

Poultry Exemptions Under the Federal Poultry Products Inspection Act



LDAF Meat & Poultry Inspection



HISTORY

Federal Meat Inspection Act of 1906

These twentieth century Acts mandated federal inspection at businesses that slaughter and process meat and poultry products for use as human food that enter interstate or foreign commerce.

1957 Wholesome Poultry Products Act

These Acts did not require federal inspection if the meat or poultry products did not enter interstate commerce.

During the first half of the 20th century slaughterers and processors of livestock and poultry were exempt from any Federal inspection, if the product did NOT enter interstate commerce.





HISTORY - CHANGES WERE MADE

**Congress amended the
Federal Meat Inspection Act in 1967
and
Wholesome Poultry Products Act in 1968**



Extended the mandate for federal inspection to “ALL” slaughtering or processing of meat and poultry for shipment within a State, when the State does not enforce requirements at least equal to the federal inspection requirements in the Acts.

These are two different Acts with two different sets of regulatory requirements.



Exempt from what?



True

- Exempt operations are exempt from continuous bird-by-bird inspection and the presence of FSIS or LDAF inspectors during the slaughter of poultry and processing of poultry products.

False

- An exempt operation is exempt from all requirements of the Poultry Products Inspection Act (PPIA).

- A business may simultaneously claim or operate under more than one exemption in a calendar year.



Personal Use and Custom Exemptions

For Self

The slaughtering and processing of livestock or poultry for the owner's **personal use**.

As A Service

The **custom slaughter or processing** of an individual's livestock or poultry for the personal use of the owner (a service)

Custom slaughter exempt livestock products must be marked "NOT for SALE" and exempt poultry product marked "Public Law 90 -492".

However...

...these products may **NOT** be sold in commerce. In order to sell poultry, **it must be inspected or exempted from inspection.**





Retail Exemption



- Only poultry carcasses and parts derived from federally inspected and passed poultry are transported in interstate commerce [Title 9 CFR §381.10(a)(1)]; (Exempt product cannot)
- 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)]; (Both are acceptable)
- 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);
- The business does not custom slaughter poultry delivered by the owner; (Only birds purchased at the store)
- The retail business does not prepare exempt products that the business sells to another retail store or a distributor of poultry products; (retailers sell to the end consumer)
- 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; (Only birds purchased at the store)



Retail Exemption

- 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**.
- 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];
- Operations of types traditionally and usually conducted at retail stores are conducted in the store and include:
 - **boning, cut up, stuffing, smoking, rendering or salting**
- **No canning** operation is conducted in the retail store;





Retail Exemption Label Requirements

- Name of the product
- Ingredients statement
- Statement of the quantity of contents in terms of weight
- Name and address of manufacturer
- Handling statement
- Safe handling instruction that comply with the requirements of 9 CFR 381.125(b)(2) (ii)
- Date of packing
- Explanatory statement indicating why the inspection legend is not permitted; for example, the phrase “Retail Exemption from Inspection” is suggested by LDAF but is not a mandatory requirement.

FARM NAME HERE
address here

Pasture Raised Poultry

Keep Refrigerated or Frozen Retail Exemption from Inspection
Ingredients: Most to Least

SAFE HANDLING INSTRUCTIONS
Some food products may contain bacteria that could cause illness if the product is mishandled or cooked improperly. For your protection, follow these safe handling instructions.

Keep refrigerated or frozen. Thaw in refrigerator or microwave. Keep raw meat and poultry separate from other foods. Wash working surfaces (including cutting boards), utensils, and hands after touching raw meat or poultry. Cook thoroughly. Keep hot foods hot. Refrigerate leftovers immediately or discard.

Date _____
Net Wt. _____
Total \$ _____



Additional Exemptions

The Poultry Act included additional types of poultry slaughter and processing that could be exempt; they are exemptions for:

1. Producers/Growers
2. P/G or Other Person
3. Small Enterprises

As long as they meet the criteria of the Poultry Act





What's A Producer/Grower?

A 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 provided.
- Only distributes poultry products he or she produced under the Producer/Grower Exemption



What's A Producer/Grower or Other Person?

A Producer/Grower or Other Person:



- 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.
- 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. Only distributes poultry products he or she produced under the Producer/Grower Exemption



What's A Small Enterprise?

A Small Enterprise:



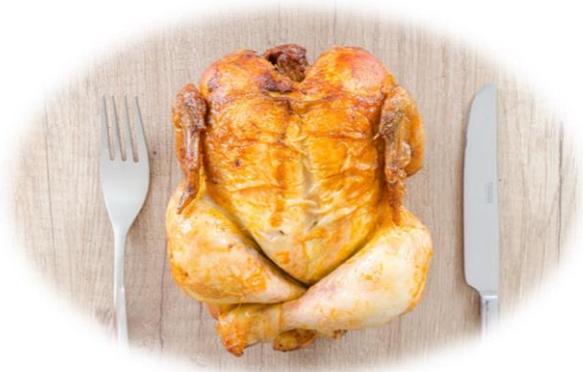
- A producer/grower who raises, or
- A business that purchases live poultry that they slaughter and dress, or
- A business that purchases inspected poultry or exempted 1,000 or 20,000 Producer/Grower dressed poultry.

The Small Enterprise can buy poultry and slaughter and process the poultry under exemption provided **processing is limited to cutting up.**



Types of Poultry Exemptions

The PPIA and Federal Regs Provide for Several Types of Exempt Slaughter and Processing Operations



1. Slaughter & processing of poultry for personnel use
2. Custom slaughter & processing-personal use
3. Producer/Grower no more than 1,000/calendar yr.
4. Producer/Grower no more than 20,000/calendar yr.
5. Producer Grower or Other Person (PGOP) no more than 20,000/calendar yr.—meats/processing
6. Small Enterprises slaughtering/cutting up no more than 20,000/calendar yr.—carcasses and parts no processing
7. Retail Stores
8. Restaurants

Note: Religious exemption is not in the list.



Basic Requirements

6 General Requirements:



1. The poultry is healthy when slaughtered
2. The slaughter, processing, and transportation are conducted under sanitary practices and procedures that produce poultry products that are sound, clean, and fit for human food (not adulterated)
3. The poultry is not misbranded and is identified as exempt product
4. Business operates under only one exemption in a calendar year.
5. Product cannot bare the USDA/LDAF mark of inspection.
6. Can't be distributed across state lines (**Interstate**).



< 1,000 Bird Limit Exemption

A person may :



- ...slaughter and process poultry on his/her premises, poultry that he/she raised.
- ...distribute such poultry without mandatory inspection to customers in the State where slaughtered and processed.

General label requirements

- Weight (Louisiana law)



< 20,000 Bird Limit Exemptions

3 Types of 20,000 Bird Limit Exemptions:



There Are 8 Requirements For These 3 Exemptions:

1. Producer/Grower 20,000 Bird Limit



PG

2. Producer Grower or Other Person (PGOP) 20,000 Limit exemptions



PGOP

3. Small Enterprise exemption 20,000



SE

6 General Requirements Plus...

7. The business slaughters and processes no more than 20,000 birds/carcasses in a calendar year under the exemption.

8. The facility used to slaughter or process poultry is not used to slaughter or process another person's poultry unless the Administrator of USDA/LDAF grants an exemption [9 CFR 381.10 (b)(2)].



Limits to all three < 20,000 Bird Exemptions

The 8 Limitations to all 3 20,000 Bird Exemptions

PG
PGOP
& SE

1. The poultry is healthy when slaughtered;
2. 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);
3. The poultry is not misbranded is identified as exempt product and labeled;
4. The business operates under only 1 exemption during calendar year;
5. Product cannot bear the Official USDA mark of inspection; and
6. Poultry products do not move in **interstate** commerce.
7. The business slaughters and processes no more than 20,000 birds/carcasses in a calendar year under the exemption.
8. The facility used to slaughter or process poultry is not used to slaughter or process another person's poultry unless the Administrator grants an exemption [9 CFR 381.10 (b)(2)].



Producer/Grower < 20,000 Bird Exemption

**A Producer/Grower 20,000
may be:**

PG

- slaughters and processes, on his or her own premises, no more than 20,000 poultry, raised by him or her, in a calendar year provided.
- only distributes poultry products he or she produced under the Producer/Grower Exemption





P/G < 20,000 Labels

Labels for Producer/Grower 20,000 Bird Limit

PG

The shipping containers, when distributed in **intrastate (inside state)** 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, and
- d. safe handling instructions
- e. Weight (Louisiana law)

FARM NAME HERE

_____ address here _____

Pasture Raised Poultry

Keep Refrigerated or Frozen • Exempt PL. 90-492

SAFE HANDLING INSTRUCTIONS

Some food products may contain bacteria that could cause illness if the product is mishandled or cooked improperly. For your protection, follow these safe handling instructions.

| | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <small>Keep refrigerated or frozen. Thaw in refrigerator or microwave.</small> |  <small>Keep raw meat and poultry separate from other foods. Wash working surfaces (including cutting boards), utensils, and hands after touching raw meat or poultry.</small> |  <small>Cook thoroughly.</small>  <small>Keep hot foods hot. Refrigerate leftovers immediately or discard.</small> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Date _____

Net Wt. _____

Total \$ _____



PGOP – Producer/Grower or Other Person Exemption

PGOP – Producer/Grower or Other Person:

PGOP

- May be a poultry grower who slaughters and processes poultry that he/she raised for sale, or
- May be a person who purchases live poultry from a grower and then slaughters these poultry and processes such poultry for sale directly to household consumers, hotels, restaurants, and boarding houses to be served in those homes or dining rooms for the **preparation of meals** sold directly to customers.
- May **NOT SELL** to Retail stores, other Producer/Grower or other PGOP.





PGOP – Producer/Grower or Other Person Exemption

The 9th Exemption Limitation for PGOP:

PGOP

The 8 limitations from Slide 13 plus...

- 9. Exempt product for sale directly to household consumers, restaurants, hotels, and boarding houses for the preparation of meals sold directly to customers.





PGOP – Producer/Grower or Other Person Exemption

Labeling PGOP Product:

PGOP

The shipping containers, when distributed in **intra**state 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, and
- d. safe handling instructions
- e. Weight (Louisiana law)

FARM NAME HERE

_____ address here _____

Pasture Raised Poultry

Keep Refrigerated or Frozen • Exempt P.L. 90-492

SAFE HANDLING INSTRUCTIONS

Some food products may contain bacteria that could cause illness if the product is mishandled or cooked improperly. For your protection, follow these safe handling instructions.

 Keep refrigerated or frozen. Thaw in refrigerator or microwave.

 Keep raw meat and poultry separate from other foods. Wash working surfaces (including cutting boards), utensils, and hands after touching raw meat or poultry.

 Cook thoroughly.

 Keep hot foods hot. Refrigerate leftovers immediately or discard.

Date _____

Net Wt. _____

Total \$ _____



Small Enterprise Exemption

Small Enterprise Business:

SE

- May be a producer/grower who raises, or
- May be a business that purchases live poultry that they slaughter and dress, or
- May be a business that purchases inspected poultry or exempted 1,000 or 20,000 Producer/Grower dressed poultry.
- Can buy poultry and slaughter and process the poultry under exemption provided **processing is limited to cutting up**
- May handle “pass through” product
- May purchase, cut up, and distribute exempt product produced under the Producer/Grower Exemptions
- May cut up product produced under USDA or LDAF wholesale inspection
- Has no restriction on **intra**state customers; but product may not be distributed across state lines.



Small Enterprise Exemption

Small Enterprise exempted businesses may sell within the state to:

SE

- Household Consumer
- Retail Stores (grocery stores)
- Hotels
- Restaurants and Similar Institutions
- Distributors





Small Enterprise Exemption

Small Enterprise Exemption Notes:

SE

Businesses **may sell live poultry** to a customer and then slaughter, dress, and cut up the poultry for the customer.

Selling live poultry is **not the same as buying or selling poultry products**, one of the criteria that prevents a business from claiming the Custom Exemption.





Small Enterprise Exemption

Small Enterprise label requirements:

SE

1. Name of the product
2. Ingredients statement
3. Weight
4. Name and address of manufacturer
5. Special handling statement
6. Date of packing
7. Explanatory statement indicating why the **inspection legend is not permitted**; for example, the phrase “Small Enterprise Exemption from Inspection” is suggested by USDA/LDAF but is not a mandatory requirement. The “Exempt –PL90-492” is sufficient.
8. **Safe handling instruction that comply with the requirements of Title 9 CFR 381.125(b)(2)(ii)**

Starting With This:

Safe Handling Instructions

Some food products may contain bacteria that could cause illness if the product is mishandled or cooked improperly. For your protection, follow these safe handling instructions.



Keep refrigerated or frozen.
Thaw in refrigerator or microwave.



Keep raw meat and poultry separate from other foods.
Wash working surfaces (including cutting boards),
utensils, and hands after touching raw meat or poultry.



Cook thoroughly.



Keep hot foods hot. Refrigerate leftovers
immediately or discard.

Not This:

Safe Handling Instructions

This product was prepared from inspected and passed meat and/ or poultry. Some food products may contain bacteria that could cause illness if the product is mishandled or cooked improperly. For your protection, follow these safe handling instructions.



Keep refrigerated or frozen.
Thaw in refrigerator or microwave.



Keep raw meat and poultry separate from other foods.
Wash working surfaces (including cutting boards),
utensils, and hands after touching raw meat or poultry.



Cook thoroughly.



Keep hot foods hot. Refrigerate leftovers
immediately or discard.

Correct Verbiage:

“Some food products may contain bacteria that could cause illness if the product is mishandled or cooked improperly. For your protection, follow these safe handling instructions.”

Safe Handling Instructions

SE

Required for Small Enterprise
Exemption

If the labeling does not bear nutrition or health claims, **then** the nutrition facts feature is **optional** for poultry products produced by a Small Enterprise exempted business. (9 CFR 381.500)



Nutrition Facts

33 servings per container
Serving size 3 pcs. (67g)

Amount per serving

Calories **140**

% Daily Value*

| | |
|--------------------------|-----|
| Total Fat 6g | 8% |
| Saturated Fat 2g | 10% |
| Trans Fat 0g | |
| Cholesterol 20mg | 7% |
| Sodium 410mg | 18% |
| Total Carbohydrate 13g | 5% |
| Dietary Fiber 0g | 0% |
| Total Sugars 0g | |
| Includes 0g Added Sugars | 0% |
| Protein 7g | |
| <hr/> | |
| Vitamin D 0mcg | 0% |
| Calcium 7mg | 0% |
| Iron 1mg | 6% |
| Potassium 28mg | 0% |

*The % Daily Value tells you how much a nutrient in a serving of food contributes to a daily diet. 2,000 calories a day is used for general nutrition advice.

Nutrition Labeling?

Small Enterprise Exemption

SE

Basic Sanitation

Basic Sanitation Requirements:

9 CFR 416

- Sanitary operating conditions
- Grounds and Pest Control
- Sewage and Waste Disposal
- Water Supply and Water, Ice and Solution Reuse
- Facilities
- Dressing Rooms, Lavatories, and Toilets
- Inedible Material Control



Summary Table of Exemptions and Limitations

| Criteria | Custom | Producer/Grower - 1,000 Bird Limit | Producer/Grower - 20,000 Bird Limit | Producer/Grower or Other Person - 20,000 Bird Limit | Small Enterprise |
|------------------------------------------------------------------------------------------------------------------------|----------|---------------------------------------|----------------------------------------|-----------------------------------------------------------|-----------------------------------|
| Slaughter Limit | NO LIMIT | YES - 1,000 PER CALENDAR YEAR | YES - 20,000 PER CALENDAR YEAR | YES - 20,000 PER CALENDAR YEAR | YES - 20,000 PER CALENDAR YEAR |
| Further Processing | YES | YES | YES | YES | CUT UP ONLY |
| Sell to Home Consu | NO | YES | YES | YES | YES |
| Sell to any HRI* | NO | YES | YES | NOT TO ALL HRIs** | YES |
| Sell to Distributor | NO | YES | YES | NO | YES |
| Sell to Retail Store | NO | YES | YES | NO | YES |
| Inter-State Sale | NO | NO | NO | NO | NO |
| Buy Live Birds from Farmers for Processing and Sell Back for Distribution by Farmers (or others).*** | NO | NO | NO | NO | YES |

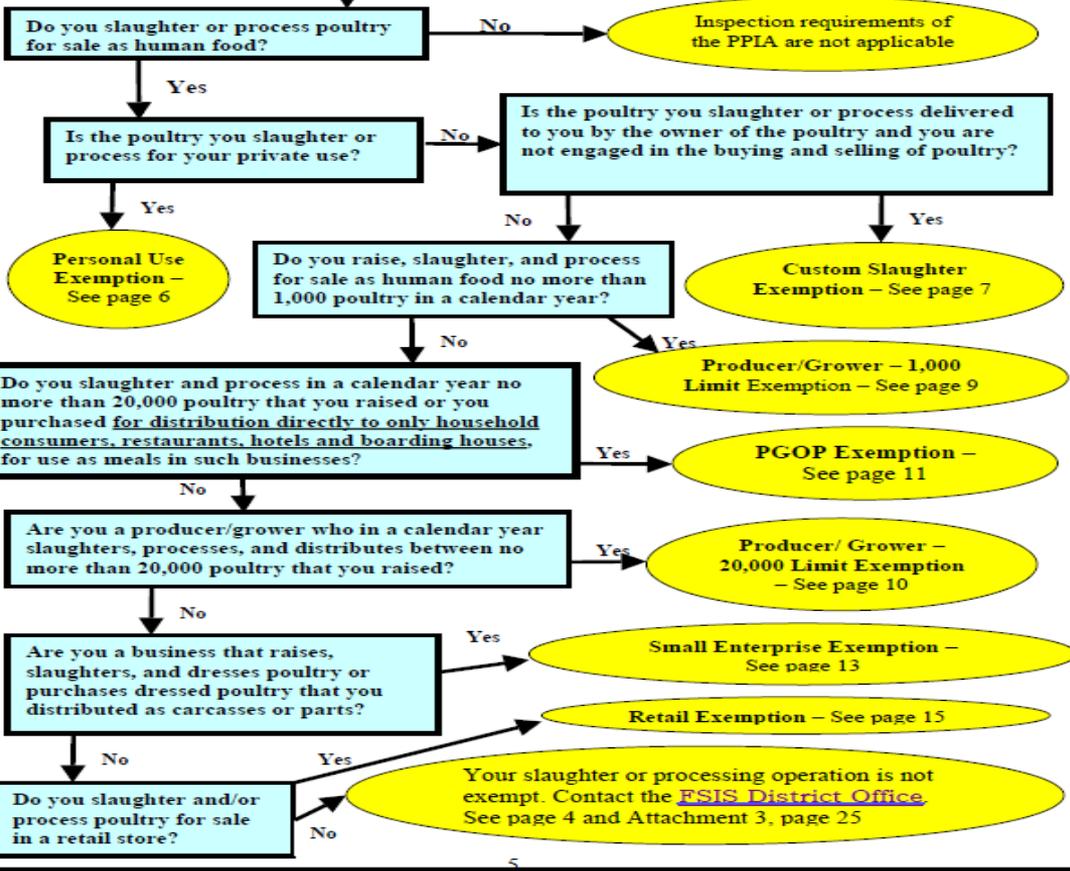
*HRI = Hotels, Restaurants, and Institutions

**Product produced under the Producer/Grower or Other Person Exemption may not be sold to institutions.

*** Restrictions apply, see below for further details.

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

Ask yourself the question in the bold type and then follow the appropriate Yes or No response arrows to determine whether your poultry slaughter or processing operation may qualify for an exemption. You must read the criteria on the cited page before you can determine whether your operation qualifies for the exemption. (* Some States May Have Different Limitations/Criteria for Exemptions than the PPIA.)



Exemption Flow Chart



Labeling/Identifying Items:

|  | Produce Grower – 1,000 Limit | Producer Grower – 20,000 Limit | Producer Grower or Other Person | Small Enterprise |
|-----------------------------------------------------------------------------------|-------------------------------------------------|---------------------------------------------------|----------------------------------------------------|-----------------------------|
| Name of Product | | | | YES |
| Ingredients | | | | YES |
| Statement of Quantity/Weight | YES due to LA law 3:4615(A) | | | YES |
| Name & Address of Manufacturer/ Processor | YES | YES | YES | YES |
| Date of Packing | | | | YES |
| Exempt – PL90-492 or explanation | YES | YES | YES | YES |
| Safe Handling Instructions | YES | YES | YES | YES |

POULTRY EXEMPTION OPTIONS

PROS AND CONS

On Farm Slaughter -
 Producer/Grower
 Custom (pg 7) Less than 1,000 (pg 9)

Producer/Grower
 Less than 20k (pg 10)

P/G/Other Person (PGOP)
 Less than 20k (pg 11)

Small Enterprise
 Less than 20k (pg 13)

Pros

No number limit. Further processing allowed.

Only 5 requirements (pg. 9). Further processing allowed. Can sell to grocers.

Allows sales, distribution, further processing and Consumer/HRI sales. Further processing allowed. Can sell to grocers.

Buy live birds or grow your own, then sell to consumers. Further processing allowed.

Buy live birds or grow your own or buy dressed birds, then sell back for distribution by farmer. Can sell to grocers.

Cons

No sales. No distribution

Small limit. Your own birds only. Can't buy or sell poultry other than birds of your own raising. Can't move in commerce (*leave control of processor prior to sale*).

Your own birds only. Distribute them yourself. Shipping container needs identification. A rented slaughter or processing unit may not be used to slaughter or process another person's poultry while it is on the renter's premises.

Your own birds. No sales to institutions, distributors or retail stores (*Customers - Household consumers, restaurants, hotels and boarding houses - not grocers*). Shipping container needs identification. Can't slaughter birds owned by someone else.

No further processing other than cut-up. Label requires more features (pg 14)

Non-Custom Plans Require

- Application for exemption with LDAF
- In-state sales only
- Records must be kept
- Sanitary production
- Sold by weight

Labeling



REQUIRED RECORDS

Transaction Records (381.175)

- Name or description of the poultry or other articles
- Net weight
- Number of outside containers
- Name and address of the buyer of the poultry or other articles sold by you
- Name and address of the seller of the poultry or other articles purchased by you
- Name and address of the consignee or receiver (if other than the buyer)
- Method of shipment
- Date of shipment
- Name and address of the carrier

Other Required Records (381.175)

- Guaranties provided by suppliers of packaging materials
- Records of canning (Part 431)
- Records of irradiation (381.149)
- Records of nutrition labeling (subpart Y)
- Records of all labeling, along with the product formula, processing procedures, and any additional documentation needed to support that the labels are consistent with the Federal meat and poultry regulations and policies on labeling (412.1)

REQUIRED LABELING

< 1000

P/G

Must be sold by weight

Producer's name
 Producer's address
 "Exempt P.L. 90-492"
 Weight

PGOP

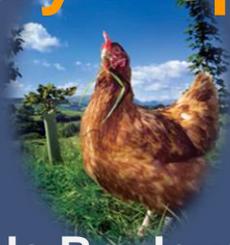
Processor's name
 Processor's address
 "Exempt P.L. 90-492"
 Weight

SMALL ENTERPRISE

Name of the product
 Ingredients statement;
 Handling statement;
 Safe handling instruction that complies with 381.125(b)(2)(ii)
 Date of packing
 "Small Enterprise Exemption from Inspection" or similar
 Weight
 Nutrition Facts optional

"A. Meat, poultry, fish, and seafood shall be sold by weight," LA Rev Stat §3:4615

Louisiana Dept. of Ag. and Forestry Meat and Poultry Inspection Program



5825 Florida Boulevard Ste. 4003
Baton Rouge, LA 70806
225-922-1358
FedStateMeat@ldaf.la.gov

