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# Managing for Safer Food

## The Economics of Sanitation and Process Controls in Meat and Poultry Plants

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### Abstract

Sanitation and process control costs increased the costs of producing meat and poultry by about 0.5 percent in the period preceding the promulgation of the Pathogen Reduction/Hazard Analysis and Critical Control Point (PR/HACCP) rule of 1996. However, there was no benefit in trying to avoid these costs. Large slaughter plants and all further-processing plants with poor performance of sanitation and food safety process controls were more likely to exit their industries than other plants. Moreover, the fraction of costs required for sanitation and process control was about the same for large plants as for small plants, suggesting that larger plants were no better able than small plants to absorb sanitation and process control costs. Results also suggest that PR/HACCP raised wholesale meat and poultry prices by about 1 percent.

**Keywords:** Food safety, production cost, manufacturing plant survival.

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