Meat Processing & Proposals: State and Federal

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  - In close partnership with the USDA Agricultural Research Service, National Agricultural Library
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Outline:

- Authorizing Statutes & Regulatory Agencies
- Types of Inspected Plants
- Proposed Changes (Federal)
- Proposed Changes (State)
Meat & Poultry Inspection: Generally

- **Responsible agencies:**
  - FSIS
  - State agencies (in states with MPI cooperative agreement)
- **Requirements**
  - Inspectors present at all times during operation.
    - Inspect every animal before/after slaughter
    - Continuously staff processing lines during operation
    - Ensure humane handling/slaughter
  - Facility & sanitation requirements
  - Recordkeeping
- **Results:**
  - FSIS-inspected meat and poultry products may be sold in interstate and international commerce
  - State-inspected meat and poultry products may be sold in *intrastate* commerce
    - Inspection must meet “at least equal to” standard vs identical federal requirements
- **Other resources:**
  - Slaughter and Processing in the United States: Oversight and Requirements
  - Focus on Food: Legislation That Would Change Meat Processing
Outline:

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Inspected: FSIS

• Effect:
  • FSIS/Federally-inspected meat and poultry products may be sold in interstate/international commerce

• Eligible establishments:
  • Meet appropriate facility/food safety standards AND
  • Designation
    • In a state with a MPI: specifically request federal inspection OR
    • In “designated” state: any plant interested in producing products for sale

• Oversight: FSIS Office of Field Operations

• Expenses:
  • Inspectors employed by/paid with federal funds
    • Plants may be responsible for overtime/holiday pay as a user fee

• Requirements
  • Federal inspector present at all times while plant is in operation
    • Inspection requirements are federal requirements
  • Federal stamp of inspection
Inspected: “MPI”/State

• **Effect:**
  • State-inspected meat and poultry products may be sold in intrastate commerce

• **Eligible establishments:**
  • Meet appropriate facility/food safety standards
  • Request state inspection in a state with a MPI program

• **Oversight:** State officials

• **Expenses:**
  • Inspectors employed by/paid with state funds, 50% federal reimbursement

• **Requirements**
  • State enters into cooperative agreement with FSIS creating MPI program
    • Inspection must meet “at least equal to” standard vs federal requirements
  • State inspector present at all times while plant is in operation
  • State stamp of inspection
Inspected: Federal-State Cooperative Inspection Program

• AKA “Talmadge-Aiken” or “cross-utilization agreement” plants
• Effect:
  • Under federal inspection but operating with state inspection personnel.
  • Products may be sold in interstate commerce
• Eligible establishments:
  • Meet appropriate facility/food safety standards
  • Request federal inspection in a state with a MPI program, FSIS assigns it to state inspector
    • As of FY 2019: 412 Talmadge Aiken facilities
• Expenses:
  • Inspectors employed by state/paid with state funds, 100% federal reimbursement
• Requirements
  • State enters into additional cooperative agreement with FSIS
    • Inspection requirements = federal requirements
  • Inspector present at all times while plant is in operation
  • Federal stamp of inspection
Inspected: Cooperative Interstate Shipment

- **Effect:**
  - Participating facilities may ship state-inspected meat and poultry products in interstate/international commerce

- **Eligible establishments:**
  - Located in a state with a MPI program
  - 25 or fewer employees (on average)
  - Does not already ship in interstate commerce
  - Meet appropriate facility/food safety standards

- **Expenses:**
  - State inspectors/state funds, 60% federal reimbursement

- **Requirements**
  - State enters into additional cooperative agreement with FSIS
    - Inspection must meet “same as” standard to federal requirements
    - Federally employed coordinator supervises and oversees training/inspection of state inspectors
  - Establishments apply directly to participate
  - Federal stamp of inspection with “SE” and state abbreviation
<table>
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<th>Inspection Requirements</th>
<th>Inspector Employer</th>
<th>Inspector Funding Source</th>
<th>Available Markets</th>
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<tr>
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<td>FSIS Office of Field Operations</td>
<td>Federal requirements</td>
<td>Federal</td>
<td>Federal *User fees for overtime/holiday</td>
<td>Interstate International</td>
<td>Any</td>
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<td>MPI</td>
<td>State program</td>
<td>“At least equal to”</td>
<td>State</td>
<td>50% state, 50% federal</td>
<td>Intrastate</td>
<td>Any</td>
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<tr>
<td>TA</td>
<td>FSIS Office of Field Operations</td>
<td>Federal requirements</td>
<td>State, on behalf of FSIS</td>
<td>Federal *User fees for overtime/holiday</td>
<td>Interstate International</td>
<td>Any</td>
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<td>CIS</td>
<td>State program</td>
<td>“Same as”</td>
<td>State</td>
<td>40% state, 60% federal</td>
<td>Interstate International</td>
<td>Under 25 employees</td>
</tr>
</tbody>
</table>
Not Inspected: Custom Slaughter

- **Effect:**
  - Very limited requirements apply when a facility slaughters and processes animals for the owner’s private use
    - aka “custom exempt”
    - Exemption for both livestock and poultry
- **Who can use the resulting meat?**
  - The owner of livestock/members of their household
  - Household nonpaying guests
  - Household employees
- **Requirements:**
  - Slaughter/processing of the livestock/poultry is performed by a custom exempt facility acting on behalf of the owner of the animal
    - Facility providing a service, not producing/selling a product
    - May be more than one owner of a live animal (livestock)
  - Products may not be sold or donated
  - Products must be stamped/marked “Not for Sale” (livestock) or have the owner’s name/address/exempt statement
- **Not required:**
  - Continuous inspection
  - Compliance with full FSIS sanitation/building/maintenance regulations
Outline:

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- Types of Inspected Plants
- Proposed Changes (Federal)
- Proposed Changes (State)

• Sponsor:
  • S. 107 Sen. Mike Rounds (R-SD)
    As of 7/26/2022: 12 cosponsors, referred to ag committee
  • H.R. 1998 Rep Liz Cheney (R-WY)
    As of 7/26/2022: 1 cosponsor, referred to subcommittee on livestock and foreign ag

•Specific Language:
  (I) IN GENERAL.—Notwithstanding any other provision of this Act, the Secretary may allow
the shipment in interstate commerce of carcasses, parts of carcasses, meat, and meat food
products inspected under the State meat inspection program...
(II) ACCEPTANCE OF INTERSTATE SHIPMENTS OF MEAT AND MEAT FOOD
PRODUCTS.—Notwithstanding any provision of State law, a State or local government
shall not prohibit or restrict the movement or sale of meat or meat food products that have
been inspected and passed in accordance with this Act for interstate commerce.”

• Practical effect:
  • Allow meat/poultry slaughtered/processed at state inspected facility (ie: by
an approved state program following “at least equal to” standard) to be sold
across state lines.
  • *Introduced in previous Congressional session, didn’t pass.
Direct Interstate Retail Exemption for Certain Transactions ("DIRECT Act")

• Sponsor:
  • **H.R. 547** Rep Dusty Johnson (R-SD) and Henry Cuellar (D-TX)
    • As of 7/26/2022: 13 cosponsors, referred to ag committee

• Specific Language:
  “…any retail store, restaurant, or similar retail-type establishment may sell over the internet and ship by carrier in commerce (other than for export to a foreign country) any State-inspected meat or meat food product, provided that the State-inspected meat or meat food product is shipped directly to household consumers and in normal retail quantities.”
    • Retail quantities = 300 lbs of beef, 100 lbs of pork, 27.5 lbs of lamb (9 CFR 303.1)

• Practical effect:
  • Allow processors/butchers/other retailers to sell retail quantities (300 lbs of beef, 100 lbs of pork, 27.5 lbs of lamb) of state-inspected meat online to consumers across state lines.
Processing Revival and Interstate Meat Exemption Act (“PRIME Act”)

• Sponsor:
  • S. 2001 Sen. Angus King(I-ME)
    • As of 7/26/2022: 8 cosponsors, referred to ag committee
  • H.R. 3835 Rep Thomas Massie (R-KY)
    • As of 7/26/2022: 48 cosponsors, referred to subcommittee on livestock and foreign ag

• Specific Language:
  (A) the slaughtering and preparation carried out at such custom slaughter facility is carried out in accordance with the law of the State in which the custom slaughter facility is located; and
  (B) the animals are so slaughtered and the carcasses, parts thereof, meat and meat food products of such animals are so prepared exclusively for distribution to—
    (i) household consumers within the State; and
    (ii) restaurants, hotels, boarding houses, grocery stores, or other establishments located in such State that—
      (I) are involved in the preparation of meals served directly to consumers; or
      (II) offer meat and meat food products for sale directly to consumers in the State.

• Practical effect of PRIME Act:
  • Allow meat slaughtered/processed at custom exempt facility (i.e. no inspection) to be sold to consumers and businesses (restaurants, grocery stores etc) within the state.
    • Questions about effect on food safety; international trade
| Comparison Chart |
|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                  | Inspection     | Inspector       | Inspector Funding | Available         | Potential Facility Size |
|                  | Requirements   | Employer        | Source            | Markets           | Size             |
| FSIS             | Federal        | Federal         | Federal           | Interstate        | Any              |
|                  | requirements   |                 | *User fees for overtime/holiday | International    |                  |
| MPI              | “At least equal to” | State          | 50% state, 50% federal | Intrastate        | Any              |
| TA               | Federal        | State, on behalf of FSIS | Federal           | Interstate        | Any              |
|                  | requirements   |                 | *User fees for overtime/holiday | International    |                  |
| CIS              | “Same as”      | State           | 40% state, 60% federal | Interstate        | Under 25 employees |
|                  |                  |                 |                  | International    |                  |
| *New Markets     | “At least equal to” | State          | 50% state, 50% federal (presumably) | Interstate       | Any              |
|                  |                  |                 |                  | International    |                  |
| *DIRECT          | “At least equal to” | State          | 50% state, 50% federal (presumably) | Interstate       | Any              |
|                  |                  |                 |                  | consumers via internet |                  |
| *PRIME           | No continuous inspection; custom exempt requirements only | No inspector | No inspector | Intrastate | Any |
Outline:

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State Inspection/MPI
(In Effect & Proposed 2021)
Interstate Cooperative Meatpacking Compact

- Proposed versions:
  - South Dakota H.B. 1219 (Failed)
  - Montana H.B. 336 (Passed)

- Effect of original proposal:
  - Allow the shipment & sale of state inspected meat/poultry products to and between the cooperating states

- Consequences if passed, per letter from FSIS to each state:
  - Violate FMIA and PPIA
  - State inspection service would no longer meet the “equal or better” regulation
    - State inspection/custom exempt oversight would no longer be permitted.
      - Require federal inspection in order to produce meat for sale.
      - Require federal oversight in order to engage in custom exempt slaughter.
  - Federal funding for meat inspections within those states would be withdrawn

- Passed version (MT):
  - Language to become effective only if 1) ratified by Congress or 2) final judgment issued that statute is not preempted by FMIA/PPIA.
Custom Exempt Sale: Proposals

• Generally:
  • Very limited requirements apply when a facility slaughters and processes livestock/poultry for the owner’s private use (Lower facilities/sanitation/planning requirements)
  • aka “custom exempt”

• Restrictions:
  • Only the owner, members of their household, nonpaying guests and household employees can use the products.
  • Products may not be sold or donated
  • Products must be marked “Not for Sale” (livestock) or have the owner’s name/address/exempt statement

<table>
<thead>
<tr>
<th>State</th>
<th>Bill</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maine (dead)</td>
<td>S.P. 201</td>
<td>Allow custom slaughterhouses to produce meat to be sold commercially</td>
</tr>
<tr>
<td>Indiana (dead)</td>
<td>H.B. 1540</td>
<td>All meat products from a custom exempt slaughter establishment are eligible for sale by the owner of the slaughtered or processed livestock or poultry: (1) through any market venue, including a retail establishment, farmers market, farm consignment store, and roadside stand; and (2) directly to the consumer. Label of non-inspection required</td>
</tr>
<tr>
<td>Montana (dead)</td>
<td>S.B. 279</td>
<td>Same requirements for custom slaughter as for “a person who slaughters livestock or poultry or prepares or processes livestock or poultry products for an individual or a local retail meat establishment, if the carcasses, parts, or meat food products prepared for sale are: (i) plainly marked as &quot;Local Montana Product&quot; immediately after being slaughtered or prepared and remain plainly marked; and (ii) prepared and packaged in a sanitary manner and in a sanitary facility.”</td>
</tr>
</tbody>
</table>

• Consequences if passed, per letter from FSIS: Violate FMIA and PPIA, lose MPI
  • MT: https://bit.ly/3nyjNqH
Animal Share: For Producers/Consumers

- Producer sells the animal or portions of the animal to consumer(s) while it is still alive
  - Ex: 1/4 beef, 1/2 pig
- After animal is completely sold, the producer acts as an agent to arrange transportation to the custom exempt facility
- Each individual consumer/owner is responsible for choosing how their portion of the animal should be processed
- Costs: Consumer/owner is responsible for paying:
  - Producer (for the animal)
  - Custom exempt facility (for processing)
- Effect: No inspection required (custom exempt regs)
- Meat may be used by owner/family/household guests (NOT sold)
- Wyoming Stat. 11-49-104 (passed March, 2020)
  - In practice: expands definition of “owner” to include herd shares/smaller portions of the animal
    - “Animal share” means an ownership interest in an animal or herd of animals created by a written contract between an informed end consumer and a farmer or rancher that includes a bill of sale to the consumer for an ownership interest in the animal or herd and a boarding provision under which the consumer boards the animal or herd with the farmer or rancher for care and processing and the consumer is entitled to receive a share of meat from the animal or herd
    - First of its kind
## “Animal Share”: Proposals

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<tr>
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<tbody>
<tr>
<td>Texas (pending)</td>
<td>SB 857</td>
<td>No inspection required if “animal share” is established before slaughter.</td>
</tr>
<tr>
<td>Colorado (passed)</td>
<td>S.B. 79</td>
<td>No inspection required if “animal share” is established before slaughter. “Animal share” includes at least 1% of the meat of a live animal</td>
</tr>
<tr>
<td>Colorado (dead)</td>
<td>H.B. 1062</td>
<td>No inspection required if “animal share” is established before slaughter.</td>
</tr>
<tr>
<td>Nebraska (passed)</td>
<td>L.B. 324</td>
<td>No inspection required if “animal share” is established before slaughter, because it is not “the sale of meat products”</td>
</tr>
<tr>
<td>Arkansas (dead)</td>
<td>H.B. 1681</td>
<td>No inspection required if “animal share” is established before slaughter.</td>
</tr>
<tr>
<td>Iowa (pending)</td>
<td>H.F. 319</td>
<td>No inspection required if “commodity share” is established before slaughter.</td>
</tr>
<tr>
<td>Iowa (pending)</td>
<td>H.F. 567</td>
<td>No inspection required if “commodity share” is established before slaughter.</td>
</tr>
<tr>
<td>New Mexico (dead)</td>
<td>S.B. 118</td>
<td>No inspection required if “animal share” is established before slaughter.</td>
</tr>
<tr>
<td>Oregon (dead)</td>
<td>H.B. 2258</td>
<td>No inspection required if “animal share” is established before slaughter.</td>
</tr>
</tbody>
</table>

- No specific FSIS regulation for amount of animal required to constitute custom slaughter.
- FSIS has sent warning letters to several states referencing compliance concerns