Issue
Slow downs and closures of meat processing facilities resulting from COVID-19 have created major issues for livestock producers, as well as shortages in meat products for consumers. The situation has led to broader discussions about meat processing, including discussions surrounding availability, capacity, and rules and inspection requirements governing food safety.

Background
Since 1907, federal law has mandated the inspection of all slaughter and processing establishments engaging in interstate sales of meat products (poultry is regulated separately, see below). In the late 1960s, Congress expanded the laws to require inspection of establishments selling within state lines (intrastate). Currently, 27 states maintain their own state inspection programs, with United States Department of Agriculture (USDA) Food Safety and Inspection Service (FSIS) providing up to 50 percent of the state’s operating funds. The other 23 states, including Nebraska, rely entirely on federal inspection.

State-level meat inspection must be “equal to” federal standards, and in order to retail meat, a processing facility cannot conduct slaughter operations without a state (where applicable) or federal inspector present. Exemptions to inspection include custom-exempt and retail-exempt (in addition to non-amenable species like deer, rabbit, etc.). At custom-exempt facilities, meat can be processed for an animal owner, exclusively for use by the owner. The key is that ownership of the animal is established before the animal is delivered for slaughter. This rule on ownership is loosely interpreted to allow more than one owner.

At retail-exempt facilities, meat or carcasses are purchased from other state or federally inspected facilities and further processed or trimmed. An example of retail-exempt would be grocery store meat counters, buying whole carcasses then cutting customers’ specifications.

There are 73 federally inspected meat and poultry plants in Nebraska, inspected by 325 inspectors. In Nebraska, like the other 23 states without state-level inspection, the federal government bears full responsibility and cost for inspecting all facilities, both interstate and intrastate sellers. Kansas, Minnesota, Missouri, South Dakota, and Wyoming all have state-level inspection (in some cases states have only federal inspection for poultry). While the USDA seemingly reversed its opinion about interstate shipment of state-inspected products in 1999, state inspected meat can only be sold within the state. Nebraska discontinued its state inspection program in 1971, primarily because of cost.

Wyoming: Wyoming does have state-level meat inspection, which means Wyoming Consumer Health Services (CHS) inspectors are in the state inspected meat plants during all slaughter and processing procedures, but their state inspection program isn’t necessarily related to actions taken by their legislature this year to grow farm-to-consumer sales receiving attention, including on Reason.com.
An amendment to the 2015 Wyoming Food Freedom Act, passed this year, will allow consumers to buy “animal shares,” allowing for 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. It must include a bill of sale. The goal being, the entire herd is owned by customers before slaughter, thereby meeting the exemption standards of the federal law outlined above, and now the grower can utilize smaller, non-federally inspected butchers.

The issue has centered primarily on cattle, but could be applied to swine, sheep, or goats. Poultry, including chicken, duck, turkey, and geese, can be slaughtered and sold off the farm (max. 20k birds) and are regulated under a separate law.

Note – Custom facilities and on-farm slaughter
Even in Wyoming, meat from herd shares is being processed in a facility which is occasionally inspected. Custom exempt lockers don’t have someone inspecting all day, every day, carcass by carcass, but they are not entirely exempt from federal law (adulteration requirements, record keeping etc.). Selling meat off the farm, directly to consumers, or slaughtering an animal on-farm (other than poultry), and selling the carcass or meat, is a violation of federal law. On-farm slaughter is only for the person who raised the animal.

PRIME Act (H.R. 2859)
The PRIME Act would allow custom processed meat – described above – to be sold intrastate to individuals, restaurants, hotels, and grocery stores. The legislation has been introduced over the past few Congresses but has not gained enough support to see movement toward passage or a committee hearing.

Current Policy

(NEFB) STATE BEEF CHECKOFF PROGRAM (2018). Nebraska Farm Bureau supports the creation of a state beef checkoff program administered by the Nebraska Department of Agriculture (NDA). The generated funds must only be used for promotion, education, and research of Nebraska beef products. Funds cannot be used for lobbying purposes. We encourage the state beef checkoff program to work with the marketing and retail segments of the industry to assure that Nebraska beef is marketed and promoted to the consumer both domestic and foreign. This education should be based on sound science, with a specific emphasis on removing trade barriers on all market fronts. The program can only be established, changed, and/or suspended through a referendum vote of Nebraska cattle producers. We will only support a state checkoff program which includes a refund provision. A state checkoff rate should not be set at more than $1 per head.

(NEFB) STATE MEAT INSPECTION (2012). We support efforts to expand opportunities for farmers to direct market meat and poultry products to consumers. We would encourage the establishment of a state meat inspection only if such a program could be self-sustaining using producer fees and not require additional monies from the general fund or other sources.

(AFBF) 358/INSPECTION AND GRADING OF MEAT, POULTRY, AND SEAFOOD PRODUCTS
(NOTE: This section is quite comprehensive; please see 2020 federal policy book Pg. 86-87)

USDA should:
  8.4 Support small-scale meat processors and examine existing requirements to alleviate the immense burdens placed on small-scale meat processors;

We Support:
  9.7 Changes to USDA regulations to allow for part-time supervision of small local slaughterhouses;
  9.10 Legislation to eliminate unnecessary inspection;
  9.16 Federal meat inspectors being made available to small meat processors;
Questions

- Should Nebraska Farm Bureau put forward federal policy supporting the PRIME Act or, more generally, intrastate meat sales from custom slaughter plants?

- Should Nebraska Farm Bureau adopt state policy to support a Wyoming-style law to expand herd-sharing, and/or re-up state meat inspection policy based on any of the previous recommendations, including a federal inspection cost-share program instead of state-level meat inspection?