

ARKANSAS BEEF COUNCIL

RETAIL BEEF PRODUCTION PRACTICES

A survey of beef processing capacity in Arkansas



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Arkansas Beef Council

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Introduction

The Arkansas Beef Council and the University of Arkansas System Division of Agriculture conducted a SWOT Analysis as part of the 2018 Arkansas Beef Industry Assessment. Cattle producers were asked about their industry's strengths, weaknesses, opportunities and threats. Results included:

- Large Commercial Cow-Calf Producers identified demand for quality U.S. beef locally as an important opportunity for the future. The local food movement was another important future opportunity identified during the survey process.
- Small Commercial Cow-Calf Producers identified market options and niche opportunities as a current strength of the industry, while U.S. beef demand as a future threat.
- Educators identified meat processing as an important future opportunity.

Although these opportunities, strengths and threats have been identified, less was known about the capacity of slaughterhouses to process small numbers of cattle brought in by producers.

Among producers there is an assumption that there are not enough slaughterhouses and processing facilities in Arkansas that cater to small-scale producers to support consumption of local beef. It's a circular paradox. Not enough

slaughterhouses to support producers, but not enough producers to support slaughterhouses.

The Arkansas Beef Council awarded a grant in 2019 for the Public Policy Center to develop and deliver a survey to USDA-inspected and custom-exempt facilities that slaughter and process beef in Arkansas. The survey focused on their capacity for slaughtering and processing cattle, and asked about interest in offering USDA inspections for beef customers. The survey also asked about challenges to expanding and how their capacity fluctuates throughout the year. The survey was part of a project that also intended to provide an overview of program policies and costs in states that maintain a state-level inspection program.

Twenty-six facilities were invited to participate in the survey between January and March 2020. **Fourteen facilities chose to participate in the survey, a response rate of 54%.**

Key findings include operators of non-USDA inspected facilities are content with their business model but there is interest in growing their business either to support more producers selling locally or to add a retail component to their own businesses. **Nine respondents said they would support the Arkansas Beef Council pursuing a state-level beef inspection program in Arkansas while four did not.** One person was unsure.

The Arkansas Beef Council is an agency established to oversee and administer the beef checkoff program in Arkansas. The mission of the Arkansas Beef Council is to coordinate and implement a program of promotion, research and market development to enhance the image of beef and improve the potential of Arkansas' cattle industry.

Background

The U.S. Department of Agriculture's National Agricultural Statistics Service (NASS) contacts slaughterhouses in Arkansas monthly for statistical data on the kind of livestock slaughtered that month, the total number of head, live weight and dressed weight. That data, however, is confidential at the individual level and is reported in group numbers.

USDA's 2019 Livestock Slaughter Report released in April 2020 shows that Arkansas facilities it contacted slaughtered 5,300 head of cattle last year.

Much information exists about best practices for raising beef for food or about an increased interest in local foods. But little data exists about capacity for slaughterhouses serving small producers.

A 2016 newspaper article in the Arkansas Democrat-Gazette highlighted producers' concern about access to slaughterhouses in the state. Two background interviews conducted for this project showed continued producer concern over scheduling slots and driving distance.

In March 2019, Cornell University published a report titled "The State of the USDA Inspected Red Meat Harvest & Processing Industry in New York & New England."

This report was part of a larger supply chain barrier study with Tufts University and Design & Urbanism Architectural LLC, and provides the most recent data about slaughterhouse capacity though just for that region. It is the most recent data available about a region's capacity to harvest red meat.

Just like Arkansas, producers in the New York and New England region believe there are not enough harvest plants in their area and that animals cannot be harvested within a

reasonable time frame. Key findings from their 2017-2018 survey of red meat harvest plants related to labor, cooler space, funding for expansion and impact of seasonal production patterns.

We appreciate the project team for sharing their survey instrument that had not been published. When relevant, we incorporated and adapted some of those question for our survey.

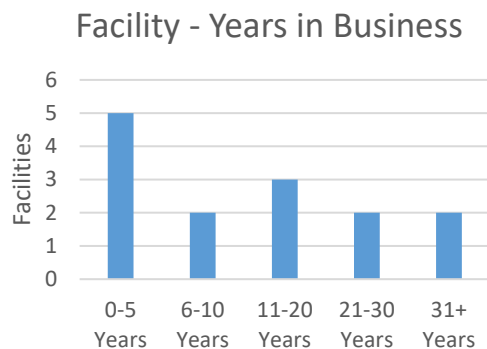
Methods

Facilities were identified to participate in the survey in several ways. Contact information was obtained from the USDA Meat, Poultry, and Egg Production Directory, through internet and social media searches, and from county Extension agents who were asked to identify any slaughterhouses in their counties.

Forty-one businesses were identified but the potential participant list was reduced to 26 after eliminating businesses that focused only on wild game such as deer, or businesses that had closed. We called the 26 facilities between January and March 2020. Business owners or operators who could not be reached after multiple phone calls were also emailed and contacted over social media requesting their participation in a survey.

Respondents were invited to complete the survey in person, over the phone or online. Fourteen businesses completed the survey. All 14 said they offered custom-exempt meat processing. Three businesses initially responded that they offered USDA inspections for beef but subsequent responses to survey questions indicated really one business did.

The survey consisted of 41 questions. All survey responses were recorded anonymously so no data can be traced back to specific plants.



As with any survey, there are limitations in the data. Limitations include: the possibility facilities exist that we did not identify; lack of USDA-inspected facility participation; businesses may have combined chilling and freezer space when selecting the size of their cooling space; businesses may have provided estimates rather than exact numbers based on business records.

Survey Results

The following sections provide an overview of the survey results. A complete list of the 41 questions and resulting data can be found in Appendix D.

Facility basics

Beef is not the only species handled by the 14 facilities surveyed. In addition to beef, they all slaughtered and processed hogs, goat and sheep.

At 12 businesses, people also could bring in deer and elk for processing. Two facilities accepted poultry. Other occasional species were reported by nine facilities, including buffalo (4), wild game (2), llamas, alpaca, ostriches, rabbit, alligator and bear.

The facilities offered services including:

- Smoking (13)

- Taxidermy (3)
- Rendering (2)
- Exotic (2)
- Organic (1)
- Halal (1)

The majority of respondents said they learned the trade on the job themselves. Two participants said they learned about slaughtering while growing up on a farm; another two said they learned from their parents; and another two participants learned how to butcher at a past grocery store job. One participant had a college degree in the subject.

Hours of Operation

All 14 facilities operate Monday through Friday, though one business reported closing on Fridays during the summer.

Three of the facilities are open seven days a week. Two facilities were open Monday through Saturday.

Three of the businesses reported working longer hours during deer season.

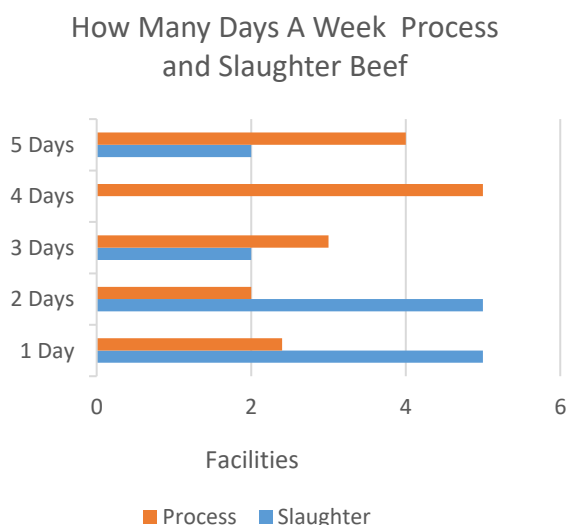


Figure 2. Facilities slaughter beef a certain number of days and process beef a certain number of days.

Beef Estimates

It is likely producers in Arkansas use multiple slaughterhouses depending on their needs and schedules.

Facilities were asked how many different producers they thought they served in 2019.

Combining their responses, **the 14 businesses estimated they served a combined 3,430 producers in 2019.** The lowest number of producers was 60 at one facility and the highest number was 700 producers. Facilities served an average of 286 producers.

All facilities interviewed accepted multiple species of animals because beef alone was not enough to financially sustain their business.

Most facilities were unsure how many cattle they would need to slaughter and process each year to make a profit or break even. Facilities provided a range of at least 300 head to 800 head. The average number of cattle needed to break even or make a profit was 535 head per year.

One operator said he dealt in pounds rather than head, and would need at least 1,300 pounds a day to break even.

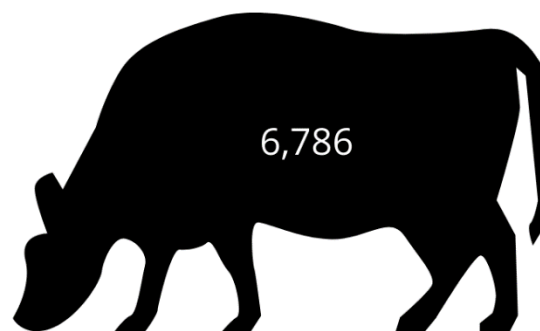
The majority of facilities reported adequate demand from beef producers most times of the year with only two reporting there was more demand for beef than they could handle and one facility reporting there was not enough demand from beef producers most times of the year.

The businesses varied in how many beef they would accept at one time. One facility operator said producers could bring as many cattle as they wanted. The rest provided a maximum number, which ranged from four animals to 25 animals. The average was 11 animals at one time.

Producers drove an estimated 20 miles to 100 miles to reach the slaughterhouses surveyed. Several facilities noted they had customers drive from Oklahoma and Missouri. **The average estimated distance a producer drove to the facility was 46 miles.**

Facilities provided an estimate on the number of cattle they slaughtered in 2019 and how many pounds they processed based on the typical finished weights they saw.

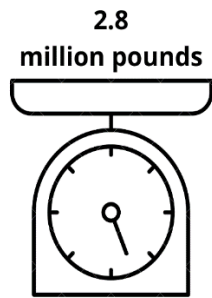
When combining the responses from the 14 respondents, **they slaughtered an estimated 6,786 head of cattle in 2019.** The lowest number of cattle slaughtered in a year was 100 and the maximum was 900. The average number of head slaughtered last year was 485.



Estimated number of beef slaughtered in 2019

When it comes to pounds of beef processed, most operators provided an estimate based on the number of cattle and their understanding of the average size weight and dressed weight they saw in their facilities.

Of the 12 facilities that provided a number, their estimates ranged from 63,750 pounds of beef processed in 2019 to 520,000 pounds of beef.



Combined, **the 12 facilities reported processing an estimated 2.8 million pounds of beef processed last year.** The average would be 236,904 pounds.

These numbers were provided as estimates and not from paperwork kept by facility operators. We point this out because livestock data¹ reported by the National Agricultural Statistics Service (NASS) for 2019 do not match up with the data we collected.

NASS's 2019 report released in April 2020 reports 5,300 commercial slaughter of cattle last year from 35 plants, including four federally inspected plants². That number is 1,486 fewer cattle than estimated slaughtered by the 14 facilities participating in this survey.

Therefore, our estimates of pounds of beef processed by these 14 facilities would not line up either with pounds calculated using NASS statistics for average live weight of cattle in Arkansas or average dressed weight for federally inspected slaughter.

NASS reports do include statistics from custom-exempt plants so we cannot explain the discrepancy in data except as maybe a product of estimation.

It's also uncertain if all 14 facilities that participated in our survey participate in the

NASS survey, which is voluntary for custom-exempt plants.

Capacity

Local beef sales require an investment in time and patience from the producer, slaughterhouse and customer. A month or more can pass between a customer ordering beef and receiving meat because of facility schedules and carcass hang time.

Deer season affects the capacity of slaughterhouses in the fall.

Facilities either lack the ability to separate species for sanitary purposes or pointed to the unpredictability of hunters bringing in deer to process. This unpredictability made it difficult to schedule beef.

Other themes that emerged as reasons a facility's capacity to slaughter and process beef fluctuated throughout the year included:

- Labor shortages
- Seasonal traditions that have farmers busy in the summer and transporting beef in cooler temperatures
- Market demand, positive and negative, for beef or pork
- Vacation
- Good weather allowing for longer feeding of cattle
- County fair business
- Not enough people raising beef

Two facilities said they did not take deer because they didn't want to lose their long-standing beef customers for seasonal work with possibly one-time customers.

The lack of available labor was anticipated in the survey, and questions were included that specifically asked facilities about their capacity

¹ Livestock Slaughter 2019 Summary (April 2020). USDA, National Agricultural Statistics Service (NASS)

² Phone call with Sherry Bertramsen, NASS Livestock Slaughter, April 29, 2020.

to slaughter and process beef if labor were not an issue.

The most frequent answer facilities provided was eight to 11 head of cattle slaughtered and processed each day if labor were not an issue.

If Labor Were Not an Issue, How Many Head of Beef Could You Slaughter and Process in a Day?

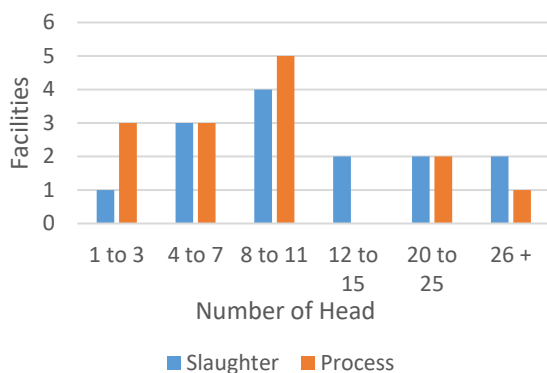


Figure 3. Facilities reported they could slaughter and process more beef if they had the labor needed.

A facility's capacity to schedule, slaughter and process beef also is impacted by the size of pens and cold storage area.

Facilities were asked about the square footage of their cold storage area. Five facilities noted that their coolers were larger than their freezers.

During the survey, several respondents asked for clarification – whether cold storage included their coolers or their freezers.

In earlier surveys or if they responded online, it's possible respondents combined the square footage of their cooler and freezer space when answering this question.

Reported cold storage space ranged from 120 square feet to 1,200 square feet.

Facility Cold Storage Space

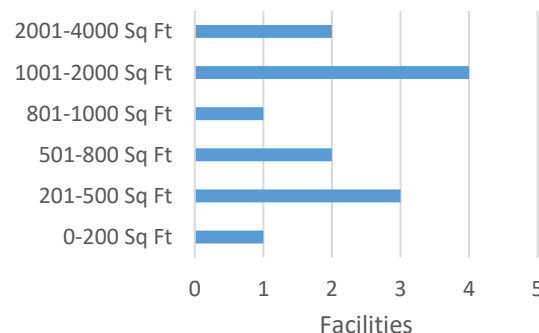


Figure 4. Thirteen facilities responded to a question asking the square footage of their cold storage area.

The number of carcasses facilities could hang in their cold storage before processing or fabricating ranged too, from 12 to 15 carcasses to more than 25 carcasses.

Numer of Beef Carcasses Can Hold in Cold Storage

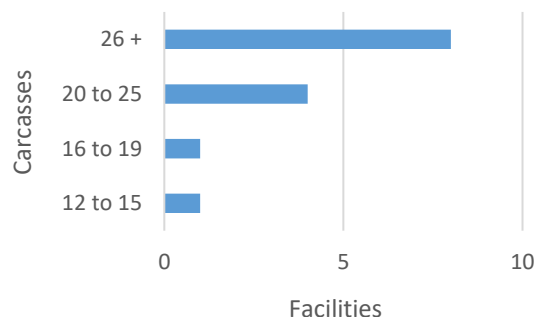


Figure 5 Fourteen facilities responded to this question. The majority of facilities could hold more than 25 carcasses in their cold storage area before processing them.

Hanging time can affect a facility's capacity as well. Four of the facilities reported they did not have a minimum number of days they would hold a carcass before processing.

The range reported by the remaining facilities was between two to 14 days. **The average**

minimum hanging time reported was nine days.

As far as a maximum hanging time, two facilities said they would hang a carcass for as long as the customer wanted though they recognized there was a time that would exceed best practices.

Facilities reported customers requesting between 30 and 45 days. **The maximum hang time ranged between 14 days to 45 days, with an average maximum hanging time of 25 days.**

Policies related to pick up time also can play a part in a facility's capacity, as freezer space is limited the longer meat waits for pickup.

Facilities reported policies ranging from no specific time frame for picking up processed beef to having policies of producers picking up their orders within 30 days. The most frequently cited respond was four to seven days, followed by no policy.

| Pick Up Policy | # of Facilities |
|----------------|-----------------|
| None | 4 |
| 1-3 Days | 1 |
| 4-7 Days | 5 |
| 14 Days | 2 |
| 30 Days | 2 |

Scheduling

The Arkansas Beef Council is aware of the perception among producers that there are not enough slaughterhouses in the state and that there are long wait times for slots or reservations for cattle.

Facilities were asked about their reservation schedules and how many times in the past year did they have to tell a producer they didn't have an available slot for slaughtering or processing beef. In interviews, facility operators said some potential customers did not understand their turn-around times or that they sometimes were

asked if they could take cattle that day or next day.

Number of Times Had to Tell Producer No Slot Available

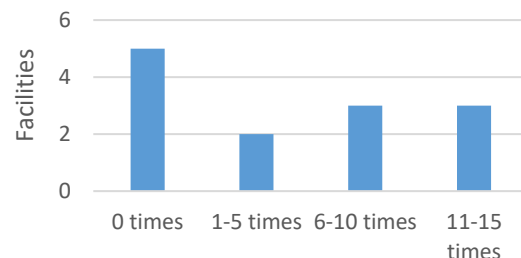


Figure 6. Five facilities reported they always had slots available for beef producers while three facilities said they had to turn down producers 11 to 15 times in 2019.

When it came to scheduling, facilities varied on how many days in advance producers could call or contact them to arrange a slot for their beef.

Some facilities did not take beef in fall months to avoid overlapping with deer season, while others reported a contact time frame of up to 120 days in advance to reserve a slot for January.

As seen in Figure 7, summer months had the shortest timeframe available for calling the slaughterhouse to reserve a spot and bringing cattle in for processing. But facilities also said producers were leery of transporting beef during those hot summer months.

The average number of days in advance a producer needed to contact a slaughterhouse for a slot ranged from a minimum of 15.3 days for an August slot to a maximum of 39.3 days for a January slot.

During interviews in early 2020, several facilities said they were already taking reservations for several months out. Social media pages for slaughterhouses also reflected a time delay in reservations, updating customers on what months they were currently taking reservations.

Number of Days In Advance a Producer Needs to Contact Slaughterhouse for Slot

| Desired Month for Slaughter/Processing | Minimum Number of Days to Call Ahead | Maximum Number of Days to Call Ahead | Average # of Days to Call Ahead for Slot |
|--|--------------------------------------|--------------------------------------|--|
| January | 14 | 120 | 39.3 |
| February | 7 | 90 | 32.7 |
| March | 7 | 80 | 28.6 |
| April | 7 | 60 | 26 |
| May | 1 | 60 | 21.6 |
| June | 1 | 45 | 17.3 |
| July | 1 | 30 | 16.2 |
| August | 1 (n/a)* | 30 | 15.3 |
| September | 7 (n/a)* | 90 | 26.5 |
| October | 0 (n/a)* | 90 | 30.3 |
| November | 0 (n/a)* | 60 | 37 |
| December | 0 (n/a)* | 60 | 34 |

Figure 7. Facilities were asked how many days in advance producers needed to call and reserve a slot for their beef to be slaughtered and processed. This question asked for number of day by month.

* Four facilities reported they did not take beef in these months.

Attitudes

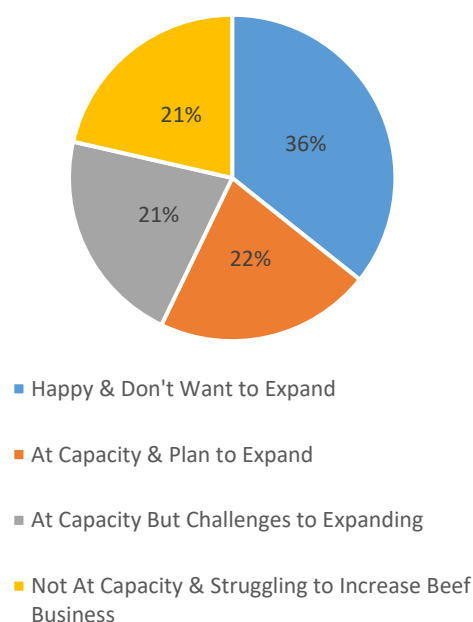
All 14 facilities were asked about their attitude toward their current level of beef slaughtering and processing business. They were provided a list of statements and asked to pick the one that best described their attitude.

Business Challenges

Facility operators were asked in an open-ended question about their challenges to sustaining or expanding their business. Even operators who indicated they were happy with their current business model and didn't want to expand identified challenges.

Labor was the most commonly identified challenge. Six facilities noted a difficulty in finding and retaining employees because slaughterhouse jobs are physically demanding. Nearly all the facilities said their employees learned the trade on the job, though several had long-time experienced workers who came to them from other slaughterhouses.

Attitude - Current Level of Beef Business



One facility mentioned an attempt to hire labor through the U.S. Department of Labor's H-2b program for nonimmigrant agricultural workers, but the site was not selected for a visa.

Drug addictions and criminal backgrounds were mentioned by one facility.

Marketing was another challenge mentioned. Facility operators mentioned a need for better marketing for their own businesses as well as marketing toward the public that local beef is a viable alternative to buying meat at the grocery store. Operators also mentioned a need to market the possibility to potential producers, too, because people not growing their own beef was seen as a challenge.

Other themes that emerged when discussing challenges included:

- Smaller family sizes
- Families not eating at home
- Outside pen storage
- High disposal fees (hides, etc.)
- Cost of packaging
- Being on a state line
- Competing with cheaper grocery stores
- Enough space onsite

One positive mentioned was an increase in people wanting to know the source of their meat.

The majority of respondents said they had no other full-time employment, though some said they did farm in addition to running their slaughterhouse. Five respondents did say they had other full-time employment outside of the business.

Interest in USDA Beef Inspections

Three of the 14 facilities surveyed identified as being USDA-inspected. However, when asked later in the survey about USDA inspections, only one facility provided a response that confirmed they offered USDA-inspected beef service. This

suggests that only one of the survey participants offers USDA inspection to beef producers.

When talking about their challenges, some facility operators mentioned being on state lines and an interest in offering USDA inspections to open up the type of producers and customers they could serve.

The 11 facilities that identified as providing only custom-exempt services were asked how interested they were in doing USDA inspections for beef in the future.

Six respondents said they were not interested at all in offering USDA beef inspections in the future. Three participants were slightly interested. One person was moderately interested and one facility was very interested in providing USDA inspections in the future.

The 11 facilities were asked about the reasons they were not using USDA inspectors for beef. **Eight facilities did not want to change their current business model.**

Other factors influencing their decision included:

- Cost of labor
- Availability of labor
- Lack of customer demand
- Water access
- Cost of building to USDA requirements
- Didn't want the hassle
- Didn't want to deal with the paperwork involved
- Cost of USDA inspections
- Didn't want government more involved in their business
- They were too old to start over
- Didn't have the knowledge needed to start a USDA-inspected business

Future Support

Arkansas has relied on federal USDA inspectors for beef retail sales since 1981. Through a cooperative agreement, nearly two dozen states, including Oklahoma and Texas, have their own state-level inspection program that are equal to federal inspections.

Facilities were asked at the end of the survey if they would support the Arkansas Beef Council pursuing a state-run inspection program that would have standards equal to those of a USDA-inspection.

Nine participants said they would support the Arkansas Beef Council pursuing a state-level beef inspection program in Arkansas while four participants said they would not support this. One respondent was unsure whether they'd support it.

Two facilities were interested in a state-inspected program so they could add a grocery/retail component to their business. They noted a state-level program could cut down on drive time for producers as well. While supporters were enthusiastic, some facility operators were uncertain whether their clients would benefit from a state-level inspection program.

Participants were also asked how the state or the Arkansas Beef Council could support them and their business.

The responses focused on education and promotion, specifically:

- Advertising to producers and consumers that beef can be slaughtered locally and sold locally.
- Promote learning how to raise cattle, and how to raise cattle for butchering rather than selling at sale barns.
- Promote to producers and consumers that they can sell/buy smaller amounts of local beef, such as a half if not a whole.
- Educate producers about processing and what's allowed, not allowed for sale to public.
- Help the public find producers that sell beef to local consumers.
- Have the Arkansas Beef Council travel across the state to get out and meet processors.

Appendix A. USDA Inspections

Part of this project involved contacting the U.S. Department of Agriculture to identify their process for assigning or dispatching beef inspectors in Arkansas.

Arkansas has relied on USDA inspectors since 1981 to inspect beef at slaughterhouses. Through a cooperative agreement, nearly two dozen states, including Oklahoma and Texas, have their own state-level inspection program that are equal to federal inspections. Producers have mentioned the possibility of Arkansas pursuing similar state-level inspections as a way to increase the number of inspections and local beef sales.

We contacted the Food Safety and Inspection Service (FSIS) office in Springdale as a starting point to answer some basic questions as a way to better explore the process used in Arkansas.

The Springdale FSIS office referred us to their Public Information Affairs office in Washington D.C. Their operations and work schedules have been disrupted by the COVID-19 pandemic, but some answers were provided after multiple phone calls and emails.

Roxanne Smith, director of Congressional and Public Affairs at USDA FSIS, said in a phone call that overall the agency is responsible for inspecting 6,500 establishments across the United States. Most of the plants are very small plants. USDA's 2019 Livestock Slaughter Summary listed four federally inspected plants in Arkansas for beef.

An exact number of beef inspectors was not provided, but each of the four locations has an inspector assigned. Other FSIS employees in Arkansas who work in other meat and poultry

establishments are also qualified to inspect livestock slaughter. Last year, inspections took place in Arkansas, including bulls, cows, heifers, and steers.

Separately, FSIS inspectors in the Compliance Investigation Division perform annual custom-exempt reviews at facilities across the state.

Smith said for the past year her agency has set up small plant roundtables in various states for leadership and processors to have conversations and answer questions. The topics have included labeling, processing, statutes, mark of inspection and to walk people through the process.

Such a roundtable could be requested in Arkansas when pandemic conditions have stabilized, Smith said.

The following are the questions provided to an FSIS spokesperson and the responses received.

From an FSIS Spokesperson:

- **How many USDA inspectors are responsible for beef inspection in Arkansas?**

There are four small establishments in Arkansas with a grant to slaughter livestock. Each establishment has an inspector assigned to perform slaughter inspection. There are many FSIS employees in Arkansas who work in other meat and poultry establishments and are qualified to inspect livestock slaughter. For more information on establishments in Arkansas, please see the [Meat and Poultry Directory](#).

- **Do these inspectors inspect beef only?**
No, the four establishments primarily slaughter swine but are authorized to slaughter beef.

- **Are these inspectors the same ones who go to custom-exempt plants for annual inspections of those facilities?**
No, in Arkansas, custom-exempt reviews are performed by FSIS investigators from the Compliance Investigation Division (CID).
- **What is the process for scheduling an inspector for beef in Arkansas? Is this a telephone call, an online request or another method?**
In order to offer meat and poultry products for retail sale, the animal must be processed in a federally inspected facility. To become a federally inspected facility, the establishment applies for a grant of inspection through the local FSIS District Office. The District Office provides outreach and resources to assist the facility with the application process. The facility must agree to meet sanitation regulatory requirements and to provide a Hazard Analysis and Critical Control Point (HACCP) plan to support food safety before the grant is issued. FSIS employees only perform inspections in establishments with a grant of inspection.
- **What type of time frame are these inspectors dispatched? Do they come on a daily or weekly basis? Once a month? By request only? How far in advance does an inspector's presence need to be requested?**
Once an establishment has a grant of inspection, FSIS provides inspection coverage on a daily basis. For slaughter processing there must be an inspector present at all times and for further processing an inspector must be present at least once per shift.
- **Is there a minimum number/maximum number of head that need to be on site for an inspector to be dispatched?**
No, once an establishment is provided a grant of inspection, an inspector will be available to ensure FSIS regulated operations may occur.
- **How many USDA beef inspections took place last year in Arkansas?**
1373 USDA beef inspections took place last year in Arkansas; this number includes bulls, cows, heifers, and steers.
- **How long does an inspection take? What's a typical day for an inspector in a small beef slaughtering state?**
An inspector's typical day involves the ongoing verification of regulatory compliance and food safety. Different facilities and operations require different time commitments from inspectors. Inspectors are trained to effectively and efficiently perform their federally mandated inspection duties and they will be in regular communication with establishment management. The facility will be aware of inspection expectations as they will have already worked through regulatory requirements and must maintain ongoing regulatory compliance before a grant of inspection is issued.

Appendix B. Meat Inspection Budgets

Part of this overall project included a review of budgets for states that had meat inspection programs. Data for the 2018 fiscal year was collected in September 2019 through either publicly available budget information posted online or through email requests to state agencies. The following information is a product of that point-in-time review.

| Meat Inspection Department Budgets by State - 2018 Fiscal Year* | | | | | | | |
|---|---------------|-----------------|---------------|-----------|---|-----------|-----------------------------------|
| States | State Funding | Federal Funding | Other Funding | Total | Source | Page # | Type |
| Alabama | 4,291,196 | 4,291,196 | N/A | 8,582,391 | https://budget.alabama.gov/wp-content/uploads/sites/9/2018/01/BudDoc20192.pdf | Pg.50/357 | Meat Inspection |
| Arizona | N/A | N/A | N/A | 1,396,000 | http://www.azospb.gov/Documents/2017/FY%202018%20Agency%20Detail%20Book.pdf | Pg.28/542 | Food Safety and Quality Assurance |
| California | 3,770,422 | 66,843 | 200,000 | 4,037,271 | State Official | N/A | Custom Exempt Reviews |
| Colorado | N/A | 22,000 | 38,000 | 60,000 | State Official | N/A | Custom Exempt Reviews |
| Delaware | 240,000 | 240,000 | N/A | 480,000 | State Official | Pg.11/32 | Food Products Inspection |
| Georgia | 1,575,583 | 1,575,583 | N/A | 3,151,166 | State Official | N/A | Meat Inspection |

| | | | | | | | |
|----------------|-----------|-----------|--------|------------|---|-----------|-----------------|
| Illinois | 6,992,000 | 6,992,000 | N/A | 13,984,000 | State Official | N/A | Meat Inspection |
| Indiana | 1,496,206 | 1,496,206 | N/A | 2,992,412 | State Official | N/A | Meat Inspection |
| Iowa | 2,055,228 | 2,055,228 | N/A | 4,110,457 | State Official | N/A | Meat Inspection |
| Kansas | 1,434,042 | 1,319,954 | 21,256 | 2,775,252 | State Official | N/A | Meat Inspection |
| Louisiana | 2,000,000 | 2,000,000 | N/A | 4,000,000 | State Official | N/A | Meat Inspection |
| Maine | 417,456 | 379,088 | N/A | 796,544 | State Official | N/A | Meat Inspection |
| Minnesota | 1,600,000 | 1,600,000 | N/A | 3,200,000 | State Official | N/A | Meat Inspection |
| Mississippi | 1,036,589 | 1,090,189 | N/A | 2,126,787 | State Official | N/A | Meat Inspection |
| Missouri | 43,158 | 43,158 | N/A | 86,316 | State Official | N/A | Meat Inspection |
| Montana | 1,531,204 | 1,486,923 | N/A | 3,279,184 | State Official | N/A | Meat Inspection |
| North Carolina | 4,327,226 | 4,327,226 | N/A | 8,654,452 | State Official | N/A | Meat Inspection |
| North Dakota | N/A | 3,127,353 | N/A | N/A | https://www.nd.gov/omb/sites/omb/files/documents/agency/financial/state-budgets/docs/budget/2017-19-detail-book/00602/MVB32017R0200602.pdf#namedest=mvb3_00-602-100-00-00-00-00000000_prog_dtl_table | Pg. 20/39 | Meat Inspection |
| Ohio | 4,567,547 | 5,194,424 | N/A | 9,761,971 | State Official | N/A | Meat Inspection |

| | | | | | | | |
|----------------|---|-----------|------------|-----------|---|-------------|-----------------|
| Oklahoma | N/A | N/A | N/A | 3,553,000 | https://www.ok.gov/OSF/documents/bud19hd.pdf | Pg. 7/340 | Meat Inspection |
| South Carolina | 1,350,619 | 1,674,928 | N/A | 3,025,546 | State Official | N/A | Meat Inspection |
| South Dakota | 433,831 | 433,831 | N/A | 867,661 | https://bfm.sd.gov/budget/rec20/03_budbook.pdf | Pg. 7/17 | Meat Inspection |
| Texas | N/A | N/A | N/A | 3,289,216 | http://docs.lbb.state.tx.us/display.aspx?DocType=OB | Pg. 199/476 | Meat Inspection |
| Utah | 2,399,000 | N/A | N/A | N/A | https://le.utah.gov/~2019/bills/static/SB0005.html | 1 whole Pg. | Meat Inspection |
| Vermont | 597,913 | 884,297 | 55,123 | 1,537,333 | State Official | N/A | Meat Inspection |
| Virginia | 4,083,362 | N/A | N/A | N/A | N/A | | |
| West Virginia | 709,098 | 722,641 | N/A | 1,431,739 | State Official | N/A | Meat Inspection |
| Wisconsin | 4,259,405 | 5,078,508 | 145,228.93 | 9,483,142 | State Official | N/A | Meat Inspection |
| Wyoming | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | | | | | | | |
| | | | | | | | |
| Side Notes | All states that are not sourced from a state official have not been verified | | | | | | |
| | *States that do not have Meat Inspection on verification tab, are showing budgets of programs that have the MPIP inside its overall budget | | | | | | |
| | States that only have one funding slot filled are states where the budget did not clarify the source of the funds, whether it was state, federal, or both | | | | | | |

Appendix C. Meat Processing Laws in the United States – A State Compilation by the National Agricultural Law Center

State laws related to beef inspection, slaughter and processing vary from state to state. The National Agricultural Law Center in 2019 compiled state codes related to meat inspection as part of its efforts to provide information on state agricultural laws.

A user-friendly version of this compilation is posted on the Center's website at <https://nationalaglawcenter.org/state-compilations/meatprocessing/>.

The website provides information about the state status – federally or state inspected – as well as contact information. For each state that offers state-level inspection, the National Agricultural Law Center has compiled the state's statutes into an individual, downloadable file.

By **Elizabeth R. Rumley**, *Senior Staff Attorney*,
National Agricultural Law Center

For people or companies interested in opening a meat slaughter and processing facility, there can be requirements ranging from health and sanitation to waste disposal to specific facility or building requirements. Because the requirements can vary so much from place to place, it is really important to obtain the correct information before any final plans are made, which allows potential operators to manage risk appropriately.

The purpose of this resource is provide contact information to offices both with USDA-FSIS and with appropriate state authorities on a state-by-state basis. Additionally, it provides the relevant statutes in those states that have a state meat inspection program in place.

While the question of who to contact may seem to be straightforward, meat processing and

inspection laws in the United States are complicated. The authority responsible for oversight of meat slaughter and processing varies primarily in two situations- first, in what state the facility is located, and second, for what purpose the meat will be used.

In 27 states, the United States Department of Agriculture, specifically the Food Safety and Inspection Service (USDA-FSIS), has responsibility for oversight of slaughter and processing facilities for which the resulting products will be sold to consumers.

situations where the plant is slaughtering and processing livestock only for the exclusive use of the owner, their household, guests or their employees.

These types of processing operations, often referred to as custom exempt, are expected to meet the same requirements for sanitation and construction that USDA-inspected plants must meet, as well as keep specified records. A FSIS handbook with more information on determining whether a specific operation falls under the custom exempt exclusion is available [here](#).

If you're interested in opening a plant that slaughters and processes animals only for the owner of the livestock - meat which cannot later be sold to anyone else - the appropriate initial contact information in that situation is available in the column labeled "custom exempt."

The requirements that meat processors must follow differ significantly depending on what services they intend to provide, who their customers are and in what state they

operate. Small differences between meat

to smoke meat, can cause significant regulatory and inspection differences between the two facilities.

The complexity and variability surrounding the operation of these facilities makes it essential for operators to work closely with governmental agencies before beginning construction, let alone operation.

Appendix D. Arkansas Beef Council Survey Instrument, Scripts, Consent Forms and Survey Results

This project required the development of a survey, a participant consent form, a script for delivering the survey, and an invitation to participate in the survey. The materials were submitted and approved by the University of Arkansas Institutional Review Board.

Below are the invitation scripts, consent form and survey used for this research project.

Participant Invitation Scripts

We developed two types of scripts for this survey. One was to be used for when we could talk to the facility owner or operator over the telephone. This was our initial scrip. The second script was for our initial contact with a facility by email.

Arkansas Beef Council Retail Beef Production Survey Script: Phone Invitation to Participate

Hello,

My name is Kristin Higgins and I work at the University of Arkansas Cooperative Extension Service. May I please speak with the manager or owner?

I am working with the Arkansas Beef Council on a survey to better understand what slaughter and processing businesses exist in Arkansas that serve small beef producers. We are calling facilities that offer slaughter and processing for beef, wanting to set up a time I can come visit you and ask you some questions for this research project.

The Arkansas Beef Council is interested in knowing how many beef cattle are being processed in the state for local consumption and asked us to do a survey and report for them. The Council has heard from producers that it's hard to get a slot to get beef processed but they don't have any hard numbers to use in discussions about expanding local beef producer access to retail markets. They asked us to do a survey and report for them.

Some of the questions I'd ask involve number of beef you processed in 2019, how big of a hanging or cooling space you have, how you schedule slots and any challenges you might face in your business. The survey is voluntary and would take about 45 minutes to an hour of your time. When would be a good time/date for you?

Optional Response – If an in-person interview does not work with their schedule:

If an in-person survey doesn't work with your schedule, we can also go through the survey with you over the telephone or you can fill it out online.

Online Option Chosen:

Can you please give me an email address for you that I can send the survey link to?

Phone Option Chosen:

What would be a good time/date to go through the survey with you over the telephone?

I appreciate your time and look forward to talking with you. If you have questions, you can call me at (501) 671-2160 or e-mail me khiggins@uaex.edu. Thank you very much for helping with this

Arkansas Beef Council Retail Beef Production Survey Script: Email Invitation to Participate

Hello,

My name is Kristin Higgins and I work for the University of Arkansas Cooperative Extension Service. The Arkansas Beef Council has asked us to help them with a survey of slaughterhouse and processing facilities in Arkansas serving small beef producers.

We are contacting facilities that offer slaughter and processing for beef, wanting to set up a time I can come visit you and ask the survey questions for this research project.

Some of the questions I'd ask involve how much beef you slaughtered and/or processed in 2019, the size of your hanging or cooling space, about scheduling slots, and any challenges your business might experience.

The big picture is that the Arkansas Beef Council is interested in knowing how many beef cattle are being processed in the state for local consumption. The Council has heard from producers that it's hard to get a slot to get beef processed but they don't have any hard numbers to use in discussions about expanding local beef producer access to retail markets. They asked us to do a survey and report for them.

What time/date would you be available for me to visit and go through the survey with you? The survey would take about 45 minutes to an hour of your time.

If an in-person survey doesn't work with your schedule, we can also go through the survey with you over the telephone or you can fill it out online. Please reply to this email to set a date that works for you.

We appreciate your time and I look forward to talking with you!

Kristin Higgins

Additional Survey Details

When doing surveys like this, we are required to tell you the following information:

- The information collected will be used in a report to the Arkansas Beef Council, which is interested in knowing how many beef cattle are being processed for local consumption and why facilities do not offer USDA inspections.
- Survey responses will be reported as group data and will not include any identifying information.
- This is a voluntary survey – you don't have to do it if you don't want to.
- If you have questions or comments regarding the survey form, please call me at (501) 6712160 or e-mail me khiggins@uaex.edu. Thank you very much for helping with this important research.

Consent Form



Arkansas Beef Council Retail Beef Production Survey Participant Informed Consent Form

The University of Arkansas requires me to tell you a few things before we start the survey. It's important for you to know the following:

- I am with the University of Arkansas System Division of Agriculture's Cooperative Extension Service, and I am doing this survey on behalf of the Arkansas Beef Council to gain a better understanding of the use, capacity, and challenges of business/facilities that slaughter and fabricate beef in Arkansas.
- You were invited to do this survey because your business provides beef slaughter or processing services in Arkansas.
- This is a voluntary survey. You don't have to do it if you don't want to. You can stop at any time.
- You are not receiving anything in return for participating in this survey. Your relationship with the Cooperative Extension Service will not be impacted in any way by your choice to participate or not participate.
- Survey responses will be reported as group or regional data. You and your business will not be identified in this report by name. Only Kristin Higgins from the Cooperative Extension Service will have access to the survey responses.
- This research study has been reviewed by the Institutional Review Board at the University of Arkansas. If you have any problems or questions regarding your rights as a research participant, you can contact Ro Windwalker, the University's Compliance Coordinator, at (479) 575-2208. If you have any questions or comments regarding the survey form, or if you would like to obtain a copy of the report once its complete, you may contact Kristin Higgins at (501) 671-2160 or email khiggins@uaex.edu. Thank you very much for helping with this important research.

Do you give consent to move forward with the survey? You may stop at any time.

Yes No

Arkansas Beef Council Survey Instrument and Combined Results

This survey was delivered between January and March 2020. Surveys were administered and data collected before the COVID-19 pandemic was known to most Arkansans. Introductory paragraphs and subject headings were numbered, but we have not included them in this report for brevity purposes.

Redacted sections reflect responses that included details that could be personally identifying information. Bracketed sentences are a summarization of the redacted responses.

Arkansas Beef Council Survey Results

14 completed surveys

1) Participant Script

2) Do you give consent to move forward with the survey? You may stop at any time.

No (0)

Yes (14)

3) Business Basics

4) What region in Arkansas is your business located?

Central Arkansas (3)

Northwest Arkansas (5)

Southwest Arkansas (1)

Northeast Arkansas (1)

Southeast Arkansas (0)

Other: (4)

- North Central (3)
- Other (1)

5) Is this a USDA-inspected facility?

Note: Of the three respondents who responded “yes” to this question, only one respondent provided answers to later questions about having USDA-inspected beef. Based on their responses it’s unclear if these other two facilities provide USDA inspection for beef.

Yes (3)

No (11)

6) How many years have you been in business?

Note: Several purchased or inherited business that was previously in business. We did not include the length of time of the previous owner.

0-5 years (5)
6-10 years (2)
11-20 years (3)
21-30 years (2)
31+ years (2)

7) What days are you open? (Select all that apply)

Note: 3 facilities reported longer hours specifically during deer season

All (3)
Monday-Friday (8)
Monday-Saturday (2)
Other:
• Monday-Friday, except closed on Fridays during the summer (1)

8) Which species do you slaughter or process? (Select all that apply)

Beef Cattle (14)
Veal (4)
Pigs (14)
Goats (14)
Lamb/sheep (14)
Deer (12)
Elk (12)
Poultry (2)
Other: (9)
• Buffalo (4), llamas (1), alpaca (1), ostriches (1), wild game (2), rabbit (1), alligator (1), bear (1)

9) What services do you provide at your facility? (Select all that apply)

Slaughter (14)
Processing (14)
Custom Exempt (14)
USDA Inspection (1)
Taxidermy (3)
Smoking (13)

Rendering (2)
Organic Certification (1)
Exotic (2)
Halal (1)

10) Thinking of your end-product, what type of packaging and/or finished beef product do you offer your customers? (Select all that apply)

Vacuum seal (11)
Paper Wrap (7)
Foam over tray (1)
Chub packaging/meat sack (6)
Pre-Cooked (6)
Jerky (7)
Tallow (2)
Lard (3)
Other (4)

- Sausage, summer sausage, bone, fat

11) The following questions ask about your facility's use and capacity.

12) How many days a week does your facility slaughter beef?

1 day (5)
2 days (5)
3 days (2)
4 days (0)
5 days (2)
6 days (0)
7 days (0)
0 days (0)

13) How many days a week does your facility process/fabricate beef?

1 day (0)
2 days (2)
3 days (3)
4 days (5)
5 days (4)
6 days (0)
7 days (0)
0 days (0)

14) How many days in advance does a producer need to contact you in order to reserve a slot for slaughtering/processing beef for each of the months listed below? (For example, if a producer wanted to bring cattle in June, how many days in advance would he have to call to reserve that slot?)

As shown on survey:

| | Number of days in advance for this month |
|-----------|--|
| January | |
| February | |
| March | |
| April | |
| May | |
| June | |
| July | |
| August | |
| September | |
| October | |
| November | |
| December | |

Results:

| Month | Minimum | Maximum | Average # of Days |
|-----------|----------|---------|-------------------|
| January | 14 | 120 | 39.3 |
| February | 7 | 90 | 32.7 |
| March | 7 | 80 | 28.6 |
| April | 7 | 60 | 26 |
| May | 1 | 60 | 21.6 |
| June | 1 | 45 | 17.3 |
| July | 1 | 30 | 16.2 |
| August | 1 (n/a)* | 30 | 15.3 |
| September | 7 (n/a)* | 90 | 26.5 |
| October | 0 (n/a)* | 90 | 30.3 |
| November | 0 (n/a)* | 60 | 37 |
| December | 0 (n/a)* | 60 | 34 |

** Four facilities reported they did not take beef in these months.*

15) In the past year, how many times did you have to tell a producer you didn't have an available slot for them for slaughtering/processing beef?

0 (5)

1-5 (2)

6-10 (3)

11-15 (3)
16-20 (0)
More than 20 (0)

16) How would you describe producer demand for slaughtering and processing beef at your business?

Not enough demand most times of the year. (1)
Adequate demand during most times of the year. (9)
There is more demand than I can meet during most times of the year. (2)
Other (2)

17) What is the square footage of your cold storage area?

Note: One respondent skipped this question. Some facilities may have included their cooler and freezer space in this response. Five facilities noted that their coolers were larger than their freezers - Coolers ranged from 120 square feet to 1,200 square feet.

0-200 square feet (1)
201-500 square feet (3)
501-800 square feet (2)
801-1000 square feet (1)
1001-2000 square feet (4)
2001-4000 square feet (2)

18) How many carcasses can you hang in your cold storage before processing/fabrication?

None (0)
1-3 (0)
4-7 (0)
8-11 (0)
12-15 (1)
16-19 (1)
20-25 (4)
More than 25 (8)

19) If labor weren't an issue, how many cattle could you slaughter each day given the size of your facility?

1-3 (1)
4-7 (3)
8-11 (4)
12-15 (2)

20-25 (2)
More than 25 (2)

20) If labor weren't an issue, how many cattle could you process per day given the size of your facility?

1-3 (3)
4-7 (3)
8-11 (5)
12-15 (0)
20-25 (1)
More than 25 (1)

21) How does your capacity to slaughter and/or process beef change throughout the year? What are the reasons for that change? How does deer season affect your ability to slaughter/process beef?

Note: This was an open-ended question. Responses that came during telephone surveys were typed to the best of our ability, but may not reflect a verbatim response. Responses were assigned themes for the report.

- Winter is whenever. It's an older generation, and it seems like most of my customers. They read the almanac, put your beef up in the winter. The winter months are way busier on beef than the summer. The summer, you just don't get as many. Farmers out in the field, they're working. They probably have a cow up but not priority one. The unknowing of deer, if it's a modern gun, you don't know if a Saturday morning is going to be 25 or 75 deer. Mon/Tuesday a big deer day. You never know what your numbers are going to be so you can't schedule your beef. Volume of deer affects beef processing.
- We strictly take deer during deer season. I don't think it really does, the demand of people. Price of beef, if it's up or down, certain times to bring it by.
- We shut down in October for deer season. We reopen in December. Because we're processing deer. The rest of the year we stay busy.
- We do not process cattle during deer season.
- The only time that it would change would be October, when deer season opens. End of Oct-Jan, I won't be able to take any beef. Today 10 cows. Busy.
- The only difference is we are strictly custom. Fall people are trying to fill up their freezers. In the spring, knot headed calves, stuff that wouldn't make weight to the feed lot. Fall is when you get your good calves. Quality of the animal, and more people are killing. Though this year we're not slowing down. The market is up a little bit but it's not that high. No idea. But nobody is killing hogs right now. Beef customers are year-round customers. Deer are only once a year. We do all the beef we can, if we have extra room, we will do deer. I will not cut my throat for customers that show up one time.

- The biggest deal is deer season. We try not to do any beef or hogs during the rifle gun season just for sanitary purposes. Prefer not to have any in my cooler. If we couldn't do deer this year, didn't take any more deer after the first week of deer season. We were slow so our numbers were down. Went back to beef, because that's when people were calling for beef. Started just processing deer first couple of years. Acorn crop was real good so didn't come out to deer feeders. They didn't move like they do. Hopefully will get another cooler next year to take deer so don't have to stop taking them. Weather is a factor, with people keeping them and feeding them. Doesn't change capacity. Ideally if we could process 2 beef a day or 3 or 4 hogs a day with the crew I have now we could do 5 days a week.
- That's probably the biggest factor - the deer season because you cannot schedule deer and the beef. There are some guidelines with wildlife touching beef so you've got to be real careful about that. I went to a temporary storage cooler to put a lot of my deer in and that lets me. It's just a labor issue, balance issue. Deer just come in whenever. It's not schedulable. When they kill it you need to take it immediately. You have to take them as quickly as they come. Beef you can schedule those because they're not DOA. They have to arrive ambulatory and walking. You can schedule those a lot easier. Summer time. Summer time has affected it. Economically, maybe there's some other effects I see. People not processing. A lot of changes. A lot of young people don't know how to raise an animal and can't put money together to get it processed even though it's a lot cheaper for them to go that way and a lot better quality. Summer - heat and stress on animals. A lot of people don't like to move their animals on hot days.
- Our capacity is very limited once deer season because we can't have wild game and beef hanging at the same time. So the capacity changes, Oct-Dec. wild game influx. Capacity is dependent upon pork production also. Keeping them separate is going to depend on the pork influx, which is around the first of the year and fair season is great. We have to limit our beef because of the number of hogs. If we have 15 fair hogs coming in one day, we won't be able to do any beef. September-ish. We book throughout the year. Right now we're doing beef today and tomorrow but on Wednesday I have 15 hogs coming in. It just fluctuates. Today's beef booked in October. USDA doesn't want beef and hogs touching. We have to spread out throughout the week. We try to go by all of their rules anyway even though they're not here all the time. That's one of their regulations that we go by.
- No wild game, all livestock only.
- It's not changed a whole lot but that goes back to labor. Nobody wants to do this type of job any more. People just don't want to work mainly. He learned it on the job. They've all learned it on the job.
- It's always been this way. The only time it hasn't been this way is when the bottom dropped out of the cattle, we were cutting 4 days a week and cutting 4-5 days. When cattle are down, we get stuff to kill. When they are up high, we get stuff to kill. Deer season, we've got 3 weeks in November, all we can do is deer because we

can't have beef hanging with the deer. We can't have them on the same rail. I started working here before we even did deer, busy Oct-Dec with beef and hogs.

- Because we get too full of deer that we can't do the beef. If you decide to take a vacation. Labor.

22) Which statement best describes your attitude toward your current level of beef slaughtering/processing business?

I'm happy with my current level of beef-related business and do not want to expand. (5)

I am at capacity. I would like to expand my beef-related business and have plans to do so. (3)

I am at capacity. I would like to expand my beef-related business but there are challenges to doing so. (3)

I am not at capacity and am struggling to increase my beef-related business. (3)

23) What are the challenges to sustaining or expanding your business?

Note: This was an open-ended question. Responses that came during telephone surveys were typed to the best of our ability, but may not reflect a verbatim response. Responses were assigned themes for the report. Redacted sections reflect responses that included details that could be personally identifying information. Bracketed sentences are a summarization of the redacted responses.

- Probably help. Nobody wants to work these days. Labor is the only thing. Kids don't want to. They're not used to concrete and manual labor. There's not an easy job in this plant.
- Probably time and help. Employees. Or not knowing if that's what we'd want to do in the future. A possibility of expanding but not sure it's the right thing to do. If we wanted to, there is more business out there.
- Going to start an ad campaign tomorrow for everything - beef, hogs. We're here. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Numbers haven't picked up to cover labor costs. Times are changing. Families don't eat a lot like they used to. Family size is smaller. People are on the run longer. When I was younger, could eat a couple of beef a year and hogs. Lived on the farm and ate on the farm. Times have changed. People I see now - want to slaughter - want to know where their beef come from. A change in the time, the family structure.

- Outside pen storage dealing with. In process trying to do more. Labor, shortage. Always.
- Everything has gone to pot. You don't get nothing for your beef hides. You have to send everything off to a rendering company and that costs a lot more now. Used to be they'd pay you and now you have to pay them. 30 years ago the money you could make off your awful off the rendering you could pay electric bill - 800 to 900 a month. Now you have to pay them 400 a month to pick up. Because slaughterhouse has to send all their stuff to a rendering company. Disposal fee. The day they started that, that it has to be

sent to a rendering company, that's when they started charging. Probably 18-20 years ago. USDA requirement. Beef hides are worth nothing. Used to get 15-25 a beef hide. Now they're where we have to cut them up and throw them in the barrel, so that's more you have to haul off. You're not making near the money you used to, and the bags and paper the prices tripled in the last 20 years. Getting older and slower.

- Labor. It is a true battle to find. For instance, we had open interviews. All day. Didn't put any requirements on it, as far as experience, no advertising about drug testing. 2 people came. One was a convicted felon, didn't hire because of guns and knives here. The other one could not obviously pass the drug test. Got into H-2B Program to try to hire immigrants. Spent \$6,000 to do that and we still did not get workers because of the timing and process. There is a huge labor issue. It's a physically demanding job. We try to take care of our people. Once people work for us they stay on board. It's just finding people. Having people to have to schedule so long out - it doesn't hurt our business, but we probably do lose some business for not being able to get them in as fast as they want.
- Labor.
- The labor. Keeping enough employees. The help I have is good but I can only push it so far to find more quality help is the problem. You're always going to find the guys to work for you two weeks of the month. It's a dirty business. It's very physical. It's not for the weak-hearted. It's bloody, poop, we're gutting animals and skinning animals. Not your every day average Joe can walk in here. It takes certain people willing to do the job. It just seems like it's getting harder and harder. I do a lot of on- the job training. Centerpoint schools. Meat courses in high school. Older butchers. They don't have the fire underneath them, the drive. Today's youth are just different than the way it used to be. Just too much standing around and wanting to get paid. No cell phones/iPads/text messaging. Really effects today's generations as far as the workforce. Everybody wants to make \$20 an hour but they don't understand in this biz you have to work your way up as far as knowledge and skill. Quality help - finding the guys who care. I want people who care about our product and care about the animals. We handle our animals humanely. The guys I have I've had for a few years. Inherited a couple of them when bought business. Hired and fired helpers. It's hard to find the people to help you.
- [REDACTED]
[REDACTED]
[REDACTED] [Operations that exist on a state line experience challenges in interstate commerce.]
- Space.
- Not necessarily struggling. I'd like to have more business. The challenges is competing with the big boy, with people buying very, very cheap meat at the grocery store versus trying to raise your own beef and finish him out. Even though I have some great people who do a really good job at it, it seems like we are losing the momentum toward that. They're not quite as many or I wouldn't be in business. Not as quite as many young people picking it up. There really needs to be emphasis drawn to that, the advantages to raising your own.

24) The following questions ask about slaughtering.

25) In 2019, how many different producers used your services for slaughtering beef?

Note: Not all 14 participants responded to this question.

| Response # of Producers | Frequency |
|--|------------------|
| 60 | 1 |
| 100 | 2 |
| 100 or more | 1 |
| 200 | 1 |
| 250 | 1 |
| 320 | 1 |
| 400 | 4 |
| 700 | 1 |
| Hundreds | 1 |

Twelve respondents provided a specific number, though most were estimates. Combining their responses, the businesses said they served 3,430 producers in 2019.

The minimum number was 60 and the maximum number was 700. The average number of producers was 286.

26) How many head of beef do you think you slaughtered in 2019?

| Response # of Head | Frequency |
|-------------------------------|------------------|
| 100 or more | 1 |
| 156 | 1 |
| 400 | 4 |
| 450-500 | 1 |
| 500 | 1 |
| 520 | 1 |
| 550 | 1 |
| 620 | 1 |
| 640 | 1 |
| 700 | 1 |
| 900 | 1 |

When combining the responses from the 14 respondents, they slaughtered 6,786 head of beef in 2019. The minimum was 100 and the maximum was 900. The average number of head slaughtered was 485.

27) How many cattle are you willing to take from a producer at one time?

| Responses | Frequency |
|---|-----------|
| As many as they want to bring. | 1 |
| 3 to 4 depending on size | 1 |
| 4 | 1 |
| 5 | 1 |
| 6 | 1 |
| 7 | 1 |
| Up to 7 or 8 head if they called far enough in advance. | 1 |
| 8 | 1 |
| 10 | 2 |
| 15 | 1 |
| 20 | 2 |
| 25 | 1 |

One facility said producers could bring as many as they wanted. The rest provided a maximum number, which ranged from 4 to 25. The average was 11. The median was 8.

28) How many cattle do you need to slaughter or process in a year to make a profit or break even?

0-5 (0)

6-10 (0)

11-15 (0)

16-25 (0)

26-35 (0)

36-40 (0)

More than 40 (2)

Other (12)

- 1300 pounds a day to break even
- Don't Know (2)
- Don't know if we make much profit yet. Ideal would be 6 to 10 beef a week. About 520.
- 365
- 800
- So many variables due to hog processing and deer season is more of an influx. 300 at least.
- 416

- 3 days a week, 2-3 beef (this equals 468)
- All of them. Full 700.
- 600-700
- 500-550

Three facilities were unsure of how many cattle they needed to slaughter or process in a year to make a profit or break even. One facility said they needed at least 1,300 pounds a day.

Others ranged from at least 300 to 800 head. The average needed was 535.

29) What is the minimum number of days you will hold a carcass in cold storage before processing/fabrication?

| Minimum # of Days | Frequency |
|-------------------|-----------|
| No minimum | 4 |
| 48 hours | 1 |
| 7 days | 1 |
| 7-10 days | 1 |
| 9 days | 1 |
| 10 days | 3 |
| 10-14 days | 2 |
| 14 days | 1 |

Four facilities said they didn't have a minimum number of days they would hold a carcass before processing. The rest ranged from two days to 14 days. The average was 9 days, but the majority said 10 days.

30) What is the maximum number of days you will hold a carcass in cold storage before processing/fabrication?

| Maximum # of Days | Frequency |
|-------------------|-----------|
| 14 days | 2 |
| 16 days | 1 |
| 18 days | 1 |
| 21 days | 1 |
| 23 days | 1 |
| 28 days | 3 |
| 30 days | 2 |
| 45 days | 1 |
| No Maximum | 2 |

Two facilities said they would hang the carcass as long as the customer wanted, though they recognized there was a time that would exceed best practices. Facilities reported customers requesting between 30 and 45 days. The range was 14 days to 45 days, with an average of 25 days. One facility said he had different preferences, from 5 to 6 days for a utility cow straight off the pasture to 14 days for a good grain-fed finished beef.

31) The following questions ask you about processing beef.

32) How many pounds of beef did you process/fabricate in 2019?

| Pounds of Beef Fabricated in 2019 | Frequency |
|--|------------------|
| Over 10,000 | 1 |
| 63,750 | 1 |
| 140,000 | 1 |
| 150,000 | 1 |
| 160,000 | 1 |
| 171,104 | 1 |
| 200,000 | 2 |
| 250,000 | 1 |
| 300,000 | 1 |
| 338,000 | 1 |
| 350,000 | 1 |
| 520,000 | 1 |

Facilities estimated the number of pounds of beef they processed in 2019, most multiplying the number of head against the typical weight of cattle they received. Of the 12 participants who provided a number, they ranged from 63,750 pounds to 520,000 pounds processed in 2019. The total from these 12 facilities equaled 2.8 million pounds of beef processed last year. The average was 236,904 pounds.

33) What is your policy for meat pick up time?

Pick up in 1-3 days (1)

Pick up in 4-7 days (5)

Pick up in 8-10 days (0)

Pick up in 11-13 days (0)

Pick up after more than 13 days (1)

Other (7)

- No set time (3)
- Pickup within 14 days (1)
- We allow people 30 days (2)
- Just depends on the person (1)

34) What do you think is the average distance beef producers travel to your facility?

| Average Distance in Miles | Frequency |
|---------------------------|-----------|
| 20 | 1 |
| 25 | 1 |
| 30 | 3 |
| 35 | 1 |
| 50 | 5 |
| 60 | 2 |
| 100 | 1 |

Facilities estimated a range of 20 miles to 100 miles, with several noting they have customers from Oklahoma and Missouri. The average estimated distance was 46 miles.

35) The following questions ask about USDA inspections.

36) Has your facility ever offered USDA inspection for beef?

Note: This question was only displayed to participants who responded “no” on Question 5.

No (11)

Yes (0)

37) What are the reasons you are not using USDA inspection for beef? (Choose all that apply)

Note: This question was only displayed to participants who responded “no” on Question 5.

I do not want to change my current business model (8)

Availability of land (0)

Availability of bank financing (0)

Lack of customer demand (2)

Sewer (waste water) access (0)

Lack of cold storage space (0)

Byproduct disposal (0)

Cost of labor (3)

Energy costs (0)

Equipment (0)

Labor Availability (3)

Other (9)

- Cost of building to USDA requirements
- Didn't want the hassle
- Didn't want to deal with the paperwork involved, bookkeeping
- Cost of USDA inspections
- Didn't want government involved

- Too old to start over
- Didn't have the knowledge needed to start a USDA-inspected business
- Not a priority for their customers

38) How interested are you in doing USDA inspections for beef in the future?

Note: This question was only displayed to participants who responded "no" on Question 5.

Not at all interested (6)
Slightly interested (3)
Moderately interested (1)
Very interested (1)

39) Did this plant start out offering USDA inspections for beef?

Note: This question was only displayed to participants who responded "yes" on Question 5.

No (2)
Yes (1)
Unsure (0)

40) How many years has your business offered USDA inspections for beef?

Note: This open-ended question was only displayed to participants who responded "yes" on Question 5. Three of the 14 facilities surveyed selected "yes." However, the responses to this question indicate only one facility provides USDA-inspected beef service.

- None
- 4
- N/A

41) How would you describe your relationship with your USDA inspector? Is this your inspector's only plant?

Note: This open-ended question was only displayed to participants who responded "yes" on Question 5. Three of the 14 facilities surveyed selected "yes." However, the responses to this question indicate only one facility provides USDA-inspected beef service.

- Good and yes only plant.
- [Name of inspector] is our USDA inspector and [the inspector] loves us because we follow all the rules to the letter.

42) Tell us about yourself.

43) How did you learn this business? (on the job, training course, plants, grocery store)

- Grew up on a farm
- Started [decades ago] [REDACTED] in a small grocery store

- On the job. Another butcher.
- On the job (4)
- On the job some of it. Some of it grocery store. I would just say this is what God gave me to do in my heart. It's all I ever wanted to do as a little boy. When my mom would go to the grocery store, I asked if I could go to the back and watch the butchers. It was in my heart to do it.
- [REDACTED] It's a family-owned business. [REDACTED]
[REDACTED] Exposure and being in it. Our livelihood.
- I've actually got a degree in meat science [REDACTED].
- I learned it from my dad. I grew into it.
- From my father-in-law. He taught me everything I know. On the job.
- Doing our own slaughter on the farm when I was a kid. When I got really interested, I worked at a facility the last few months they were in business and then bought their equipment.

Eight respondents said they learned the business on the job. Two specifically mentioned learning at a grocery store job. Two respondents said they learned from growing up on a farm. Two mentioned they learned from their parents in a family business. One person said they had a degree in meat science.

44) How do you train your employees? (on the job, training course, plants, grocery store)

- On the job. Eastern and LSU still offering it.
- [REDACTED] We teach them on the job.
- On the job for the most. Current workers have a lot of experience.
- On the job (5)
- These are 25-year vets. They've been at it longer than I have. One is a grocery store guy. Another worked at another slaughterhouse that closed down. That is a big demand. This is a dying trade.
- On the job training, seminars, webinars, regular meetings, etc.
- My superintendent who pretty much runs the shop for me, he actually had high school training in slaughter work. Centerpoint School outside of Glenwood, Arkansas. It was Kirby then. They actually had a high school plant. The rest are on the job training.

All of the respondents mentioned their employees learned their skills on the job. Two mentioned that they had experienced employees who had worked in slaughter businesses for a long time. Two mentioned they had employees who had classes in high school training in meat slaughter.

45) Do you have other full-time employment?

Yes (5)

No (9)

46) Would you support the Arkansas Beef Council pursuing a state-level beef inspection program in Arkansas?

No (4)

Yes (9)

Unsure (1)

47) Would you like us to include your business name, contact information, address and species slaughtered/processed to be on a directory list provided to the Arkansas Beef Council for producers to contact you? (If yes, to maintain your survey confidentiality, you will be shown a website address to enter your information.)

No

Yes

48) If yes, to maintain your survey confidentiality, we ask that you:

1. Copy this website URL: <https://tinyurl.com/ARbeefDirectory>

2. Open a new window on your computer or phone and paste the URL above. This will take you to the directory form.

3. Come back to this original survey, finish and click on submit below so that your answers are not lost.

4. After you've completed this survey, return to the directory form if you would like to be included in the directory. Or save the URL above to complete the directory form at a later time.

Note: This question was only displayed to participants who responded "yes" on Question 47. This information was provided separately to the Arkansas Beef Council staff to maintain participant confidentiality.

49) How could the state or Beef Council better support you and your business?

Note: Responses that came during telephone surveys were typed to the best of our ability, but may not reflect a verbatim response.

- Don't Know (6)
- Just advertising that you have local producers that can deliver a beef or a hog to a custom exempt plant and have it slaughtered for you. Some awareness that that is available to folks - producers and public. Most know there are custom plants. The consumers is mostly - buying a locally grown beef and having it processed at a plant. Most people don't realize that that is out there. The consumer. The restrictions to do retail side of it - when built it, no intentions to do USDA. Now see demand for grass fed, no hormone. I now regret that - built it 10 years ago. I might have approached things

differently. Built plant, was used to having months to get into facility. But then plants started closing, family not taking over, costs to do plant. If we could do a state inspected, where they were in control, they will more than likely follow federal guidelines. I would consider maybe doing another plant later on. If I had a facility to take plant to, under inspection, then bring back to retail. Would still need USDA for shipping. Be like a grocery store but with my own product.

- I don't know. Do they ever get out to this part of the state? The Arkansas Beef Council? They need to get out and meet the processors. Travel to other parts of the state.
- I think knowledge to the producers. We have people who are still new customers, never raised beef before. The beef market is so volatile right now. If there were more farmers doing more of butchering of their own animals versus taking them to sale barns, we need that too, I think a lot of people knowledge - not understanding. Knowledge of the ability of what to do with their beef for producers. A lot of people think I don't have the capacity to have my whole beef to ground beef, they can sell half or whole. It doesn't have to go to be inspected if doing it by half or whole. There is a lot of gray area in processing to producers. Knowledge.
- State level inspection - It would be awesome. I connect the dots, connect them with the producer. If we went state inspected, I could take out an agriculture loan and buy 10-15 calves, then I could sell straight to them. My demand for that is huge. All the guys who want me to go USDA, if I were state inspected, they'd come to me. They're not selling to [REDACTED] - They're selling to restaurants, to markets, to meat shops. They're having to drive four hours away to [REDACTED] to get their beef inspected. I don't have any complaints on how they support me now. They could go to the capitol and pass state inspection. Go to war with the USDA and return small processors like me would have the beef council packed knowing they're fighting for us. Would be happy to help any way he can. More than happy to help them.
- Farm-to-table for local producers in custom exempt slaughterhouses.