

## **A RECALL TO BREAK ALL RECORDS**

On or about February 20, 2007, a Canadian manufacturer of pet foods, Menu Foods Income Trust, received a call on the toll-free customer service line listed on the labels of the products it manufactures. A customer was calling to complain that a cat had developed kidney problems soon after eating one of the company's foods. A second call with a similar complaint arrived a week later. As is customary practice for dealing with such complaints, the firm contacted the veterinarians who were treating the cats. The veterinarians suggested that the cats, both of which had been adopted as strays, might have wandered off and gotten into something like antifreeze. A third call on March 5 reported the death of a cat from kidney failure but Menu was unable to contact its veterinarian. Two more reports of similarly sick cats came in on March 6 and 7.

While these calls were trickling in, and apparently by coincidence, the company that Menu Foods hires to test the palatability of its pet foods began conducting its routine quarterly taste

trials. Pet food manufacturers order such trials to find out whether cats and dogs are willing to eat foods with new ingredients, and whether the animals prefer to eat that company's foods or those made by competitors. This testing company ran palatability tests for Menu Foods every three months or so. Because some Americans strongly disapprove of animal experimentation (especially when it involves dogs and cats) and are not shy about making their opinions known, the laboratories that do such work tend to keep a low profile. The identity of this particular testing company has not been publicly disclosed.

The anonymous company's palatability testing began on February 27 and involved 40 to 50 cats and dogs in at least three separate concurrent trials. The first trial offered 20 cats a choice of a product made by Menu Foods or one produced by another company. On the third day of that trial, the testing company reported that three of the 20 cats were sick with kidney disease. In the second trial, also involving 20 cats, three were ill with kidney disease, and one cat was so sick that it had to be euthanized. As it happened, either it or one of the other sick cats was more than 16 years old.

Later, in explaining to Congress why his company was not alarmed by these initial findings, Menu Foods' president and chief executive officer, Paul Henderson, noted that the cats had participated in tests of foods produced by at least two other manufacturers, and that all were at least ten years old, implying that they were susceptible to kidney disease anyway. His company, Henderson told Congress, had no reason to think that its foods were making cats sick.

Nevertheless, Henderson told Congress, "out of an abundance of caution," the company "stepped up" its investigation. It iden-

tified several ingredients common to the foods that the sick cats had been eating, among them the amino acids glycine and taurine (normal components of protein), “digest” (a meat-based flavoring ingredient), caramel color, salt, and wheat gluten. Of these, only wheat gluten seemed suspicious. Menu Foods had recently changed suppliers and was getting this ingredient from a new source.

About wheat gluten: this substance is a mixture of proteins extracted from wheat flour by repeatedly washing away the starch. In the human food supply, it is sometimes called wheat meat, vegetarian meat substitute, or seitan. In pet foods, wheat gluten has three functions: it adds protein, binds other ingredients, and thickens gravy-style foods. Recently, the extraction process had become so expensive that most American companies no longer made wheat gluten. By 2006, about 80% of the wheat gluten purchased by American companies came from companies in Europe, Australia, or Asia. That year, American companies bought 14% of their wheat gluten from China, twice the amount purchased just one year earlier.

In November 2006, Menu Foods switched suppliers and began to buy wheat gluten from ChemNutra, a company based in Las Vegas, from which it had previously obtained other pet food ingredients. Alarmed or not, Menu Foods halted shipments from ChemNutra on March 6, and two days later informed that company that there might be a problem with its wheat gluten.

The next day, March 9, the palatability testing company reported that it had been forced to euthanize four sick cats from the first study and two more from the second study, and that nine more cats from the first study were sick. This meant that seven of the 20 cats in the first study were dead—a death rate of

35%. Menu Foods was sufficiently concerned to initiate a serious investigation. It asked the palatability testing company to check the pet foods for substances that could be harmful if present at excessive levels: minerals, heavy metals, antifreeze, vitamin D, fluorine, mold, and microbes. Menu also sent samples of the foods to the Animal Diagnostic Laboratory at Cornell University for analysis but did not mention the deaths or concerns about kidney disease. The company just told the laboratory at Cornell that cats were refusing to eat the foods and asked it to test for pesticides and insecticides. When the tests revealed nothing unusual, Menu sent Cornell more food samples as well as samples of tissues and urine from the sick cats. But the Cornell laboratory found nothing unusual in these samples either.

On March 13, Procter & Gamble (P&G), the large home-products company that owns two high-end brands of pet food, Iams and Eukanuba, informed Menu Foods that it had received calls from three customers about “renal issues” in cats, one of which had died of kidney failure. The cats had become ill soon after eating specific lots of Iams foods manufactured at the Menu Foods’ plant in Emporia, Kansas. P&G’s in-house veterinarian contacted Menu, learned that wheat gluten was coming from a new supplier, and by March 14 was alarmed enough to have the company suspend production of Iams foods made at that plant. At 8:30 that night, P&G informed Menu that it would be ordering a recall of foods made at the Emporia plant since December 17, 2006—the earliest date of production of the specific Iams products mentioned in consumer complaints to P&G.

The next afternoon, March 15, Menu notified the FDA that something in its products, most likely the wheat gluten, seemed to be causing kidney failure in cats and that the company

intended to issue a recall. Finally, on March 16, nearly one month after the first reports of cat deaths, Menu Foods announced a recall of foods made at its plant in Emporia and, as a precaution, those made at its plant in Pennsauken, New Jersey. It chose December 3, 2006, as the starting date because foods mentioned in the consumer complaints to the Menu Foods call number were first produced during that week. The astonishing upshot was that Menu Foods would be pulling from the market more than 60 million cans and small foil pouches of “cuts-and-gravy” style dog and cat foods.

Although this was the largest pet food recall in history—and, indeed, the largest recall of any consumer product recorded at the time—it amounted to just 1% of the totality of canned, pouched, and kibble-style pet foods available on the market. Despite the tiny percentage, the recall surely came as a sharp shock to investors; Menu Foods estimated that this action might cost the company as much as \$40 million (Canadian). As we will see, this guess was a substantial underestimate.

But the most profound shock was to pet owners. The recall affected pet foods marketed under the most trusted brand names, all of them made by a company unknown to consumers. Menu Foods, the recall revealed, was the largest North American manufacturer of private-label “wet” pet foods, those packaged in cans or pouches. Its products were widely distributed and sold by supermarkets, mass merchandisers, and pet supply retailers. Indeed, Menu Foods manufactured canned and pouched foods for nearly all—17 of the top 20—North American pet food retailers under a breathtaking array of brand names. Menu’s plant in Emporia alone produced 42 brands of cat food and 53 brands of dog food. These ranged from the cheapest brands,

such as the Ol' Roy foods sold at Wal-Mart stores, to P&G's premium Iams and Eukanuba labels (the complete list of recalled brands is given in the Appendix). Yet here these brands were, all lumped together in one recall, all made at exactly the same place, all with virtually identical ingredients, and all made by one manufacturer. And at least one of these ingredients was causing cats to die of kidney failure or to become so sick with kidney disease that the animals had to be euthanized.