



# **Poultry Exemptions Under the Federal Poultry Products Inspection Act**

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**Guidance for Determining Whether a Poultry Slaughter or Processing Operation is Exempt from  
Inspection Requirements of the Poultry Products Inspection Act**

[http://origin-www.fsis.usda.gov/OPPDE/rdad/FSISNotices/Poultry\\_Slaughter\\_Exemption\\_0406.pdf](http://origin-www.fsis.usda.gov/OPPDE/rdad/FSISNotices/Poultry_Slaughter_Exemption_0406.pdf)

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## History

# Federal Meat Inspection Act of 1906 and 1957 Wholesome Poultry Products Act (Public Law 90 – 492)

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.

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

## Thus the First Exemption

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

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Health 10/24



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

Extending 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.

**Note:** These are two different Acts with two different sets of Regulations "requirements".



# Intent of Congress

However, it was not the intent of Congress to subject the slaughter and processing of an owner's private holdings of poultry that are slaughtered and processed for the owner's personal use to continuous federal inspection, thus both the Poultry and Meat Acts included two personal use exemptions.

## Two Personal Use Exemptions Provided by Congress in the Poultry and Meat Acts

1. The slaughtering and processing of livestock or poultry for the owner's personal use.
2. The custom slaughter or processing of an individual's livestock or poultry for the personal use of the owner (a service).

**NOTE:** Products produced under these exemptions may NOT be sold in commerce.

In addition, Custom Slaughter exempt livestock products must be marked "NOT for SALE" and exempt poultry product marked "Public Law 90 – 492."

# Intent of Congress

## Addition Exemption for Poultry

Regarding poultry, the Poultry Act was passed a year after the Meat Act and the Poultry Act included additional types of poultry slaughter and processing that could be exempt; they are exemptions for:

- (1) producers/growers and
- (2) small businesses

if they meet certain criteria in the Poultry Act.

**Exemptions are conditional.**



## The PPIA and Federal Regulations Provide for Several Types of Exempt Slaughter and Processing Operations/Businesses

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.—meals/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.

# Today I will focus on these 4 poultry exemptions

- 3. Producer/Grower 1,000 Limit;**
- 4. Producer/Grower 20,000 Limit;**
- 5. Producer Grower or Other Person (PGOP) 20,000 Limit;**
- 6. Small Enterprises 20,000 Limit.**

# But First a Misconception

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

# Exempt From What?



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

# Another Misconception

A business may simultaneously claim or operate under more than one exemption.

## **Which and how many exemptions may a person or business claim when slaughtering or processing poultry?**

- A person or business may slaughter or process poultry under an exemption if the operation qualifies for the exemption.**
- A slaughterer or processor of poultry may not simultaneously operate under more than one exemption during a calendar year.**

# **Three Basic Requirements (Criteria) for Businesses Slaughtering or Processing Poultry for Human Food Under a PPIA Exemption.**

- 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**

## Forth Criteria

# for All Businesses Slaughtering or Processing Poultry for Human Food Under a PPIA Exemption

1. The poultry is healthy when slaughtered.
2. Slaughter, processing, and transportation 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.
4. **Business operates under only one exemption in a calendar year.**

# **A 5<sup>th</sup> and 6<sup>th</sup> Requirements/Limitations for all Businesses Slaughtering or Processing Poultry for Human Food Under a PPIA Exemption**

- **5<sup>th</sup> Product cannot bare the Official USDA mark of inspection.**
- **6<sup>th</sup> The poultry products are distributed only within the State, territory, or DC where produced i.e. cannot be distributed across State lines.**

## **Exemptions' Six Requirements/Limitations**

- 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, 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**
- 6. Poultry products do not move in inter-state commerce.**

## **Producer/Grower – 1,000 Limit Exemption**

**A person may slaughter and process poultry:**

- a. on his or her premises, poultry that he or she raised and**
- b. they may distribute such poultry without mandatory inspection to customers in the State where slaughtered and processes.**

## Labeling Producer/Grower – 1,000 Limit Exemption

The shipping containers, when distributed in intrastate 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

### Safe Handling Instructions

FSIS expect the 1,000 limit poultry sold in commerce to bear safe handling instructions.

## Producer/Grower – 20,000 Limit Exemption

### 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**

## **Additional Producer/Grower-20,000 Limit Limitations/Criteria**

- 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 FSIS grants an exemption [9 CFR 381.10 (b)(2)].**

**These two Limitation apply to the three 20,000 bird limit:**

- 1. Producer/Grower 20,000 Limit,**
- 2. Producer Grower or Other Person (PGOP) 20,000 Limit exemptions, and**
- 3. Small Enterprise exemption 20,000**



## **Eight Exemption Limitations Applicable to Producer/Grower, Producer/Grower Other Person, and Small Enterprise 20,000 Exemptions**

- 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 inter-state 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 of FSIS grants an exemption [9 CFR 381.10 (b)(2)].**

## Labeling Producer/Grower – 20,000 Limit Exemption

The shipping containers, when distributed in intrastate 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

## a. Household Consumer



20,000  
Producer  
Grower  
May Sell  
To

## b. Hotels



## c. Retail Stores (Groceries)



## d. Restaurants and similar Institutions



# Producer/Grower or Other Person (PGOP) Exemption May be:

- a poultry grower who **slaughters and processes poultry that he or she raised** for sale, or
- 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.

## a. Household Consumer



## b. Hotels



## c. Restaurants and similar Institutions



PGOP May  
Sell To

# Producer/Grower or Other Person

## Exemption Notes:

A business preparing poultry products under the PGOP exemption **may not sell** products to a:

a. retail store

b. Producer/Grower or other PGOP



# The 9<sup>th</sup> Exemption Limitation for PGOP

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

# Labeling PGOP Product

The shipping containers, when distributed in intrastate 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**

# Small Enterprise Exemption

# **A Small Enterprise Exemption Business Can Be:**

- 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 – Defining Criteria** .

## Small Enterprise Exemption Notes:

- may handle “pass through” product
- may purchase, **cutup**, and distribute exempt product produced under the Producer/Grower Exemptions
- may cutup product produced under Federal inspection

**Note:** Processing is limited to cutup

**No restriction on intra-state customers;  
but product may not be distributed across  
state lines.**

**A Small Enterprise Exemption may sell to:**

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

## a. Household Consumer



Small  
Enterprise  
may sell  
too

## b. Hotels



## c. Retail Stores (Groceries)



## d. Restaurants and similar Institutions



# Small Enterprise Product Labeling

**Note: Poultry products produced under a Small Enterprise exemption are not misbranded when they bear all of the features of a label for inspected product with the exception that the official inspection legend may not be used.**



# Label requirements for small enterprise exempt product include:

1. Name of the product;
2. Ingredients statement;
3. Statement of the quantity of contents in terms of weight or measures;
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 FSIS 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),**

# 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.

Rationale statement modified per 9 CFR  
381.125(b) (2) (ii) as product is not  
inspected

**Safe handling instruction that comply  
with the requirements of  
Title 9 CFR 381.125(b)(2)(ii)**

“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.”

It is not acceptable to use the safe handling statement use on inspected product 9 CFR 381.125.(2)(i)

**“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.”

In addition, if the labeling does not bear nutrition or health claims, the nutrition facts feature, as explained in, Title 9 CFR 381.500 Exemption from nutritional labeling, **is optional** for poultry products produced by a business eligible for the small enterprise exemption.

## Small Enterprise Exemption Notes:

A small enterprise is not prohibited from selling live poultry to a customer and then slaughtering, dressing, and cutting 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.

<b>Criteria</b>	<b>Personal Use</b>	<b>Custom</b>	<b>Produce Grower – 1,000 Limit</b>	<b>Producer Grower – 20,000 Limit</b>	<b>Producer Grower or Other Person</b>	<b>Small Enterprise</b>
<b>Slaughter Limit</b>	NONE	NONE	YES 1,000	YES 20,000	YES 20,00	YES 20,000
<b>Processing Limit</b>	NONE	NONE	YES 1,000	YES 20,000	YES 20,000	CUT UP ONLY
<b>Can Sell to any customer</b>	NO Selling	NO Selling	YES	YES	LIMITED	YES
<b>Can Sell to HRI</b>	NO	NO	YES	YES	Can sell directly to: 1. HOUSEHOLD CONSUMERS, 2. RESTAURANTS, 3. HOTELS, AND 4. BOARDING HOUSES	YES
<b>Sell to Distributor</b>	NO	NO	YES	YES	NO	YES
<b>Sell to Retail</b>	NO	NO	YES	YES	NO	YES
<b>Intra-State Distribution</b>	NO	NO	YES	YES	YES	YES
<b>Inter-State Distribution</b>	NO	NO	NO	NO	NO	NO

# Label/Identifying Items

	<b>Produce Grower – 1,000 Limit</b>	<b>Producer Grower – 20,000 Limit</b>	<b>Producer Grower or Other Person</b>	<b>Small Enterprise</b>
Name of Product				YES
Ingredients				YES
Statement of Quantity/Weight				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

# My Grandmother's Poultry Mobile Slaughter Unit Traditional Mobile Slaughter Unit



# Available Low-End Poultry Mobile Slaughter Units



<http://attra.ncat.org/attra-pub/PDF/poultryprocess.pdf>

[www.foothillsfamilyfarms.org/content/1526](http://www.foothillsfamilyfarms.org/content/1526)

# Some High-End Poultry Mobile Slaughter Units



*Whole Foods*



*Kentucky Mobile Poultry Processing Unit*

# The End

I am poultry.

