

Current Status of Organic Meat Processing in Michigan



David Conner, Ph.D., Research Specialist
C.S. Mott Group for Sustainable Food Systems
Department of Community, Agriculture, Recreation
and Resource Studies (CARRS)
Michigan State University

Current Status of Organic Meat Processing in Michigan

Presented to:

“Growing Michigan’s Organic Future”

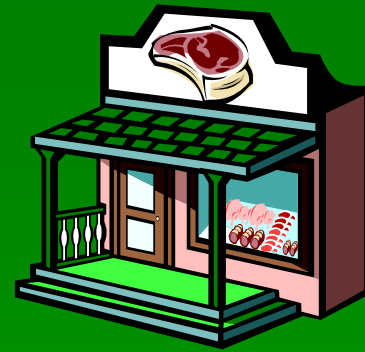
Michigan Organic Conference

March 5, 2005

Eppley Center, Michigan State University



Overview



- Meat/Poultry Processing Regulations
- Requirements for Organic Meat
- Certified Processors in Michigan: Why So Scarce?
- Current Issues for small and organic farmers
- Other Options: what can be done

Meat Processing Regulations

Michigan has no State
Inspection for Red Meat
(since 1981) or Poultry
(since 1971)



Therefore, USDA regulations
apply



USDA Red Meat Regulations

Two types of facilities

1. Custom or Exempt:

- For owner's use only ("freezer beef")
- Must be stamped "not for resale"

2. USDA Inspected needed if

- Sold as cuts
- Sold out of state



USDA Poultry Processing Regulations:

Poultry: “a maze” of “poorly written” rules

“Exempt” from Federal Inspection.

No inspector *need* be present if:

1,000 birds per year or less

All birds raised on own farm

Farm does not buy/sell products other than own birds

No distribution out of state



USDA Poultry Processing Regulations:

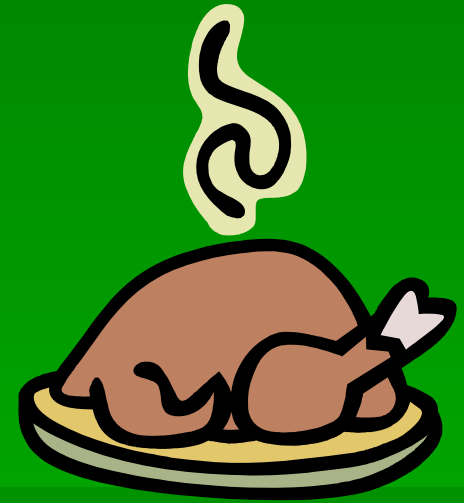
Exempt for 1,000-20,000 Birds if:

Same regulations as before, plus:

- ✓ Healthy birds, sanitary conditions
- ✓ Labeled “Exempt”
- ✓ Sales to Consumers, Restaurants, etc., only (i.e., not retail stores)

May still be inspected

<http://appa.org/APPPA/articles/legalintro.pdf>



Disclaimers

The discussion above is my best interpretation of current regulations.

It applies only to compliance to processing, not organic, regulations.

Check with Michigan or US Department of Agriculture, or your organic certifier, if you have questions about your compliance

www.usda.gov

<http://www.michigan.gov/mda>



Department of
Agriculture

What makes meat organic?



Must be organic throughout entire supply chain, including **production** and **processing**

Production regulations include:

- origin of livestock
- organic feed
- access to outdoors
- no hormones, antibiotics, parasiticides, etc.

What makes meat organic?



Processing regulations: “complex”

No banned substances used in:

- ✓ Pest control in facility
- ✓ Cleaning
- ✓ Packaging

No **Co-mingling**: need “purge run” after conventional run, even after cleaning

Good Manufacturing Practices “beefed up” to ensure banned substances aren’t needed, prevent adulteration

Why are Organic Processors so scarce?

A dilemma:

It's much easier to be certified organic if you only do organic (no conventional) - or have separate lines

BUT...

Is there sufficient volume to make organic processing (or line) viable?

Why are Organic Processors so scarce?

Two in Michigan?

- ✓ Great Lakes Meat Processing, Cheboygan, MI
- ✓ C. Roy and Sons, Yale, MI

It's not easy to find this information!

Need person dedicated to organic to bother with certification hassles?

“All we have are big processing plants that don't serve the needs of many growers”

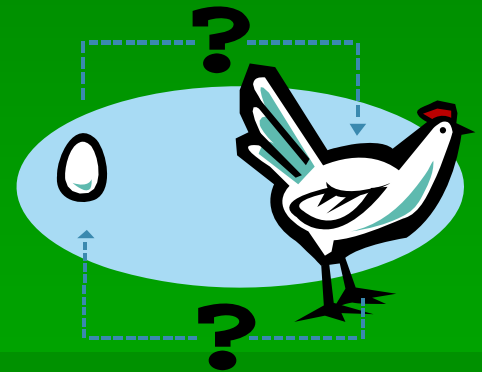
-quotation from Osborne and Bingen roundtable summary

Scarce Small Processors

Why? USDA ERS says consolidation due to:

- Scale economies (HACCP costs hit small processors harder)
- Aggressive price competition
- Slow meat demand growth

Plus: **Lack of supply**, trained labor, investment in upgrading



Small + Organic = “Double Whammy”

- ✓ Farmers want their own animals back, so need for batch as opposed to continuous flow
- ✓ Processors may find extra cost and hassle (more inspections) not worthwhile without large number of organic clients
- ✓ BSE issues: cattle 30+ months, tissues are seen as “specified risk materials”

Small Farmers' Issues

Scheduling

- 6 months, 1 year, more!
- Competition in Fair and Deer season



Transport distance



Issues for Organic Farmers

Small scale farmers selling direct may not bother with certification, or:

- May certify farm, not product (herd)
- May certify product but use conventional (exempt or USDA) processor



Issues for Organic Farmers

May have to find two certified organic processors: one for kill floor, one for butchering!



Quality Issues: Farmer Anecdotes

- ✓ Accountability
- ✓ Competitive pricing
- ✓ Quality control
- ✓ Segregation
- ✓ Presentation

“Utters and pancreas in
the bologna”

“It says top round, but
it’s chuck steak”

Current Issues

This “bottleneck” matters more if you want to sell certified organic cuts in retail outlets (grocery, health food stores, etc.)

BUT...

Retail access spurs growth!

Direct markets have limits!



Other Options

Mobile Processing Units (poultry): mixed reviews

Cooperation among farmers (always easier said than done!)

Michigan could get back into the game:

- ✓ Same (or stricter) regulations, but...
- ✓ More one-on-one help to get/stay in business

Other Options

FSIS and NOP cooperation for inspection
Value-added of more humane processing
practices

Composting offal: save, earn new revenue



Implications

- Great opportunity, need to meet growing demand
- Help rural economies
- Place-based agriculture



Thank You!

Questions?

Comments?

Contact Info:

303 Natural Resources
Building, MSU

(517) 353-1914

connerd@msu.edu

