**State and Federal Meat Inspection**

**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.

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.

Active Federal Legislation & Farm Bureau Position

**PRIME Act (H.R. 2859)**
The PRIME Act would allow non-USDA inspected 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. (Farm Bureau does not support this legislation.)

**The Small Packer Overtime and Holiday Fee Relief for COVID-19 Act of 2020 (S. 3797/H.R. 6977)**
These bills will provide funding to help cover a portion of the overtime expenses for USDA inspectors required to be paid by small processing facilities if they operate over 40 hours per week. While these smaller plants have limited capacity, they do have the ability to help local livestock producers and are another way to connect consumers to the food they eat. (Farm Bureau is supporting this legislation.)

**RAMP-UP Act**
This bill would establish a program to make facility upgrade and planning grants to existing meat and poultry processors to help them move to Federal Inspection and be able to sell their products across state lines. The grants will be capped at $100,000 per facility. The legislation will also require USDA to work with States and report on ways to improve the existing Cooperative Interstate Shipment program. (Farm Bureau is supporting this legislation.)

**DIRECT Act**
This bill would allow state inspected meat to be sold across state lines, but only through e-commerce, allowing small producers and processors more options to directly market to consumers. The legislation allows new flexibilities without compromising food safety recall ability, or jeopardizing trade market access through equivalency agreements. (Farm Bureau is supporting this legislation.)

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**Current Policy**

**(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.

**(NEFB) LIVESTOCK PROCESSING (2020).** We support using any economic development funds proposed by the Legislature to increase livestock and poultry processing capacity in the state of Nebraska.

**(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;
We Support:
7.7 Incentives for new meat processing facilities. (NEFB Added this to AFBF policy in 2020)

Questions
• Should NEFB support allowing intrastate meat sales from non-USDA inspected custom slaughter plants (the Prime Act)?
• 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?
• On what other areas should NEFB focus to increase small and medium-size processing plant capacity?