When establishing a business-to-consumer (B2C) beef company, there are several relevant licenses and inspections Kansas producers may need. There are three main pathways producers may use to sell beef directly to consumers: 1) custom exempt; 2) sales only in the state of Kansas; or 3) sales in Kansas and other states.

It is important to contact state officials to ensure your business has the proper licenses and inspections required to do business. Appropriate liability insurance is recommended for all operations.

**Custom exempt**

*This pathway is for beef producers who sell beef shares only (e.g., whole, half, or quarter beef) without selling beef portions or retail cuts.*

Producers operating within the custom-exempt category are not actually selling meat products. Rather, they are selling finished live animals to individuals who work with a licensed processor to receive the finished product. Since the beef producers are not selling any meat products, they are not required to obtain a Meat and/or Poultry Wholesale License from the Kansas Department of Agriculture (KDA). The plant (processor or locker) that processes the cattle must be licensed with the State of Kansas as a custom facility or be state or federally inspected.

**Sales only in the state of Kansas**

*This pathway is for those who sell retail cuts of beef or beef shares (e.g., whole, half, or quarter) to Kansas consumers, retail stores, or food service facilities.*

Producers selling meat products to consumers in the state of Kansas are required to obtain a Meat and/or Poultry Wholesale License or a Food Safety License from the KDA. When the license to sell inspected products is issued, there is an agreement that retail locations will be inspected annually by the KDA or USDA. The Meat and/or Poultry Wholesale License allows producers to sell fully inspected products directly to consumers, as well as retail outlets such as grocery stores, restaurants, schools, and hotels. The Food Safety License is required for businesses selling any nonmeat products. Producers wishing to market meat in this way must have their cattle slaughtered and processed at facilities inspected by the KDA or USDA.

**Sales within Kansas and other states**

*This pathway is for those who sell retail cuts of beef or beef shares (e.g., whole, half, or quarter) to consumers, retail stores, or food service facilities in Kansas and other states.*

Producers wishing to sell meat products to consumers both in Kansas and in other states are required to obtain a Meat and/or Poultry Wholesale License from the KDA. This includes producers shipping meat products to other states, such as in a “subscription box” marketing format. Producers also may be required to obtain licenses from each state where they plan to sell their products. The producer should contact each state agency for more information. Out-of-state sales of meat products require the processing facility be inspected by the USDA.
<table>
<thead>
<tr>
<th>Business Pathway</th>
<th>Licensing Requirements for Beef Producers</th>
<th>Processing Facility Inspection Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Custom Exempt</td>
<td>The plant (processor or locker) that processes the cattle must be licensed with the State of Kansas as a custom facility or be state or federally inspected.</td>
<td>Must be KDA or USDA inspected</td>
</tr>
<tr>
<td>Sales only in Kansas</td>
<td>KDA Meat and/or Poultry Wholesale License</td>
<td>Must be KDA or USDA inspected</td>
</tr>
<tr>
<td>Sales within Kansas and in other states</td>
<td>KDA Meat and/or Poultry Wholesale License and licenses from each state where product is being sold</td>
<td>Must be USDA inspected</td>
</tr>
</tbody>
</table>

KDA Meat and Poultry Website:

agriculture.ks.gov/divisions-programs/meat-and-poultry-inspection/general-information

Katie Lybarger, Former Graduate Research Assistant, Kansas State University
Travis O’Quinn, Ph.D., Associate Professor, Kansas State University
Junhee Kwon, Ph.D., Department Head and Professor, University of Tennessee
Gregg Ibendahl, Ph.D., Associate Professor, Kansas State University
Yue Teng-Vaughan, Ph.D., Assistant Professor, Kansas State University

Brand names appearing in this publication are for product identification purposes only. No endorsement is intended, nor is criticism implied of similar products not mentioned.

Publications from Kansas State University are available at www.bookstore.ksre.ksu.edu.

Date shown is that of publication or last revision. Contents of this publication may be freely reproduced for educational purposes. All other rights reserved. In each case, credit Katie Lybarger et al., Legal Requirements for Business-to-Consumer (B2c) Beef Sales, Kansas State University, April 2023.

Kansas State University Agricultural Experiment Station and Cooperative Extension Service

K-State Research and Extension is an equal opportunity provider and employer. Issued in furtherance of Cooperative Extension Work, Acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture, Director of K-State Research and Extension, Kansas State University, County Extension Councils, Extension Districts.

MF3620  April 2023