfair" program. Since it was aimed mainly at plants in Nebraska, the campaign disproportionately affected small companies like his, whose only plant was in the state.

The program put Greater Omaha at a disadvantage also, because it created concerns among his customers that his company would not be able to meet its production commitments. The campaign also created bad publicity for the beef industry, he said, which was the only industry targeted even though poultry plants have similar problems with undocumented immigrants.

Davis said his company now has computer software that allows it to use Social Security data and other documents to verify that a person can be legally hired.

"The INS subpoenaed all our employment records and came down and interviewed employees," he said. "Every employee at Greater Omaha has either been screened and approved

at the INS or their documentation has been approved by this basic pilot (program)."

While Davis is critical of the government's immigration enforcement actions, in his own dealings with his work force — one heavily dependent on Hispanics — he has some progressive policies.

Those actions, such as opening his doors to the INS for the swearing-in ceremony, are part of what Davis considers the company's "obligation to support the community and employees."

Greater Omaha Packing pays its production workers \$8 to \$12 an hour, with other workers in such jobs as maintenance work making up to \$16 an hour. The company also provides health insurance — single employees contribute \$5 a week, married workers \$9 a week — a 401(k) retirement plan and such fringe benefits as health fairs for families and awards as large as \$5,000 for employees with good attendance records.

While these benefits may be no better or worse than what other meatpackers offer, they are a far cry from the day when Davis' grandfather Herman Cohen, a Romanian immigrant, founded the company in 1920.

One veteran of the Omaha meatpacking industry who has known Greater Omaha Packing as both a competitor and business partner is Robert Buscher, president of John Roth & Son Inc. Buscher, whose company was started in 1885 but no longer is in the meatpacking business, has nothing but good to say about Davis.

"I have known Henry since he was a

kid and I used to visit with his father," he said. "Henry is a very hard-working individual because — I'm going to tell you something — it's one of the hardest industries in the world to run."

John Roth & Son halted its packing operations in 1988 but uses its plant at 43rd and T Streets to process blood from slaughtered cattle into animal-feed supplements. As late as the early 1980s, there were approximately 15 independent meatpackers in South Omaha, Buscher noted, but high interest rates, a diminished supply of cattle and a health movement that curtailed consumption of red meat conspired to virtually kill the industry.

Only a handful of companies, such as Greater Omaha Packing and J.F. O'Neill Packing, have survived as independent operations.

"They were survivors," said Buscher, who still does business with Greater Omaha Packing. "I don't even operate with a contract with Henry. I have trusted him and his family. They are people of their word."

Based on the number of cattle slaughtered, Greater Omaha Packing ranks as the nation's seventh-largest meatpacker, according to Steve Kay, editor of Cattlebuyers Weekly Marketing and Business Newsletter of Petaluma, Calif. Most of the larger packers are huge corporations or cooperatives, such as IBP Inc., ConAgra Beef Co., Excel Corp. and Farmland National Beef Packing Co.

Greater Omaha Packing remains a closely held independent, and Davis plans to keep it that way.

"I get several letters a month regarding interest in the company," he said. "The company is not for sale. I can't think of any reason why I would want to sell this company."