



# Arkansas Meat Inspection Program 2023 Annual Report

Respectfully Submitted to:

The Honorable Sarah Huckabee Sanders, Governor

Chair, House Committee on Agriculture, Forestry, and Economic Development

Chair, Senate Committee on Agriculture, Forestry, and Economic Development

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## Arkansas Production and Processing Capacity

Arkansas ranks 10th in the nation in the value of animals and animal products that provide more than \$8.5 billion to the state's economy annually. Approximately \$6.3 billion is through integrated broiler production. In the 2022 production year, Arkansas was ranked 11<sup>th</sup> in the nation in beef cattle inventory and 17th in the nation in cattle and calves with 500,054,000 pounds of production. Arkansas ranked 26th nationally in hogs and pigs with a total production of 96.1 million pounds.

Prior to 2022, Arkansas producers had two options for meat processing: (1) Utilize a United States Department of Agriculture (USDA) certified inspection facility that allows for interstate shipment of finished products, or (2) Utilize a custom-exempt (non-USDA certified) processing facility that allows for personal use of finished products.

In 2020, Arkansas had three USDA certified facilities for livestock (Pottsville, Van Buren, and Winslow) and one USDA certified facility for poultry (Clinton). The state had approximately 37 custom-exempt processing facilities.

The food supply chain disruptions in 2020 caused by the COVID-19 pandemic highlighted the need for increased meat processing capacity in Arkansas. When the food supply chain was disrupted by the pandemic, Arkansas consumers tried to purchase more locally grown and processed meat but found the supply severely limited due to a lack of processing capacity. The few available USDA certified facilities were operating at full capacity and were booked 12-15 months in advance. Custom-exempt facilities were in the same situation which prevented producers, who had their own cattle ready to slaughter, from having them processed in a timely manner for their personal use.

Three significant actions were taken in 2020 and 2021 to increase the amount of meat processing capacity in Arkansas: (1) Creation of the Arkansas Meat and Poultry Processing Grant Program with funding provided by the CARES Act; (2) Funding to Arkansas recipients through the USDA Meat and Poultry Inspection Readiness Grant (MPIRG); and (3) Passage of Act 418 during the 2021 Legislative Session to create a state meat inspection program.

This report provides a status of the Arkansas Meat and Poultry Processing Grant Program, the federal USDA MPIRG and fulfills the requirement of Act 418 which requires an annual report on the operations, implementation, and administration of the Arkansas Meat Inspection Program.

## Arkansas Meat and Poultry Processing Grant Program

In June of 2020, the Arkansas Department of Agriculture (Department) worked with industry stakeholders such as the Arkansas Farm Bureau, Arkansas Cattlemen's Association, and Hunger Relief Alliance in requesting CARES Act funding to administer a Meat and Poultry Processing Grant Program.

The Arkansas CARES Act Steering Committee and the Arkansas Legislative Council ultimately approved funding of \$10.4 million in funding for the program. A review committee consisting of representatives from the Arkansas Cattlemen's Association, Arkansas Farm Bureau, Arkansas Livestock Marketing Association, Arkansas Hunters Feeding the Hungry, University of Arkansas System Division of Agriculture, and the United States Department of Agriculture (USDA) evaluated 45 applications and selected 31 entities across the state to receive grants. Recipients received 79.7 percent of the amount requested up to a cap of \$500,000 per application. A list of the 31 selected awardees that includes their

location, the amount of funding awarded, and a summary of the status of their project is included as Attachment (A).

Four additional facilities are now USDA certified facilities (Pleasant Plains, Hope, Horatio, and Gillham) due to upgrades and expansion made possible by the Arkansas Meat and Poultry Processing Grant Program. A survey of processors indicates that processing capacity grew by more than five million pounds per year because of the grant program. With another USDA certified beef processing facility located in Mount Vernon and one USDA certified poultry facility in Clinton, the state now has a total of eight USDA certified facilities.

The Department continues to monitor the progress of all grant recipients through site visits, calls, and surveys. Department staff also continues to provide information and assistance to recipients ready to pursue federal or state meat processing certification.

## **USDA Meat and Poultry Inspection Readiness Grant (MPIRG)**

On November 22, 2021, the United States Department of Agriculture (USDA) announced \$32 million in grants to 167 meat and poultry slaughter and processing facilities to support expanded capacity and efficiency through the Meat and Poultry Inspection Readiness Grant (MPIRG). On August 31, 2022, USDA announced an additional \$21.9 million in grants to 111 projects to further strengthen meat and poultry supply chains. The program funding can cover costs for improvements such as expanding existing facilities, modernizing processing equipment, and meeting packaging, labeling, and food safety requirements.

Four Arkansas entities received a total of \$788,686 in MPIRG grant funds in 2021: the University of Arkansas System Division of Agriculture, A&C Meat Company, 5R Custom Meats, and Central Arkansas Mobile Processing. An additional Arkansas facility, Manna Foods Inc., was awarded \$200,000 through the MPIRG program in 2022.

The MPIRG program was authorized under the Consolidated Appropriations Act of 2021 and is jointly administered by the USDA Agricultural Marketing Service (AMS) and Food Safety and Inspection Service (FSIS). The program is part of USDA's \$500 million comprehensive funding package announced in July 2021 centered around expanding meat processing capacity in the United States.

The application period for the 2023 MPIRG opened on July 19, 2023. As of October 30, 2023, awards had not been announced.

## **Arkansas Meat Inspection Program**

During the 2021 Legislative Session, the Arkansas General Assembly passed Act 418 to create a state meat inspection program within the Arkansas Department of Agriculture (Department). Act 418 became effective on March 23, 2021.

Under federal law, the Arkansas Meat Inspection Program must operate under a cooperative agreement with the United States Department of Agriculture Food Safety and Inspection Service (USDA-FSIS). It also must enforce requirements "at least equal to" those imposed under the Federal Meat Inspection Act and Poultry Products Inspection Act.

Rules for the program pursuant to Act 418 became effective on May 7, 2022, and the application to USDA to operate the program through a cooperative agreement was submitted on May 10, 2022. The agreement between the Department and USDA, along with the official state inspection stamp of approval, became effective on October 1, 2022. Two processors interested in participating in the program applied through the Department's website at [arkansas.agriculture.gov](http://arkansas.agriculture.gov). A copy of the rules, inspection stamp of approval, and the application for state certification are included as Attachments B, C, and D. The Department hired two inspectors in November 2022.

Progress continued to be made in 2023. Both inspectors hired in 2022 completed the required training for basic inspection and custom-exempt compliance review training and are scheduled to complete additional compliance training in early 2024.

State inspection started at four processing facilities during 2023: JACO Meats in Hope, Arkansas State University in Jonesboro, Ferguson's Processing in Atkins, and Williams Baptist College in Walnut Ridge. A total of 128,613 pounds of beef, pork, and lamb have been inspected and approved as of December 1, 2023. In addition, the Department's inspectors completed 22 custom-exempt plant reviews and nine complaint-drive surveillance reviews.

The first annual review of the Arkansas Meat Inspection Program was conducted by the USDA-FSIS in September 2023. The program was found to be in compliance, and some additional work on the sampling program plan was recommended. The sampling plan was approved by USDA in late November.

USDA also initiated and completed a fiscal audit of the Arkansas Meat Inspection Program in October 2023. All records were found to be in compliance.

Three additional processing facilities have applied for certification under the Arkansas Meat Inspection Program and are in the review process. The Department continues to conduct outreach and education activities to increase awareness of the program.

The Department anticipates that the program will be eligible to apply for the USDA Cooperative Interstate Shipment (CIS) program after a midyear review by USDA in 2024. The CIS program will allow Arkansas inspected meat to be shipped out of state. Several producers, especially those operating near the border with neighboring states, have indicated that the availability of the CIS program would be an incentive to participate in the Arkansas Meat Inspection Program.

## Funding

Act 418 of 2021 created the State Meat Inspection Program Fund for fees, grants, and other revenue to be used by the Arkansas Department of Agriculture (Department) for expenses of the state meat inspection program. The legislation requires the State of Arkansas to bear the cost of the inspection program but specifically authorizes the Department to charge specified fees for overtime and holiday work performed and for the inspection of animals, birds, or products not covered by the Federal Meat Inspection Act.

The United States Department of Agriculture Food Safety and Inspection Service (USDA-FSIS) may provide up to 50 percent of allowable direct costs and applicable indirect costs for a state meat inspection program administered under a cooperative agreement. Budget requests for both categories

of costs and expenditures must be submitted annually. Funding from FSIS is contingent upon available federal funding. The Department has submitted a reimbursement request to the USDA for \$89,000.

## Attachment A

| Facility                                  | Award Amount | County     | Status  |
|---|--------------|------------|---|
| 2B Butchered Custom Mobile Slaughter      | \$120,049.16 | Faulkner   | Mobile unit is under construction.  |
| 4-M Butcher Barn                          | \$181,277.67 | Sevier     | Construction is complete and the facility is operating under USDA inspection.   |
| A&C Meat Company                          | \$500,000.00 | Garland    | Construction is complete and the facility has been sold to a new owner who is working on revisions to written programs. |
| Arkansas State University Meat Labs       | \$500,000.00 | Craighead  | Construction is complete and was the first facility to become permitted by the state inspection program.                |
| B&R Meat Processing                       | \$468,372.79 | Washington | Expansion construction is complete and operational under an existing USDA grant of inspection.                          |
| Bee's Mobile Butchery                     | \$500,000.00 | Johnson    | Construction is 75 percent complete but has stalled due to lack of funding.   |
| Buck Mathews                              | \$144,471.77 | No         | Facility is operating as a custom-exempt facility only.   |
| CAMP (Central Arkansas Mobile Processing) | \$500,000.00 | Saline     | The mobile harvest unit is complete. No construction on the static location. Written programs approved by USDA.         |
| Centerpoint High School Meat Science Lab  | \$111,793.63 | Pike       | The renovation project is complete, and the facility is operating as a custom-exempt facility.                          |
| Clarksville Processing & Taxidermy        | \$27,518.43  | Johnson    | Little progress has been made and funding has been exhausted.   |
| CR Custom Meat Processing                 | \$214,987.75 | Hot Spring | The facility has closed.  |
| Cut to Taste                              | \$171,990.20 | Perry      | Construction is 30 percent complete and is seeking additional funding. No contact with USDA.                            |
| Cypress Valley Meat Company               | \$500,000.00 | Pope       | The project is complete and operational under a USDA grant of inspection.   |
| Deaton Slaughter House                    | \$72,596.36  | Montgomery | The project is complete and wants to remain as custom-exempt only.  |

|                                    |              |              |   |
|------------------------------------|--------------|--------------|---|
| J&D Custom Meat Processing         | \$178,439.83 | Sebastian    | The project is complete and wants to remain as custom-exempt only.  |
| JACO Meats                         | \$500,000.00 | Hempstead    | The facility is operating under the state inspection program.   |
| Key's Family Butcher Shop          | \$355,837.12 | Crawford     | The project is complete and operational under a USDA grant of inspection.   |
| Moore's Mill, Homestead Food       | \$429,975.50 | Logan        | The facility is open and operating as custom-exempt facility and is interested in becoming state inspected.   |
| Morrilton Packing Company          | \$500,000.00 | Conway       | The project is complete and operational under an existing USDA grant of inspection.   |
| Natural State Processing           | \$500,000.00 | Van Buren    | The project is complete and operational under an existing USDA grant of inspection.   |
| Ouachita Valley Meat Company       | \$320,331.75 | Clark        | The project is complete and operational under a retail-exempt only.   |
| OK Beef                            | \$500,000.00 | Pike         | No construction has been started. The first draft of written responses are under review by USDA.  |
| Prewitt Farms Cattle & Meat Market | \$500,000.00 | Miller       | Construction is halted due to high prices. The first draft of written responses have been submitted to USDA.  |
| Prime Country Meats                | \$429,975.50 | Sevier       | The project is complete and operational under a USDA grant of inspection.   |
| Ramsey's Red River Smokehouse      | \$323,771.55 | White        | The project is 60 percent complete and there has been no additional activity in 2023.   |
| Ridge Runners Processing           | \$500,000.00 | Craighead    | Construction of a new building is partially complete and has one new cooler. The facility is currently operating out of an old facility and using a new cooler. |
| T&A Womack Farms                   | \$500,000.00 | Independence | The facility sold and continues to operate under a USDA grant of inspection.  |
| Taylor's Custom Butcher Shop       | \$145,331.72 | Sharp        | The project is complete and operational under a USDA grant of inspection.   |
| Tilton's Processing                | \$158,961.94 | Boone        | The facility is open and operational as custom-exempt.  |
| Williams Baptist University        | \$472,973.05 | Lawrence     | Construction is 99 percent complete. All paperwork has been submitted for state inspection.   |
| Wynne Meat Processing              | \$124,803.83 | Cross        | Their expansion and upgrade are complete and the facility wants to remain as custom-exempt only.  |

## Attachment B

### RULES OF THE ARKANSAS MEAT INSPECTION PROGRAM

#### I. Incorporation by reference of federal meat inspection laws and regulations

The Department hereby incorporates by reference the most current revisions of the following federal laws and regulations as though set forth herein line for line and word for word:

Title 7 of the United States Code, Chapter 48, Sections 1902 and 1906;

Title 21 of the United States Code, Chapter 12, Subchapter I, Sections 601, 603, 604, 605, 606, 607, 608, 610, 611, 612, 613, 621, 622, 623, Subchapter II, Sections 641, 642, 643, 644, and Subchapter IV, Sections 671, 672, 673, 675, 676.

Title 9 of the Code of Federal Regulations, Chapter III, Subchapters A and E, excluding

- Subchapter A Parts 300.1-300.4, 302.2, 303.1(c), 304.2(c), 307.4(b)-(d), 307.5, 307.6, 316.13(c), 317.7, 318.8, 318.12, 321, 322, 327, 329, 331, 332, 335, 351, 352, 354, 355, 362, 381, and
- Subchapter E Part 439.

However, unless context otherwise dictates, references to “We”, “the Food Safety and Inspection Service”, and the “United States Department of Agriculture” shall refer to the “Arkansas Department of Agriculture” or “Department”, and all words or terms defined or used in the federal regulations incorporated by reference shall mean the state equivalent or counterpart to those words or terms. Whenever an official mark, form, certificate, or seal is designated or required by federal law or regulation, the appropriate Arkansas Department of Agriculture mark, form, certificate, or seal shall be substituted.

#### II. Exemptions from the Arkansas Meat Inspection Program

1. The following are exempted from the labeling, sanitary standards, practices, and procedures of the Arkansas Meat Inspection Program:

- A. Livestock producers with respect to livestock carcasses, parts of livestock carcasses, and meat food products, processed by the livestock producer from livestock of the livestock producer’s own raising on the producer’s own farm and used by the livestock producer for personal or private consumption;
- B. A person slaughtering livestock or otherwise processing or handling livestock carcasses, parts of livestock carcasses, or meat food products, that have been or are to be processed as required by recognized religious dietary laws; and
- C. Any establishment engaged in slaughtering livestock or processing livestock carcasses, parts of livestock carcasses, or meat food products for intrastate commerce and the livestock carcass, part of a livestock carcass, or meat food product processed by the establishment



when the establishment is subject to inspection under a city ordinance that sets standards in conformity with the minimum standards of the Arkansas Meat Inspection Program.

### III. Application for License or Exemption

1. An applicant for inspection shall submit to the Department an annual fee of \$100 at the time the application is submitted.
2. Any establishment seeking exemption from the Arkansas Meat Inspection Program must submit to the Department an application for exemption stating in writing the specific exemption sought by the establishment from the exemptions set in Section II, Paragraph 1 of these rules.
3. The Department may accept or deny any application for license or exemption, but the application fee paid to the Department, if applicable, shall be refunded to the applicant.
4. The costs for routine inspection shall be borne by the State, but the cost of overtime and holiday work shall be borne and paid by the official establishment at the rates for overtime and holiday services established in Ark. Code Ann. § 20-60-212(2).

### IV. Custom Establishments

1. Livestock carcasses, parts of livestock carcasses, meat, and meat food products that are slaughtered by a custom establishment shall be:
  - A. Separated at all times from inspected livestock carcasses, parts of livestock carcasses, meat, or meat food products prepared for sale; and
  - B. Conspicuously and plainly marked "Not For Sale" immediately after preparation and shall remain so marked until delivered to the owner.

### V. Inspection and Appeals

1. Any livestock carcass, part of a livestock carcass, or meat food product found by an inspector to be unwholesome or adulterated in an official establishment shall be condemned.
  - A. Condemned meat or meat food products shall be destroyed for human food purposes under the supervision of an inspector, or
  - B. If the meat or meat food product may be made wholesome and unadulterated by reprocessing, the meat or meat food product may be reprocessed under the supervision of an inspector and may not be subject to destruction if the meat or meat food product are then found by an inspector to be wholesome and unadulterated.
2. An official establishment may appeal an inspector's finding of condemnation.
  - A. The meat or meat food product subject to condemnation shall be conspicuously marked and segregated pending the completion of inspection appeal.
  - B. The official establishment shall provide its request for inspection appeal in writing to the Department within 48 hours of the initial finding of condemnation.

C. The finding from the inspection appeal shall be the final finding, superseding the initial finding of condemnation.

D. If on inspection appeal the meat or meat food product is condemned, the meat or meat food product will be subject to Section IV, paragraph (1), without further opportunity for appeal.

#### VI. Hearings

Hearings and notices for hearings for the Department's withdrawal and denial of inspection or the Department's determination that an advertisement or label is false or misleading shall be performed pursuant to the requirements of the Administrative Procedure Act, Ark. Code Ann. § 25-15-101 et. seq.



# Attachment D



## ARKANSAS DEPARTMENT OF AGRICULTURE LIVESTOCK AND POULTRY DIVISION

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### SMI Application

APPLICATION FOR STATE MEAT INSPECTION - ARKANSAS DEPARTMENT OF AGRICULTURE MEAT INSPECTION PROGRAM

#### Type of Official Operation (check all that apply)

+

Red Meat Slaughter

Red Meat Processing

#### Name of Owner

First

Last

#### Name of Establishment

Phone

#### Email

#### Establishment Address

Address Line 1

City

Arkansas



Zip Code

**Mailing Address (if different)**

Address Line 1

City

State



Zip Code

**When in operation, estimate official operating time/hours:**

Daily Open  
Time

Daily Close Time

Hours Per Day

Days Per Week

Weeks Per Year

**Estimate of average volume of animals to be slaughtered under official inspection per week (number of head):**

Cattle

Calves

Swine

Sheep

Goat

**Estimate of average volume of products to be processed under official inspection per week:**

Lbs. of raw intact (carcass break down, steaks, etc.)

Name of species to be processed (beef, pork, etc.)

0

Lbs. of raw non-intact (ground beef, raw sausage, etc.)

Species

0

Lbs. of bacon

Species

0

Lbs. of cooked (smoked sausage, hot dogs, deli, etc.)

Species

0

Lbs. of sticks or jerky Species

0

Lbs. of frozen (dinners, pies, pizzas, etc.) Species

0

Other (specify) Number of Lbs. Species

**Exempt Inspections (check all that apply):**

+

Custom Slaughter

Field Slaughter

Custom Processing

Retail

Other

**Specify Other**

**List names and addresses of other responsible parties. Include owners, partners, directors, managers, etc. Notify the Little Rock office of any changes.**

Enter the name of each person who has been convicted in any Federal or State Court of any felony or if they have been convicted of more than one violation of any law, other than a felony, based upon the acquiring, handling, or distribution of unwholesome, mislabeled, or deceptively packaged food or upon fraud in connection with transactions in food. Include the nature of the crime, the date of conviction, and the court in which convicted. If none, write none.

**Name 1**

First

Last

**Address 1**

Address Line 1

City

State



Zip Code

**Name 2**

First

Last

**Address 2**

Address Line 1

City

State



Zip Code

**Name 3**

First

Last

**Address 3**

Address Line 1

City

State



Zip Code

**NONDISCRIMINATION STATEMENT:** In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, and disability. To file a complaint of discrimination, write USDA, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue SW, Washington, DC 20250-9410 or call (866) 632-9992 (toll free), (866) 377-9642 (federal relay).

**AGREEMENT:** If inspection is granted under this application, I expressly agree to conform strictly to all State and Federal Regulations and orders pertaining to meat inspection and I consent to inspections that take place at reasonable times, are within reasonable limits, and in a reasonable manner. I certify that all statements made herein are true to the best of my knowledge and belief.

Signature

✕

Title

Date



draw type

Submit Application