

2013 SENATE AGRICULTURE

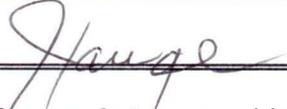
SB 2324

2013 SENATE STANDING COMMITTEE MINUTES

Senate Agriculture Committee
Roosevelt Park Room, State Capitol

SB 2324
February 7, 2013
18494

Conference Committee



A bill for an Act to provide a producer exemption for the slaughtering and processing of poultry.

Minutes:

Written testimony

Chairman Miller opened the hearing on SB 2324. All committee members were present.

Senator Howard Anderson, District 8 and prime sponsor, introduced SB 2324 and urged support. **Written testimony #1**

(3:04) **Daryl Lies**, Douglas, North Dakota testified in support of SB 2324. He voiced his concern that North Dakota was regulating at a higher level than what the Federal law requires.

Lori Martin, a consumer of local foods testified in support of SB 2324. They purchase all of their meat, poultry and eggs from local farmers in their community.

Written testimony #2

Senator Klein asked if the local food growers can sell directly to restaurants without having USDA inspection.

Lori Martin said they could not sell to restaurants.

Angela McGinness operates a vegetable farm located south of Mandan, testified in support of SB 2324. She asked that they approve this bill and help open the doors for more North Dakota farmers to have free access to the market that demands their products.

Written testimony #3

Senator Larsen asked if they needed a permit for less than 1000 birds and if changed to up to 20,000 is there a need for inspection.

Angela McGinness replied that when you are processing under 1000 there is no inspection. She said the inspection is between the consumer and the producer and that is where the responsibility lies. This would change the law so producers could produce up to 20,000 chickens without that inspection. She believes that over 20,000 per year would merit inspection. She believes in a balance between regulation for consumer safety and the freedom for free enterprise in our country.

Senator Klein said that there is a balance necessary and just because of the free market there is still a need for regulation.

(18:45) **Annie Carlson**, Morning Joy Farm, Mercer, ND, testified in support of SB 2324.
Written testimony #4

Eric Aasmundstad, North Dakota Farm Bureau, testified in support of SB 2324. He stated that NDFB sees no reason that the state of North Dakota has to go beyond federal guidelines in regulating any business.

Mike Beltz, Hillsboro, testified in support of SB 2324.

No opposing testimony.

Senator Klein asked if Dr. Andrea Grondahl, North Dakota's meat inspection expert could answer some questions. He asked Dr. Grondahl if she could explain, if and why the state rules are stricter than the federal law and how that happened.

Andrea Grondahl said that she was not aware of SB 2324 until it was introduced. She is not familiar with the history of why it was introduced. She said that North Dakota does have a producer grower 20,000 exemption adopted into 713-01-03, which adopts most of title 9 CFR federal regulations including part 381 which list the poultry exemptions. That is the regulations they use to allow the exemption and enforce requirements under it. The federal regulations do require facility and sanitation requirements be imposed. She said they had about four operators under this exemption and they are inspected on quarterly bases. They do not do individual bird inspection because they are exempted from those regulations.

Senator Klein asked if they would continue to inspect quarterly on Annie's place if she goes above 1000 birds.

Andrea Grondahl replied yes because they do have that regulation adopted. Under the Federal Meat and Inspection Act, under the poultry products inspection act, it states that a meat and poultry inspection program is required to enforce regulations at least equal to Federal. So the state of North Dakota could not be less stringent than those regulations. She stated that they have not enforced any regulations above and beyond what is in the federal regulations.

Senator Klein said that if he understands it right, they only inspect facilities.

Andrea Grondahl replied that was correct. They have facility and sanitation requirement. They are basic requirements and she explained and gave examples.

Senator Klein asked a question on where these birds can then be sold.

Andrea Grondahl said that according to USDA regulation the birds could be sold to any person but only inspected birds can be sold at wholesale.

Discussion followed on clarity of the regulation and if the passage of SB 2324 will actually change and do what the bill sponsors hoped it would do.

Dr. Grondahl gave the committee a copy of USDA's Guidance for Determining whether a Poultry Slaughter or processing operation is Exempt from Inspection Requirements of the Poultry Products Inspection Act. **Attachment #5**

Senator Klein commented that he didn't think the bill was doing what the sponsors wanted. He thinks the belief was that whatever we were doing for the 1000 and less, with SB 2324 it would be the same rules for 20,000 and less.

Dr. Grondahl said that the 1000 and less would be as is but the 20,000 if their intent was not to have the facility and sanitation inspection requirements, it would not change this because of the federal regulations the state has adopted. The mandate is that under the Poultry Products Inspection Act it states that all birds sold must have bird by bird inspection and must meet all inspection requirements for facilities, sanitation; then it creates these exemptions saying that if you meet the requirements for an exemption, you can claim an exemption, that exempts them from the bird by bird inspection. They are not exempted from facility and sanitation inspection standards.

Kenneth Bullinger, North Dakota Department of Health, clarified that no uninspected meat or poultry can be sold at retail or in restaurants. He stated that all regulations are science based research driven regulations. They are not roadblocks but they are in place to protect the consumer public as well as the producer.

Daryl Lies said that Maryland, Massachusetts, California, Minnesota, Iowa all have versions of what we have in SB 2324. He stated that the overzealous Ag Department is interpreting this beyond the scope of what the federal law was written. He said that the Federal law has the exemption up to 20,000 birds. They have standards for facilities written, however it states that these standards may be applicable but not regulated or required for the 20,000 bird exemption. North Dakota has chosen to make it not applicable but inspect able. It is not a mandatory regulation to have a facility inspection for that 20,000 bird exemption.

(55.09) **Anne Carlson** pointed out information found in Attachment #5 on page 23 and voiced her interpretation of how it relates to her. Also referred to page 22 on exceptions of producers grower 20,000 bird limit and pages 10-12, Criteria for Producer/Grower-20,000 limit exemption. She stated that nowhere does it say that the facilities need to be inspected. It says that sanitary standards, practices and procedures are used to produce food that is fit and clean and for human consumption.

Anne Carlson explained further the Public Law, August 18, 1968. **Attachment #6**

Dr. Grondahl clarified that although the state created the State Meat Inspection program in 1999, poultry was not added until 2005. She explained why poultry was added at the request of producer operations. She explained how the federal was regulating for 20,000 birds or less before 2005 and what they presently do. The federal had been doing inspection of facilities 4 times a year before and ND continued these inspections after 2005.

Senator Miller questioned whether these sanitation inspections are required by law.

Dr. Grondahl replied that the facility and sanitation requirements for exempted operators are required under federal law. Prior to 2005, when ND didn't have meat inspection for poultry, federal officials were enforcing the same requirements that ND requires today for any exemptions.

Senator Heckaman asked what chapter the meat inspection is under.

Dr. Grondahl answered, 36-24.

Senator Klein asked Dr. Grondahl if the state meat inspection could not allow what the sponsor and those testifying are asking for.

Dr. Grondahl replied that was correct. She continued that if there is some discrepancy in the interpretation of the law, she could ask for an official opinion from USDA of what we can do and what we cannot do.

Senator Miller said to go ahead with the opinion if it wouldn't take too long.

Senator Klein said that it is his understanding that whatever we would do to SB 2324; they would still have to have quarterly inspections.

Dr. Grondahl replied that was her understanding. She said that she was not aware of any states that allow the 20,000 without any inspection requirements. If it is taking place, she is completely unaware of it.

Senator Miller closed the hearing.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Agriculture Committee
Roosevelt Park Room, State Capitol

SB 2324
February 7, 2013
18517

Conference Committee

Hauge

Minutes:

Chairman Miller opened discussion on SB 2324 relating to a producer exemption for the slaughtering and processing of poultry.

Senator Klein said that regulations have to mirror the federal law and gave an example of processing deer meat and adding pork. He stated that he wants that lady to be able to process 20,000 chickens but he is afraid that there is nothing that we can do to allow her to do it without having a butchering facility that has to be inspected. He does not think this bill will give the sponsors and those that testified in support of SB 2324 what they think it will.

Senator Miller said that if the state of ND is imposing an undo regulation on itself, this bill does not fix the problem.

Discussion followed on if there is a need for inspection if you are process up to 20,000 chickens. With those larger numbers, there is some concern for quality control.

Senator Klein talked about the standards or compliances that over 1000 head of birds processed would encompass. He gave some history of how the State Meat Inspection developed. He said that we still have to follow the federal rules because there isn't any gray area.

Senator Heckaman continued to express her concern that rules are needed when you are processing up to 20,000 birds a year.

Senator Miller said that if we find that the Ag Department wrongly interpreted the Federal law, he would agree that when you get to those bigger numbers we do need regulation. He thought 5000 or less could be a good number to have without facility inspections.

Discussion continued on what this bill would actually accomplish. There was comment on maintaining some requirements on the safety and health of a processing area.

Senator Klein said he would like some time to visit again with Dr. Grondahl. He reminded the committee that they did not oppose this bill but concluded that they will still have to

follow the federal law and inspect facilities over 1000 birds. Senator Klein stated the meat inspectors educate the first time and regulate the second. They tell you what you have to fix and you fix it. They are just following the federal law.

Chairman Miller adjourned.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Agriculture Committee
Roosevelt Park Room, State Capitol

SB 2324 & SB 2146
February 8, 2013
18575

Conference Committee

J. Hauge

Minutes:

Chairman Miller opened discussion on SB 2324 relating to a producer exemption for the slaughtering and processing of poultry.

Senator Klein came back to Senator Heckaman's comment that if you are processing over 1000 chickens, up to 20,000 chickens, someone should look at the building you are in. He agreed.

Senator Heckaman said that when you look at up to 20,000 birds, the market could be limited. She had concerns on how these processed birds would be marketed. She believes it is a health and safety issue for their benefit and their liability to have inspection in their facility.

Senator Luick's concerns went beyond what Anne would be doing on her farm. He was concerned with other players.

Senator Heckaman had a question on waste disposal.

Senator Klein said he would like to continue to look into this. He said that we don't want to be more restrictive than states like California but we need more information and clarity.

Discussion continued on costs of complying and whether this bill would change anything.

Senator Klein is not sure that we can compromise because of federal law. It may be all or nothing.

Chairman Miller said we would continue this discussion next week.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Agriculture Committee
Roosevelt Park Room, State Capitol

SB 2324
February 15, 2013
19026

Conference Committee

J. Hauge

Vote: Do Not Pass 5-0-0

Minutes:

Chairman Miller opened discussion on SB 2324 relating to a producer exemption for the slaughtering and processing of poultry.

All committee members were present.

Senator Klein: Chairman Miller and I visited with Dr. Andrea Grondahl and Wayne Carlson at the Ag Department about SB 2324. The reason that they are not opposed to this bill is because it doesn't do anything. Producers will have to continue to follow the law. Copies of State Laws that were mentioned in Daryl Lies's testimony are available in the Ag Department. All are exactly what the Federal Law does. In conclusion, this bill is not going to do what the sponsors and supporters want it to do.

Senator Klein moved for a **do not pass**.

Senator Larsen seconded.

Roll call vote: 5-0-0

SB 2324 was defeated.

Senator Klein is the carrier.

Chairman Miller adjourned.

FISCAL NOTE
Requested by Legislative Council
01/29/2013

Bill/Resolution No.: SB 2324

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill provides a producer exemption for the slaughtering and processing of poultry. The provisions should have no fiscal impact.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

N/A

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

N/A

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

N/A

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

N/A

Name: Wayne Carlson

Agency: ND Department of Agriculture

Telephone: 328-4761

Date Prepared: 01/31/2013

REPORT OF STANDING COMMITTEE

SB 2324: Agriculture Committee (Sen. Miller, Chairman) recommends DO NOT PASS
(5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2324 was placed on the
Eleventh order on the calendar.

2013 TESTIMONY

SB 2324

#1

Senate Bill 2324

Senate Agriculture Committee

February 7, 2012 at 10 AM

Roosevelt Park Room

Chairman Miller and members of the Senate Agriculture Committee, I am Senator Howard Anderson from District 8 and the prime sponsor of this bill.

When one of my constituents wants to work hard enough to butcher 20,000 chickens and sell them from her farm, I pay attention. Twenty thousand sounds like a lot, and it is, however when you think about the current exemption level at one thousand and consider that a producer might have 300 chickens on a six to eight week growth cycle it does not take long to get to the 1000 limit.

I encourage you to support this bill and the hard working producers who want the exemption raised, as they plan to make a living doing this, raising their gardens, selling produce, and maybe taking us back a bit closer to the land.

Anne Carlson and others in this business will give you more information.

Sincerely,

Howard C. Anderson Jr.

Testimony of Lori Martin, Local Foods Consumer
In support of SB 2324, the Poultry Slaughter and Processing – Producer Exemption Bill
Before the Senate Agriculture Committee
February 7, 2013

Hello, my name is Lori Martin and I am here to speak in favor of Senate Bill No. 2324. As a wife, mother and former chef, I think it is vital to know the source of my family's food. Regardless of your stance on the various methods that can be used to raise and process food, I believe you, and everyone, should strive to have at least a basic understanding of how a meal gets from the field to your plate. That is one of the main reasons why my family grows and preserves many of our own fruits and vegetables. It is also why we purchase all of our meat, poultry and eggs from local farmers in our community. This not only allows us to keep our money in the local economy, it also gives us the opportunity to connect with the source of our food.

My family consumes a lot of chicken each year. And we are not alone. The farmers I know, trust and purchase poultry from cannot meet the demand from consumers, such as myself, because of the 1000 bird per year limit currently enforced in North Dakota. I would like small farmers to have the ability to process larger quantities of poultry so we, and many others, can keep our freezers full all year.

As a trained chef, I understand the importance of food safety and preparation. This safety does not just take place in the kitchen, but begins with the initial processing at the farm. By purchasing directly from the farmer, we are removing all of the additional hands that could possibly contaminate our food. I trust in the farmers that I purchase from that safety of processing is paramount to them. Seeing first-hand how they process their birds instills confidence in me that they take great pride in what they do and want to provide the highest quality product to their customers.

Therefore, I urge the committee to support SB 2324. Thank you for your time.

Hello and thank you so much for taking the time to hear my comments regarding this bill. SB2324

My name is Angela McGinness I make my living farming. My husband Brian and I operate a vegetable farm located south of Mandan on the banks of the Missouri river. We market our vegetables directly to consumers in the Bismarck –Mandan area. Last season we had approximately 250 families sign-up for a weekly share of our produce, delivered to them June through Nov. We also had a waiting list for the 2013 season. Our business employs both my husband and I full-time with no off farm income as well as 2 part time employees.

Our farm has become a contact point for members of the community to find locally produced foods. We have experienced a large volume of people contacting us looking for locally produced meats. Consumers want to know where their food is coming from. Consumers want to know how their food is produced, and consumers want to have a connection to their food, myself included. Small scale artesian farming is in high demand in our state with not enough producers meeting this need. It takes a special kind of person to take on the difficult work that comes with farming. Farming can often be quite physically and emotionally demanding. We need to open the doors for those producers who are willing to put themselves out there and produce a high quality product like farm raised chicken. Our customers are willing to pay a farmer \$4 a lb for their chickens because they value employing a local farmer and appreciate the taste of a real chicken. Our customers alone purchase hundreds of chickens a season from local farmers and their appetites are hardly satiated. I buy all of my chickens

locally for years now and I have never experienced any problems with the quality or safety of my meat.

As people of a free land, we deserve the right to earn an honest living doing what we love while nourishing our communities with high quality food. As people of a free land we also deserve to be able to buy the kind of food we want, produced by whomever we wish, as we see fit. Please approve this bill and help open the doors for more North Dakota farmers to have free access to the market that demands their products.

42

SB 2324 – Testimony
Annie Carlson
Morning Joy Farm – Mercer, ND

My husband and I own and operate Morning Joy Farm near Mercer, ND. The same farm my grandparents bought in 1941. Our three young children are the fourth generation to live and work on this land. Our grass-based farm raises pastured broiler chickens, eggs, turkeys, pork and grass-fed lamb. And while our pastured pork and grass-fed lamb products are very popular, it is our poultry that is our main enterprise.

All of our farm products are marketed direct to the consumer. We do not sell to restaurants or grocery stores. We do not sell at a farmer’s market. We also do not advertise. Our customers order our products in the spring of the year via a newsletter with an order blank. In the past two years, we have tripled and doubled our production and continue to sell out long before the last batch of chicks ever arrives in the mail. Our customers vary widely in age, family size, occupation and socio-economic status. We have elderly ladies who order just two chickens. We have large families that order 80. We even have one customer who orders a chicken for each of her children for Christmas, as she told us, “They have every thing else, but they don’t have a good farm chicken!”

Why do we raise poultry?

1. **Pastured poultry production is seasonal.** We raise broilers from chicks to full-grown in 8-9 weeks. Turkeys take 16 weeks to reach slaughter weight. Our first batch of broiler chicks arrives the second week of May and we harvest the last batch by the middle of September. Yes, raising poultry and processing it yourself is hard work, but it’s only hard work for 4 months of the year.
2. **Pastured poultry requires very little infrastructure.** We brood our birds in a grain bin with an Ohio brooder that I built from wood on our lumber pile. The birds are moved daily to fresh pasture with portable shelters, that we have built, for the broilers or electric fence for the turkeys.
3. **We can process poultry on our farm.** This dramatically reduces animal stress before slaughter. It also allows my husband and I to visually inspect each and every bird before it is packaged and sold to a customer. Any birds that do not meet my rigorous standard are marked with a large “C” on the package and placed in our personal freezer for my family’s consumption. We would not have this same level of quality control if we were to take our birds to a processing facility.

Why don’t we take our birds to a processing facility?

The state of North Dakota has no public state or federally inspected poultry processing plants. The closest USDA inspected facility is 295 miles away in Ashby, MN.

Why do we need SB2324?

1. **This bill allows ND producers to follow the federal USDA regulations for poultry processing, specifically the exemption made for producer/growers who process less than 20,000 birds.** The exemption is found in P.L. 90-492.
2. **As the state currently interprets this law, we would be required to have a facility, sanitation and record keeping inspection if we raise and slaughter more than 1000 birds in a calendar year.** (Keep in mind, this applies to all birds: turkeys, broiler chickens, spent laying hens, etc.) With these requirements, the only difference between our family

farm operation and a federally inspected facility is that we wouldn't have an inspector physically present to do a bird-by-bird inspection. Otherwise, we would be required to have the same type and grade of facilities as a federally inspected plant.

3. **Building a facility that would meet the facility and sanitation requirements that the state currently requires would cost our farm a minimum of \$40,000 to \$80,000.** In order for such an investment in infrastructure, that facility would have to run every day, year-round to cash flow. Given our seasonal production model, that is not possible.
4. **The freedom to raise and process up to 20,000 chickens would allow more farmers to add poultry production to their operations.** As with most facets of agriculture, poultry production functions on an economy of scale. The same killing cones, scalding, plucker, evisceration table, and chill tanks are used whether you are slaughtering 50, 500 or 5000 chickens. Most of us start small, try it out, see if we can raise chickens, see if we even like chickens...and butchering chickens! Our first year, we raised 112. They sold like hotcakes. The next year we did 360 and were sold out again. Last year, we processed 700 birds and had a waiting list. I'd like to share our financial plan for this year to demonstrate the profitability of poultry. (See attached tables.)

As you can see, poultry production with on-farm slaughter exempt from inspection can be a viable enterprise for a farm. It could be the avenue that brings back a son or daughter to the farm. It could be the job for a farmwife who tires of working off-farm. It can be the college payment plan for children.

Is there a market for poultry?

According to the National Chicken Council, in 2011 the average American consumed 82.9lbs of chicken.

Population of Bismarck in 2011**	62,665	5,194,928.5 lbs of chicken	1,298,732.1 chickens *4lb average	65 farmers *20,000 bird limit
Population of North Dakota in 2011**	684,740	56,764,946 lbs of chicken	14,191,236 chickens *4lb average	710 farmers *20,000 bird limit

**Figures from the US Census Bureau.

What about food safety?

As direct-market producers, we have to provide a safe, quality product each and every time to each and every customer. Our customer base grows solely on word-of-mouth. Our customers have to have a great product or they won't tell their friends about us and they won't buy our product again.

Our birds are raised entirely by us from their third day of life. They have a wonderful life, and one bad day. Each bird is inspected by both my husband, and myself, to make sure it is healthy before it is slaughtered. Once on the eviscerating table, I visually inspect the exterior of the bird for any abnormalities. During the evisceration process, I inspect the organs for any abnormalities indicating disease. Finally, as the birds are packaged, both of us again inspect the birds to make absolutely sure our customers are getting the best possible product. Our farm is neither state nor federally inspected; instead, we are customer inspected. Our customers are welcome to visit our farm at any time, including on processing days. We have taught a number of people how to butcher chickens: some were potential growers, others were our customers who wanted to know just how their chicken got from the field to their fork. Many of our customers come to the farm to pick up their chicken, this allows them to see for themselves how their food is raised and processed.

Conclusion

Your affirmative recommendation on SB2324 will open the doors for farmers in this state to add or expand a viable enterprise to their operations. It will allow consumers increased access to fresh-from-the-farm, local food that they are asking for. North Dakota should not have more onerous requirements than the federal USDA guidelines outlined in P.L. 90-492.

Thank you.

2:1 Feed Conversion Ratio

- 3.5 pound chicken dressed (figure 80% carcass yield)
- 4.4 pound average chicken live weight
- 9 pounds of feed per chicken

900 number of chickens 300 Chickens per batch 3 Batches

8100 pounds of feed
 \$0.13 cost per pound of feed
 \$1,053.00 Total Cost of feed

\$1.17 Cost of feed per bird

Hatchery Costs

- \$1.16 Cost per chick from hatchery (straight run)
- \$0.11 Shipping

Brooding Costs

- \$0.096 Electricity per kwh
- 350 watts of electricity in heat lamps
- 1134 number of hours in operation (avg 18 hrs per day for 21 days x 3 batches)
- \$38.102 Total cost for electricity
- \$0.04 Electricity cost per bird

\$20.00 Return to Labor per hour

232 Hours of Labor (40min per day for 8 weeks plus 40 hours to butcher) 3 batches of 300

\$4,640.00 Total Cost of Labor

\$5.16 Cost of Labor per bird

- \$3.00 Price per pound of chicken
- \$0.25 Price per bag

\$7.85 Total expenses per bird
 \$10.50 Average income per bird

\$7,061.00 Total Expenses
 \$9,450.00 Total Income

\$2,389.00 NET PROFIT

\$2.65 Net profit per bird

2:1 Feed Conversion Ratio

3.5 pound chicken dressed (figure 80% carcass yield)

4.4 pound average chicken live weight

9 pounds of feed per chicken

3600 number of chickens

300 Chickens per batch

12 Batches

32400 pounds of feed

\$0.13 cost per pound of feed

\$4,212.00 Total Cost of feed

\$1.17 Cost of feed per bird

Hatchery Costs

\$1.16 Cost per chick from hatchery (straight run)

\$0.11 Shipping

Brooding Costs

\$0.096 Electricity per kwh

350 watts of electricity in heat lamps

4536 number of hours in operation (avg 18 hrs per day for 21 days)

\$152.410 Total cost for electricity

\$0.04 Electricity cost per bird

\$20.00 Return to Labor per hour

928 Hours of Labor (40min per day for 8 weeks plus 40 hours to butcher)

\$18,560.00 Total Cost of Labor

\$5.16 Cost of Labor per bird

\$3.00 Price per pound of chicken

\$0.25 Price per bag

\$7.85 Total expenses per bird

\$10.50 Average income per bird

\$28,244.00 Total Expenses

\$37,800.00 Total Income

\$9,556.00 NET PROFIT

\$2.65 Net profit per bird

2:1 Feed Conversion Ratio

3.5 pound chicken dressed (figure 80% carcass yield)

4.4 pound average chicken live weight

9 pounds of feed per chicken

9000 number of chickens

300 Chickens per batch

30 Batches

81000 pounds of feed

\$0.13 cost per pound of feed

\$10,530.00 Total Cost of feed

\$1.17 Cost of feed per bird

Hatchery Costs

\$1.16 Cost per chick from hatchery (straight run)

\$0.11 Shipping

Brooding Costs

\$0.096 Electricity per kwh

350 watts of electricity in heat lamps

11340 number of hours in operation (avg 18 hrs per day for 21 days)

\$381.024 Total cost for electricity

\$0.04 Electricity cost per bird

\$20.00 Return to Labor per hour

2320 Hours of Labor (40min per day for 8 weeks plus 40 hours to butcher)

\$46,400.00 Total Cost of Labor

\$5.16 Cost of Labor per bird

\$3.00 Price per pound of chicken

\$0.25 Price per bag

\$7.85 Total expenses per bird

\$10.50 Average income per bird

\$70,610.00 Total Expenses

\$94,500.00 Total Income

\$23,890.00 NET PROFIT

\$2.65 Net profit per bird

2:1 Feed Conversion Ratio

3.5 pound chicken dressed (figure 80% carcass yield)

4.4 pound average chicken live weight

9 pounds of feed per chicken

18,000 number of chickens

300 Chickens per batch

60 Batches

162000 pounds of feed

\$0.13 cost per pound of feed

\$21,060.00 Total Cost of feed

\$1.17 Cost of feed per bird

Hatchery Costs

\$1.16 Cost per chick from hatchery (straight run)

\$0.11 Shipping

Brooding Costs

\$0.096 Electricity per kwh

350 watts of electricity in heat lamps

22680 number of hours in operation (avg 18 hrs per day for 21 days)

\$762.048 Total cost for electricity

\$0.04 Electricity cost per bird

\$20.00 Return to Labor per hour

4640 Hours of Labor (40min per day for 8 weeks plus 40 hours to butcher)

\$92,800.00 Total Cost of Labor

\$5.16 Cost of Labor per bird

\$3.00 Price per pound of chicken

\$0.25 Price per bag

\$7.85 Total expenses per bird

\$10.50 Average income per bird

\$141,220.00 Total Expenses

\$189,000.00 Total Income

\$47,780.00 NET PROFIT

\$2.65 Net profit per bird

Dr. [unclear]

HS

Answer
Reference



**Guidance for Determining
Whether a Poultry Slaughter or
Processing Operation is Exempt from
Inspection Requirements of the
Poultry Products Inspection Act**

**United States
Department of
Agriculture**

Food Safety
and Inspection
Service

Inspection &
Enforcement
Initiatives Staff

Revision 1, April -2006

Table of Contents

<u>Introduction</u>	1
<u>What does exempt mean?</u>	2
<u>What is Adulteration?</u>	2
<u>When is Misbranded Product?</u>	3
<u>What is Commerce?</u>	3
<u>What is Slaughter?</u>	3
<u>What is Processed or Processing?</u>	3
<u>How can I determine whether an operation qualifies for an exemption under the Poultry Products Inspection Act?</u>	4
<u>Exemptions</u>	6
<u>Personal Use</u>	6
<u>Custom Slaughter/Processing Exemption</u>	7
<u>Poultry Producer Grower – 1,000 Limit</u>	9
<u>Poultry Producer/Grower – 20,000 Limit</u>	10
<u>Poultry Producer/Grower or Other Person (PGOP)</u>	11
<u>Small Enterprise</u>	13
<u>Retail Exemption (Store/Dealer/Restaurant)</u>	15
<u>How many exemptions may a person or business claim?</u>	18
<u>Who determines whether an operation qualifies for an exemption?</u>	19
<u>Suspension or termination of exemptions</u>	19
<u>Religious dietary exemption</u>	20
<u>Attachment 1 A Summary Table of Exemptions and Limitations</u>	21
<u>Attachment 1 B Table of Exemptions and Limitations</u>	22
<u>Attachment 2 Basic Sanitary Standards</u>	23
<u>Attachment 3 FSIS District Office Information</u>	25
<u>Attachment 4 OPEER Regional Offices Contact Information</u>	27
<u>Attachment 5 Adulterated</u>	28
<u>Attachment 6 State Officials Cooperative Meat and Poultry Inspection Programs Contact Information</u>	29

Guidance for Determining Whether a Poultry Slaughter or Processing Operation is Exempt from Inspection Requirements of the Poultry Products Inspection Act

Introduction

An increasing number of small poultry producers, also called “growers,” are raising, slaughtering, and processing their poultry on their farms and selling the poultry directly to customers at the farms or at farmers’ markets. Some of these small producers are going further by building processing facilities with the intent of supplying local customers, including household consumers, retail stores, restaurants, boarding houses, and institutions. Other producers and businesses are building processing plants to supply poultry that meets special religious dietary requirements such as Kosher and Halaal or (Halal), and niche markets, such as organically grown poultry and live poultry markets.

At some point, a grower or business that plans to or has made the decision to sell poultry that he or she slaughters or processes will face the question “Can I sell the poultry that I slaughter or process, without inspection by the Federal or State government?” The Food Safety and Inspection Service (FSIS) of the Department of Agriculture (USDA) created this guide to help small businesses and poultry producers who slaughter or process poultry for human food to determine whether the slaughter or processing operations at their businesses are eligible for exemption from Federal or State inspection. In other words, this guide is helpful to producers or businesses in determining whether their slaughter or processing operations require USDA or State inspection, as mandated in the Poultry Products Inspection Act (PPIA).

In addition, this guidance material can serve as a quick reference for Federal and State inspection personnel who have questions about whether a poultry operation qualifies for an exemption in the PPIA. This guidance does not address exemptions related to livestock product (e.g., meat from cattle, swine, sheep, goat, and equine) because the Federal Meat Inspection Act does not provide exemptions similar to those provided in the Poultry Products Inspection Act. In addition, this guidance material does not address exemptions requirements where State Laws may be different from those in the PPIA and FSIS/USDA regulations.

The 1957 Wholesome Poultry Products Act (Public Law 90 – 492), which is commonly referred to as the Poultry Products Inspection Act (PPIA)¹ was passed by Congress to ensure that only wholesome poultry that is not

¹ A copy of the Poultry Product Inspection Act can be accessed by browsing the FSIS home page at (http://www.fsis.usda.gov/regulations_&_policies/Poultry_Products_Inspection_Act/index.asp). This is the Act found in the United States Codes Sections 451-470. There are published copies of the PPIA with the sections numbered from 1 to 29 that correspond to U.S. Code sections 451 to 470.

adulterated and not misbranded enters interstate or foreign commerce. The 1957 Act mandated Federal inspection at businesses that slaughter poultry or process poultry products that enter interstate or foreign commerce. Congress amended the Act in 1968, extending the mandate for Federal inspection to all businesses that slaughter or process poultry for shipment within a State, when the State does not enforce requirements at least equal to the Federal inspection requirements in the PPIA. Because of this amendment, any business in any State that slaughters or processes poultry for use as human food is required to do so under Federal or State inspection, unless the slaughter or processing operations at the business meets certain exemption criteria in the Act.

What does exempt mean?

The term “exempt” means that certain types of poultry slaughter and processing operations qualify to operate without the benefit of Federal inspection on a daily basis, and a grant of Federal inspection is not required. Such operations are exempt from continuous bird-by-bird inspection and the presence of inspectors during the slaughter of poultry and processing of poultry products. However, a facility operating under such an exemption is not exempt from all requirements of the Act. It was not the intent of Congress to mandate Federal or State inspection of an owner’s private holdings of poultry or to mandate inspection at businesses that slaughter or process a small amount of poultry. Therefore, the PPIA exempts some poultry slaughter and some processing operations from certain requirements of the Act.

The Act **does not** exempt any person slaughtering or processing poultry from the provisions requiring the manufacturing of poultry products that are not adulterated and not misbranded. Thus, all businesses slaughtering or processing poultry for use as human food, including exempt operations, must produce poultry product that is not adulterated or misbranded.

How is Adulteration Defined? Both the PPIA and the supporting Federal regulations define the circumstances and conditions that would render poultry products adulterated. Simply put, a product is adulterated if it bears or contains a substance that makes it injurious to health, or if it has been held, packed or produced under insanitary conditions. The specific definitions of circumstances that define adulteration are detailed in Section 453 of the PPIA, and in Title 9 Code of Federal Regulations (9 CFR). In addition, the definitions have been reproduced as Attachment 5 of this document.

To qualify for any one of the poultry exemptions, a business must slaughter poultry or process poultry products under sanitary conditions using procedures that produce sound, clean poultry products fit for human food. Attachment 2 of this guidance is a list of sanitary standards and procedures. These sanitation procedures and practices are required for poultry businesses receiving full USDA inspection and are applicable to exempt poultry operations [Title 9 CFR part 416].

Specific sanitary practices are described in FSIS's *Sanitation Performance Standards Compliance Guide*, dated October 13, 1999. The specific sanitary practices in the document are not requirements. In the Guide, FSIS presents or references methods already proven effective in maintaining sanitary conditions in meat and poultry establishments. Establishments that follow the guidance can be fairly certain that they comply with the requirements in the Act and regulations to conduct operations under sanitary standards, practices, and procedures that result in poultry products that are not adulterated.

How is Misbranded Defined? The regulations require that poultry products transported or distributed in commerce bear specific information. Poultry products inspected and passed under USDA inspection at official USDA establishments must bear the official inspection legend and meet specific labeling requirements prescribed in the regulation.

However, exempt poultry products **cannot** bear the official mark of inspection. In addition, there is specific labeling or identification requirements for exempt product to meet in lieu of bearing all required elements of a label. The information that shipping containers or packages of exempt poultry products must bear varies depending on the exemption. The specific information required on the shipping containers or packages of exempt products is presented later in discussions for each type of exemption.

What is Commerce?

Commerce is 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 [Title 9 CFR §381.1(b)]. In this document, we qualify “commerce” with “interstate” when referencing the exchange or transportation of poultry products between States, United States territories, and the District of Columbia. We also qualify “commerce” with “intrastate” when referring to the exchange or transportation of poultry products solely within a State, territory, or the District of Columbia. FSIS will not view the product as having been introduced into commerce if it has not left the control of the processing entity.

What is Slaughter? The term slaughter refers to the act of killing poultry for use as human food.

What is Processed or Processing? The terms “processed” and “processing” refer to operations in which the carcasses of slaughtered poultry are defeathered, eviscerated, cut-up, skinned, boned, canned, salted, stuffed, rendered, or otherwise manufactured or processed.

How can I determine whether an operation qualifies for an exemption under the Poultry Products Inspection Act?

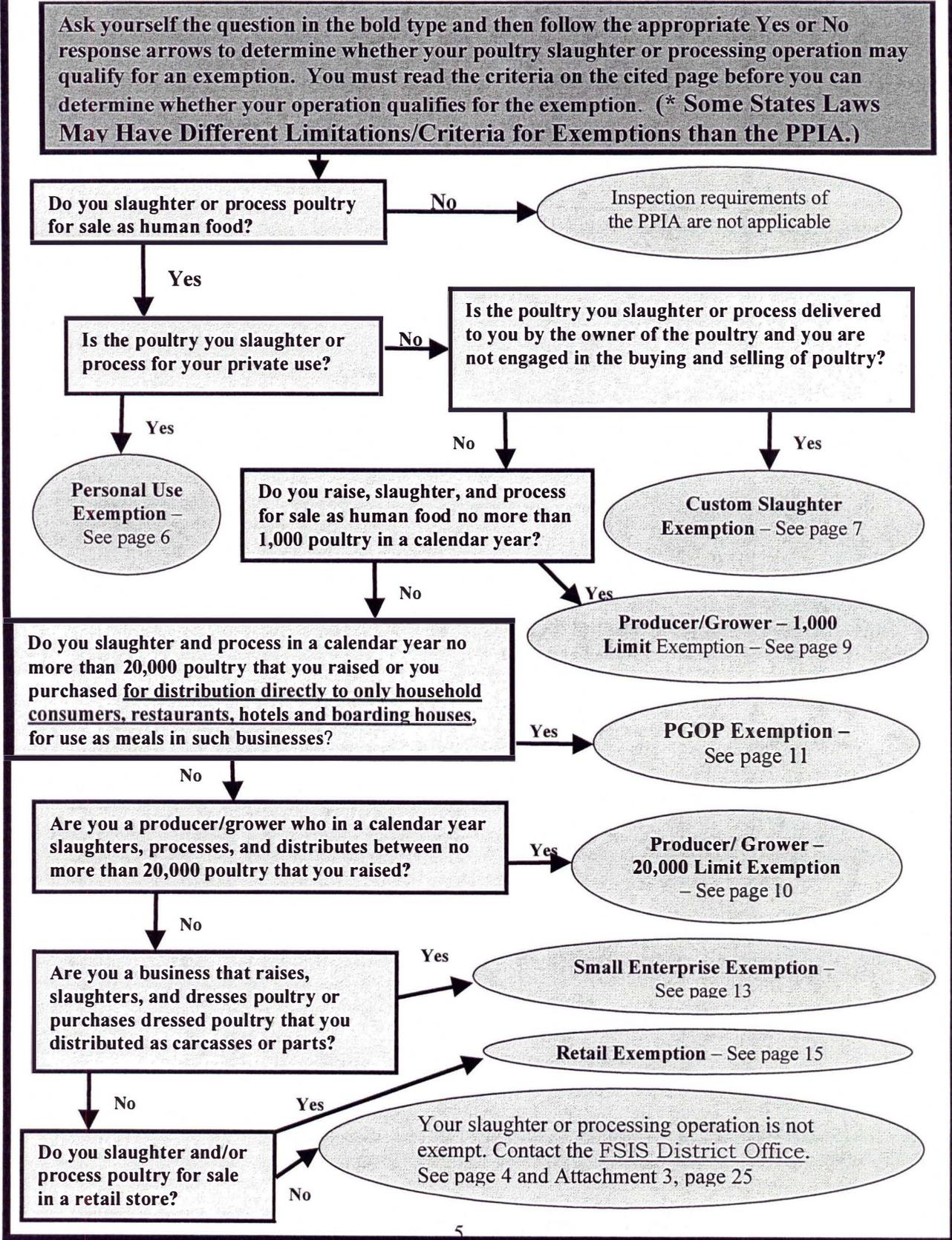
Use the decision chart on the following page to determine whether a slaughter or processing operation qualifies for one of the exemptions in the PPIA and supporting regulations. Read the question in bold type in the squares and then follow the “yes” or “no” response arrows to determine the exemption, if any, under which the poultry products may be produced. When the arrows lead to an oval read the exemption criteria for the exemption on the page indicated in the oval to determine the exemption, if any, for which the slaughter or processing operation would qualify.

You should contact the FSIS District Office responsible for Federal inspection or the State Agency responsible for administering a State Poultry Inspection Program in the State where your slaughter and processing is located. This contact will facilitate reviews of the operation by FSIS or the State Agency with oversight of businesses operating under an exemption in your State. Some States may have requirements in their exemption laws for a business to qualify for an exemption that differ from Federal requirements. The FSIS District Office or the State Agency will determine whether your operation qualifies for the exemption. Attachments 3 and 4 are lists of FSIS district offices for the Office of Field Operations (OFO), and FSIS regional offices of the Office of Program Evaluation Enforcement and Review (OPEER), and State contacts. The information in these lists is subject to change as is the web/ulr cite for, OFO and OPEER.

If you slaughter or process poultry that is donated or sold for use as human food, and the operation does not qualify for an exemption from inspection, you must contact the FSIS District Office or State Office responsible for inspection in the State where your operation is located. The FSIS District Office or State Office will provide instructions and guidance on obtaining FSIS or State inspection for your poultry products.

Because the poultry exemption categories are complicated, please contact a FSIS, District Office if you have any questions.

Figure 1 Decision Flow Chart for Poultry Exemptions Under the PPIA*



Exemptions

Personal Use Exemption Mandatory inspection of the slaughter and processing of privately owned poultry is not required, provided that the following six criteria are met [PPIA Section 464(c)(1)(A), (d), & (e) “Section 15 (2)(1)(A),(d) & (e)”²; Title 9 Code of Federal Regulations (CFR) §381.10(a)(3)].

Criteria:

1. The slaughtered and processed poultry is for the private use of the:
 - a. grower/producer/owner,
 - b. members of his or 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. The poultry is healthy when slaughtered;
4. The poultry is slaughtered and processed under sanitary conditions and practices that result in poultry products that are sound and fit for human food;
5. The exempt poultry is not sold or donated for use as human food; and
6. The shipping containers bear:
 - a. the producer’s name,
 - b. the producer’s address, and
 - c. the statement, Exempt P.L. 90-492.

“Exempt P.L. 90-492” identifies the product as product produced under an exemption from the Act, Public Law 90-492. Instead of the Federal law 90-492, a State law may be cited when the inspection of the slaughter and processing of poultry is exempted under the authority of a State law and the operations are reviewed by a State Agency.

Personal Use Exemption Notes:

- There is no limit to the total amount of poultry that owners of poultry may slaughter and process for their private use.
- If any of the six criteria are not met, the poultry is not eligible to be processed under the Personal Use Exemption.

² Some published copies of the PPIA number the sections from 1 to 29 not 451 to 470 as numbered in the United States Codes.

Custom Slaughter/Processing Exemption A custom poultry slaughterer is a business or person who slaughters and processes poultry belonging to someone else. A custom slaughterer provides a service to a customer and **does not engage in the business of buying or selling poultry products capable of use as human food.**

A custom slaughter business may slaughter or process an unlimited number of poultry when the poultry is delivered by the owner and the following five criteria are met [PPIA Section 464(c)(1)(B) “Section 15 (c)(1)(B)”³; Title 9 CFR §381.10(a)(4) & (d)].

Criteria:

1. The custom slaughterer does not engage in the business of buying or selling **poultry products** capable for use as human food;
2. The poultry is healthy when slaughtered;
3. The slaughter and processing at the custom slaughter facility is conducted in accordance with sanitary standards, practices, and procedures that produce poultry products that are sound, clean, and fit for human food (not adulterated);
4. The custom slaughtered or processed poultry is for the personal use of the grower/owner of the poultry – the grower/owner of the custom slaughtered or processed poultry may not sell or donate the custom slaughtered poultry to another person or institution; and
5. The shipping containers bear:
 - a. the owner’s name,
 - b. the owner’s address, and
 - c. the statement, “Exempt P.L. 90-492”

These three items are in lieu of all the required features of a label for inspected and passed poultry products. Also, instead of the Federal law 90-492, a State law may be cited when the inspection of the slaughter and processing of poultry is exempted under the authority of a State law, and the operations are reviewed by a State Agency.

Custom Slaughter Exemption Notes:

- If any of the five criteria are not met, the owner of the poultry is not eligible for this exemption.

³ Some published copies of the PPIA number the sections 1 to 29 not 451 to 470 as numbered in the United States Codes.

- Selling live poultry to a customer does not disqualify a business from the Custom Slaughter Exemption. For example, a custom slaughterer may sell live poultry to a person and then custom slaughter the bird. However, a person who custom slaughters poultry may not buy or sell poultry products used for human food.
- A person operating under a Custom Slaughter Exemption may slaughter and process poultry of his or her own raising provided such slaughtered poultry is for his or her exclusive consumption, or consumption by members of his or her household, nonpaying guests, and employees.
- A person who is a custom slaughterer and who is also a poultry grower may raise and sell his or her live poultry to poultry businesses not associated with his or her custom slaughter business.
- A custom slaughter business may use a mobile slaughter/processing unit to custom slaughter and process poultry. There is compliance with the requirements of the Act and regulations when the owner of poultry delivers poultry to a mobile slaughter/processing unit operated by a custom slaughterer provided the slaughtered or processed poultry is for the personal use of the owner of the poultry. The owner of the poultry may deliver the poultry to the mobile slaughter/processing unit located at his or her own premises or any other person's premises.
- Ostrich and other poultry can be custom slaughtered and processed in an official red meat establishment that is subject to the regulatory requirements of the Federal Meat Inspection Act, provided the establishment does not engage in the business of buying and selling poultry products. Also, carcasses or parts of ostrich or poultry not slaughtered at the red meat establishment may be delivered by the owner for custom processing provided the poultry has been previously inspected, passed, and identified as such in accordance with the requirements of the Poultry Products Inspection Act or has been inspected and passed by an equivalent State inspection.

Producer/Grower – 1,000 Limit Exemption 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 five criteria are met [PPIA Section 464(c)(4) “Section 15 (c)(4)”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]; and
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)].

Producer/Grower – 1,000 Limit Exemption Notes:

- If any of the five criteria are not met, the owner of the poultry is not eligible for this exemption.
- Records necessary for the effective enforcement of the Act include slaughter records and records covering the sales of poultry products to customers. USDA/FSIS or State employees review such records to determine compliance with the requirement of the sale of no more than 1,000 poultry in a calendar year.

⁴ Some published copies of the PPIA number the sections 1 to 29 not 451 to 470 as numbered in the United States Codes.

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)”⁵; 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. producer’s name,
 - b. producer's address, and

⁵ Some published copies of the PPIA number the sections 1 to 29 not 451 to 470 as numbered in the United States Codes.

c. the statement, “Exempt P.L. 90-492.”

Instead of the Federal law, a State law may be cited when operations are exempted under the authority of a State law and the operations are reviewed by a State Agency.

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.

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 [PPIA Section 464(c)(1)(D) &(c)(3) “Section 15 (c)(4)”⁶; Title 9 CFR §381.10(a)(6) and (b)].

Criteria:

⁶ Some published copies of the PPIA number the sections 1- 29 not 451-470 as numbered in the United States Codes.

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 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 [PPIA Section 464(c)(1) last paragraph before (c)(2)];
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), [PPIA Section 4 (g)];
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 [PPIA Section 464(c)(3); Title 9 CFR 381.10b)(2)]; and
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, and
 - c. the statement, Exempt P.L. 90-492.

State law, rather than Federal law, may be cited when product is produced in accordance with requirements of a State exemption.

Producer/Grower or Other Person Exemption Notes:

- A business preparing poultry product under the PGO exemption may not slaughter or process poultry owned by another person.
- A business preparing poultry products under the PGO exemption **may not sell products to a retail store** or other producer/grower.

Small Enterprise Exemption A business that qualifies for the Small Enterprise Exemption may be:

- (1) A producer/grower who **raises, slaughters, and dresses** poultry for use as human food whose processing of dressed exempt poultry is limited to cutting up;
- (2) A business that **purchases live poultry that it slaughters and dresses** whose processing of the slaughtered poultry is limited to the cutting up; or
- (3) A business that **purchases dressed poultry, which it distributes** as carcasses and whose processing is limited to the cutting up of inspected or exempted poultry products, for distribution for use as human food.

Under this exemption, a business may slaughter, dress, and cut up poultry for distribution as human food when the following criteria are met [PPIA Section 464(c)(2) & (c)(3) “Section 15 (c)(2) & (c)(3)”⁷; Title 9 CFR §381.10(a)(7) & (b)].]

Criteria:

1. Processing of Federal or State inspected or exempt poultry product is limited to the cutting up of carcasses;
2. The business slaughters and dresses or cuts up no more than 20,000 birds in a calendar year under the exemption;
3. The facility operates and is maintained in a manner that prevents the creation of insanitary conditions and ensures that the product is not adulterated [PPIA Section 464(c)(2); and Title 9 CFR 381.10(a)(7) and 416.2-416.5]; See Attachment 2 for sanitation requirements for official establishments and businesses operating under the Small Enterprise and Retail Store Exemptions;
4. The facility used to slaughter or process 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)];
5. The exempted product is not distributed in interstate commerce; instead, its distribution is limited to premises within the District of

⁷ Some published copies of the PPIA number the sections from 1 to 29 not 451 to 470 as numbered in the United States Codes.

Columbia or the State or Territory in which the poultry product is produced; and

6. The product is not misbranded.

Note: Poultry products produced under a Small Enterprise Exemption are **not misbranded** when they bear all of the features of a label for inspected product with the exception that the labeling does not indicate that the product was inspected and passes. Label requirements for this exempt uninspected product include the following:

1. Name of the product;
2. Ingredients statement;
3. Statement of the quantity of contents in terms of weight or measures;
4. Name and address of manufacturer;
5. Handling statement;
6. Safe handling instruction that comply with the requirements of Title 9 CFR 381.125(b)(2)(ii),
7. Date of packing; and
8. Explanatory statement indicating why the inspection legend is not permitted; for example, the phrase “Small Enterprise Exemption from Inspection” is suggested by FSIS but is not a mandatory requirement.

In addition, if the labeling does not bear nutrition or health claims, the nutrition facts feature, as explained in, Title 9 CFR 381.500 Exemption from nutritional labeling, is optional for poultry products produced by a business eligible for the small enterprise exemption.

Small Enterprise Exemption Notes:

- A small enterprise is **not** required to have slaughtered the poultry it cuts up under a Small Enterprise Exemption. The small enterprise may purchase Federal or State inspected and passed poultry for its cut up operation and from exempt businesses that are allowed to sell to a small enterprise.
- A small enterprise may handle “pass through” product and may cut exempt product produced under the Producer/Grower Exemption.
- A small enterprise may handle as “pass through” poultry product that was produced under Federal or State inspection.

- A business may slaughter or cut up poultry under the Small Enterprise Exemption for sale to:
 - a. household consumers,
 - b. hotels,
 - c. retail stores,
 - d. restaurants, and
 - e. similar institutions.

- A small enterprise may sell live poultry to a customer and then slaughtering, dressing, and cutting up the poultry for the customer. Selling live poultry is not the same as selling buying or selling **poultry products**⁸ one of the criteria that prevents a business from claiming as “Custom Slaughter/Processing Exemption.

- A small enterprise **may not** cut up and distribute poultry products produced under the Small Enterprise Exemption to a business operating under the following exemptions:
 - a. Producer/Grower or PGOP Exemption,
 - b. Retail Dealer Exemption, or
 - c. Retail Store exemptions.

Retail Exemption (Store/Dealer/Restaurant): A retail business is a facility where poultry products are sold to a customer (household consumers and hotels, restaurants, and similar institutions) at the retail business and the amount purchased by the customer is considered to be a normal amount for a retail purchase.

The Act provides for several types of retail exemptions: (1) the Retail Dealer Exemption, (2) the Retail Store Exemption, and (3) the Restaurant Exemption. The type of poultry slaughter and processing operations a business conducts determines which retail exemption under which the business may produce poultry. A business is qualified to operate under a retail exemption when the following criteria are met [PPIA Section 454.(c)(2) “Section 5 (c)(2)”⁸, PPIA Section 464.(a)(1) “Section 15 (c)(2)”⁷; Title 9 CFR 381.10(a)(1) and (d)(2)(vi), and 381.10(d)(1) and (d)(2)(i), (ii) and (iii)].

⁸ Some published copies of the PPIA number the sections from 1 to 29 not 451-470 as numbered in the United States Codes.

Criteria:

1. Only poultry carcasses and parts derived from federally inspected and passed poultry are transported in interstate commerce [Title 9 CFR §381.10(a)(1)];
2. Poultry products used in the preparation of meals at a restaurant are derived from federally inspected and passed poultry products or federally exempt poultry products from exempt operations that may sell to restaurants [§381.10(d)(2)(iv)(2)];
3. State inspected and passed or exempt State or exempt federal poultry products used in the preparation of poultry products, sold at the retail store, are **not** transported in interstate commerce, the exempt poultry product must be from an acceptable exempt source a Producer/Grower or Small Enterprise [§381.10(d)(2)(iii)(c)] (Note: A PGOP cannot sell their products to retailers – only to household consumers, boarding houses, hotels and restaurants);
4. The business **does not custom slaughter** poultry delivered by the owner;
5. The retail business **does not prepare** exempt products that the business **sells to another retail** store or a distributor of poultry products;
6. The only poultry slaughtered at a retail store is poultry that is purchased live by the customer, at the retail store, and then the poultry product is prepared according to the customer's instructions and delivered back to the customer;
7. The business **may custom process poultry** delivered by the owner provided that the poultry is from an acceptable source, Federal or State inspected and passed, or exempt poultry);
8. The facility operates and is maintained in a manner that prevents the creation of insanitary conditions and ensures that the product is not adulterated [PPIA Section 464(c)(2); and Title 9 CFR 381.10(a)(7) and 416.2-416.5]; See Attachment 2 for sanitation requirements for official establishments and businesses operating under the Small Enterprise and Retail Store Exemptions;
9. Operations of types traditionally and usually conducted at retail stores are conducted in the store and include:
 - a. boning,
 - b. cut up,
 - c. stuffing,
 - d. smoking,
 - e. rendering, or
 - f. salting;

10. No canning operation is conducted in the retail store;
11. Product sold in commerce is not misbranded;

Note: Poultry products produced under a Retail Store Exemption are not misbranded when they bear all of the features of an official label with the exception that the labeling does not indicate that the product was inspected and passes. Official label requirements include the following:

1. Name of the product,
2. Ingredients statement,
3. Statement of the quantity of contents in terms of weight or measures,
4. Name and address of manufacturer,
5. Handling statement,
6. Safe handling instruction that comply with the requirements of Title 9 CFR 381.125(b)(2)(ii),
7. Date of packing, and
8. Explanatory statement indicating why the inspection legend is not permitted; for example, the phrase "Retail Exemption from Inspection" is suggested by FSIS but is not a mandatory requirement.

In addition, if the labeling does not bear nutrition or health claims, the nutrition facts feature, as explained in, Title 9 CFR 381.500 Exemption from nutritional labeling, is optional for poultry products produced by a business eligible for the small enterprise exemption.

12. Sales of poultry and poultry products are in normal retail quantities or served to consumers at the retail store (normal retail quantities are 75 pounds or less to household consumers and 150 pounds or less to hotels, restaurants, and similar institutions); and
13. Sales to hotels, restaurants, and similar institutions do not exceed either one of two limits:
 1. 25 percent of the dollar value of total poultry product sales, or
 2. the calendar year dollar limit for retail stores set by the Administrator of FSIS;

Note: The **retail store dollar limitation** is the limit, measured in dollars, on sales of poultry products by retail stores each calendar year to non-household consumers such as hotels, restaurants, and similar institutions.

To maintain their exemption from inspection under the PPIA, retail stores may not exceed a specific dollar limit on the sale of poultry products to hotels, restaurants, and similar institutions. The dollar limitation is adjusted during the first quarter of the year if the Consumer Price Index, published by the Bureau of Labor Statistics, indicates an increase or decrease of more than \$500 in the price of the same volume of product from the previous year.

FSIS publishes a notice of the adjusted dollar limitation in the *Federal Register*.

The dollar limitation amount on retail sales does not include pass-through products that are derived from USDA inspected and passed poultry that are not further processed at the retail store.

Retail Store Exemption Notes:

When a retail store that slaughters poultry takes orders for dressed poultry before the arrival of the customer, and also slaughters several birds at one time for various customers that have requested them, the birds **must be identified throughout the process** so that processed bird that the customer receives is the same live birds selected for or by the customer.

How many exemptions may a person or business claim when slaughtering or processing poultry?

A person or business may slaughter or process poultry under an exemption if the operation qualifies for the exemption. However, a slaughterer or processor of poultry **may not simultaneously operate under more than one exemption**. When FSIS or a State reviews a business to determine compliance with the Act and regulations, FSIS or the State inspectors must be informed of which exemption the business is claiming. FSIS or State inspectors will determine compliance based on only one exemption. A business may not simultaneously claim or operate under more than one exemption.

The selection of either the Producer/Grower Exemption or the Producer/Grower or Other Person Exemption is for the calendar year.

In the same calendar year, a poultry producer or other person producing product under either the Producer/Grower Exemption or the Producer/Grower or Other Person Exemption may not produce product under another exemption. In addition, a poultry business that slaughters or processes poultry operating under a Custom Slaughter or Small Enterprise Exemption may not operate under the Producer/Grower or Producer/Grower or Other Person exemption in the same calendar year.

A facility or business may house more than one exempt operation if there is complete financial and structural autonomy of each operation. A true and complete separation must exist between the business records and the physical structures (rooms and equipment) of the two operations.

A facility or business producing product under a Custom Slaughter, Small Enterprise, or Retail Store Exemption may operate under another one of these three exemptions in the same calendar when there is financial and temporal autonomy of each operation. For example, a person using a facility for a custom slaughter business may close the custom slaughter business and open a retail store or small enterprise business at the facility in the same calendar year.

Who determines whether an operation qualifies for an exemption?

Inspectors of the USDA/FSIS are authorized to make inspections in accordance with the law to ascertain whether any of the provisions of the Act or the regulations applying to producers, retailers, or other persons purporting to be exempt from and requirements (criteria) of the Act have been violated. [Code of Federal Regulations Title 9 Section 381.14]

A State that does not operate a poultry inspection program at least equal to the Federal poultry inspection program is a “Designated State” [Title 9 Code of Federal Regulations Subpart V §381.220-225]. In a designated State, FSIS is responsible for conducting reviews of establishments operating under exemptions provided for in Section 15 of the PPIA i.e. personnel use, retail dealer, custom slaughter, poultry producers, or small enterprise exemptions and of retail stores operating under the PPIA, Section 5(c)(2) retail exemption. Such reviews may be conducted by a State Agency under a cooperative agreement with FSIS/USDA. When either a State Agency that has a cooperative agreement with FSIS or FSIS determines that an exempt operation does not comply with requirements of the Act, USDA is responsible for enforcement of compliance with the requirements of the Act.

In States that operate a poultry inspection program equivalent to the Federal inspection program, a State Agency conducts inspections and reviews of exempted operations.

Suspension or termination of exemptions

The Administrator of FSIS may, by order, in accordance with the applicable rules of practice [Code of Federal Regulations Title 9 Part 500] suspend or terminate any exemption with respect to any person whenever FSIS finds that such action will aid in effectuating the purposes of the Act. Failure to comply with the conditions (criteria) of the exemption including but not limited to failure to process poultry and poultry products under clean and sanitary condition may result in termination of an exemption, in addition to other penalties [Code of Federal Regulations Title (Section 318.13)].

Religious dietary exemption

To avoid conflicts with certain religious dietary requirements, the PPIA allows for exemption from certain requirements of the PPIA and the regulations when a religious dietary requirement conflicts with the Act or regulations. However, this exemption from certain requirements of the PPIA and the regulations is granted only if the purposes of the Act or regulations are met.

Unlike the exemption previously discussed in this guidance, only official establishments may receive an exemption from a specific regulation that conflicts with a religious dietary requirement. An official establishment may request a religious dietary exemption on FSIS Form 5200-1 at the time that the establishment applies for inspection. Poultry prepared in accordance with a religious dietary law under a religious exemption does not bear the official inspection legend but must meet all inspection and regulatory requirements not specifically listed on the submitted application (FSIS Form 5200-1) and exempted on the exemption certificate issued by FSIS.

Attachment 1. A Summary Table of Exemptions and Limitations

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.

Attachment 1 B Table of Exemptions and Limitation

EXEMPTION	Customer(s) that the exempted poultry may be sold to.	Limitations: 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	Type of operations exempt: 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	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	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	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.	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)	1 – Yes, no more than 1,000 poultry in calendar year Of their own raising on their own farm	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	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.	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.	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	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.	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.	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"	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.	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.	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.	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

Attachment 2 Basic Sanitary Standards

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.

Attachment 3 FSIS District Office Contact Information

<http://www.fsis.usda.gov/Contact Us/Office Locations & Phone Numbers/index.asp>

District Office Location	Office Address & Telephone Number	States and Territories Covered by District
Alameda, CA	620 Central Avenue Building 2C Alameda, CA 94501 Phone: (510) 337-5000 FAX: (510) 337-5081	California
Albany, NY	230 Washington Ave. Extension Albany, NY 12203-5369 Phone: (518) 452-6870	Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont
Atlanta, GA	100 Alabama St., SW; Bldg 1924 Suite 3R90 Atlanta, GA 30303 Phone: (404) 562-5900	Florida, Georgia, Puerto Rico, and the Virgin Islands.
Beltsville, MD	5601 Sunnyside Ave. Suite 1-2288 B Beltsville, MD 20705-5200 Phone: (301) 504-2136	Delaware, District of Columbia, Maryland, Virginia, and West Virginia.
Chicago, IL	1919 South Highland Avenue Suite 115C Lombard, IL 60148 Phone: (630) 620-7474	Illinois, Ohio, and Indiana
Dallas, TX	1100 Commerce Street Room 516 Dallas, TX 75242-0598 Phone: (214) 767-9116	Texas
Denver, CO	Denver Federal Center PO Box 25387, Building 45 Denver, CO 80225 Phone: (303) 236-9800	Alaska, American Samoa, Arizona, Colorado, Guam, Hawaii, Idaho, New Mexico, Nevada, Northern Mariana Islands, Oregon, Utah, Washington
Des Moines, IA	Room 985, Federal Building 210 Walnut Street Des Moines, IA 50309 Phone: (515) 727-8960 or 1-800-990-9834	Iowa and Nebraska
Jackson, MS	715 S. Pear Orchard Road Suite 101 Ridgeland, MS 39157 Phone: (601) 965-4312	Alabama, Mississippi, and Tennessee

Attachment 3 FSIS District Office Contact Information Continued		
District Office Location	Office Address & Telephone Number	States and Territories Covered by District
Lawrence, KS	4920 Bob Billings Parkway Lawrence, KS 66049-3855 Phone: (785) 841-5600	Kansas and Missouri
Madison, WI	2810 Crossroads Dr. Suite 3500 Madison, WI 53718-7969 Phone: (608) 240-4080	Michigan and Wisconsin
Minneapolis, MN	Butler Square West, Suite 989-C 100 N. 6th Street Minneapolis, MN 55403 Phone: (612) 370-2400	Minnesota, Montana, North Dakota, South Dakota, and Wyoming
Philadelphia, PA	Mellon Independence Center 701 Market Street - Suite 4100-A Philadelphia, PA 19106- 1576 Phone: (215) 597-4219, Ext. 101 or 1-800-637-6681	Pennsylvania and New Jersey
Raleigh, NC	6020 Six Forks Road Raleigh, NC 27609 Phone: (919) 844-8400 or 1-800-662-7608	North Carolina, South Carolina, and Kentucky.
Springdale, AR	Country Club Center Bldg. B, Suite 201 4700 South Thompson Springdale, AR 72764 Phone: (479) 751-8412	Arkansas, Louisiana, and Oklahoma

Attachment 4 OPEER Regional Offices Contact Information

http://www.fsis.usda.gov/Contact_Us/Office_Locations_&__Phone_Numbers/index.asp#opeer

OPEER, FSIS. Regional Offices, Location	Office Address & Telephone Number	States and Territories Covered by District
Alameda, CA	Regional Manager 620 Central Avenue, Building 2B Alameda, CA 94501 Phone: (510) 337-5000, Ext. 249 FAX: (510) 337-5080 Emergency: (202) 276-1610	Western Region States: Alaska, American Samoa, Arizona, California, Colorado, Guam, Hawaii, Idaho, Mariana Islands, Nevada, New Mexico, Oregon, Utah, Washington
Dallas, TX	Regional Manager 1100 Commerce Street, Room 516 Dallas, TX 75242 Phone: (214) 767-9116, Ext. 400 FAX: (214) 767-8230 Emergency: (214) 763-1853	Southwest Region States: Arkansas, Louisiana, Oklahoma, Texas
Lawrence, KS	Regional Manager 4920 West 15th Street, Suite B Lawrence, KS 66049 Phone: (785) 840-9026 FAX: (785) 843-0548 Emergency: (785) 423-5402	Great Plains Region States: Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, North Dakota, South Dakota, Wyoming
Lombard, IL	Regional Manager 1919 South Highland Avenue, Suite 120C Lombard, IL 60148 Phone: (630) 916-6226, Ext. 264 FAX: (630) 620-7876 Emergency: (630) 768-8418 (Alert 1)	Midwest Region States: Illinois, Indiana, Ohio, Michigan, Wisconsin
Atlanta, GA	Regional Manager 100 Alabama Street SW 1924 Building, Suite 3R90 Atlanta, GA 30303 Phone: (404) 562-5962 FAX: (404) 562-5935 Emergency: (404) 569-3060	Southeast Region States: Alabama, Delaware, District of Columbia, Florida, Georgia, Kentucky, Maryland, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee, Virginia, Virgin Islands, West Virginia

Attachment 5 Adulterated

The term adulterated applies to any poultry product under one or more of the following circumstances:

- (1) If it bears or contains any poisonous or deleterious substance which may render it injurious to health; but in case the substance is not an added substance, such article shall not be considered adulterated under this clause if the quantity of such substance in or on such article does not ordinarily render it injurious to health;
- (2) If it bears or contains (by reason of administration of any substance to the live poultry or otherwise) any added poisonous or added deleterious substance (other than one which is a pesticide chemical in or on a raw agricultural commodity; a food additive; or a color additive) which may, in the judgment of the Administrator, make such article unfit for human food;
- (3) If it is, in whole or part, a raw agricultural commodity and such commodity bears or contains a pesticide chemical which is unsafe within the meaning of section 408 of the Federal Food, Drug, and Cosmetic Act;
- (4) If it bears or contains any food additive which is unsafe within the meaning of section 409 of the Federal Food, Drug, and Cosmetic Act;
- (5) If it bears or contains any color additive which is unsafe within the meaning of section 706 of the Federal Food, Drug, and Cosmetic Act;
- (6) if use of a pesticide chemical, food additive, or color additive in or on poultry or poultry products is prohibited by the regulations;
- (7) If it consists in whole or in part of any filthy, putrid, or decomposed substance or is for any other reason unsound, unhealthful, unwholesome, or otherwise unfit for human food;
- (8) If it has been prepared, packed, or held under insanitary conditions whereby it may have become contaminated with filth, or whereby it may have been rendered injurious to health;
- (9) If it is, in whole or in part, the product of any poultry which has died otherwise than by slaughter;
- (10) If its container is composed, in whole or in part, of any poisonous or deleterious substance which may render the contents injurious to health;
- (11) If it has been intentionally subjected to radiation, unless the use of the radiation was in conformity with a regulation or exemption in effect pursuant to section 409 of the Federal Food, Drug, and Cosmetic Act; or
- (13) If any valuable constituent has been in whole or in part omitted or abstracted therefrom; or if any substance has been substituted, wholly or in part therefrom; or if damage or inferiority has been concealed in any manner; or if any substance has been added thereto or mixed or packed therewith so as to increase its bulk or weight, or reduce its quality or strength, or make it appear better or of greater value than it is.

Attachment 6

STATE OFFICIALS
COOPERATIVE MEAT AND POULTRY
INSPECTION PROGRAMS

ALABAMA

Honorable Ron Sparks
Commissioner
AL Department of Agriculture &
Industries
P. O. Box 3336
Montgomery, AL 36109-0336
(334) 240-7100
FAX (334) 240-7190

Dr. Robert L. Barlow, Director
Meat & Poultry Inspection
Section
Richard Beard Building
P.O. Box 3336
Montgomery, AL 36109-0336
(334) 240-7210
FAX (334) 223-7352
Email:
mipbismgr@agi.state.al.us

ARIZONA

Mr. Donald Butler, Director
AZ Department of Agriculture
1688 West Adams
Phoenix, AZ 85007
(602) 542-0998
FAX (602) 542-5420

Mr. Stewart Jacobson
Program Manager
AZ Department of Agriculture
AZ Meat & Poultry Inspection
1688 West Adams
Phoenix, AZ 85007
(602) 542-6398
FAX (602) 542-4194
Email:
sjacobson@azda.gov

DELAWARE

Honorable Michael T. Scuse
Secretary of Agriculture
DE Department of Agriculture
2320 S. Dupont Highway
Dover, DE 19901-5515
(302) 698-4502
FAX (302) 697-4463

Dr. Edwin Odor, Veterinarian/
Food Inspection Administrator
DE Department of Agriculture
2320 S. Dupont Highway
Dover, DE 19901-5515
(302) 698-4539
FAX (302) 697-4464
Email:
edwin.odor@state.de.us

GEORGIA

Honorable Thomas T. Irvin
Commissioner
GA Department of Agriculture
19 Martin Luther King Jr. Drive
Suite 204
Atlanta, GA 30334-2001
(404) 656-3600
FAX (404) 657-8206

Dr. Rex Holt, Director
Meat Inspection Division
GA Department of Agriculture
19 Martin Luther King Jr. Drive
Room 108
Atlanta, GA 30334-2001
(404) 656-3673
FAX (404) 463-1998
Email:
rholt@agr.state.ga.us

ILLINOIS

Mr. Charles A. Hartke, Director
IL Department of Agriculture
801 Sangamon Avenue
P.O. Box 19281
Springfield, IL 62794-9281
(217) 785-4789
FAX (217) 785-4505

Dr. Kris Mazurczak, Bureau Chief
Meat & Poultry Inspection
IL Department of Agriculture
801 Sangamon Avenue
P.O. Box 19281
Springfield, IL 62794-9281
(217) 782-6684
(312) 814-6903 (Chicago Office)
FAX (217) 524-7801
Email:
kmazurczak@agr.state.il.us

INDIANA

Bret D. Marsh, D.V.M., State
Veterinarian
IN State Board of Animal Health
805 Beachway Drive
Suite 50
Indianapolis, IN 46224-7785
(317) 227-0335
FAX (317) 227-0330

Paul L. Dieterlen, D.V.M.
Director
Division of Meat & Poultry
IN State Board of Animal Health
805 Beachway Drive
Suite 50
Indianapolis, IN 46224-7785
(317) 227-0359
FAX (317) 227-0330
Email:
pdieterlen@boah.in.gov

January 25, 2006

Attachment 6

STATE OFFICIALS
COOPERATIVE MEAT AND POULTRY
INSPECTION PROGRAMS

IOWA

Honorable Patty Judge,
Secretary
IA Department of Agriculture
& Land Stewardship
Wallace Building
Des Moines, IA 50319
(515) 281-5322
FAX (515) 281-6236

Mr. Michael M. Mammaing,
Bureau Chief
Division of Consumer
Protection & Animal Health
Wallace Building
Des Moines, IA 50319
(515) 281-5597
FAX (515) 281-4819
Email:
mike.mammaing@idals.state.ia.us

KANSAS

Mr. Adrian Polansky
Secretary
KS Department of Agriculture
109 SW 9th Street
Topeka, KS 66612
(785) 296-3558
FAX (785) 296-8389

Dr. Evan Sumner
Program Director
Meat & Poultry Inspection
KS Department of Agriculture
Division of Inspection
109 SW 9th Street
3rd Floor
Topeka, KS 66612
(785) 296-3511
FAX (785) 296-0673
Email:
Esurner@kda.state.ks.us

LOUISIANA

Honorable Robert F. Odom, Jr.
Commissioner
LA Department of Agriculture
& Forestry
P.O. Box 631
Baton Rouge, LA 70821-0631
(504) 922-1234
FAX (504) 922-1253

Mr. Mike Windham
Program Manager
LA Department of Agriculture
& Forestry
P.O. Box 1951
Baton Rouge, LA 70821-1951
(225) 922-1358
FAX (225) 925-4103
Email:
Mike_w@ldaf.state.la.us

MAINE

Mr. Robert W. Spear,
Commissioner
ME Dept of Agriculture
Food & Rural Resources
Div. of Animal Health &
Industry
28 State House Station
Augusta, ME 04333-0028
(207) 287-3871

Mr. David Gagnon
Acting Program Manager
ME Department of Agriculture
Food & Rural Resources
Div. of Animal Health &
Industry
28 State House Station
Augusta, ME 04333-0028
(207) 287-4516
FAX(207) 287-5576
Email:
Henrietta.Beaufait@maine.gov

MINNESOTA

Mr. Gene Hugoson,
Commissioner
MN Department of
Agriculture
625 Robert Street
St. Paul, MN 55155-2538
(651) 201-6219
FAX (651) 201-6118

Mr. Kevin Elfering
Division Director
Dairy, Food Feed & Meat
Inspection Division
Department of Agriculture
625 Robert Street
St. Paul, MN 55155-2538
(651) 201-6453
FAX (651) 201-6116
Email:
kevin.elfering@state.mn.us

Nicole Neeser, DVM
Program Manager
Dairy, Meat & Poultry Insp.
MN Department of
Agriculture
625 Robert Street
St. Paul, MN 55155
(651) 201-6225
FAX (651) 201-6116
Email:
Nicole.neeser@state.mn.us

January 25, 2006

Attachment 6

STATE OFFICIALS
COOPERATIVE MEAT AND POULTRY
INSPECTION PROGRAMS

MISSISSIPPI

Honorable Lester Spell, Jr.,
D.V.M.
Commissioner
MS Department of Agriculture
& Commerce
P.O. Box 1609
Jackson, MS 39215-1609
(601) 359-1100
FAX (601) 354-6502

Dr. Richard A. Benton
Director
Meat Inspection Division
MS Department of Agriculture
& Commerce
P.O. Box 1609
Jackson, MS 39215-1609
(601) 359-1191
FAX (601) 359-1105
Email:
Richardb@mdac.state.ms.us

MISSOURI

Mr. Fred Ferrell
Director of Agriculture
Division of Animal Health
P.O. Box 630
Jefferson City, MO 65102-
0630
(573) 751-3377
FAX (573) 751-6919
Email:
Peter_Hofherr@mail.mda.state.mo.us

Dr. Harold Treese
Director
MO State Meat Inspection
Program
MO Department of Agriculture
P.O. Box 630
Jefferson City, MO 65102-0630
(573) 751-3377
FAX (573) 751-6919
Email:
harold.treese@mda.mo.gov

MONTANA

Mr. Marc Bridges
Executive Director
MT Board of Livestock
P.O. Box 202001
Helena, MT 59620-2001
(406) 444-2023
FAX (406) 444-1929

Ms. Carol A. Olmstead
Bureau Chief
Meat Inspection
MT Department of Livestock
P.O. Box 202001
Helena, MT 59620-2001
(406) 444-5202
FAX (406) 444-1929
Email:
colmstead@mt.gov

NEW MEXICO

Mr. Daniel M. Manzanares
Executive Director
NM Livestock Board
300 San Mateo Blvd., NE
Suite 1000
Albuquerque, NM 87108
(505) 841-6161
FAX (505) 841-6160

Mr. Art Marquez
Program Manager
NM Livestock Board
Meat & Poultry Inspection Div.
300 San Mateo Blvd., NE
Suite 1000
Albuquerque, NM 87108-1500
(505) 841-6162
FAX (505) 841-6160
Email:
art.marquez@state.nm.us

NORTH CAROLINA

Mr. Steven W. Troxler.
Commissioner
NC Department of Agriculture
and Consumer Services
1001 Mail Service Center
Raleigh, NC 27699-1001
(919) 733-4136
FAX (919) 733-1141

Dr. Steven C. Wells
State Director
Meat & Poultry Inspection
Services
NC Department of Agriculture
P.O. Box 27647
Raleigh, NC 27611
(919) 733-4136
FAX (919) 715-0246
Email:
Steven.Wells@ncmail.net

NORTH DAKOTA

Honorable Roger Johnson
Commissioner
ND Department of Agriculture
Dept. 602
600 East Boulevard Avenue
Bismarck, ND 58505-0020
(701) 328-2231

Dr. Andrea Grondahl
Director
State Meat Inspection
ND Department of Agriculture
Dept. 602
600 East Boulevard Avenue
Bismarck, ND 58505-0020
(701) 328-4762
FAX (701) 328-4567
agrondah@state.nd.us

January 25, 2006

Attachment 6

STATE OFFICIALS
COOPERATIVE MEAT AND POULTRY
INSPECTION PROGRAMS

OHIO

Honorable Fred L. Dailey
Director
OH Department of Agriculture
8995 East Main Street
Bromfield Adm. Bldg., 3rd Floor
Reynoldsburg, OH 43068
(614) 466-2732
FAX (614) 466-6124

Dr. Michael Hockman,
Chief
Division of Meat Inspection
OH Department of Agriculture
8995 East Main Street
Bromfield Adm. Bldg., 2nd Floor
Reynoldsburg, OH 43068
(614) 728-6260
FAX (614) 728-6434
Email:
hockman@mail.agri.state.oh.us

OKLAHOMA

Honorable Terry L. Peach
Secretary and Commissioner
OK Department of Agriculture,
Food and Forestry
P.O. Box 528804
Oklahoma City, OK 73152-8804
(405) 522-5719
FAX (405) 522-0909

Mr. Stan Stromberg, Director
Meat Inspection Services
Food Safety Division
OK Department of Agriculture,
Food and Forestry
2800 North Lincoln Blvd.
Oklahoma City, OK 73105-4298
(405) 521-3741
FAX (405) 522-0756
Email: Stan.stromberg@oda.state.ok.us

SOUTH CAROLINA

Dr. Tony Caver, Director
Livestock-Poultry Health Programs
P.O. Box 102406
Columbia, SC 29224-2406
(803) 788-2260
FAX (803) 788-8058

Dr. Daniel Lafontaine, Director
SC Meat-Poultry Inspection
Department
P.O. Box 102406
Columbia, SC 29224-2406
(803) 788-8747
FAX (803) 788-8114
Email:
Dlftn@clemson.edu

SOUTH DAKOTA

Dr. Sam D. Holland, State
Veterinarian & Administrator
SD Animal Industry Board
411 South Fort Street
Pierre, SD 57501
(605) 773-3321
FAX (605) 773-5459
Email:
Dr.Holland@state.sd.us

TEXAS

Eduardo J. Sanchez, MD, MPH
Commissioner of Health
Texas Department of State
Health Services
1100 West 49th Street
Austin, TX 78756
(512) 458-7375
FAX (512) 458-7477

TEXAS (Con't)

Mr. Adam Buuck
Acting Manager
Meat Safety Assurance Unit
Division of Regulatory Services
1100 West 49th Street
Austin, TX 78756
(512) 834-6760
FAX (512) 834-6763
Email:
adam.buuck@dshs.state.tx.us

UTAH

Honorable Cary Peterson
Commissioner
UT Department of Agriculture &
Food
350 N. Redwood Road
P.O. Box 146500
Salt Lake City, UT 84116-6500
(801) 538-7101
FAX (801) 538-7169

Dr. Michael R. Marshall, Director
Division of Animal Industry
350 N. Redwood Road
P.O. Box 146500
Salt Lake City, UT 84116-6500
(801) 538-7160
FAX (801) 538-7169

Wyatt Frampton, DVM, MPH
Program Manager
Meat & Poultry Insp. Bureau
350 N. Redwood Road
P.O. Box 146500
Salt Lake City, UT 84114-6500
(801) 538-7117
FAX (801) 538-7169
Email: wframpton@utah.gov

Attachment 6

STATE OFFICIALS
COOPERATIVE MEAT AND POULTRY
INSPECTION PROGRAMS

VERMONT

Mr. Stephen R. Kerr, Secretary
VT Agency of Agriculture
116 State Street
Drawer 20
Montpelier, VT 05620-2901
(802) 828-2430
FAX (802) 828-2361

Mr. Carl Cushing, Director
VT Agency of Agriculture
Food Safety & Consumer
Protection
Meat Inspection Service
116 State Street
Drawer 20
Montpelier, VT 05620-2901
(802) 828-2426
FAX (802) 828-5983
Email:
carl@agr.state.vt.us

VIRGINIA

Honorable J. Carlton Courter III
Commissioner
VA Department of Agriculture &
Consumer Services
P.O. Box 1163
Richmond, VA 23218-1163
(804) 786-3501
FAX (804) 371-2945

VIRGINIA Continued

Dr. Richard Hackenbracht
Program Manager
Office of Meat & Poultry
Services
VA Department of Agriculture &
Consumer Services
Washington Building
1100 Bank Street, Suite 614
Richmond, VA 23219
(804) 786-4569
FAX (804) 371-2380
Email:
Richard.hackenbracht@vdacs.virginia.gov

WEST VIRGINIA

Honorable Gus R. Douglass
Commissioner
WV Department of Agriculture
Room E-28
State Capitol
Charleston, WV 25305-0170
(304) 558-2201
FAX (304) 558-2203

Dr. Jan Charminski, Director
WV Department of Agriculture
Meat & Poultry Inspection Division
1900 Kanawha Blvd. East
State Capitol
Charleston, WV 25305-0179
(304) 558-2206
FAX (304) 558-1882
Email:
Jcharminski@ag.state.wv.us

WYOMING

Honorable John Etchepare,
Director
WY Department of Agriculture
2219 Carey Avenue
Cheyenne, WY 82002-0100
(307) 777-7321
FAX (307) 777-6593

Mr. Dean Finkenbinder,
Manager
Consumer Health Services
WY Department of Agriculture
2219 Carey Avenue
Cheyenne, WY 82002-0100
(307) 777-6587
FAX (307) 777-6593
Email:
dfinke@state.wy.us

Ms. Linda Stratton
Assistant Manager
Consumer Health Services
WY Department of Agriculture
2219 Carey Avenue
Cheyenne, WY 82002-0100
(307) 777-6592
lstrat@state.wy.us

Attachment 6

STATE OFFICIALS
COOPERATIVE MEAT AND POULTRY
INSPECTION PROGRAMS

***NEW YORK**

Mr. Nathan Rudgers
Commissioner
NY Department of Agriculture
1 Winner Circle
Albany, NY 12235
(518) 457-8876
FAX (518) 457-3087

Mr. Joe Corby
Division Director
Upstate District
NY Department of Agriculture
1 Winners Circle
Albany, NY 12235
(518) 457-4492
FAX (518) 485-8986 or
(518) 457-8892
Email:
Joe.corby@agmkt.state.ny.us

Mr. Steven Biehler
Food Products Quality Manager
NYS Dept. of Agriculture &
Markets
10-B Airline Drive
Albany, NY 12235
(518) 457-2090
Email:
Stephen.biehler@agmkt.state.ny.us

***CALIFORNIA**

Mr. William (Bill) Lyons, Jr.
Secretary
Department of Food &
Agriculture
1220 N. Street, Suite 409
Sacramento, CA 95814
(916) 654-0433
FAX (916) 654-0403

Dr. Dennis Thompson, Chief
Meat & Poultry Inspection
Branch
Department of Food
Agriculture
1220 N. Street, Room A-125
Sacramento, CA 95814
(916) 654-0504
FAX (916) 654-2608
Email
Dthompson@cdfa.ca.gov

***COLORADO**

Mr. Don Ament, Commissioner
Colorado Department of
Agriculture
700 Kipling Street
Suite 4000
Lakewood, CO 80215-5894
(303) 239-4100
FAX (303) 239-4176

Mr. Scott Boyd
Program Administrator
Meat Inspection
2331 West 31st Avenue
Denver, CO 80211
(303) 477-0086
FAX (303) 480-9236
Email:
Scott.boyd@ag.state.co.us

*

California, Colorado and New York are listed last. These states perform Custom Exempt reviews for the Agency, under cooperative agreement.

voluntarily enters upon active duty or whose active duty is voluntarily extended the provisions of this paragraph shall apply only when such additional active duty is at the request and for the convenience of the Federal Government."

Sec. 2. Section 3551 of title 5, United States Code, is amended by striking out " , to be restored to the position held when ordered to duty." and by substituting in lieu thereof the following: "within the time limits specified in section 9(g) of the Military Selective Service Act of 1967 (50 U.S.C. App. 459(g)), to be restored to the position held by him when ordered to duty. However, a Reserve or member of the National Guard who leaves a position for which the salary is disbursed by the Secretary of the Senate or the Clerk of the House of Representatives is entitled on release from active duty to be restored only under the provisions of section 459 of title 50, appendix, United States Code."

U.S. and D.C.
employees.
80 Stat. 429.

Ante, p. 790.
Legislative
branch positions.

Approved August 17, 1968.

Public Law 90-492

AN ACT

To clarify and otherwise amend the Poultry Products Inspection Act, to provide for cooperation with appropriate State agencies with respect to State poultry products inspection programs, and for other purposes.

August 18, 1968
[H. R. 16363]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Wholesome Poultry Products Act".

Sec. 2. Section 2 of the Poultry Products Inspection Act (71 Stat. 441, as amended; 21 U.S.C. 451) is hereby amended to read:

"SEC. 2. Poultry and poultry products are an important source of the Nation's total supply of food. They are consumed throughout the Nation and the major portion thereof moves in interstate or foreign commerce. It is essential in the public interest that the health and welfare of consumers be protected by assuring that poultry products distributed to them are wholesome, not adulterated, and properly marked, labeled, and packaged. Unwholesome, adulterated, or misbranded poultry products impair the effective regulation of poultry products in interstate or foreign commerce, are injurious to the public welfare, destroy markets for wholesome, not adulterated, and properly labeled and packaged poultry products, and result in sundry losses to poultry producers and processors of poultry and poultry products, as well as injury to consumers. It is hereby found that all articles and poultry which are regulated under this Act are either in interstate or foreign commerce or substantially affect such commerce, and that regulation by the Secretary of Agriculture and cooperation by the States and other jurisdictions as contemplated by this Act are appropriate to prevent and eliminate burdens upon such commerce, to effectively regulate such commerce, and to protect the health and welfare of consumers."

Wholesome
Poultry Products
Act.