

I. Executive Summary

Since 1907, Federal law has mandated the inspection of all slaughter and processing establishments engaging in interstate sales of meat and poultry products. In the late 1960's, Congress expanded the Federal Meat and Poultry Inspection Acts to also require inspection of establishments selling within state lines. At that time, Congress intended for individual states to take on the responsibility for monitoring intra-state meat and poultry sales, using standards "at least equal to" the Federal guidelines for interstate establishments.

At present, 27 states do maintain their own state inspection programs, at an average cost of \$1,882,319 per state, per year. In states without state inspection programs, the Federal government bears full responsibility and cost for inspecting all facilities, both interstate and intra-state sellers. Although Nebraska discontinued its state inspection program in 1971, primarily because of cost, the debate over state meat and poultry inspection was recently rekindled as Minnesota, North Dakota, and Missouri all reinstated their own long-dormant state inspection programs. Some Nebraska lawmakers and meat processors assert that such a program could be beneficial to producers, processors, and consumers in Nebraska as well.

This project reports on a study of officials from states with and states without state meat and poultry inspection programs. In addition, interviews were conducted with state inspection officials and with processors from Kansas and Minnesota, two proximate states with programs of longer (KS) and shorter (MN) durations.

This study sought to inform the state inspection debate by examining the following questions:

1. Although state inspection programs are recognized by the USDA-FSIS as "equal to" the Federal program, are there differences between state and Federal meat and poultry inspection?
2. Given that all states have the same option to maintain a state meat and poultry inspection program, why do some states have such programs and others do not? What are the salient differences between Program states and Non-Program states?
3. What are the characteristics that Program Directors deem important in the design of a state meat and poultry inspection program?

Surveys completed by state-inspected facilities in Kansas and Minnesota, as well as interviews with state inspection directors in those states, indicate that there are real differences in state and Federal meat inspection programs – state inspection programs do not merely duplicate the services offered by the Federal inspection program. According to surveys completed by directors of state inspection programs, the main arguments in favor of state inspection programs are the desire for greater responsiveness to the unique needs of producers and processors in the state, demand for a state program from processors, and the desire to develop local or 'niche' markets within the state. States choosing not to maintain state inspection programs overwhelmingly cite the cost of state inspection as the reason for their decision. Processors indicated overall favor for state meat inspection, but these endorsements were not without some reservations.

The fact that state programs are different than the Federal program is not by itself an indication that Nebraska should either adopt or not adopt state meat and poultry inspection programs. A clear understanding of the differences between state and Federal inspection is merely a first step in the process of evaluating which option is best suited to a particular state. Selecting the best option requires a thorough evaluation of the state's current operational context relative to meat and poultry safety and inspection.