PLYMOUTH INSTITUTE FOR FREE ENTERPRISE

END THE PROHIBITION ON ONSITE BEEF PROCESSING

Joel Griffith, Senior Research Fellow

ADVANCING AMERICAN FREEDOM

TOPLINE: Federal law bars ranchers from selling beef harvested on their own land. Instead, every market animal must be trucked to an inspected plant. Congress should legalize onsite processing for in-state sales and use its Commerce Clause power to allow state-inspected meat to cross state lines.

BACKGROUND: The 1906 Federal Meat Inspection Act requires federal inspection of every animal slaughtered for commercial sale. The custom exemption in 21 U.S.C. § 623(a) allows onsite slaughter only for the owner's household, guests, and employees. Violating this requirement is a federal crime. Allowing onsite processing would allow ranchers to compete with offsite processors, specifically the four firms purchasing roughly 84% of fed cattle. Meat from state-inspected plants held to standards "at least equal to" federal ones is still barred from interstate commerce outside an 11-state program capped at an average of 25 employees. These USDA restrictions protect processors from rancher competition rather than advancing food safety. To avoid supply-chain bottlenecks, producers now book harvest dates 12 to 24 months in advance. Ground beef retail prices set a record $6.89 per pound in July 2026, due to a combination of tariffs on agricultural inputs and ongoing drought. Allowing onsite slaughtering could boost rancher revenue while also lowering consumer costs.

Action Items (Congress and the USDA):

- Congress should **enact the PRIME Act**, letting states authorize onsite processing for in-state sale.
- Congress should **open interstate commerce to every state-inspected plant and repeal the 25-employee average cap.**
- **The USDA should write appropriate rules for mobile and on-farm processing units.**

How It Would Make Life More Affordable:

- It would help reduce live-animal transportation costs and associated shrinkage.
- It would use competition as a check on packer margins.
  - The difference between the cost per pound of meat at the farm, packing plant, and grocery store (the farm-to-retail spread) varies primarily based on plant processing capacity, rather than consumer demand.
- USDA rule changes could provide an immediate boost in small-scale processing capacity, translating quickly to lower consumer prices.

Related Legislation: PRIME Act (S. 2409, H.R. 4700); Section 12114 (custom-exempt pilot in the House-passed farm bill, H.R. 7567).

BOTTOMLINE: A 1906 rule written for Chicago packinghouses now shields the four firms that dominate cattle buying. Ranchers should be allowed to process meat onsite.