

# Farm Management

## THE REGULATORY JUNGLE

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Farmers are creative! I hear all kinds of requests for information. But you know, I've never laughed at one or shook my head after hanging up the phone. After all, if you really make a serious go at it, most of those creative ideas really could make some money on a diversified farm.

Of all those requests, the most frequent ones I've been getting lately, besides information on organic farming and certification, is adding value, in particular to meat products. Anytime you add value to a commodity, it could fall into a totally different category for regulations. And those regulations can be very confusing.

### Regulations

Why are there regulations on value-added products? Regulations help to keep the truth straight for consumers. They protect the consumer with safety issues and from fraud.

Who does the regulating? There are a number of agencies you would need to be in contact with:

- **USDA** — The United States Department of Agriculture regulates raw agricultural products. This would include meat. USDA also regulates processed meat products that contain greater than two percent meat as well as all sausages. USDA works in unison with other allied agencies such as Food Safety and Inspection Service (FSIS) and Animal and Plant Health Inspection Service (APHIS).

- **FDA** — The Food and Drug Administration regulates all processed foods. Meat that is sold directly to the end consumer or from the wholesaler on is under FDA jurisdiction. They, too, work in arrangements with other allied agencies such as the State Department of Health and the local county health departments.

- **Federal Trade Commission.**
- **Occupational Safety and Health Administration** (workplace).
- **Environmental Protection Agency.**
- **Department of Commerce** (weights and measures).
- **Bureau of Alcohol, Tobacco and Firearms.**

- What kinds of things to these agen-

cies regulate?

- Production and processing conditions.
- Sources of inputs.
- Labeling and claims on labels.
- Distribution and retail conditions.
- Liability assignment.

In general, USDA and EPA regulate production issues while the FDA regulates processing issues and sources of inputs. It is important to remember that regulations generally do not assure quality of a product, but rather regulations deal with safety of a product and prevention of economic fraud to the consumer.

The possible exception is with USDA meat quality grades. Again, regulations are for safety and fraud, not quality. So you need to be sure you have a quality product that consumers will want to purchase before you go through all the hassles of regulations.

United States  
Department of Agriculture

What does the USDA regulate?

- Beef (veal), pork, lamb, goats.

- Poultry — chickens, turkeys, ducks and geese.

The USDA does not regulate exotic species, but they have the ability to do so if you request them. Exotic species include animals such as rabbits and some other small mammals, antelope, bison, deer, elk, reindeer, water buffalo, water fowl, and ratites (emu, ostrich, rhea).

The major regulations that the USDA covers are plant construction and overall operation of the plant, including good manufacturing practices and HACCP requirements. They also regulate personnel, allowed ingredients in a product, percentage of ingredients, (standards of identity) and labeling.

USDA labeling regulations include federal inspection mark, name of the product, ingredients list (if applicable), identification of manufacturing or distributor, accurate statement of net contents, safety handling instructions (for raw products), and nutritional labeling (for some products).

USDA requires that labeling be preapproved before it can be used in retail sale. Usually a USDA regulated facility will have someone who can help with label design and approval. There are expeditors who can help you with labeling review branch of the USDA.

The USDA does not directly regulate meat after it leaves a

USDA, inspected facility — destined for retail, meat that is bought and sold among individuals as the live animal, and meat that is processed by "custom exempt" processors (the end user is the owner of the product).

To learn more about USDA regulations, contact USDA Technical Information Center, (402) 221-7400 or USDA Website: <http://www.usda.gov>.

### Food and Drug Administration

What does the FDA regulate? They regulate all processed foods except those containing significant amounts of meat, milk, or eggs, seafood (including freshwater), all products at retail and the food service industry.

Remember that the FDA regulates all processed foods. This includes plant construction and operation to be sure the plant is using good manufacturing practices and following HACCP requirements (seafood, voluntary for food service), being sure that allowed ingredients are generally recognized as safe, the percentage of ingredients (standards of identity), and labeling.

The FDA regulates inspectable facilities. This includes construction details such as walls, floors, ceilings, water source, and equipment as well as operational details and personnel.

When it comes to labeling, FDA requires a label to have the following: the name of the product, ingredients list (if applic-

able), identification of manufacturer or distributor, accurate statement of net contents, and nutritional labeling (for some products if going into retail store).

A label must meet FDA requirements, but there is no pre-approval process of the label before a product goes to retail as is required with USDA.

If you claim any of the following on a label, be prepared to show the data that backs it up: content claims (such as low, lite, high, rich, fat, sodium, calories) and (such as cancer, heart disease, birth defects, osteoporosis). The FDA does not have as defined a stance on "value labeling" (all natural, free range, organic, etc.) as the USDA.

UPC codes (universal product codes) are not a government requirement, but managed by a private company. They cost about \$300 a year for the initial code (based on estimated sales). An incremental additional cost is charged for each additional code in the same company. For more information, see <http://www.uc-council.org/>.

The FDA does not regulate anything the USDA regulates nor nutritional supplement-implied claims such as medicinal herbs.

To learn more about the FDA regulations, contact local health department; FDA Small Business Representative in Dallas, Texas, (214) 655-8100, ext. 128; or the FDA Website: <http://www.fda.gov>.

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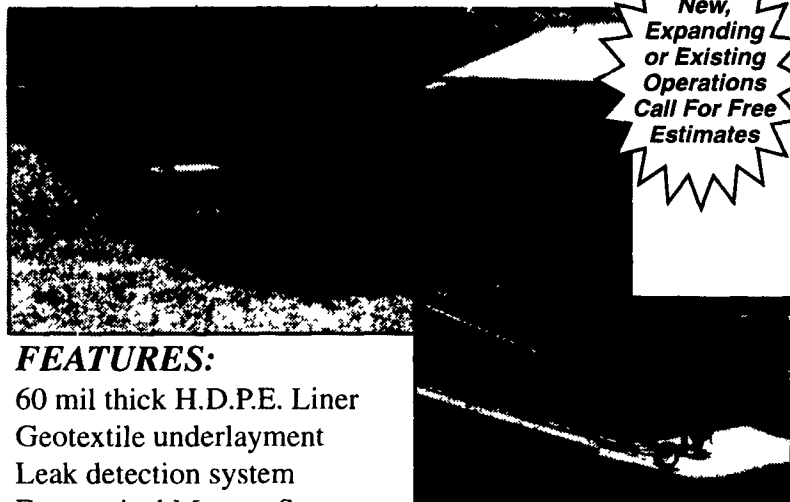
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