

Farmer's Guide to Processing and Selling Meat or Poultry



What are the rules?

Where are the contacts?

Who are the regulators?

Food safety standards for beef, pork, sheep, goat, poultry, rabbit, game and exotic meats

Penn State **Extension**

The information in this booklet is for educational use. It is intended to assist farmers and their advisors in understanding the regulations affecting the processing and sale of meat and poultry. Each person should consult the responsible local, state and federal agencies and an attorney before using this information to engage in business activity. Reasonable effort was made to ensure the accuracy of the information in this booklet. However, content and interpretation of laws and regulations are subject to change. The effect of future legislation and interpretation cannot be predicted. This booklet is not intended as legal advice.

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Creating Partnerships

This guide is an overview of the regulations for processing and selling meat and poultry. Regulators focus their efforts on ensuring that all product is produced in a wholesome manner. Beginning food processors are sometimes discouraged by food regulations. These regulations should be viewed as a helpful source of information. Most processors report that they have few problems with regulators or even have a beneficial relationship. After all, safe food handling is crucial to effective marketing and maintaining a trustworthy reputation.

Food safety issues are complex and they differ among regions and states. In Pennsylvania, your local municipal authority has final say on what can occur. If your business is okay with your township or city, the United States Department of Agriculture (USDA) district office and the Pennsylvania Department of Agriculture (PDA) regional office should be contacted. USDA is concerned with production of products that must be inspected. PDA is concerned with product coming from an approved source.

The USDA Federal Safety and Inspection Service (FSIS) is responsible for all meat and poultry regulations for inspected amenable livestock and poultry species. ALL meat and poultry products from species which are not specifically covered by the mandatory inspection statutes Federal Meat Inspection Act and Poultry Product Inspection Act (FMIA and PPIA) are within the purview of FDA under the Federal Food, Drug and Cosmetic Act (FFDCA). States and municipalities can have additional regulations that must be followed. All food processing enterprises in the Commonwealth of Pennsylvania must register with PDA.

Processors who develop a relationship with regulators can find a tremendous source of information and support in the experienced personnel at PDA and USDA.

Farmers, and others, are encouraged to seek input from all organizations that have regulatory authority over a potential or existing enterprise. It is very important to know who is in charge and what questions should be answered.

Here are suggested steps to follow when developing ideas about a food business:

1. Check with local municipality/township about zoning and any required business license.
2. Well or spring water must be tested for bacteria.
3. Develop a specific idea about the product. This allows the regulators to know your goal and it allows you to ask relevant questions.
4. Check with your insurance provider concerning product liability coverage.

You receive a better response from the Food Safety Inspection Officers if these steps are completed before you try to arrange a meeting with PDA and/or USDA.



Basic Requirements

The requirements for processing and selling meat or poultry are simple -

In Pennsylvania, all meat and poultry offered for sale must originate from a federally inspected slaughter facility.

If sold for human consumption, inspection is required for the following at the time of slaughter:

MEAT:

Beef, pork, sheep, goat, horse, mule or other equine.

POULTRY:

Any domesticated bird to include chicken, turkey, duck, goose, guinea, ratites and squab and goose.

VOLUNTARY INSPECTION IS AVAILABLE FOR:

USDA FSIS may provide voluntary inspection services for bison, deer, antelope, reindeer, elk, migratory waterfowl, game birds and rabbits. Voluntary inspection is provided on a fee-for-service basis and is requested through the FSIS District Office. Voluntary inspection can be important for items used as ingredients, in addition to promoting consumer confidence.

The Commonwealth of Pennsylvania has no separate, additional inspection regulations. Pennsylvania follows the federal standard. Pennsylvania has regulations that cover meat and poultry businesses that qualify for federal “exemption.” PDA is concerned with the concept of food safety when there is no federal oversight. Ensuring a healthy animal before and/or after slaughter is the usual method of meeting this goal.

Processing of meat products requires Federal inspection whenever meat and poultry products are sold for resale. PDA requires facility approval for retail sales where the processor owns the retail establishment. Processing of meat products requires USDA facility approval if the processor is wholesaling or selling through the mail.

If you are storing or transporting meat and/or poultry, Pennsylvania requires that you obtain a *Wholesalers/Processing License*. Information can be found at www.agriculture@state.pa.us and click on “*programs.*”

Pennsylvania requires a business license for all food retailers, wholesalers, distributors and processors.

There are specific label requirements for all meat, meat products, poultry and poultry products. PDA and USDA regulators are the expert source of information for all labeling concerns.

Farmers and processors that produce organic product need to check with their certifying organization on specific mandated requirements. Different certifying organizations can have different handling standards.

In an effort to assist business development, meat and poultry regulations contain “exemptions.” The exemptions for meat and poultry are explained on the following pages.

Exemptions to Meat and Poultry Inspection Laws





Exemption TO FMIA and PPIA

The Federal Meat Inspection Act (FMIA) and the Poultry Product Inspection Act (PPIA) exempt various operations from the requirements of Federal inspection. The exemption provisions of the acts are in some cases general and the regulations attempt to clarify these exemptions. In doing so, much confusion results, especially in the area of poultry exemptions. In the following pages we will attempt to explain these exemptions in a manner which, hopefully, will clear up some of the confusion which has developed over the years. Keep in mind that some of those exemptions will change periodically and in some cases a policy is developed to cover a specific situation which is not directly addressed.

Custom Exemption - Meat

Under certain conditions, a business or person may slaughter and prepare livestock belonging to someone else for the exclusive use of that person. Custom exempt facilities are exempt from the Federal Meat Inspection Act requirements for a carcass-by-carcass inspection and the daily presence of inspectors. Custom exempt facilities are periodically evaluated by FSIS personnel to verify that facilities are maintained and operated in a manner that produces a safe, clean and wholesome meat food product. There are distinct requirements under this exemption, some of which are:



1. Animal must be sold to individuals prior to slaughter.
2. The resulting product must be marked "Not for Sale."
3. The custom operator must maintain certain records.
4. The animal and/or product must be prepared or processed in a sanitary manner.
5. Specified Risk Materials (SRMs) must be removed from all cattle and properly disposed of.
6. The slaughter of all cattle that are non-ambulatory at the time they are delivered is strictly prohibited.
7. All livestock presented for slaughter must be handled humanely.

First, let's get a clear understanding of what custom is. We are not talking here of a custom animal that is killed under inspection. We are dealing strictly with an animal or meat processed without inspection. I think the best way to explain custom is to say that "An operator is considered custom when he/she charges for a service in lieu of the meat itself."

Let's discuss #1: "Animal must be sold prior to slaughter." Some of the questions that have come up are as follows:

- A. Can an animal be bartered?

Answer - Yes.

- B. Can more than one person own an animal?

Answer - Yes, generally we consider four people appropriate as owners. But in some cases, we have seen co-ops where numerous people get together and buy a number of animals. This is okay.

- C. Some operators sell the animals to the individual. Is this appropriate?

Answer - Yes, we look at that operator as a dealer in that case. In some cases, a dealer may buy an animal at an auction or an individual. In this case, we look at the operator as representing the eventual owner.

D. There have been some operators who advertise quarters. Is this appropriate?

Answer - Yes, as long as a whole animal is totally owned by the involved individuals prior to slaughter, however, the individuals may or may not know each other.

E. Can the price charged be a determining factor in a custom operation?

Answer - No, there is nothing in the act or regulations which deals with the price charged.



Now let's discuss #2: "Marking the product, 'Not for Sale.'" This is pretty much self explanatory. The main question that comes up here is, "When should it be marked?" The carcass should be marked immediately after slaughter. In the case of farm dressed carcasses brought in for processing, product should be immediately marked at time of receipt. If the product is processed into individual packages, each package should be marked. If packaged bulk, the box must be marked and if placed in a container for carrying purposes, a paper placed over the top can be marked "Not for Sale." Hams, bacon and like products brought to a firm for curing and smoking should have each piece marked.

Now let's discuss #3: "Maintaining records." The regulations are specific with regard to this. The one problem we see is the case where a name appears many times on the records. This leads us to believe there may be an irregularity. Because the name appears so many times, it could not possibly be for personal use. What we have found is that the name usually turns out to be a dealer who has sold the animal to an individual. The operator must be made aware that he needs the name of the actual owner and not the dealer for his records to be accurate.

All custom facilities are required to maintain records that demonstrate that the facility is operating in compliance with the FMIA and any other applicable regulatory requirements (9 CFR 303.1(b)(3), 309.3, 310.22, 320 and 416.4(c)). For example, records that the chemicals used within the facility are safe for use in a food processing environment, that inedible materials are removed when required, and that the water and sewage systems are approved by the appropriate authority. In addition, custom facilities must maintain records of the numbers and species of livestock slaughtered, quantities and types of products prepared, and the names and addresses of the owners of the livestock and products.

And #4: "Slaughtered or prepared in a sanitary environment."

All custom facilities are required to be maintained and operated in a manner that produces a safe, clean and wholesome meat food product in a sanitary environment. (See page 14, "Basic Sanitary Standards.") The actual regulatory language states that "establishments that conduct custom operations must be maintained and operated in accordance with the provisions of 9 CFR 416.1 through 416.6, except for 416.2 (g)(2) through (6)" .

Retail Exemption - Meat

Operations eligible for the Federal retail exemptions are traditionally retail stores and retail-type establishments that offer meat and meat products for sale or service to household consumers. Only inspected meat and poultry products may be used at the retail store. This is another area in which there tends to be some confusion. The best way to explain this area is by explaining what a retail market can and cannot do.

A retail market can:

1. Sell directly to consumers with a limitation on weight as explained in regulations.
 - cattle - 1/2 carcass or 300 pounds
 - calves - 1/2 carcass or 37.5 pounds
 - sheep - 1/2 carcass or 27.5 pounds
 - swine - 1/2 carcass or 100 pounds
 - goats - 1/2 carcass or 25 pounds



2. Sell to hotels, restaurants and institutions (HRI) not to exceed 25 percent of their total annual sale and not to exceed \$60,200. Sales in commerce are acceptable, but counted toward money limitations. HRI sales are limited to certain kinds of products as defined in the regulations 9 CFR 303.1(d)(2).

The 75/25 figure is based on calendar years. Sales to HRI cannot include items purchased (two or more ingredients) or prepared by cooking, smoking, rendering or curing. Caterers are considered restaurants in this case.

3. Sell from canvassing retail trucks they own (not stationary), as the trucks are considered extensions of the retail business.

Retail markets cannot:

1. Slaughter without Federal inspection.
2. Can or jar without inspection (thermal processing).
3. Sell to other retail markets.
4. Sell to wholesalers or distributors.

When we say slaughter, do not confuse retail markets that do custom slaughter. Custom slaughter and processing are permitted if the market meets criteria.

At this point, it is best to address some USDA policies. A policy is a determination by USDA as to the legality of a specific operation. Many policies are the result of designations. In some designated states, in particular Pennsylvania, there were some operations which were common and usual, but tend to conflict with the law. The best example to use is the "Two Store Policy." As I am sure you are aware, to transport un-inspected product in commerce is a violation of the act. This law would now apply to a state that was designated. In the case of Pennsylvania and some other states, the Farmers' Market business, in most cases, would conflict with this law. As you know, Farmers' Markets were common and traditional. As a result, the USDA by policy exempted an inspection requirement as long as the retailer:



1. Owned the markets.
2. Did not have more than two markets opened at the same time.

The owner could then go to one other location and sell retail without required inspection. He could, in fact, go to one Farmers' Market on each day of the week as long as there were no more than two in the same day. The USDA could not be selective in this policy. As a result, it applies to all retailers whether they be in a Farmers' Market or not and restaurants. A stationary truck at a Farmers' Market would now count as a location.



Policies do, however, at times change, which causes problems. You should, however, be aware that those changes do affect various operations and it is up to each business to stay informed and in compliance with regulation.

Social and Industrial Catering - Meat

Social caterers are exempt even if they go in commerce. Industrial caterers, on the other hand, are exempt as long as the catering is done by them with their own employees. They could not sell to a company which, in turn, would resell the product. It is always the resale aspect which determines the need for inspection. If products are prepared which are sold to someone else who is going to resell the product, inspection would be required.

Commissary/Central Kitchens - Meat

The regulation exempts firms who operate a central kitchen and ship product to restaurants they, in fact, own. Products prepared at the central kitchen must be ready to eat. It can be chilled or frozen and reheated at the destination restaurant. Central kitchens that prepare and transport fresh, uncooked product, which is then cooked at the restaurant, would still be required to be under Federal inspection. If a firm prepares both uncooked and cooked, all items will be required to be covered under Federal inspection. Interstate shipments are permitted if the firm is exempt.

There are times when a firm supplies many restaurants, some of which may be under a different corporate name. As long as the corporate officials are the same, it would be considered the same ownership. The exemption is also extended to cover retail deli-type operations of ready-to-eat items.

Mail Order - Meat

Shipment of meat products in commerce by a retailer are permitted as long as the retailer can deliver the product himself or by his employee. If product is shipped by commercial carrier, UPS or United States mail, product must be prepared under Federal inspection.

Poultry Exemptions

The exemption requirements regarding selling and marketing are totally different than meat. A poultry exemption checklist is included which has helped explain the poultry exemptions. Hopefully, it will do the same for you. Unlike meat, the poultry exemption addresses all the exemptions, retail, etc. This guideline will address each exemption separately and will include marking requirements.



Before we get started on the individual exemptions, it should be explained that many exemptions overlap one another. The exempt operator might not know what exemption they are working under. Hopefully the charts on pages 15 and 16 will aid you in seeing the difference. A poultry exempt operator can not claim more than one exemption in a calendar year.

1. Personal Use

The following criteria must be met to qualify for the Federal poultry Personal Use exemption:

1. Slaughtered and processed poultry is for the private use of the:
 - a. Grower/producer/owner
 - b. Member of his/her household, and
 - c. His or her nonpaying guests and employees
2. The slaughter and processing of the poultry is performed by the grower/producer/owner.
3. Poultry is healthy when slaughtered.
4. Poultry is slaughtered and processed under sanitary conditions.
5. The exempt poultry is not sold or donated for use as human food.
6. Shipping containers bear:
 - a. the producer's name
 - b. the producer's address
 - c. the statement, Exempt P.L. 90-492

2. Custom

Like meat, custom here means the same thing, slaughtering or processing a bird that is owned by another and for that individual's personal use. Unlike meat, it is not marked "Not for Sale." It is marked "Exempted under Public Law 90-492," with name and address of processor. If you are operating under custom, you cannot be engaged in the business of buying or selling poultry capable for use as human food. This means any poultry, whether it is prepared under another exemption or processed under Federal inspection.

To make this somewhat clearer, if you are working in a Federal plant, whether it be meat or poultry, and that firm handles any kind of inspected poultry, it cannot do custom. This does occur in plants that do smoking. If you work in a meat plant that handles no poultry products and they smoke products, they could process custom birds. Remember the marking requirements would still apply. There are no limitations regarding count or weight. This operator is subject to FSIS review.

3. Producer/Grower - 1,000 Bird Limit

Limited provisions of the Act apply to poultry growers who slaughter no more than 1,000 poultry in a calendar year for use as human food. A person may slaughter and process on his or her premises poultry that he or she raised and they may distribute such poultry without mandatory inspection when the following six criteria are met [PPIA Section 464(c)(4) "Section 15 (c) (4)"; Title 9 CFR §381.10(c)].

Criteria:

1. The poultry grower slaughters no more than 1,000 healthy birds of his or her own raising in a calendar year for distribution as human food.
2. The poultry grower does not engage in buying or selling poultry products other than those produced from poultry raised on his or her own farm.
3. The slaughter and processing are conducted under sanitary standards, practices, and procedures that produce poultry products that are sound, clean and fit for human food (not adulterated).
4. The producer keeps records necessary for the effective enforcement of the Act [Title 9 CFR 381.175].
5. The poultry products do not move in commerce.

Note: Commerce means the exchange or transportation of poultry products between States, U.S. territories (Guam, Virgin Island of the United States, and American Samoa), and the District of Columbia [PPIA Section 453; Title 9CFR §381.1(b)].

6. The shipping containers bear:
 - a. the producer's name,
 - b. the producer's address, and
 - c. the statement, Exempt P.L. 90-492.

4. Producer/Grower - 20,000 Limit Exemption

A poultry grower may slaughter and process more than 1,000 birds as exempt product for distribution as human food when the following eight criteria are met [PPIA Section 464(c)(1)(C) &(c)(3) "Section 15 (c)(4)," Title 9 CFR §381.10(a) (5) and (b)(1) and (2)].

Criteria:

1. The producer/grower slaughters and processes, on his or her own premises, no more than 20,000 poultry, raised by him or her, in a calendar year.
2. The producer/grower sells, in a calendar year, only poultry or poultry products he or she prepares according to the criteria for the Producer/Grower - 20,000 Limit Exemption; he or she may not buy or sell poultry products prepared under another exemption in the same calendar year in which he or she claims the Producer/Grower - 20,000 Limit Exemption [PPIA Section (464)(c)(1) last sentence before (c)(2)].
3. The poultry products are distributed solely by the producer/grower and only within the District of Columbia or the State or Territory in which the poultry product is produced.
4. The poultry are healthy when slaughtered.
5. The slaughter and processing at the producer/grower's premises are conducted using sanitary standards, practices and procedures that produce poultry products that are sound, clean, and fit for use as human food (not adulterated).
6. The producer only distributes poultry products he or she produced under the Producer/Grower Exemption.
7. The facility used to slaughter or process the poultry is not used to slaughter or process another person's poultry unless the Administrator of FSIS grants an exemption [PPIA Section 464(c)(3); Title 9 CFR 381.10b(2)].
8. The shipping containers, when distributed in intrastate commerce (instead of the required features of a label of inspected product) bear:
 - a. the producer's name,
 - b. the producer's address, and
 - c. the statement, Exempt P.L. 90-492.

Producer/Grower 20,000 Limit Exemption Notes:

The producer/grower may sell, intrastate, the poultry products he or she prepares, to other businesses for resale as meat or meals, including a distributor, hotel, restaurant, retail store, institution or small enterprise when the product is produced under a Federal or a State exemption.

FSIS has determined that when a grower producing poultry under the Producer/Grower Exemption rents slaughtering or processing equipment and operates such equipment on his or her premises, he or she is not disqualified for the Producer/Grower Exemption. In this situation, the grower is not required to request an exemption from the Administrator of FSIS. However, the slaughter or processing unit may not be used to slaughter or process another person's poultry while it is on the renter's premises.

5. Producer/Grower or Other Person (PGOP) Exemption

The term "Producer/Grower or Other Person" (PGOP) refers to a single entity, which may be:

1. A poultry grower who slaughters and processes poultry that he or she raised for sale directly to household consumers, restaurants, hotels and boarding houses to be used in those homes and dining rooms for the preparation of meals served or sold directly to customers.
2. A person who purchases live poultry from a grower and then slaughters these poultry and processes such poultry for sale directly to household consumers, restaurants, hotels and boarding houses to be served in those homes or dining rooms for the preparation of meals sold directly to customers.

A business may slaughter and process poultry under this exemption when the following nine criteria are met [9 CFR §381.10(a)(6) and (b)].

Criteria:

1. The producer/grower or other person slaughters for processing and sale directly to household consumers, restaurants, hotels and boarding houses for use in dining rooms or in the preparation of meals sold directly to customers.
2. The PGOP slaughters no more than 20,000 poultry in a calendar year that the producer/grower or other person raised or purchased are slaughtered and processed under this exemption.
3. The poultry processed by a PGOP is poultry that the PGOP slaughtered.
4. The poultry products produced under the PGOP Exemption are distributed solely by the manufacturer and only within the State or Territory or the District of Columbia in which the poultry product is produced.
5. The producer/grower or other person does not engage in the business of buying or selling poultry or poultry products prepared under other exemptions in the same calendar year he or she claims the Producer/Grower Exemption.
6. The processing is limited to preparation of poultry products from poultry slaughtered by the PGOP for distribution directly to: 1) household consumers, 2) restaurants, 3) hotels, and 4) boarding houses for use in their dining rooms or in the preparation of meals sold directly to consumers within the jurisdiction where it is prepared.
7. The slaughter and processing at the producer/grower or other person's facility is conducted in a manner that results in the preparation of poultry products that are wholesome, sound, clean and fit for human food (not adulterated).
8. The facility used to slaughter and process poultry is not used to slaughter or process another person's poultry unless the Administrator of FSIS grants an exemption [9 CFR 381.10b)(2)].
9. The shipping containers, when distributed in intrastate commerce, (instead of all the required features of a label for inspected product) bear:
 - a. the processor's name
 - b. the address
 - c. the statement, Exempt P.L. 90-492.

Producer/Grower or Other Person Exemption Notes:

A business preparing poultry product under the PGOP exemption may not slaughter or process poultry owned by another person.

A business preparing poultry products under the PGOP exemption may not sell products to a retail store or other producer/grower. State health department regulations may apply.

6. Small Business Enterprises

The main difference in this exemption from producer grower and producer grower and other persons are:

1. Cannot process. Cutting and boning can be done, as in this case it is not considered a process.
2. Public law marking requirement is not necessary. Full labeling, however, is. Name and address and product name are required.
3. Other restrictions still apply, but the small business enterprise operator can handle poultry capable for use as human food. This would include both other exempted product, as well as inspected product.

7. Retail Store

First, I must explain not to let the word store confuse you. A retail store can claim a small business exemption. In this exemption, we are not talking about the live poultry markets.

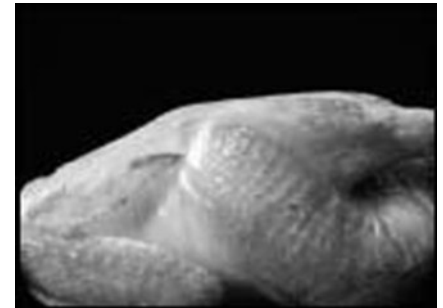
As I am sure you are aware, a retail store can process. In this case, however, it cannot prepare hermetically sealed containers such as soups. It can cut or bone. There is a 75 pound limitation to a direct consumer sale and 150 pound limitation on HRI. The operator is not limited in weight to an accumulated figure. We are talking per account or individual. There is an overall 75/25 percent limitation on HRI sales. We are now talking calendar year totals of 75 percent to consumers and no more than 25 percent to HRI as long as that 25 percent is not larger than the \$50,200 figure. The figure \$50,200 will probably change in the future, as it is based on the consumer price index each year. This operator cannot sell to other retailers or distributors, only intrastate businesses, and there are no marking requirements.

8. Retail Dealer

Terminology again. This operation can be a store. The difference between retail stores and retail dealers are:

1. Cannot process. Cutting or boning is okay, as it is not considered a process.
2. There are no weight limitations on sales to consumers or HRI.
3. The dollar figure is not applicable, but the 75/25 percent is.
4. This operator can go in commerce with Federally inspected product only. By this statement we also mean product that was cut or boned if derived from Federally inspected product.

There are no marking requirements and firm is not subject to FSIS review.



9. Religious Exemption

This exemption includes Kosher, Buddhists, Moslem and Confucius. In order to apply for this exemption, you must be an inspected facility and application must be made through the District Office. A permit number is issued by the District Office and that number is used in lieu of an inspection legend. The exemption would permit applicable religious practices from inspection requirements, such as leaving head and feet attached or New York dressed style poultry. Firms who do operate under another exemption, such as a small business, may prepare a religious exempt product. The full labeling requirement would require the product to be identified as such.

Before we leave this area, I would like to clear you up on live poultry markets. The USDA, by policy, takes no action in these facilities if the live poultry market sells directly to consumers.

Well, hopefully you are not totally confused. As you can see, there is a lot of information you need to determine if an operator can operate under a specific exemption. Questions like: what type of operation do you do, how much, who do you sell to and where, must be answered before a determination can be made. Should you have any additional questions not covered, ask your USDA and PDA district supervisors.

Basic Sanitary Standards (From the USDA's "Guidance for Determining Whether a Poultry Slaughter or Processing Operation is Exempt from Inspection Requirements of the Poultry Products Inspection Act")

Following are general basic sanitary standards, practices and procedures [9 CFR 416.2-416.5]. The list is a summary of the regulatory requirements for sanitation procedures and practices that are required for a poultry business receiving full U.S. Department of Agriculture inspection and are applicable to poultry exempt operations {Title 9 CFR Part 416}. In addition, specific sanitary practices are described in FSIS's *Sanitation Performance Standards Compliance Guide*, dated October 13, 1999. This 92-page document is also available from http://www.fsis.usda.gov/FSIS_Employees/Compliance_Guides_Index/index.asp.

A. Sanitary operating conditions. All food-contact surfaces and non-food-contact surfaces of an exempt facility are cleaned and sanitized as frequently as necessary to prevent the creation of insanitary conditions and the adulteration of product. Cleaning compounds, sanitizing agents, processing aids, and other chemicals used by an exempt facility are safe and effective under the conditions of use. Such chemicals are used, handled and stored in a manner that will not adulterate product or create insanitary conditions. Documentation substantiating the safety of a chemical's use in a food processing environment are available to inspection program employees for review. Product is protected from adulteration during processing, handling, storage, loading and unloading and during transportation from official establishments.

B. Grounds and pest control. The grounds of exempt operation are maintained to prevent conditions that could lead to insanitary conditions or adulteration of product. Plant operators have in place a pest management program to prevent the harborage and breeding of pests on the grounds and within the facilities. The operator's pest control operation is capable of preventing product adulteration. Management makes every effort to prevent entry of rodents, insects or animals into areas where products are handled, processed or stored. Openings (doors and windows) leading to the outside or to areas holding inedible product have effective closures and completely fill the openings. Areas inside and outside the facility are maintained to prevent harborage of rodents and insects. The pest control substances used are safe and effective under the conditions of use and are not applied or stored in a manner that will result in the adulteration of product or the creation of insanitary conditions.

C. Sewage and waste disposal. Sewage and waste disposal systems properly remove sewage and waste materials -- feces, feathers, trash, garbage and paper -- from the facility. Sewage is disposed of into a sewage system separate from all other drainage lines or disposed of through other means sufficient to prevent backup of sewage into areas where product is processed, handled or stored. When the sewage disposal system is a private system requiring approval by a State or local health authority, upon request, the management must furnish to the inspector a letter of approval from that authority.

D. Water supply and water, ice and solution reuse. A supply of running water that complies with the National Primary Drinking Water regulations (40 CFR part 141) at a suitable temperature and under pressure as needed, is provided in all areas where required (for processing product; for cleaning rooms and equipment, utensils, and packaging materials; for employee sanitary facilities, etc.). If a facility uses a municipal water supply, it must make available to the inspector, upon request, a water report, issued under the authority of the State or local health agency, certifying or attesting to the potability of the water supply. If a facility uses a private well for its water supply, it must make available to the inspector, upon request, documentation certifying the potability of the water supply that has been renewed at least semi-annually.

E. Facilities. Maintenance of facilities during slaughtering and processing is accomplished in a manner to ensure the production of wholesome, unadulterated product.

F. Dressing rooms, lavatories, and toilets. Dressing rooms, toilet rooms and urinals are sufficient in number, ample in size, conveniently located and maintained in a sanitary condition and in good repair at all times to ensure cleanliness of all persons handling any product. Dressing rooms, lavatories and toilets are separate from the rooms and compartments in which products are processed, stored or handled.

G. Inedible material control. The operator handles and maintains inedible material in a manner that prevents the diversion of inedible animal products into human food channels and prevents the adulteration of human food.

Summary Table of Exemptions and Limitations

Criteria	Personal Use	Custom	Produce Grower – 1,000 Bird Limit	Producer Grower – 20,000 Bird Limit	Producer Grower or Other Person	Small Enterprise 20,000 Bird Limit	Retail Dealer	Retail Store
Slaughter Limit	NONE	NONE	YES 1,000	YES 20,000	YES 20,000	YES 20,000	Yes ZERO	NONE
Processing	YES	YES	YES	YES	YES	CUT UP ONLY	CUT UP ONLY	YES
75 lb. Sale Limit to Consumer	NO SELLING	NO SELLING	NO LIMIT	NO LIMIT	NO LIMIT	NO LIMIT	NO LIMIT	YES
150-lb. Limit to HRI	NO SELLING	NO SELLING	NO LIMIT	NO LIMIT	NO LIMIT	NO LIMIT	NO LIMIT	YES
25% of Total product/75% HRI Sale	NO SELLING	NO SELLING	NO LIMIT	NO LIMIT	NO LIMIT	N/A	YES	YES
Can Sell to any customer	NO	NO	YES	YES	NO	YES	NO	NO
Can Sell to HRI	NO	NO	YES	YES	NOT TO ALL HRIs ¹	YES	YES	YES
Sell to Distributor	NO	NO	YES	YES	YES	YES	NO	NO
Sell to Retail Store	NO	NO	YES	YES	NO	YES	NO	NO
Intra-State Distribution	NO	NO	YES	YES	YES	YES	YES	YES
Inter-State Distribution	NO	NO	NO	NO	NO	NO	YES ²	NO ²

1. Product produced under the Producer/Grower or Other Person Exemption may not be sold to institutions.

2. Only poultry products derived from federally inspected and passed poultry may be transported in interstate commerce.

EXEMPTION	Customer(s) that the exempted poultry may be sold to.	Limitations:	Type of operations exempt:
		<ol style="list-style-type: none"> 1. on amount poultry product produced under the exemption 2. 25% or less exempt sales to HRIs 3. calendar year total sales dollar limitation 4. Identification/labeling requirements 	<ol style="list-style-type: none"> 1. Slaughter, 2. Processing, 3. Cut-up only.
Personal Use	Personal Use exempt poultry products may not be sold or donated for use as human food to any customer or consumer. The poultry is for the exclusive private use of the owner.	<ol style="list-style-type: none"> 1 – No limit 2 & 3 – No sales of poultry permitted 4 – The statement "Exempt P.L. 90-492" and producer's name and address on shipping contains 	<ol style="list-style-type: none"> 1. Slaughter 2. Processing
Custom Slaughter/ Processing	Custom Slaughtered exempt poultry products may not be sold or donated for use as human food. A custom slaughter may not engage in the business of buying or selling poultry used for human food	<ol style="list-style-type: none"> 1 – No limit 2 & 3 – No sales permitted 4 – The statement "Exempt P.L. 90-492" and the producer's name and address on shipping containers. 	<ol style="list-style-type: none"> 1. Slaughter, 2. Processing other person's poultry.
Producer Grower 1,000 bird limit	Limited Provision of the Act apply May sell to any person, must keep records -of sales (Title 9 CFR 381.175)	<ol style="list-style-type: none"> 1 – Yes, no more than 1,000 poultry in calendar year. Of their own raising on their own farm 	<ol style="list-style-type: none"> 1. Slaughter 2. Processing of poultry grower's raised poultry for sale to customers.
Producer Grower 20,000 bird limit	Slaughters & processes on his/her premises poultry for distribution by him/her to any person The product may only be distributed in the State, territory, or DC where it was prepared	<ol style="list-style-type: none"> 1 – Yes, may slaughter and process no more than 20,000 poultry in calendar year of their raising on their own premises. 2 – 25% HRI limitation does not apply 3 – Dollar limitation not applicable. 4 – The statement "Exempt P.L. 90-492" and producer's name and address on product when it is distributed. 	<ol style="list-style-type: none"> 1. Slaughter & 2. Processing of poultry grower's raised poultry.
Producer Grower or Other Person (PGOP)	Slaughters & processes poultry for distribution to only household consumers, restaurants, hotels, or boarding houses. The exempt product may only be distributed in the State, territory, or District of Columbia where it is prepared.	<ol style="list-style-type: none"> 1 – Yes, no more than 20,000 poultry in calendar year. 2 & 3 – not applicable. 4 – The statement "Exempt P.L. 90-492" and producer's name and address are required on product when it is distributed. 5 – May not slaughter or process poultry at a facility used for slaughtering or processing by another person. 	<ol style="list-style-type: none"> 1. Slaughter 2. Processing of raised or purchased (live) poultry
Small Enterprise	No restrictions on type of customer A small enterprise may not use or distribute products from, PGOP, Retail Dealer, or Retail Store exemptions The exempt product may only be distributed in the State, territory, or DC where it is prepared.	<ol style="list-style-type: none"> 1 – Yes no more than 20,000 poultry in a calendar year. 2 & 3 -- not applicable. 4 – All the features of an official label when distributed, with the exceptions that the official inspection legend cannot be used, modification of the safe handling instructions and the nutrition facts are optional, provided, the labeling does not bear nutrition or health claims. 5 – May not slaughter or process poultry at a facility used for slaughtering or processing by another person. 	<ol style="list-style-type: none"> 1. Slaughter 3. Cut-up only
Retail Dealer	Sales limited to household consumers, hotels, or restaurants, or similar institutions. Sales to household consumers in store must be 75% of total sales. Sales to retail markets or distributors disqualify an establishment from a Retail Exemption Product prepared from poultry previously inspected and passed by USDA permitted to cross Stateline, move in "Commerce."	<ol style="list-style-type: none"> 1 – No limit on pounds sold to consumers. 2 – 25% HRI limitation applies 3 – Dollar limitation not applicable. 4 – All the features of an official label, with the exceptions that the official inspection legend cannot be used, modification of the safe handling instructions and the nutrition facts are optional, provided, the labeling does not bear nutrition or health claims. 	<ol style="list-style-type: none"> 1. No Slaughter. 3. Processing limited to cutting up of previously USDA Inspected and Passed Poultry
Retail Store	Sales limited to household consumers, hotels, or restaurants, or similar institutions. Sales to household consumers in store must be 75% of sales. Sales to retail markets or distributors disqualify an operation from a Retail Store exemption. Product prepared from product previously inspected and passed by USDA permitted to cross Stateline, move in "Commerce " Other, exempt product may only be distributed in the State, territory, or DC where it is prepared.	<ol style="list-style-type: none"> 1 – Yes, there is a limit of 75 lbs. for household sales and a 150 lbs. limit for HRI sales. 2 – 25% HRI limitation does apply 3 – Dollar limitation applicable. 	<ol style="list-style-type: none"> 1. Slaughter of live poultry purchased by consumer at the retail store and processed by the retail store operator in accordance with the consumer's instructions. 2. Processing

Regulators:

These are the primary contacts for all meat, meat product, poultry and poultry product business questions.

United States Department of Agriculture Food Safety and Inspection Service District Office 215-430-6301
This office manages the meat, meat product, poultry and poultry product field work for all of Pennsylvania. Interpretation of the Federal regulations and exemptions will come from this office or local representatives. Federal inspection and compliance authority is the responsibility of this office.

United States Department of Agriculture Food Safety and Inspection Service - <http://www.fsis.usda.gov>
 Office of Policy and Program Development - <http://askfsis.custhelp.com> - 402-344-5000 or
 USDA Meat and Poultry Hotline - 1-888-674-6854
This Center will research Federal policy issues.

Pennsylvania Department of Agriculture Food Safety and Laboratory Services - 717-772-8573
All food businesses in Pennsylvania must register with PDA. PDA has inspection authority for meat, meat product, poultry and poultry product businesses that hold federal exemptions.

Pennsylvania Department of Agriculture Bureau of Animal Industry - 717-783-9550

Local municipal health authority - township, village, town or city as listed in your telephone directory

Pennsylvania Bureau of Labor Law Compliance, 7th and Foster Streets, Harrisburg, PA 17120 - 717-787-4671

Food and Drug Administration Office of Food Labeling, 200 C Street, SW, Washington, DC 20204 - 202-205-5229

Other sources of information:

“The Legal Guide for Direct Farm Marketing,” Neil Hamilton, Drake University Law School - 515-271-2065

“Adding Value for Sustainability Guidebook,” Kristen Markley, PASA - 814-349-9856; Duncan Hilchey, Cornell

“Marketing Meat Animals Directly to Consumers,” William Henning, Penn State University, Cooperative Extension special circular 335

“Agricultural Marketing Resource Guide,” John Berry, 610-391-9840 - jwb15@psu.edu; PaFarm and PASA

USDA Consumer Meat and Poultry Hotline - 800-535-4555

“Growing Your Own Specialty Food Business,” NYS - SBDC, 651 Ulster Avenue, Kingston, NY 12401 - 914-339-1323

“Small Farm Resource Guide,” The Small Farm Program, Stop 2220, 1400 Independence Avenue, SW, Washington, DC 20250-2220 - 202-401-4385 - www.csrees.usda.gov

Appropriate Technology Transfer for Rural Areas (ATTRA) - 800-346-9140 - www.attra.org

Penn State University, College of Agricultural Sciences, Animal Science - 814-865-5491; Food Science - 814-865-5444; Poultry Science - 814-865-5573

“Raising Poultry on Pasture,” Jody Padgham, American Pastured Poultry Producers Association (APPPA) - www.apppa.org

Trade Associations:

American Pastured Poultry Producers Association
P.O. Box 87
Boyd, WI 54726 www.apppa.org

Pennsylvania Association of Meat Processors
1172A Ridge Road
Bloomsburg, PA 17815
570-784-0490 www.pameatprocessors.org

American Association of Meat Processors
P.O. Box 269
Elizabethtown, PA 17022
717-367-1168 www.aamp.org

National Meat Association
1970 Broadway, Suite 825
Oakland, CA 94612
510-763-1533 www.nmaonline.org

American Meat Institute
1150 Connecticut Avenue, NW, 12th Floor
Washington, DC 20036
202-587-4200 www.meatami.org

Agencies that have an interest in business development:

Municipal zoning office has details on set-back, size restrictions and property use designations.

Municipal tax office has the forms for the local business license and gross sales tax.

Municipal health bureau, if established, may have its own requirements for sanitation, such as a certification program for food handlers.

County Weights and Measures Sealer has the authority to approve measuring devices and scales in order to sell foods by measure.

State and federal regulations and laws that apply to the sale of agricultural or food products are in every county's Law Library. For state regulations, review the *Pennsylvania Code, Title 7, Agriculture*. Federal regulations appear in the *Code of Federal Regulations, Title 7, Agriculture* and *Title 21, Food and Drugs*. State laws and amendments, such as the "right to market" (P.L. 454), can be obtained from the Pennsylvania Legislative Reference Bureau, phone 717-787-7385. For Federal regulations, review *The Federal Meat Inspection Act* and *The Poultry Products Inspection Act*.

Pennsylvania Small Business Resource Center offers the free booklet, *Pennsylvania Small Business Operations and Resource Guide*. This is a thorough review of operations, state regulations and advisory services for small businesses. Contact the Center at 717-783-5700, or write 374 Forum Building, Harrisburg, PA 17120.

Pennsylvania Department of Revenue offices have the *State Sales Tax Guide*, a free booklet on taxable items (plus a tax rate table) and the form, *Application for Sales Use and Hotel Occupancy Tax License*, to collect sales tax. Call 717-787-6229

Pennsylvania Department of Transportation district offices have driveway permit and inspection, required before making a new entrance onto state roads. Local office is listed in the telephone directory blue pages.

United States Postal Service offers the free guide, *Third-Class Mail Preparation*, explaining bulk rate savings and procedures for those mailing advertising. Call the customer service office at the larger regional U.S. Postal Service Centers for a copy.

Penn State Extension should be contacted if you have any questions.



Improving the quality of life.

John Berry, Agricultural Marketing Educator

Lehigh County Cooperative Extension

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610-391-9840 extension.psu.edu/Lehigh email: jwb15@psu.edu