

# Poultry and Rabbit Marketing Options for Junior Fair Exhibitors and Families

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It is likely that many of our county fair livestock shows and sales will look significantly different due to the impact of the COVID-19 on fair operations. A common question lately has been: How can I sell my market animal if the fair doesn't take place or if the livestock sale happens in an alternative format?

We have a few multiple marketing channels in which county fair livestock can enter. Here we will look at those channels and the regulation that parents, exhibitors, and livestock buyers should be aware of. Content in this document applies to poultry and rabbits only.

## Live Animal: Small Animal Auctions

Several small animal auctions are scattered throughout Ohio and typically sell rabbits and poultry on a weekly basis. Private livestock dealers (a middleman between the owner or fair and the terminal market) may provide a "packer bid" or "support price" to county fair sale committees and transport the livestock after they are sold.

## Live Animal: Private Treaty

In this scenario, a market animal is sold and the buyer transports the animal to his/her own property where the animal is fed longer or retained for breeding purpose. The buyer can also transport the animal to a licensed meat processing facility.

In Ohio, private treaty sales of livestock are legal if properly conducted. If selling livestock by-the-pound, all animals must be weighed on a state certified scale. Once weighed a bill of sale should note the weight of the animal, the price per pound agreed to, and the total value of the sold livestock.

If selling live animals by the head, the animal does not need to be weighed. However, it is recommended that a bill of sale be produced, for both the seller and the buyer to keep proper records.

## Working with a Processor

Finding a processor that can process your rabbit and poultry projects can be more challenging than other red meat livestock animals. If you are planning to sell the meat that you are having processed, please read the next section on Direct Marketing to ensure you are developing the right approach. Inspection exemptions (depending on your marketing strategy) are in place for rabbits and poultry that need to be considered before making efforts to contact a processor.

Rabbits: Rabbits are not classified as livestock by USDA so they fall into voluntary inspection under the Agricultural Marketing Act. There are only 2 voluntary inspection licensed processing facilities in Ohio but neither provide custom slaughter services. Other facilities can process rabbits for personal consumption, but they must be registered as a food producer and fall under Food and Drug Administration (FDA) oversight. More information at: [https://www.fsis.usda.gov/wps/wcm/connect/bcb4cfe5-4af2-4406-8ab9-4a1c8273dff5/Rabbit\\_from\\_Farm\\_to\\_Table.pdf?MOD=AJPERES](https://www.fsis.usda.gov/wps/wcm/connect/bcb4cfe5-4af2-4406-8ab9-4a1c8273dff5/Rabbit_from_Farm_to_Table.pdf?MOD=AJPERES)

Poultry: Poultry (meat) products sold to a public market must come from poultry slaughtered and poultry products processed in accordance with the Poultry Products Inspection Act (PPIA). For in-state commerce, poultry products can be inspected by the Ohio Department of Agriculture (ODA), bearing an inspection legend in the shape of the state of Ohio (see Figure 1). For interstate or foreign commerce, poultry products must be inspected by the United States Department of Agriculture (USDA), bearing a circular inspection legend (see Figure 1). Some poultry slaughtering and processing operations are exempt from continuous bird-by-bird inspection and the presence of inspectors during the slaughter of poultry and the processing of poultry products (see Direct Marketing Options).



Figure 1



**Meat Inspection Regulation:** Individuals can sell rabbit and poultry meat products from their home as a retail sale. Those that are considering a wholesale or farmers market marketing channel will need to check with the county health department about their process for determining that product is coming from an "approved source". These are typically inspected facilities. In Ohio, meat processors are either Fully Inspected or operate as Custom Exempt facilities. There are currently no custom rabbit processing facilities licensed in Ohio.

**Direct Marketing Options:** If the exhibitor has interest in marketing their project in a form other than a live animal, they can sell whole, half or quarter carcass depending on species or individual cuts of meat. Producers can slaughter and sell their own chickens (up to 1,000 birds), rabbits, or non-amenable meats directly at the farm without a license if that's the only food they're selling, or with a farm market registration if selling non-amenable meats along with other low risk foods. For more information on the qualifications of a poultry slaughter or processing operation exemption, please visit: [https://www.fsis.usda.gov/wps/wcm/connect/0c410cbe-9f0c-4981-86a3-a0e3e3229959/Poultry\\_Slaughter\\_Exemption\\_0406.pdf?MOD=AJPERES](https://www.fsis.usda.gov/wps/wcm/connect/0c410cbe-9f0c-4981-86a3-a0e3e3229959/Poultry_Slaughter_Exemption_0406.pdf?MOD=AJPERES)

**Marketing and Advertising:** When direct marketing, after all regulations are followed, it is important to consider how to get your product in front of your customers. There are several options including customer pickup, farmer's markets, and on-farm sales. Each strategy has advantages and disadvantages. For example, selling the meat product via order and having the customer pickup the product at the processor's requires no licensing on your part and marketing is done in advance. However, potential customers must have adequate freezer space. Farmer's Markets are a good way to increase your price per unit and develop visibility for your product. However, more effort must go into marketing, market hours are limited and structured, licenses are required, and sales are in smaller units.

On-farm market sales offer the same chance to increase price per unit, gives control over sale hours, and reduces labor taking product to an offsite location. Concerns are a license is required, your farm must be kept presentable for customers, and you must be comfortable with and prepared for the liability of customers on farm property.

Once the target market is defined, then an exhibitor can decide the best way to reach their customers and product features to highlight. If exhibitors are making special claims (organic, grass fed, all natural) will also need to work with the fully inspected meat processor to develop an approved label.

Exhibitors need to pick a marketing strategy that fits their enterprise and personal goals. Developing these customer relationships may require a new set of skills for some exhibitors.

**Pricing Meat Products:** In order to determine a sale price, an exhibitor must know how much saleable product can be produced and the total costs of producing that product. Two common methods of selling meat include selling a portion of the carcass including whole, half, and quarter carcasses, and selling retail cuts. If producers are marketing their product by having customers pick up the finished meat product; carcass weight will be the end product. Carcass weight can be estimated using Dressing Percentage, the percent of the live animal that makes up a carcass.

Dressing percentage = (carcass weight/live weight)\*100  
Average dressing percentages: rabbits ~55% and poultry ~70%

If exhibitors are looking to sell retail cuts, then carcass cutting yield must be calculated to estimate your saleable product. Cutting yield is affected by fatness, muscling, and bone in vs boneless. Carcass cutting yield = (lbs. of meat/carcass weight\*100).

A careful analysis of the cost of production is necessary to set a retail price for a product. The main costs associated with producing meat are live animal input costs, processing fees, marketing costs, and profit margin. Exhibitors should have all costs figured before pricing any end products. An Exhibitor's project record books will be helpful in making sure all costs are included. Before setting a price for each retail cut make sure to compare prices with local competitors. Local food producers should rarely be below a supermarket price.

## Home Food Animal Processing

There are a few things to be considered if an exhibitor's family or the buyer of a market animal project wants to process an animal at their home.

- Food safety precautions must be taken seriously to prevent food borne illness. This includes cleanliness, sanitation, and proper chilling of the carcass.
- The sooner a carcass can be placed in refrigeration under 40°F, the lower the risk of pathogen development.
- Safe and humane handling and harvest of the animal.
- Proper disposal of bone, blood, and harvest by-products.

## Withdrawal and Drug Use Notification Forms

Youth exhibiting and selling their market animals as part of a junior fair will still be required to complete Quality Assurance and adhere to drug residue avoidance measures such as: completing withdrawal prior to slaughter, completing a Drug Use Notification Form (DUNF) on the required species, and submitting to drug/tissue testing if required.

If a county or independent ag society holds a virtual livestock show, **it is still considered an exhibition** and is required to be a partial terminal or terminal show by state law (ORC 901-19-02).

In a partial terminal show at least the grand champion and the reserve grand champion shall be slaughtered for market swine, lamb, beef steer, dairy steer, veal calf, or goat. The livestock shall be consigned to slaughter either at the conclusion of the show or immediately following the exhibition.

## Donating Meat to a Food Bank

Donating meat from a market livestock project is also common in some counties. Usually the buyer of the animal sends it to a meat processor and the processor coordinates delivery with the food bank, but the exhibitor can also coordinate with the food bank.

This practice can continue if the animal is processed at a fully inspected meat processing facility (see p. 2). If interested in donating meat to a food bank or charitable organization, contact them prior to processing. Each individual organization may have a list of processors they work with, or certain processing and packaging instructions for distribution of meat. The exhibitor should check with their county program to see if there are any existing donation opportunities.

## Raffles, Lotteries and Personal Fundraising

Raffles, lotteries, and games of chance are prohibited by Ohio 4-H policy. Personal fundraising with the use of the 4-H name, emblem or affiliation on sites such as GoFundMe accounts are highly discouraged, if you will be participating with your animal in a Junior Fair Livestock Sale. Animals, sold through this process are considered sold and your ownership of the animal is terminated. As a result, because ownership has been exchanged, the exhibitor is no longer considered the owner of that animal in accordance with ORC 901-19-39.

## Sale of 4-H or FFA Projects Tax Implications

Depending on the dollar amount received for sale of market livestock, an exhibitor may need to claim those sale proceeds as income. If an exhibitor needs a 1099 for tax purposes, they need to complete a W-9 and submit it to the entity conducting the junior fair livestock sale. To find out if a dependent child needs to file taxes see IRS Publication 929; Tax Rules for Children and Dependents. This can be found on the IRS website at <http://www.irs.gov>.

### *Tax Deduction Considerations for Buyers*

Purchasing an animal at a junior fair livestock sale does not qualify as a charitable tax-deductible contribution. In the case of junior fair livestock sales, at an auction or private treaty, the sale proceeds go to the owner of the animal and not the junior fair program. These sales cannot be considered a charitable contribution. However, if sale proceeds are donated, 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. 4-H is a program within The Ohio State University, which has non-profit status, and will only provide charitable contribution receipts and acknowledgements for donations made directly to them. Funds may not pass through those entities to another recipient for tax benefit purposes. Please consult with a tax advisor for guidance on your specific situation.

