



Market Animal Sale Options & Regulations

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The cancellation of many county fairs and junior livestock auctions, due to the novel coronavirus situation, is creating a lot of heartache and uncertainty for junior livestock exhibitors who have invested money and time in their market animals. A question many are asking is: How can I sell my market animal if the fair is closed? Luckily there are options for alternative online auctions and private treaty sales.

Background

The sale of livestock via technology is not a new concept for the commercial livestock industry. In the early 1990's cattlemen across the nation could be found in front of their satellite tvs purchasing a new herd bull or heifer to improve their genetics that was born and raised thousands of miles away on a ranch, sight unseen. Today, millions of head of cattle are marketed annually based on short video clips, animal care programs, and producer statements, then sold via live auction or on an internet based bid platform. Since 2015, there has been a trend across the West for seedstock producers of bulls to sell animals via live auction with only video or pictures, discontinuing the process of putting animals through a traditional auction ring. These emerging marketing techniques and historic methods of selling to your neighbor can provide options during the unprecedented time with cancellation of community fairs.

Alternative Online Auctions

Many fairs are developing online auctions as an alternative to the live junior livestock auctions. CDFA (California Department of Food and Agriculture) has created a list of Standard Operating Procedures for alternative auctions. Contact your local fair to determine if and how they are arranging an online alternative auction. If an alternative online auction is arranged, the fairgrounds may be used as a gathering point for weighing, and veterinary and market readiness checks, but only if the COVID-19 social distancing and gathering requirements can be met and the fairgrounds are not designated for emergency uses. Veterinary checks may also be done on site in some circumstances similar to general online livestock auctions. The veterinary and market readiness checks help ensure that the animals will be accepted at a slaughter (harvest) facility.

Private Treaty Sales

If you plan to sell your market animal on your own, outside of the normal junior livestock auction or alternative online auction, it is important to understand how you can do this legally. Although it might be a common practice to do a ranch-slaughter at the time and location where the market animal is sold, this is often not a legal way to slaughter the animal. The regulations behind this practice are not well known, so below is a list of legal ways to sell and slaughter a market animal and illegal practices that must be avoided.

LEGAL (cattle, sheep, goats, swine)

- The market animal is sold and the buyer transports the animal to his/her own property where the animal is ranch-slaughtered, feed longer or retained for breeding purpose (e.g. ewe or gilt).
- Beef market animals are sold and ranch-slaughtered on the seller's property. There is a limit of five or fewer cattle that can be slaughtered within a calendar month. **See Cattle Specific Requirements note on this page. (FAC § 19020 and 9 CFR § 303.1).
- The market animal is sold and purchased by a family member who owns the same property where the animal was raised and then ranch-slaughtered.
- The market animal is sold and transported by the seller or the buyer to a CDFA-inspected facility where it is slaughtered, and possibly processed (cut and wrapped)
- The market animal is sold and transported to a USDA-inspected (United States Department of Agriculture) facility where it is slaughtered, and possibly processed (cut and wrapped) for the buyer or is sold.
- The market animal is transported to a USDA-inspected facility where it is slaughtered and the carcass is transported to a CDFA-inspected facility where it is processed and the meat is sold only from that facility.



*Image 1:
Steer carcass
evaluation*

Cattle Specific Requirements

****In 2018, a law was passed that provides an exemption allowing up to five head of cattle to be slaughtered on the seller's property in a calendar month.**

****ALL cattle (steers) MUST be inspected by the California Bureau of Livestock Identification prior to being sold and/or butchered (FAC § 21051). You can find your local Brand Inspector here**
<https://apps1.cdffa.ca.gov/brandinspector/>

Mobile Butcher

Mobile custom slaughterers licensed by the Department of Food and Agriculture (FAC § 22001.5) to butcher animals on farm and authorized to transport carcass to custom processors. For a list of local mobile butchers visit
www.cdffa.ca.gov/AHFSS/Livestock_ID/pdfs/MobileSlaughterDirectory.pdf.

ILLEGAL (cattle, sheep, goats, swine)

- The market animal is sold and ranch-slaughtered on the seller's property. **See Cattle Specific Requirements note above.
- The market animal is sold and transported to another property, other than the buyer's property, where it is ranch-slaughtered.
- The market animal is ranch-slaughtered and the carcass is transported to a CDFA or USDA-inspected processing facility where the carcass or the cut and wrapped meat is sold.
- The market animal is transported to a CDFA-inspected facility where it is slaughtered, and possibly processed, and the carcass or cut and wrapped meat is sold.

If you are selling live animals to a business that will then re-sell the live animals, carcasses or meat products, it is advisable to check that the buyer is bonded and insured to protect sellers. Bonds are required for meat packers with annual livestock purchases at or above \$500,000.

Legal Uses of Meat

In order for meat or meat products to be sold, the animal must be slaughtered at a USDA-inspected facility. Anytime an animal is slaughtered by any person or facility other than a USDA-inspected facility, the meat enters a “custom exempt” process and must be labeled “NOT FOR SALE.” That label means that under no circumstances can the meat from that animal be sold. This meat must be used exclusively by the owners, members of the owner's household, the owner's employees, and nonpaying guests (FAC § 900.3 and § 908.5).



*Image 2:
Custom exempt
meat image
with label
indicating “Not
for Sale”*

The UC ANR publication [Selling Meat and Meat Products](#) is a free download and is a useful reference and guide in understanding federal and state regulations for livestock slaughter and meat processing. A more comprehensive, and understandable, guide is this [USDA Food Safety and Inspection Service publication](#).

Goat & Sheep Official ID

Sheep and goats sold should have an official Identification (ID) “Scrapie” tag. The eartags must be a device or identification mark approved by the United States Department of Agriculture (USDA) and provide a unique identification number for each animal. (FAC § 760.6).

Sales by Weight

If you choose to sell your animal by weight, you are required to use a certified scale, certified by your County Agricultural Commissioner/Sealer of Weights & Measures (BPC §12210). Additionally, a certified weighmaster is needed when the weight is used as the basis for either the purchase or sale of a commodity (animal) (FAC § 12700.)

Drug Residue and Withdraw Regulations

Drugs intended for food production animals should be used in accordance with label instructions. Label instructions include and Food and Drug Administration (FDA) approved withdrawal period that must be observed before the food animals go to slaughter. The withdrawal period is defined as the time when the animal was last treated with the drug, to when the animal can be slaughtered for food. “The withdrawal period allows for the drug (or parts of the drug) in the edible tissues of the treated animal to get to levels that are at or below the tolerance. It is illegal for dairies, livestock dealers, and other animal producers to sell an animal for food with tissue residues above the set tolerance” (Federal Food, Drug & Cosmetic Act)

Environmental Concerns with on-Farm Butchering

Butchering on-farm can result in offal, or non-consumptive animal parts. When conducting on farm

butchering, maintain distance from property lines and ensure that offal does not enter into any river, creek, pond, reservoir, or stream (HSC § 116975).



*Image 3:
Waterways can pose an environmental concern when butchering on farms.*

Lottery or Raffles Prohibition

In California, the law prohibits a lottery or raffle by an individual. A lottery is any scheme for the disposal or distribution of property by chance, among persons who have paid or promised to pay any valuable consideration for the chance of obtaining such property or a portion of it, or for any share or any interest in such property, upon any agreement, understanding, or expectation that it is to be distributed or disposed of by lot or chance, whether called a lottery, raffle, or gift enterprise, or by whatever name the same may be known. (Penal Code §319). Granted, there are rules and stipulations for non-profits or a charity to conduct raffles in California (Penal Code §320.5), that are overseen by the California Attorney General's Office.

Marketing and Adverting

With the traditional market outlet of county fairs and sales postponed, youth will need to explore alternative options to market their animal. Some may choose to reach out to neighbors by phone, send local business letters, or advertise on social media. Including pictures or even a short video of you and your animal help people to get to know you. When you market your animal you will want to be personal sharing information about your project and methods of how it was raised. The U.S. Department of Agriculture Food Safety and Inspection Service is the agency responsible for ensuring the truthfulness and accuracy in labeling of meat and poultry products.

When you decided to market your animal investigate the meaning of labeling terms (e.g. organic, natural, no antibiotics, no hormones), you use to promote your animal. You can learn more at <https://www.ams.usda.gov/>.

If you have the option to be part of an online auction, help your prospective buyers register online. Check out this video on how to register to buy animals in on online auction. (https://youtu.be/sQA_4YiFsHM) or contact your local UCCE Livestock Advisor for assistance.

Tax Deduction Myth When Purchasing 4-H Project Livestock

A big incentive for youth to raise and sell their 4-H project market animals is to raise money by receiving prices for their animals well above the market price for that species and class of livestock. Some buyers may consider purchasing an animal if there is a tax deductible charitable contribution. However, this can be done only if the money from such a sale is donated to an IRS-recognized non-profit organization for that organization's use. In the case of 4-H project livestock sales, at an auction or private treaty, the sale proceeds go to the owner of the animal and not the 4-H program. These sales cannot be considered a charitable contribution. In California, 4-H is a program within the University of California (UC), which has non-profit status, and will only provide charitable contribution receipts and acknowledgements for donations made to UC programs and not for funds that pass through UC to another recipient. Please refer to this [4-H Fact Sheet](#) and consult with a tax advisor for guidance on your specific situation.

Case Study – Flat Fee Group Marketing

With the cancelation fairs due to COVID-19 pandemic, some FFA Chapters have decided to

market animals to the local community on a per head price basis with set price and estimated weights (e.g. pigs \$900 weighing 200-260 lbs.). The agricultural instructors coordinated with USDA facilities for the pigs and the cost of butchering animals was included in a fee charged to buyers. Buyers were responsible for cut and wrap fees. There was also an option for community members to make a donation and not receive any meat. The donations made were split among all students selling animals through the organized sale. It is important to note, that students were not required to participate in the sale, but were provided the option.

Case Study –Pinal County Junior Livestock Auction, Arizona

The Pinal County Junior Livestock Auction in Arizona in March of 2020 provided 4 different options for youth livestock exhibitors after their event was canceled due to COVID 19.

Option 1 virtual show and auction (picture and video)

Option 2 virtual auction only (picture only)

Option 3 virtual show only (video only)

Option 4 no participation

*Picture Requirements – No 4-H/FFA attire or awards

*Video Requirements – youth to wear dark jeans (blue or black), black or brown belt, white collared shirt, closed toed shoes, and NO FFA/4-H/Association affiliation or hats of any kind.

Seller agreed to \$20 charge deducted from exhibitor check (normally \$33), plus standard 6% commission fee. Prices received in the auction ring must be accepted, going to the highest bidder regardless of price. Acceptance of selling an animal in the online auction did not guarantee the sale of that animal for more than the floor price, the floor prices were

established based on market price at the beginning of auction.

Following the online sale, animals must be transported to designated location with premise ID and/or ear tag. Animal must be in good health. If any and all of the above are not met, the exhibitor will be barred from future participation in the show.

There was also an “add on” option for buyer to designate additional funds per specific youth with minimum amounts of \$25 per exhibitor.

The virtual show component, had a qualified judge analyze the animals from the videos youth provided. Results were shared with youth placing and was accompanied with a few remarks from the judge. For example, the steer that placed 1st in class 1 judges remarks included: sorts himself to the top, big ribbed/deep sided, wide in his pin set good shape from behind and down his top carcass oriented, could be neater made through his front end.

You can learn more at pcjuniorlivestock.org.

Regulatory References

Regulations can change, this document was developed in April 2020. Before producing meat or poultry product, review current regulations or consult with someone familiar with meat and poultry regulations.

Federal Regulation cited in this publication are most easily accessed at this web site:

www.ecfr.gov

The California Penal Code can be found at this web site:

leginfo.ca.gov/faces/codes.xhtml