

SOUTH DAKOTA GOVERNOR'S OFFICE OF

ECONOMIC DEVELOPMENT

Looking to start a meat processing facility? Below is a list of seven steps and resources that are available. There are industry standards and regulations when it comes to processing facilities. This guide will outline the process that you would need to take.

STEP 1: Start your business plan. If you need assistance, the Small Business Development Center can assist for no cost. Things to include in your plan:

- Number of employees
- Equipment needs
- Size and layout of facility
- Projections of revenues
- Market analysis
- Business Model - Who will you sell product to and where will it be sold?

STEP 2: Work with an engineer to determine utility needs. When doing so remember to think through all utilities, electricity for cooler spaces, water usage, wastewater, etc.

STEP 3: Reach out to the Animal Industry Board to discuss licensing and facility requirements based on the type of operation desired. (contact info listed below)

- If you are wanting to sell to customers outside of South Dakota, you must operate within the Federal Inspection Act and will need to contact the USDA Food Safety Inspection Service (FSIS) for a complete list of their requirements: 800-990-9834.
- See state and federal inspected facilities information below.

STEP 4: When you have identified your utility needs and have your space plans start identifying land.

STEP 5: Begin conversations with your local officials to start the permitting process. Depending on your location, that may include your City or County officials.

STEP 6: Talk with your GOED Business Development Representative about financing options available.
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STEP 7: Purchase land/Building or begin construction.

SOUTH DAKOTA ANIMAL INDUSTRY BOARD

Animal Industry Board | 411 South Fort Street | Pierre, SD 57501 | Ph: 605.773.3321 | Fax: 605.773.545

REGULATION

Producers selling meat raised on their farm at a farmer's market or other venue need to be in- compliance with a number of state and federal regulations. The Federal Meat Inspection Act regulates meat processing in the US and compliance is monitored by the Food Safety Inspection Service (FSIS). The South Dakota Animal Industry Board (SDAIB) has authority over red meat produced and sold within the state of South Dakota. The following is relevant to meats including, but not limited to, beef, bison, goat, lamb, pork, emu meat, ostrich meat, and venison (captive cervidae, eg. deer, reindeer, elk, and antelope).

PROCESSING

According to USDA FSIS regulations, meat sold direct to consumers at farmers markets or other local venue must be processed at either a federal or state Inspected processing facility. Inspected products can be sold by half carcasses, quarter carcasses, or as individual retail cuts.

Any products processed under the custom-exempt status are NOT state or federally inspected, therefore cannot be sold or donated. Custom-exempt products are for use by a person's family and their guests only. Meat that is processed as custom-exempt is required to bear the marking or label, "not for sale."

Producers interested in selling meat locally, should seek out a federal or state inspected facility to have their meat processed. The differences in state inspected facilities and federally inspected facilities are explained below.

STATE INSPECTED FACILITIES

- May slaughter and process "livestock," cattle, bison, sheep, swine, goats, equine, ratites (emu/ostrich), reindeer, elk, deer, and antelope.
- If an owner would like to have a species processed and inspected at the state level that is not listed, he or she can talk with the SDAIB. If approved, the state will process and inspect additional species not listed above.
- State inspected meat products from "livestock," cattle, sheep, swine, goats, equine, and ratites (emu/ostrich) may not be sold or shipped outside of state lines.
- State inspected meat products from animals not amenable to the Federal Meat Inspection Act, including reindeer, elk, deer, antelope, or bison may be sold and shipped outside of state lines.
- The South Dakota Meat Inspection program applies only to red meats. Poultry inspection in South Dakota is under the authority of USDA/APHIS.

Dr. Dustin Odekoven, South Dakota State Veterinarian:

- The state inspected facilities are licensed under the following options:
 - **Inspected Slaughter** - having an inspector present before and during the animal slaughter to ensure the process is done humanely/ethically. Presence is maintained until the carcass is marked with the mark of inspection.
 - **Inspected Processing** - having an inspector present every day of operation to observe the workers as they process the meat and ensure all critical control points are met and records completed. Some plants, but not all, will do both inspected slaughter and processing.
 - **Custom Exempt** - butchering for a fee: the meat goes back to the animal owner and may not be sold. The best way to determine this is when you see "NOT FOR SALE" on the cut packages. These plants are inspected at least monthly.
 - **Retail Inspected** - making it ready for retail sale. Retail meat must originate from meat that has been inspected (contains the mark of inspection).

FEDERAL INSPECTED FACILITIES

- May slaughter and process "livestock," cattle, sheep, swine, goats, horses, mules or other equines, including their carcasses and parts.
- Charge a per hour fee for processing exotic species. According to FSIS at the federal level, exotic species include reindeer, elk, deer, antelope, water buffalo or bison.
- After being federally inspected, all meat products may be sold outside of state lines.

Locating a Meat Processing Facility

- Federally inspected processing facility list: [Visit the USDA Meat, Poultry and Egg Product Inspection Directory website](#). This directory is updated monthly by the FSIS. The Excel version of the directory can be downloaded and sorted by state, city and zip code.
- State inspected processing facility list: [Visit South Dakota Animal Industry Board Meat Inspection website](#). Select "List of State Inspected Establishments."
- Custom exempt processing facility list: [Visit South Dakota Animal Industry Board Meat Inspection website](#). Select "List of Customer Exempt Establishments."

Packaging

Meat must remain in the original package (from the inspected facility) and not be processed, resorted, re-handled or separated into smaller units, except by retail licensed establishments. For example, a ten-pound package of ground beef cannot be later broken into smaller packages for resale without a retail license.

Labeling

Meat that is federal or state inspected and sold at farmers markets must follow important labeling guidelines. The appropriate mark of inspection, sometimes called a 'state or federal bug,' must appear on the label of every package of meat. The label cannot be changed or altered in any way once it leaves the inspected establishment. Any label claims must be preapproved by inspection.