

# Lamb Merchandising



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# How do you plan to sell it?

- On-farm slaughter by purchaser on farmer's land
  - Up to the producer- probably send them with offal
- If you plan to sell meat piece-by-piece
  - The animal must be initially slaughtered under USDA FSIS inspection
- If you pre-sell the meat from animals prior to slaughter
  - This can be facilitated without USDA FSIS inspection  
(Custom Exemption)

## How Do I Legally Sell Meat from My Own Livestock and Poultry in Florida?<sup>1</sup>

Chad Carr, Jason Scheffler, Larry Eubanks, Elena Toro, Ron Webb, Lee Cornman, Scotland Talley, and Steve Stiegler<sup>2</sup>

There is much interest in locally produced foods, but the federal, state, and local regulations can be confusing. The purpose of this document is to be a “one-stop-shop” for Florida residents who want to sell meat and poultry from their own livestock and poultry.

### What species are eligible to be sold?

If you raise cattle, hogs, sheep, goats, or equine, these species are defined by the US Department of Agriculture’s Food Safety Inspection Service (USDA-FSIS) as being “amenable livestock species,” meaning that the US government is accountable for the products from those species (21 U.S.C. § 601–695; <http://www.fsis.usda.gov/wps/wcm/connect/fsis-content/internet/main/topics/rulemaking/federal-meat-inspection-act/federal-meat-inspection-act>).



# Slaughtered under USDA-FSIS Inspection

- Find a facility <http://edis.ifas.ufl.edu/pdf/files/AN/AN20300.pdf>
- Get a label- simple @ first



# Sell my meat only at a farmers' market. How can I do that?

- Product must be slaughtered and prepared into retail ready pieces all under federal inspection.
- In order to sell packaged meat products at farmer's markets, a mobile food permit will be required Mobile Permit
- You will likely store the meat at a commissary which needs a letter of agreement Letter of Agreement

# How do I sell this inspected product from our farm?

- 1. at least one employee who has been trained as a food manager
- 2. to meet minimum construction and sanitation standards
- 3. to meet water and waste management standards
- 4. a proper food permit, which will depend upon the kind of retail establishment the business would be defined as

# And if you want to also sell at a farmers' market---

- a mobile food permit will be required Mobile Permit

# USDA Custom Exempt Slaughter

- Only for the personal use of the owner of the animal
- The resulting product must be marked “Not for Sale.”
- Annual evaluation by USDA-FSIS



## Custom Exempt Red Meat and/or Poultry Slaughter Facilities in Florida<sup>1</sup>

Chad Carr and Larry Eubanks<sup>2</sup> <http://edis.ifas.ufl.edu/pdffiles/AN/AN24800.pdf>

Several livestock and small poultry producers are trying to gain a greater portion of the available profit margin by becoming meat marketers, rather than just livestock producers. Custom exempt slaughter facilities can help facilitate the needs of niche meat marketers. Additionally, many Florida consumers aspire to buy locally raised products. A custom exempt facility is exempted from inspection by the US Department of Agriculture (USDA) because it is being paid for the service of converting a meat animal into a meat product. This exemption is described in its entirety in the Code of Federal Regulations (USDA 2003) and is discussed extensively in Carr et al. (2008b). Custom exempt poultry processing facilities have different regulations than red meat facilities (USDA 2006).

Gainesville: University of Florida Institute of Food and Agricultural Sciences. <http://edis.ifas.ufl.edu/pdffiles/AN/AN20300.pdf>

Carr, C. C., L. E. Eubanks, & R. D. Dijkhuis. 2008b. *Custom and Retail Exempt Meat Marketing*. AN204. Gainesville: University of Florida Institute of Food and Agricultural Sciences.. <http://edis.ifas.ufl.edu/pdffiles/AN/AN20400.pdf>

USDA. 2003. *Exemptions to Federal Meat Inspection*. 9CFR303.1 Food Safety Inspection Service. Washington D.C. <https://www.govinfo.gov/content/pkg/CFR-2012-title9-vol2/pdf/CFR-2012-title9-vol2-part303.pdf>. (May 23, 2008)

USDA. 2006. *Guidance for Determining Whether a Poultry Slaughter or Processing Operation is Exempt from Inspection*

A custom exempt red meat facility can only slaughter and process livestock for the exclusive use of the owner(s), and

# Retail exemption

- Unrelated, but can be part of discussion
- Many custom slaughter facilities buy inspected trim and sell their own sausage

<http://edis.ifas.ufl.edu/pdffiles/AN/AN20400.pdf>

## Custom and Retail Exempt Meat Processing<sup>1</sup>

Chad Carr, Larry Eubanks, and Ryan Dijkhuis<sup>2</sup>

While the USDA regulation for meat inspection only requires that "all meat offered for sale must originate from a federally inspected slaughter facility," the USDA Food Safety Inspection Service (FSIS) allows two primary processor exemptions to this rule: custom and retail. These exemptions, available in their entirety within the Code of Federal Registers at

[http://www.access.gpo.gov/nara/cfr/waisidx\\_07/9cfr303\\_07.html](http://www.access.gpo.gov/nara/cfr/waisidx_07/9cfr303_07.html), are complex and can be easily misinterpreted. Moreover, the state of Florida has a set of Sunshine Law statutes specific to meat processors. This report concisely explains the exemptions and also covers Florida Sunshine Law

- The resulting product must be marked "Not for Sale";
- The operator must maintain accurate production and business records; and
- The animal and/or product must be prepared or processed in a sanitary manner.

**Custom slaughter must only be for the personal use of the owner of the animal**

The first requirement for custom exemption relative to the personal use of the owner of the animal is the most ambiguous to interpret. Berry (2000)

# If you find someone to slaughter them under inspection....

- And.. If you have a butcher shop-products can be marketed under retail exempt

# USDA Retail Exempt Processing

## CANNOT

- Slaughter without Federal inspection.
- Can meat without Federal inspection.
- Sell to other retail markets.
- Sell to wholesalers or distributors.

# Frequent Retail Exempt Question

- The processor must own the facility or pay for the facility's usage & can not have more than two markets opened at the same time.
- A retail exempt processor could have their permanent retail store and go to a farmer's market on each day of the week or sell from a roadside stand or truck as long as no more than two were open on the same day.
- The processor's total sales to food service can't exceed 25% of their total annual sale.
- The processor only sells fresh products to food service (not cooked, smoked, cured, or canned).

# Normal Retail Quantity

- Cattle – 300 lbs.
- Sheep - 27.5 lbs.
- Swine – 100 lbs.
- Goats – 25 lbs.

# Freezer lamb

- Opportunity to add value
- FSIS inspected- can be piece by piece
- Custom- Sell carcass, side, or quarter
- < 100 freezer lambs annually

# Freezer lamb from seller to butcher

- Generally the producer will take it to the processor, but that should be negotiated.
- However, getting a date/appointment with a processor is extremely challenging right now.



# Value

- [https://www.ams.usda.gov/mnreports/sa\\_ls850.txt](https://www.ams.usda.gov/mnreports/sa_ls850.txt)

## Let's consider a 130 lb lamb

- 130 lbs = 1.3 hundred wts \* 135 cwt = \$175.5 value of the lamb
- Processor fees will vary- but a slaughter fee of \$100 and a charge of \$0.65 per pound of hot carcass wt is reasonable
- 130 lb lamb will dress 52% = 68 lb hcw
- $68 * 0.65 = \$44$  cut & wrap + \$100 slaughter fee = \$144 for processing.

## Let's consider a 130 lb lamb

- Total cost  $\$175.5 + 144 = \$319.5$
- Let's use the 75% of HCW of 68 lbs as an estimate of bone-in lamb cuts = 51 lb----
- $\$319.5/51 \text{ lb} = \$6.26 \text{ per lb}$ - That's your breakeven
- \* 33% overhead/profit = 8.33 per lb

# Take Home

- Online/local
  - temporary or sustaining?
- Freezer lamb
  - Can work if you are willing to commit