

Planning to Go Exempt? Read This First!

By Mary Kay Folk

With the HACCP Implementation deadline for very small plants now just 2 months away, we hear numerous rumors of some plants opting to go retail or custom exempt. Some companies may not meet the exemption requirements. The following article is intended to **give a general overview of the** regulatory requirements for exemptions. If you process fresh meat or poultry you should be licensed. However, the laws do provide for some exemptions. Both federal regulations and the Ohio Revised Code separate meat and poultry producers. The state laws are basically the same for both types of producers. The Ohio Revised Code (§918.10 and 918.27) exempts from the required license a person who:

- slaughters, prepares or processes animals including poultry on his own premises for his personal or family use and sells no meat or meat products of such animals.
- “a retail dealer or retail butcher who sells meat or meat product that have been inspected,...directly to consumers in retail stores.”

In the case of poultry processing, it is provided

- that retail dealers **may cut, grind, cook, smoke** of poultry products on the premises for sale to consumers.”

Furthermore a person who grows and slaughters less than one thousand poultry in a calendar year is exempt, provided:

- he does not buy any live poultry,
- “processed poultry is sold to a hotel, institution, restaurant consumer, or other person for preparation in his own kitchen, and is served by him.”

Federal regulations are more specific than the Ohio laws about the differences between livestock and poultry slaughter. In both cases, there are exemptions for custom slaughter, personal use and retailers, however, both meat and poultry have categories the other does not. The requirements are similar in some of the categories but very different in others.

Custom slaughter of livestock exemption criteria include:

- the animal must be delivered by the owner, to the slaughterer.
- the meat and meat products are to only be used by the owner and his household,
- the meat and meat products are clearly marked “Not for Sale”.

Custom exempt slaughterers must also keep additional records of:

- the type and quantity of livestock custom slaughtered,
- the type and quantity of products prepared
- the names and addresses of those owners for whom the custom slaughtering was done.

Retail exemption for livestock is available for those operations that perform traditional retail services. Those include:

- cutting, slicing and trimming carcasses, halves, quarters or wholesale cuts into retail cuts;
- grinding and freezing meat products;
- curing cooking, smoking, rendering or refining fat, or other preparations of products, except slaughtering or canning meat;
- breaking bulk shipments and wrapping or rewrapping products.

To qualify as retail exempt one may only sell up to half a carcass weight (**red meat species**), **and/or 75 or 150 lbs. (see Table 1) poultry**, to a single customer. Other requirements for a retail exempt store include:

- sales are only made to consumers or

- at least 75 percent of the dollar value (of all types of meat products) sold is to consumers, and 25% (or dollar limitation) of single ingredient meat products may be sold to hotels, restaurants and institutions (HRI).

Only federally or state inspected and passed product is handled except that which is custom slaughtered exempt, however that product is not for sale.

Central kitchens or restaurants are exempt from State or federal license if the meat and meat products prepared are:

- made from inspected and passed by the USDA-FSIS, or ODA-DMI
- ready to eat when they leave the facility
- transported by employees directly to the receiving restaurant
- maintained in safe conditions during transportation
- served as meals or entrees only to customers.

Table 1. Quantity of meat which can be sold to a single customer in order to qualify for retail exemption

	<u>Weight (lbs.)</u>
Half Carcasses	
Cattle	300
Calves	37.5
Sheep	27.5
Swine	100
Goats	25
Poultry - total of all products	75 (individual consumers) 150 (HRI)

The license requirement does not apply to meat pizzas:

- containing ingredients that were prepared, inspected and passed in a cured or cooked form as ready-to-eat
- to be served to the public or private non-profit institutions provided the pizzas are ready-to-eat and are transported directly to the receiving institution without storage.

There are a number of sanitation requirements for this exemption as well such as a triple compartment sink for manual washing and high temperature washers for mechanized sanitation.

Poultry exemption criteria fit into one of seven categories. Only one exemption category is allowed per year. Due to the complicated nature of the poultry exemption categories, you are encouraged to contact either ODA-DMI ((614)728-6260) or USDA-FSIS ((614)833-1405) with any questions, before you make a change in your inspection status. The poultry exemption categories are as follows:

- Retail dealer
 - May do no processing except cutting on premise where sales are made.
 - May sell only to consumers in the store
 - >75% of total sales must be to households
- Personal use
 - Anyone can slaughter poultry of his own for his own use in his household

- Labeling of producers name and address and “Exempt P.L. 90-492” required if transported.
- Custom Slaughter
 - Slaughter for a poultry owner same labeling required as personal use
- Poultry Producer
 - A poultry producer may slaughter or process his own poultry provided:
 - he slaughters less than the equivalent of 5,000 turkeys a calendar year
 - does not buy or sell poultry not produced within these limits
 - label the products as above
- Poultry Producer or other person
 - Can slaughter and process poultry for distribution to consumers, restaurants, hotels and boarding houses for use in their dining rooms or sale to their consumers.
 - No volume limit as the poultry producer
 - Same labeling as above
- Small enterprise
 - Can slaughter, and cut up parts, but no processing
 - Limited to the equivalent of 5,000 turkeys a year
 - Use only USDA or US exempted products
 - Should not use or distribute products from “producer or other person” or “retail” exemptions
 - Can sell to any buyer
- Very small producer (see also poultry producer)
 - Raises his own poultry
 - Slaughters no more than the equivalent of 250 turkeys a year
 - Does not buy or sell any other poultry
- Retail store
 - **No canning may be done in retail and no slaughter may be done** unless live poultry is purchased by a consumer and is prepared according to consumer instructions
 - Use only US inspected or exempt products
 - Can sell only to consumers in normal retail quantities
- Religious dietary
 - Not an exemption from inspection, must operate under inspection or one of the above exemptions.
 - Must apply for a waiver of specific regulations

To be exempt in any case a plant must be exempt for the entire process from slaughter to consumer. For a plant to process some meat or meat products exempt and other meat as inspected there must be a distinct separation, including sanitation between processes. One must operate processing as a complete process from beginning to end not separate steps.

This is a thumbnail view of the laws governing meat inspection and licensing. Each case must be measured individually against the regulations in whole. Once again, if you **produce meat** or meat products you must have a license unless you fall into one of the exemptions.