Peanut Butter Plant Closure angers New Mexico Town

PORTALES, N.M. (AP) — Farmers in a revered peanut-growing region along the New Mexico-Texas border should be celebrating one of the best harvests in recent memory.

Instead, millions of pounds of their prized sweet Valencia peanuts sit in barns at a peanut butter plant shuttered for two months amid a salmonella outbreak that sickened 41 people in 20 states.

Farmers are worried about getting paid for their peanuts, nearly a third the plant's 150 workers have been laid off, and residents wonder what toll an increasingly contentious showdown between the nation's largest organic peanut butter plant and federal regulators could ultimately have on the region's economy.

The tension boiled over when the Food and Drug Administration on Monday said it was suspending Sunland Inc.'s registration to operate because of repeated safety violations, meaning the plant will remain indefinitely shut down as the company appeals the decision. The company had planned to reopen some its operations this week after voluntarily recalling hundreds of products and closing its processing and peanut butter plants in late September and early October.

Many in this flat, dusty and solidly Republican farm town of about 20,000 denounce the FDA's tactics as unfair and unnecessarily heavy-handed — and become defensive about the shutdown of the largest private employer in town.

"We had the best crop in years, and then these (expletives) came in and started this," said resident and local telecomm worker Boyd Evans.

For the first time ever, the FDA is using authority granted under a 2011 food safety law signed by President Barack Obama that allows the agency to shut food operations without a court hearing.

The FDA said inspectors found samples of salmonella in 28 different locations in the plant, in 13 nut butter samples and in one sample of raw peanuts. Inspectors found improper handling of the products, unclean equipment and uncovered trailers of peanuts outside the facility that were exposed to rain and birds. Inspectors also said employees did not have access to hand-washing sinks, and dirty hands had direct contact with ready-to-package peanuts.

The FDA has inspected the plant at least four times over the past five years, each time finding violations. Michael Taylor, the FDA's deputy commissioner for foods, said the agency's inspections after the outbreak found even worse problems than what had been seen there before.

The salmonella outbreak was traced to Trader Joe's peanut butter produced at the plant. Sunland produces products for a number of national grocery and retail chains, and New Mexico Peanut Growers Association President Wayne Baker says the industry generates about $60 million in the region each year.

Valencias are a variety of peanuts that come almost exclusively from eastern New

Mexico. Because of their sweet flavor, they are favored for organic and natural peanut butter products because they require few additives.

The peanut is celebrated every year at the town's annual Peanut Valley Festival, and most residents have stories related to peanuts, whether growing up on a peanut farm, helping to haul them to harvest or knowing peanut workers or farmers.

"Peanuts is, like, everything here," said local shopkeeper Brittany Mignard.

The plant's retail store remains open, although its shelves are bare of its own products. The few items remaining include peanut brittle made in Lubbock, Texas. The shelves are stocked with jelly, but no peanut butter.

Baker, who is also a Sunland board member, said the company had never been notified of any past violations. And the company has vehemently denied FDA allegations that it knowingly shipped any potentially tainted products.

Plant officials said they were blindsided by the FDA's suspension on Monday. Just hours before it was announced, the plant had announced plans to start shelling the bumper crop on Tuesday. Plant officials said they had notified the FDA last week of their plans to reopen the processing operations while waiting for approval to resume making peanut butter.

"The FDA is overreaching its power and putting out information that isn't true," Baker said. "We don't understand what is going on. We don't think we are guilty."

FDA officials wouldn't comment on his allegations, saying it was an ongoing investigation.

Food safety expert and Cornell University professor Bob Gravani said given the number of salmonella outbreaks in recent years, he believes the FDA is being heavily scrutinized about why they are not using their rules more frequently or more aggressively.

Putting aside the "he-said, she-said" between the FDA and the company, he said, "I would say suspension is warranted in this case."

This is not the first major outbreak since the FDA gained authority to pull a facility's registration in the 2011 food safety law. An outbreak of listeria in cantaloupe in 2011 is linked to at least 30 deaths and investigators found similar conditions at Jensen Farms in Colorado. Unlike Sunland, however, Jensen Farms did not attempt to restart operations after the recall and FDA investigation. The company later filed for bankruptcy.

Baker said officials have been trying for the past two months to cooperate with the FDA to get the plant reopened.

"That hasn't worked," he said. "But we are not going to give up. We are going to

fight this. We have got no choice."

He said officials have begun calling the state's senators and congressman and talking with other agricultural groups about getting help in Washington with an appeal of the FDA action. No hearing has yet been scheduled.

Coburn said about 30 percent of the plant's workers were laid off Monday.

Although peanuts can be stored for a while, Coburn and Baker acknowledged that time is of the essence for getting to work on what Coburn said were "many, many millions" of pounds harvested from this year's crop.

Farmers, Baker acknowledged, are worried about getting paid. But he said Sunland has committed to paying them for their crops.

Under a worst-case scenario, he said, Sunland could sell the peanuts to other producers.

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Associated Press reporter Mary Clare Jalonick in Washington contributed to this report.

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