



Meat and Poultry Processing Regulations in Oregon:

A Short Guide

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Farmers and ranchers around Oregon raise and sell livestock and poultry into a variety of local and regional markets. Processing is a necessary but often complex link in the chain connecting farms to end consumers. Here, we explain the basic laws and regulations – federal and state – that apply to meat and poultry processing.

In general, federal law requires that meat and poultry be processed at a federally-inspected facility in order to be sold as human food¹. The law does include some limited exceptions allowing the sale of uninspected meat and poultry. However, with only one small exception (discussed below), Oregon law requires that to be sold as food, meat and poultry species, amenable or voluntary, must be processed in a state-approved and state-licensed facility.

WHAT DOES INSPECTED MEAN?

At USDA-inspected slaughter facilities, each animal is inspected, before and after slaughter, by an employee of the USDA Food Safety and Inspection Service (FSIS). For USDA-inspected processors that do not slaughter, the FSIS inspector visits at least daily to assure proper food safety procedures are followed. These are both “continuous inspection.”

The Oregon Department of Agriculture (ODA) licenses all processors, both USDA-inspected and exempt, and inspects all “exempt” facilities that are not “continuously inspected” by USDA. But ODA inspects the facility, not the animals. USDA inspects the health and physical integrity of animals at the time of slaughter. Oregon does not inspect the health and physical integrity of privately owned animals, because they are private property and not for sale. ODA inspection, typically annual, assures compliance with construction, sanitation, liquid and solid waste disposal, and animal theft regulations.

AMENABLE V. VOLUNTARY SPECIES

USDA inspection is required for “amenable” red meat and poultry species: cattle, hogs, sheep, goats, chickens, turkeys, ducks, geese, guineas, and ratites (ostrich, rhea, emu).

¹Federal Meat Inspection Act (FMIA) and Poultry Products Inspection Act (PPIA). Some states have cooperative inspection programs, equal to federal inspection and overseen by USDA, but Oregon does not.

Inspection is “voluntary” for other red meat and poultry species: rabbits, bison, domesticated deer, and domesticated quail, squab, pheasant and migratory waterfowl. Domesticated elk are considered “voluntary” by USDA, but in Oregon they must be processed at a USDA-inspected plant (Oregon Administrative Rule 603-028-0500).

For example, bison slaughtered and processed by a state-licensed, custom-exempt plant or mobile slaughter truck could be sold at a farmers’ market, to a restaurant, and to a retail store both interstate and intrastate. But be aware that some buyers, retailers in particular, may elect to buy only USDA inspected meat.

EXEMPTIONS: WHEN FEDERAL INSPECTION IS NOT REQUIRED

- **Retail exempt processing**

Retail establishments, such as grocery stores, may process meat to sell at their own retail storefront and one other store with the same owner, as long as the meat comes from animals slaughtered under federal inspection. A retail exempt processor can also wholesale a limited amount of product to hotel, restaurant, or institutional customers as long as the product hasn’t been cooked, cured, smoked, rendered, or refined.² Many small, custom-exempt (see below) processors also have a meat counter under the retail exemption.

Retail-exempt wholesaling is limited to 25% of the dollar value of the processor’s total sales or a certain dollar amount per calendar year, whichever is less. The dollar limitations are adjusted by USDA-FSIS annually and announced in the Federal Register: for 2016, they were \$79,200 for red meat/meat products and \$58,200 for poultry products.³

Retail exempt processors cannot sell to other retail markets or to wholesalers or distributors. Retail exempt processors are subject to periodic, risk-based inspection by USDA FSIS and/or state authorities

- **Stationary custom-exempt slaughter/processing**

A custom-exempt plant may only slaughter and process livestock for the exclusive use of the owner(s) of the livestock or poultry. Like retail exempt plants, these facilities are subject to periodic, risk-based inspection by USDA FSIS and routinely inspected by state authorities.

² See [9 CFR 303.1\(d\)\(2\)\(i\)\(a\),\(b\),\(d\), or \(e\)](#).

³ Go to <https://www.federalregister.gov/> and search for “Retail Exemptions Adjusted Dollar Limitations” for annual adjustments, typically announced in the spring.

Livestock sold “on the hoof” to individual buyers, for their own household use, can be slaughtered and processed at custom-exempt facilities (see below). “Voluntary” species like bison may be processed here and sold retail, wholesale, and interstate.

- Poultry exemptions

Federal law contains seven exemptions to the inspection requirement for poultry, explained here: http://www.extension.org/pages/Understanding_Poultry_Exemptions. Different states treat the poultry exemptions differently.

In Oregon, small-scale producers have a few processing options. Under all of these options, the poultry must be sold only within Oregon.

A poultry producer may process up to 20,000 birds per year, that she raises herself, in a state-licensed facility that meets state sanitation requirements. (Contact ODA Food Safety for a list of requirements for poultry/rabbit processing establishments.)

If this producer operates under the Small Enterprise Exemption (slaughter and cut-up only; also limited to 20,000 birds per year), she may purchase live birds raised by other producers, process them, and sell those birds back to the producers, who can then act as distributors.

Federal and Oregon law both allow multiple producers to use the same mobile poultry processing unit to each process up to 20,000 birds of their own raising, on their own farms. The unit must meet state sanitation requirements, but with some variation because it is mobile.

In 2011, the Oregon Legislature passed the “Poultry Bill,” which mirrors the federal 1000 bird exemption and allows a producer to process and sell up to 1000 poultry per year direct to end consumers, without being a state-licensed processor. The poultry must be sold at the farm where it was raised and processed; no off-farm sales are allowed.⁴ The rules for this exemption, including recordkeeping and labeling, are explained by ODA here:

<http://www.oregon.gov/ODA/shared/Documents/Publications/FoodSafety/FarmDirectPoultry.pdf>

The OSU Small Farms Program guide to best practices for food safety and sanitation during open air poultry slaughter, and labeling requirements for this exemption, are available at <http://smallfarms.oregonstate.edu/oregon-small-farms-technical-reports>.

This law and the relevant Oregon Administrative Rules were created by the Oregon state legislature and the state agriculture department and do not exempt producers from zoning laws and rules. However, in 2013, the Oregon legislature added the slaughtering, processing and selling of up to

⁴ Technically, the law allows off-farm sales, but only if processing is done in a facility that *could* meet licensing requirements, even though the purchase of a license is not required. This quirk of the law comes from the bill language but is essentially a red herring: if your facility *can* be licensed, why not pay the license fee and be able to process up to 20,000 birds per year, not just 1000?

1,000 poultry as an outright permitted nonfarm use, subject to specified limits, in areas zoned for exclusive farm use (HB2393). It is still prudent to investigate potential limitations in your location before starting a poultry business.

“ON THE HOOF” OR “LOCKER MEAT” SALES

Rather than sell meat cuts, some livestock producers sell live animals, “on the hoof,” which the customers, as the new owners, can then have processed at a “custom-exempt,” state-licensed facility. Producers can sell a whole animal or shares: for example, a farmer sells one live steer to four people, each of whom gets a one-fourth share of the meat from that steer.

A “custom-exempt” plant may slaughter and process livestock only for the exclusive use of the owner(s). Some custom-exempt processors also have a mobile slaughter truck for on-farm slaughter, and some mobile slaughter trucks operate independently and bring carcasses to a custom-exempt processor. Unless a mobile slaughter unit is USDA-inspected (as of this writing, there are no inspected MSUs in Oregon), it cannot be used to slaughter and transport to a USDA processing facility.

Federal and state rules for on-hoof sales are explained in, “Frequently asked questions about using custom-exempt slaughter and processing facilities in Oregon for beef, pork, lamb, and goat,” also available on the OSU Small Farms website.

BUILDING AND SANITATION REQUIREMENTS FOR PROCESSING FACILITIES IN OREGON

In Oregon, livestock slaughter and processing facilities must be constructed with impermeable and easily cleanable floors and walls, floors sloped to drains, tight-fitting doors and windows, and other construction requirements generally mandated for the food processing industry.

All processing facilities – small or large – must comply with the Oregon Administrative Rules (OAR) about construction, sanitation, and maintenance of such facilities.

The main rules you’ll need to follow are found in OAR Chapter 603 (Department of Agriculture), in two divisions: Division 25, “Food Establishment Standards and Standards for Retail Food Service Activities,” and Division 28, “Meat Products and Establishments.”

All the rules below start with “603” for the chapter; those with “025” in the middle are from Division 25, and those with “028” are from Division 28. Each division begins with definitions; specific rules are in numerical order.

Division 25, “Food Establishment Standards and Standards for Retail Food Service Activities”:

http://arcweb.sos.state.or.us/pages/rules/oars_600/oar_603/603_025.html

Division 28, “Meat Products and Establishments”:

http://arcweb.sos.state.or.us/pages/rules/oars_600/oar_603/603_028.html

OAR 603-028-0100, “Sanitation, Maintenance, and Construction,” requires that all meat establishments comply with:

<http://smallfarms.oregonstate.edu/>

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- OAR 603-025-0020, “General Standards of Food Establishment Construction and Maintenance”;
- OAR 603-025-0030, “Retail Food Code”; and
- OAR 603-25-0150, “Food Processing Establishments.”

Additionally, all rabbit and poultry slaughter facilities must comply with:

- OAR 603-028-0605, “Sanitation, Maintenance, and Construction by Licensees”; and
- OAR 603-028-0825, “Construction and Equipment.”

Contact ODA Food Safety directly to request a copy of “Information for construction and operation of a rabbit/poultry slaughtering and processing establishment,” which summarizes these rules.

The definition of “Mobile Slaughter” can be found in OAR 603-028-0600. Mobile units must follow the construction requirements in 603-028-0605. The state statutes behind the rules can be found in Oregon Revised Statutes, Chapter 603, “Meat Dealers and Slaughterers”:

<http://www.oregonlaws.org/ors/chapter/603>

State license requirements to process and/or sell meat and poultry products are explained here:

http://www.oregon.gov/ODA/FSD/program_food.shtml#Meat