

LOSS OF SMALL SLAUGHTERHOUSES HURTS FARMERS, BUTCHERS & CONSUMERS



BY KRISTI BAHRENBURG JANZEN

Imagine you're an artisan carefully crafting distinctive merchandise for local clients who value your high standards. But before you can sell your specialties to your neighbors, you have to drive them around for a thousand miles. Sounds absurd. But this roundabout is exactly what Bev Eggleston and his wife Janelle used to endure with their poultry. In order to peddle it at the restaurant down the road -- which happened to be across a state line -- they had to use federally-inspected facilities. And in order to get birds slaughtered without being "mangled," as Bev explains, they had to be picky. So, they ended up trucking the poultry from their farm in Bristol, Virginia, up to Birdsboro, Pennsylvania, for slaughter, and then back down to Winston-Salem, NC, for cutting and packaging.

"It was this huge hoopla, including refrigeration trucks," his wife Janelle adds. "Talk about inefficiency and a lack of quality control!," she says.

Fed up with the lack of an easily-accessible slaughterhouse inspected by the U.S. Department of Agriculture (USDA) near his farm, Eggleston decided to open his own. Three years ago, he signed a contract to lease a small meat-processing facility -- which he later bought -- and began upgrades for his federally inspected multi-species slaughterhouse. He was determined to ensure high slaughtering standards, reduce stress on the animals, and minimize transportation costs. At the same time, he wanted to help other small-scale farmers in need of similar services. Yet, despite his bankers' support, extensive research, and repeated efforts to satisfy federal rules from the start, he started to bump up against unforeseen hurdles.

The Egglestons' situation illustrates just how hard it can be for small-scale farmers -- particularly those with organic or grass-fed animals -- to get their meat from the meadow to the market. At the same time, their story reveals how many traditional local abattoirs are struggling to survive, while consumers stand to lose choices at the meat counter. Farmers and slaughterhouses face an astonishing tangle of state and federal laws that govern who can slaughter what, where, when and how -- and who can sell what to whom. High costs and paperwork requirements are also threatening small federally-inspected abattoirs that cater to the needs of small-scale farmers. Given strong demand for alternatives to conventional meat, however, savvy producers are still finding ways to process their unique products. Amid an ongoing national debate over food security, they're also stirring controversy.

Statistics show that small and very small slaughterhouses with federal certification are on the decline, says Steve Krut, executive director of the American Association of Meat Processors (AAMP) and 30-year veteran of the organization. Since 1998, when about 12,200 small and very small plants were operating under the meat and poultry inspection of the USDA, about 1,500, or 13%, have been lost, he says. ("Small" refers to plants with fewer than 500 employees, while "very small" means fewer than 500 employees and below \$2.5 million in annual sales.)

Carol Clement, co-owner of Heather Ridge Farms in Preston Hollow, NY, says there's such a shortage of slaughterhouses that people have to sign up on waiting lists for slaughter. "Right now I have to make appointments six months in advance," she says. "My livelihood is depending on this farm, and I'm real close to a situation where I can't get my animals slaughtered," she adds. When a customer cancelled plans to pick up a live pig, Clement couldn't find a slaughterhouse to take it. "I had to slaughter it myself," she says. Literally eating her loss, Clement notes the profit of one of 25 pigs is "significant" for a small farm like hers.

Large slaughter operations and small farmers don't typically work together for a variety of reasons. The large industrial facilities, which can slaughter 390 cattle or 1,100 swine in one hour according to USDA figures, aren't set up to take an extra pig here or a steer there. In contrast, a small abattoir might kill 250 cattle in a whole year. As the large facilities aren't organized to take in and return small batches of animals, "I'd be concerned whether I'm getting my same animal back," notes Clement. Large assembly lines also aren't designed to carefully process the specialty goods that small farmers are often selling. Many farmers feel the attention to detail is higher at smaller facilities -- from animal welfare standards to actual butchering.

Clement's experience in New York is far from isolated -- although some states are host to more facilities than others. Organic meat producer Sunnyside Farms, based in Washington, Virginia, for example, also has had trouble accessing appropriate federally-inspected slaughter facilities near-by, according to Tamara Waldo, chief operations officer. Because it sells organic meat, Sunnyside must be even more particular and locate a slaughterhouse acceptable for her product. "There are just none on the East Coast," Waldo says. Helping make up for the dearth of acceptable facilities, Sunnyside works with a

“partner-grower” in the Midwest, where the company can conveniently access a federally-inspected organic slaughter facility, albeit large-scale, Waldo says. “Definitely, our interest is in other local certified organic facilities in the area,” she says.

Various factors are contributing to the demise of small slaughterhouses, says Krut. Energy and insurance prices are up, while the high cost of rendering meat byproducts such as fat, bone and intestinal parts is also a factor, he says. Perhaps most importantly, Krut says small facilities are being put out of business by inappropriate, if not absurd, rules. “People who have been in business for a hundred years are giving up (federal) inspection,” says Krut. “We force people out of inspection,” he says.

Meat inspection and slaughter laws are perplexing by any account: They are broadly divided into two categories according to type of meat; are governed by both state and federal rules; and seem overly strict on some points yet absurdly lax on others. Generally, one set of laws governs poultry, while others regulate beef and pork, and other “exotic” meats like bison or emu. While federal standards administered by the USDA govern federal facilities, 28 states also operate their own inspection programs, according to Krut. They’re considered “equal to” USDA’s, but the meat is supposed to remain in-state if slaughtered under a state program, he notes. As a result, an abattoir may end up with two sets of inspectors. Additionally, 2,217 plants in the U.S. are allowed to slaughter meat as a “custom exemption,” Krut adds. These exemptions allow people who raise their own animals to have them slaughtered for themselves and their guests, but this meat is not supposed to be sold commercially, he says. Meanwhile, some farmers are forming “buyers’ clubs,” which allow them to sell meat to folks out-of-state, because their sales are considered in-state. Other laws govern the designation “certified organic,” which covers both farming and slaughter methods.

Some of the most controversial slaughterhouse rules come under USDA’s Hazard Analysis and Critical Control Point (HACCP) inspection plan, which was implemented for meat and poultry in the late 1990s. According to the plan, slaughterers examine their own operations and identify points or processes that might be sources of hazards for human health. Also, they are supposed to identify items that can be measured to make sure hazards are held in check. Then, they are supposed to set up their plant with this in mind, and hope to gain federal approval. This kind of plan may in theory free-up plants from unnecessarily rigid or inapplicable rules. But critics say it ends up creating standards too vague to follow easily and leaves open the possibility that the decisions of individual inspectors may be too subjective.

The Egglestons experience illustrates how frustrating the HACCP plan can seem to small-scale facilities. “They don’t give you a punch list,” Eggleston says.

“They say, ‘You’re getting closer.’” The inspector may indicate “you’re not ready,” but he doesn’t tell you exactly what’s wrong in a comprehensive or methodical way, he says. One inspector cryptically suggested the freezer might be a problem, prompting Eggleston to build a new one. “They want you to think through it all,” he adds. “You build your own plan, and then they either disapprove it or not.” Less determined folks may have wavered, but the high-energy Eggleston keeps focused on the future. “Tell me which hoop to jump through!,” he says.

Both Egglestons are quick to emphasize how supportive their inspectors have been. As part of a joint state-federal program, most of their inspectors are locals who have pledged to help work out the kinks, Bev says. He feels this kind of community involvement is key. “Somebody who cares about their community is there trying to stimulate the market,” he says. “If we didn’t have a shared program ... we wouldn’t be in the game.”

USDA doesn’t officially acknowledge any difficulties small slaughterhouses may be having. Asked to respond to the complaint that small facilities are being “forced out of inspection,” FSIS spokesman Steven Cohen wrote in an email, “There is no evidence to support this. In order to protect public health, it is important to ensure that industry produces safe food.” Asked why there is no “punch list” for opening a federally-approved slaughter facility under HACCP, Cohen added, “There is a standardized approval process. SEBRFA outreach is available to help small businesses.” USDA did not respond to repeated requests for an interview with a USDA official.

Yet the HACCP plan’s documentation and sampling requirements do overwhelm some small facilities. While large operations typically have full-time quality control folks, mom-and-pop places might have three or four employees total, so the cost of additional paperwork is proportionately higher. Extra tests are also extra costly if turnover is relatively low. Mike Berger, for example, owner of Peabody Sausage House, in Peabody, KS, says he used to sell liver sausage worth about \$100 to \$200 a month to a wholesaler in Hillsboro, KS. But, because it’s a “ready-to-eat” wholesale product, he has to sample it once a month for listeria, which costs \$50. “We had to pass on the cost to the customer,” so the wholesaler quit buying it, he says. Somewhat paradoxically, however, “We’re still allowed to sell it retail (from the store) without the test,” he notes.

The costs of opening a small federally-approved slaughter facility are high enough to keep many potential operators from entering the fray. “The question is, ‘Would it ever make sense for a small entrepreneur to do it?,” says Nick Maravell of Nick’s Organic Farm, based in Potomac, MD. “People have just told me, ‘Don’t even think about it.’”

Similarly, Joshua Applestone, co-owner with his wife Jessica of Fleisher’s grass-fed and organic meats in Kingston, NY, said he opted not to slaughter his own

meat after much deliberation and number crunching. A slaughterhouse up to federal standards "will cost \$2 million, without the wheels, and without the steering wheel," he says. "This is a really big American beef issue," says Applestone, noting it helps to have "someone with deep pockets who has political connections."

Given such legal and financial difficulties, the AAMP's Krut argues that small slaughter facilities shouldn't have to follow laws designed for large ones. "It's like telling the kid on the corner with a lemonade stand he must follow the same rules as Libby's juice plant," he says. "It's excessive." Existing rules must better accommodate the small players, he adds. "We want two different levels of inspection regulations."

Joel Salatin, a well-known advocate of grass-based farming, goes farther, suggesting the government should stay out of small-scale slaughter completely. The fourth-generation farmer says the overhead associated with a federally-inspected slaughter plant is so high that it requires animals to be killed every day to make ends meet. "That kind of structure, just to get a pound of tenderloin to your neighbor, is just crazy," he adds. "We need to get rid of rules which require animals to go through a \$600,000 structure," he says. "Maybe it would be better for us all to practice civil disobedience and slaughter on the farm, and say, 'Take me to jail!'" he adds.

Many question the wisdom of eating meat that doesn't have the USDA stamp of approval. After all, the mandate of the agency's Food Safety and Inspection Service (FSIS) is to help ensure the safety of our food supply. Federal laws make it "responsible for ensuring that the nation's commercial supply of meat, poultry, and egg products is safe, wholesome, and correctly labeled and packaged." People are understandably skittish about the purity of their food given various dangers: food-borne pathogens like E. coli O157.H7, salmonella, or listeria; mad-cow disease, chronic wasting disease in deer and elk, avian influenza; and even sabotage in the wake of 9/11.

Yet favoring federally-approved -- or large-scale -- slaughter operations in no way guarantees safe food. Egregious violations of health and safety standards can and do occur at federally-inspected facilities, as chronicled in books such as Eric Schlosser's *Fast Food Nation* and a series of articles by Oliver Prichard in *The Philadelphia Inquirer* in May 2003.

Small-scale farms and local abattoirs provide a higher, not lower, degree of food safety, according to people advocating them. Directly accountable to their customers, these businesses must stake their reputations -- and profitability -- on the safety of their products. They can maintain high quality more easily, because just a few well-trained employees consistently handle all the butchering, many of

whom not only bring years of experience but generations of tradition to the block, supporters say. The process is carried out more slowly, thus more carefully, and many of the facilities cater to low-volume farms that produce certified organic or grass-fed meat, which follow additional quality-control procedures from the start, they say.

Applestone, for example, notes he is careful to work only with slaughterhouses that maintain very high standards. One producer he knew brought in a Black Angus steer -- known for its superior steaks -- and "they ground the whole thing," he says. Another facility had to shoot a bison six times to take it down, he notes. "That's not the way it's done."

Applestone says he's lucky to be working with Hill Town Pork in Canaan, NY, and Cabbage Hill Farms in Stafford Spring, Conn.

Integrity, not bureaucracy, guarantee high-quality clean food, no matter how much paperwork is required, says Eggleston. "If the guy who's doing it has integrity, it'll be clean," he says. "The HACCP plan has made me think through my processing, but it doesn't guarantee your food is clean," he says.

Small-scale slaughter facilities are also important because they contribute to community life by providing jobs, local color and town pride. If they close down, culturally rich traditional specialties like Mike Berger's liver sausage can fall by the wayside. Consumers lose choices. "The government is denying them the freedom of choice to opt out of Walmart," as Salatin puts it. And, if an industry becomes overconcentrated, standards can suffer in areas other than food quality, including labor and environment.

In contrast to facilities focused purely on the bottom line, for example, Eggleston treats his employees like family. He also emphasizes humane treatment of animals. Fans designed to cool unloading chickens are fitted with water tubes so a fine mist can waft across the area in Virginia's stifling summer. Pens are large enough to let the animals "loaf" before slaughter, which helps the animals as much as the customers, he notes. Meat from a steer that's so scared it's squirting diarrhea is more likely to become contaminated with feces, he says. Animals slaughtered under the least threatening conditions may simply taste better, he adds. "The meat won't be adulterated by fear, adrenaline, or anything else."

While alternative meat, be it organic, grass-fed or hormone-free, remains a small segment of the overall market, demand is clearly on the rise. "We can not keep up with demand!" Applestone says. After being open only four months, he was already slaughtering 300% more than his business plan called for. According to the Organic Trade Association's 2004 Manufacturer Survey, annual sales of organic meat, poultry and fish (not including

grass-fed or other alternatives like hormone-free) were up 78% in 2003 to \$75 million, compared to the previous year. Sales of organic beef alone are projected to grow 31% each year between 2004 and 2008, it says. Organic sausage and deli meats are seen jumping 25% each year during that period, while the expected increase is 18% for pork, 33% for poultry and 16% for lamb, it says.

Attempting to meet the growing demand despite a dearth of slaughter facilities, some farmers are trying to set up mobile meat processing units to allow federally-inspected on-farm slaughter. Clement, for example, is working with a group of farmers in Upstate New York to gain approval for just such a facility. Plans and bank loans are in the works, she notes. "We're really hoping this helps solve our problem," she says. Her project follows that of the Island Grown Farmers Cooperative, in Washington State, which received a grant of inspection to operate the first USDA-inspected mobile meat processing facility in the nation in early 2002.

A mobile processing unit is on Eggleston's to-do list as well. He wants to get into more value-added products. He dreams of opening an on-site retail facility, where people can come and try the meat they're going to buy. And he can't wait to help his neighbors who could use a small USDA-inspected facility so badly that "he's going to have to beat 'em away with a club," according to Salatin.

Now, Eggleston is finally on his way. On Oct. 14 – nearly three years to the day after he signed the original contract on his facility -- Eggleston and his wife received their USDA grant of inspection. "The real work is just beginning," says Janelle. "We are slammed with a full schedule and are working around the clock."

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