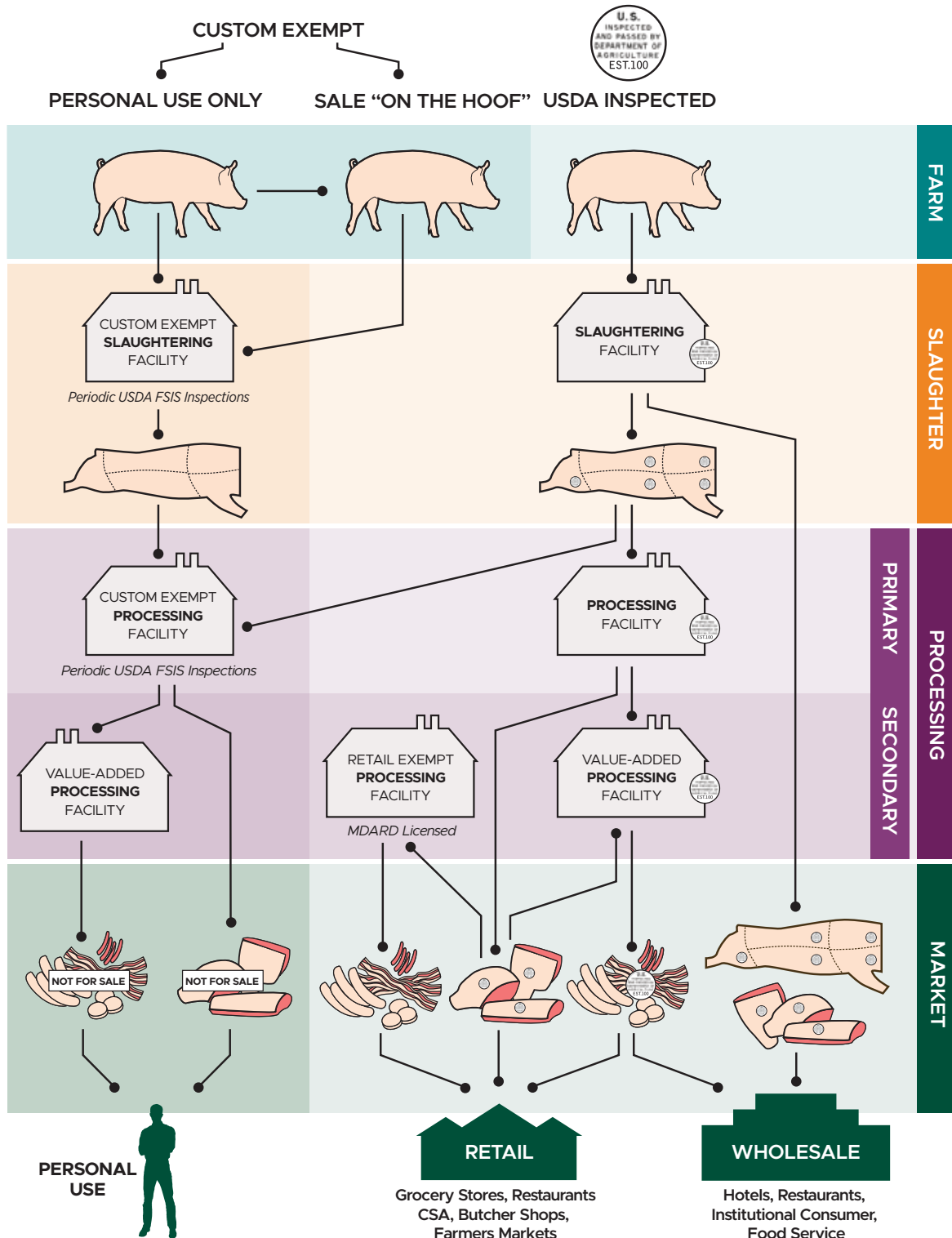


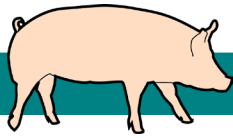
Value-Added Products from the Farm

SELLING FARM FRESH MEAT IN MICHIGAN

Every farm needs a stream of revenue to support itself, and selling meat products derived from the animals you raise can help your livestock pay for themselves. The information on this sheet describes major decision points and regulatory concerns involved in deciding to get livestock (hogs, sheep, goats & cattle) processed and sold as meat in Michigan.



Note: The text descriptions below are designed to accompany/add context/help a farmer use the flowchart which originally appeared as Figure 1 in Barry, Schwehofer & Miller's 2017 publication "[Developing Michigan meat processing, Part 1: processing and regulation](#)"



Custom Exempt

The custom exempt slaughter/processing stream is for animals producing meat products “for personal use only.” Farmers can make custom exempt meat available to consumers only by selling live animals “on the hoof” in shares to consumers prior to slaughter. The consumer then becomes the owner of the animal making it allowable to pay a custom exempt facility to slaughter and process for personal consumption.

Scenarios

When and how can farmers utilize custom exempt processing?

PERSONAL USE BY FARMER

You are a farmer who wants to fill their freezer with home-grown meat. The animal can then be slaughtered and processed via the custom exempt stream. The resulting meat product is not for sale and can only be consumed by the farmer, family, non-paying guests and employees.

Sale “ON THE HOOF” Reminders: Farmers can only sell the live animal – not a finished meat product

- Payments per pound must be based on live, not finished weights.
- Animals CANNOT be slaughtered before shares are sold.
- The animal’s owner (consumer - not the farmer) must pay slaughter and processing fees to the Custom Exempt Facility.
- The consumer/owner should communicate with the facility to provide cutting and packing instructions.
- Farmers CAN deliver livestock to slaughter on behalf of the new owner (consumer)

Sale “ON THE HOOF”

Ownership of animal is transferred from farmer to consumer prior to slaughter

- Meat Share Sales
 - Consumer pays farmer to purchase a whole, live hog for \$600
 - Farmer drops off hog at slaughter facility on behalf of the new owner
 - Consumer (new owner) pays slaughter and processing facility directly for the custom processing of their animal
- Two families decide to buy a steer at the County Fair for \$4/lb “live weight.” The steer weighed in at 1,200lbs, so each family pays $\$4 \times 600\text{lb} = \$2,400$ and are now co-owners of the steer
 - Steer is picked up from fair by the custom exempt processor
 - Co-owners/consumers pay for steer to be custom slaughtered and processed

USDA Inspected

Any sale of meat products themselves must originate from animals that have gone through the USDA inspected slaughter and processing stream. If a customer of ANY TYPE is buying individual meat products in cuts for personal use, retail or wholesale these MUST come from the USDA inspected stream.

Scenarios

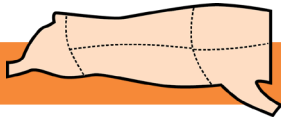
Below are some examples when farmers would need to get animals slaughtered/processed at a USDA inspected facility.

- When customer wants to have local lamb for their household, but cannot purchase a meat share due to lack of refrigerator space.
- When selling individual cuts of meat at a farmer’s market or retail through a farm stop or Co-op
- If a restaurant wants to feature your lamb on their menu

EQUIPMENT & SUPPLIES

- Safe truck & trailer to transport livestock to slaughter
- Humane handling & slaughter equipment
- Calibrated thermometer
- Proper packaging/labeling
- Refrigeration which maintains product temperature at or below 41° F
- Freezer unit which maintains product so that it remains frozen (<0° F)

SLAUGHTER



CUSTOM EXEMPT
SLAUGHTERING
FACILITY

Custom Exempt Slaughter & Initial Processing 21 U.S.C. 623; 9 CFR 303.1(a)(2)

Licenses/Regulations

- [Retail Food Establishment \(MDARD\)](#)
- USDA-FSIS [Directive 8160.1 Custom Review Process](#)
- [MI Modified Food Code \(MDARD\)](#)
- [Registration with FDA](#)

Primary Processing Option:

- Custom Exempt

Further Processing Option:

- Specialized Meat Variance

Sale Options:

Personal use only – must be consumed by the owner of the animal at time of slaughter

- Producer/farmer, non-paying guests & employees
- Consumer who purchased the animal live “on the hoof”

SLAUGHTERING
FACILITY

USDA Inspected

Licenses/Inspections

- USDA – FSIS Continuous Inspection during Slaughter & Processing
- [Federal Meat Inspection Act](#)
- [Federal Regulations & Directives](#)

Primary Processing Option:

- None – sale of full carcass/primal cuts (No restrictions)
- Custom Exempt Processing (Personal Use Only)
- USDA Processing (No Sale Restrictions)

Further Processing Options:

- Custom Exempt - Specialized Meat Variance (Personal Use Only)
- Retail Exempt (Direct to Consumer)
- USDA Inspected Processing (No Sale Restrictions)

PRIMARY PROCESSING

CUSTOM EXEMPT
PROCESSING
FACILITY

Custom Exempt Processing: 21 U.S.C. 623; 9 CFR 303.1(a)(2)

Licenses/Regulations

- [Retail Food Establishment \(MDARD\)](#)
- USDA-FSIS [Directive 8160.1 Custom Review Process](#)
- [MI Modified Food Code \(MDARD\)](#)
- [Registration with FDA](#)

Primary Processing Option:

- Custom Exempt

Further Processing Option:

- Specialized Meat Variance

Sale Options:

Personal use only – must be consumed by the owner of the animal at time of slaughter

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Scenarios

Below are some examples when farmers would need to get animals slaughtered/processed at a USDA inspected facility.

- When a customer wants to have local lamb for their household, but cannot purchase a meat share due to lack of refrigerator space.
- When selling individual cuts of meat at a farmer's market or retail through a farm stop or Coop
- If a restaurant wants to feature your lamb on their menu

PROCESSING
FACILITY

USDA Processing

Licenses/Regulations

- USDA – FSIS Continuous Inspection during Slaughter & Processing
- Federal Meat Inspection Act
- Federal Regulations & Directive

Further Processing Option:

- Retail-Exempt – direct to consumer
- USDA Inspected – no restrictions

Sales Options:

Restrictions based on further processing choice.

SECONDARY PROCESSING



VALUE-ADDED
PROCESSING
FACILITY

Custom Exempt Value Added Processing:
21 U.S.C. 623; 9 CFR 303.1(a)(2)

Licenses/Regulations

- [Retail Food Establishment \(MDARD\)](#)
- [Variance for Specialized Meat Processing \(MDARD\)](#)
- [MI Modified Food Code \(MDARD\)](#)
- [Registration with FDA](#)

Sale Options:

- **Personal use only** – must be consumed by the owner of the animal at time of slaughter
 - Producer/farmer, non-paying guests & employees
 - Consumer who purchased the animal live “on the hoof”



RETAIL EXEMPT
PROCESSING
FACILITY

Retail-Exempt Processing
21 U.S.C. 623; 9 CFR 303.1(d)(1)

Licenses/Regulations

- [Retail Food Establishment \(MDARD\)](#)
- [Variance for Specialized Meat Processing \(MDARD\)](#)
- [Retail-Exemption Inspection \(USDA-FSIS\)](#)
- [MI Modified Food Code \(MDARD\)](#)
- [Registration with FDA](#)
- [USDA FSIS Retail-Exemption Guidelines](#)

Sale Options:

- Direct to Consumer
- Retail



VALUE-ADDED
PROCESSING
FACILITY

USDA Inspected Value Added Processing
Directory of FSIS Inspected Establishments

Licenses/Regulations

- [USDA – FSIS Inspection](#)
- [Federal Meat Inspection Act](#)
- [Federal Regulations & Directives](#)

Sale Options:

- No restrictions – direct to consumer, retail or wholesale.

FOOD SAFETY CONSIDERATIONS

- Documented animal health and medications
- Proper slaughter handling
- Proper carcass preparation (dressing), deboning and cutting
- Control of cross-contamination potential
- Proper chilling of carcass and edible items
- Proper further processing (grinding, curing, smoking, etc.)
- Proper packaging
- Proper refrigeration (<41°F) and freezing (<0°F)
- Proper cleaning and sanitation of employees & equipment
- Potable water

MARKET



“On the Hoof” Meat Shares –

Consumers purchase shares of live animals, which they can then have slaughtered and processed at a Custom Exempt Facilities.



Personal Use Only –

Only the owner of the live animal or their non-paying guests & employees may consume the meat produced from that animal.



Direct to Consumer –

The meat product is sold directly to the person who will be consuming it.



Retail –

The meat product is sold to a retail establishment such as a market, grocery store, CSA, deli, butcher shop, from which the end consumer will purchase the meat product.



Wholesale –

Meat is sold to hotels, restaurants, food service, institutional buyer that then serves it to the end consumer.

Visit [MSU Center for Regional Food Systems](https://foodsystems.msu.edu) at foodsystems.msu.edu to find the resources used to develop these materials.

THIS RESOURCE WAS DEVELOPED BY THESE PARTNERS: